



TAX MONITORING F R A M E W O R K

For a Progressive Domestic
Resource Mobilization

NOVEMBER 2025

A TAX MONITORING FRAMEWORK FOR PROGRESSIVE DOMESTIC RESOURCE MOBILIZATION

Overall Purpose: This Framework operationalizes the principles of the Model Taxpayer Charter by establishing clear, measurable indicators to assess systemic change, ensuring that tax administration adheres to standards of fairness, integrity, and efficiency.

Key Monitoring Focus Areas:

Tracking reforms designed to counter the widespread perception that wealthy individuals and large companies do not pay their fair share.



01 POLICY PROGRESSIVITY

ADMINISTRATIVE TRANSPARENCY

02



Measuring success in mitigating the pervasive transparency failure in public spending

Monitoring the efficacy of strengthening the service-tax nexus to shift compliance away from the conditional model



03 VOLUNTARY COMPLIANCE

1.0. GOALS AND OBJECTIVES OF THE FRAMEWORK

MONITORING AREA	THE CORE POLICY PROBLEM (WHY WE MONITOR)	THE MONITORING GOAL (WHAT WE AIM TO ACHIEVE)
I. Equity and Progressive Taxation	<p>The tax system is widely perceived as systematically unfair and inequitable. Nearly half (45.3%) of respondents believe salaried workers bear the greatest tax burden, while 64% believe wealthy individuals and large companies do not pay their fair share.</p>	<p>To institutionalize Fairness and Equity by driving progressive, gender-responsive, and socially just tax policies, ensuring high-net-worth sectors are taxed proportionally more.</p>
II. Transparency and Trust	<p>There is widespread transparency failure, with about 68% viewing government spending as "Not Transparent" or "Completely Not Transparent". Additionally, weak feedback loops fuel dissent (43 respondents received no feedback on submissions).</p>	<p>To enhance accountability by enforcing mandatory, documented feedback on submissions made during public consultations, thereby improving trust and alignment with Charter Rights.</p>

III. Voluntary Compliance & Efficiency	<p>Tax compliance in Kenya is frequently conditional (48.6% feel avoiding taxes is understandable when the government does not provide good services). Structural barriers, notably low or unstable income (cited by 706 respondents), hinder informal sector inclusion.</p>	<p>To increase the quality and efficacy of willing compliance by strengthening the service-tax nexus, minimizing compliance costs (Right V), and developing flexible regimes to integrate the informal sector.</p>
IV. Charter Utilization and Advocacy	<p>Public engagement with fiscal policy is low (62.4% had never engaged with Finance Bills), requiring active utilization of the Charter by citizens and CSOs to drive policy change.</p>	<p>To ensure Accountability Stakeholders (duty bearers, citizens, and CSOs) utilize the Taxpayer Charter as a framework for policy change, leading to improved civic engagement and redress on taxpayer issues.</p>

2.0. MONITORING MATRIX: PRINCIPLES AND RIGHTS (KRA ACCOUNTABILITY)

This section monitors the fulfillment of the Taxpayer Rights and Core Taxation Principles, holding the Kenya Revenue Authority (KRA) accountable for administrative performance.

CHARTER PROVISION/PRINCIPLE	KEY INDICATOR(S)	DATA SOURCE/MONITORING TOOL (NTA ROLE)
P1. Equity and Fairness (Right I: Integrity and Equality)	<p>I.1.1. Policy Equity Enforcement:</p> <p>Annual report published by KRA detailing progress on auditing and collecting tax revenue specifically from large corporations and wealthy individuals. Target: Reduction of the 64% perception that the wealthy do not pay their fair share.</p>	NTA research and advocacy monitoring; KRA annual reports; analysis of Illicit Financial Flows (IFFs) prosecution data.
P2. Transparency and Accountability (Right X: Accountability and Feedback)	<p>I.2.1. Feedback Loop Success Rate:</p> <p>Percentage of public consultation submissions (e.g., Finance Bill submissions) that receive mandatory, documented feedback, mitigating the "weak feedback loops" problem. Target: Increase feedback success rate from near-zero (only 17 confirmed receiving feedback).</p>	NTA tracking of policy consultations; monitoring of legislative compliance with mandatory feedback mechanisms. Resolution time adherence for complex queries (45 days).

