This study focused on the effectiveness of tax mitigation strategies on tax savings by manufacturing firms in Thika Kenya. It tried to reveal how effective the tax mitigation strategies available to manufacturing firms in Kenya are. This is due to the fact that manufacturing firms in Kenya have consistently claimed that the taxes are very high and have been discouraging, to an extent that some have relocated to other countries. This posed a question as to the effectiveness and adequacy of these tax mitigation avenues in creating tax savings. The findings of this study will be beneficial to the executives of the manufacturing firms and the general business community in Kenya. Their accountants may find or confirm the various strategies that they may use to help their firms minimize on the tax burden.

Tax consultants may also gain the confidence to use these findings in providing professional advice to businesses on how they can save from the tax burden arising from the tax mitigation strategies that will be made explicit. The government's agencies concerned may also learn about the various weaknesses in the Income Tax Act and therefore advocate for further legislations to address the problems of the manufacturers discovered. This research was conducted through collection of both primary and secondary data from the targeted organizations. Questionnaires were developed and given to firms' finance managers and completed. The population constituted all registered firms as per Thika municipal council's records of 2010. Since the registered firms in Thika town are few, a census was carried out. A descriptive research design was adopted.

The data collected was analyzed using a statistical tool, Statistical Package for the Social Sciences (SPSS), interpreted, presented and conclusions and the necessary recommendations made. It was found that claiming capital allowance was not only the most effective strategy for mitigating tax, but also the most widely known amongst the finance officers. The others; tax education; use of debt in the capital structure and intelligent sourcing of raw materials were found to be ineffective in creating tax savings. In the case of tax education, the respondents cited lack of proper training and on debt most firms were found to be risk averse and did not prefer holding huge debts in their capital structure and again most didn't have sufficient collateral to acquire adequate funding from financial institutions.

In the case of intelligent sourcing most firms cited the lengthy procedures involved as the reason for its ineffectiveness in creating tax savings. Therefore the strategies that are laid down by the government in the ITA for creating tax savings were found to be ineffective and consequently contributing very little tax savings, and thus the manufacturers claims that the tax regime is oppressive was valid and requires the government to address it.