Right IV: Information and Appropriate Assistance	I.2.2. Clarity and Accessibility: Reduction in the percentage of citizens who find tax information difficult to understand. Baseline: 42% difficulty.	NTA follow-up surveys, tracking change in citizen perception. Monitoring KRA communication overhaul utilizing high-preference channels (local radio, community barazas).
Right V: Efficiency and Minimization of Compliance Costs	I.2.3. Service Timeliness Adherence: KRA's documented adherence rate to its stated service delivery Charter timelines. E.g., responding to simple non-technical telephone queries within 20 seconds, and emails within 24 hours (including holding response).	KRA internal monitoring reports (sought by NTA); NTA service monitoring mystery shopper exercises.
Right IX: Appeal and Dispute Resolution	I.2.4. Dispute Resolution Efficiency: Change in average time required to resolve disputes via the Tax Appeal Tribunal (TAT) or Alternative Dispute Resolution (ADR).	Judicial Service Commission; NTA case tracking.

3.0. MONITORING MATRIX: OBLIGATIONS AND COMPLIANCE (CITIZEN ACTION)

This section monitors the impact of the Charter and related NTA/KRA efforts on citizen behavior, trust, and willingness to comply with defined Taxpayer Obligations.

CHARTER OBLIGATION/DRM ISSUE	KEY INDICATOR(S)	DATA SOURCE/ MONITORING TOOL (NTA ROLE)
O.I. Voluntary Compliance Efficiency/ Effectiveness	<p>I.3.1. Compliance Morale Shift: Change in the percentage of respondents who agree that Paying tax is a civic duty regardless of poor services. Baseline: 48.6% conditional compliance.</p>	NTA follow-up perception surveys, measuring citizen attitudes and integrity.
O.II. Informal Sector Inclusion	<p>I.3.2. Informal Sector Integration: Rate of adoption and success of simplified presumptive tax regimes tailored for informal workers, focusing on minimizing complexity and accommodating low/unstable income (cited by 706 respondents as main barrier).</p>	KRA data on new registrations/return filing from the informal sector; NTA policy effectiveness reviews.

O.III. Record Maintenance	I.3.3. Tax Record Compliance: Measured rate of formal sector and SME compliance with the obligation to maintain proper, sufficient, and updated records (O.III).	KRA audit statistics (if published); NTA monitoring of KRA enforcement efforts.
O.IV. Accuracy of Returns/Entries	I.3.4. Tax Gap Reduction: Change in the estimated tax gap linked to incorrect returns/entries (aiming to reduce fraud/gross negligence noted as a penalty risk).	National Treasury/ KRA fiscal reports; benchmarking against regional tax administration efforts

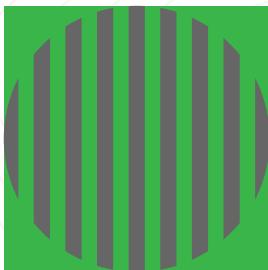
4.0. MONITORING MATRIX: ACCOUNTABILITY STAKEHOLDERS (ADVOCACY AND UTILIZATION)

This section monitors how well accountability stakeholders use the Charter as a valid and homogeneous starting point for tax justice advocacy.

Intervention Focus	Key Indicator(s) (Utilization & Impact)	Data Source/ Monitoring Tool (NTA Role)
Advocacy Utilization	<p>I.4.2. Policy Wins:</p> <p>Number of documented policy changes (e.g., Finance Bill amendments, KRA procedural shifts) achieved directly using the Charter's articulated Rights and Principles as a formal lobbying tool.</p>	NTA policy documents; legislative records; tracking public statements by KRA/Treasury.
Institutional Buy-in	<p>I.4.3. Institutional Endorsement:</p> <p>Formal adoption of the Taxpayer Charter or specific provisions (e.g., Right to Accountability and Feedback) into the KRA Citizens' Service Delivery Charter or other relevant legislative documents.</p>	KRA policy publications; monitoring changes in KRA's internal mandates.
Capacity Building	<p>I.4.4. Stakeholder Capacity:</p> <p>Increase in the capacity of CSOs and citizen groups to use technical DRM/fiscal justice arguments. Baseline: 62.4% never engaged with Finance Bill content.</p>	NTA training attendance/post-training evaluations; measuring complexity/quality of citizen submissions in public participation forums.



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