

Personal Income Tax Guidelines

2026 Edition

24 February 2026
Joint Revenue Board of Nigeria

Contents

PART I – Preliminary

1. Interpretation

PART II – Tax Identification (Tax ID)

2. Obligation to Register and Obtain Tax ID
3. Use of Tax ID
4. Notification of Change in Particulars

PART III – Operation of Pay-As-You-Earn (PAYE) Tax

5. Registration of Employer
6. Deduction and Remittance of Tax
7. Record of Deductions
8. Eligible Deductions (Reliefs)
9. Rent Relief
10. Benefits-in-Kind (BIK)

PART V – Filing of Returns and Payments

11. Income Tax Returns for Individuals
12. Employer's PAYE Returns and Payment
13. Non-periodic Payments
14. Payments to Non-Employees
15. Compensation for Loss of Employment

PART VI – Non-Employment Income

16. Chargeable Gains (CGT)
17. Income from Digital and Virtual Assets
18. Direct Assessment and HNIs
19. Honorarium
20. Directors' Fees
21. Income of Content Creators and Influencers

PART VII – Tax Clearance Certificate (TCC)

22. Issuance of TCC
23. Request for TCC
24. Refusal to Issue TCC

PART VIII – Administration

25. Administration of Personal Income Tax

26. Offences and Penalties

Appendices

- Appendix 1 – Income Tax Computation Format
- Appendix 2 – Individual Annual Tax Return Form

Made Pursuant to Sections 1 and 5(f) of the Joint Revenue Board (Establishment) Act, 2025; Sections 6(2), 15, 35, 51(6)(7)(9), 52, 85 and 144(4) of the Nigeria Tax Administration Act, 2025; Chapter Two of the Nigeria Tax Act, 2025; and Regulation 11(2) of the Deduction of Tax at Source (Withholding) Regulations, 2024.

PART I – PRELIMINARY

1. Interpretation

In these Guidelines, unless the context otherwise requires –

“Act” means the Joint Revenue Board (Establishment) Act, 2025; the Nigeria Tax Administration Act, 2025; the Nigeria Tax Act, 2025; and the Deduction of Tax at Source (Withholding) Regulations, 2024.

“Eligible deductions” means statutory contributions and other deductible expenses as prescribed under the Act.

“Emolument” means remunerations including all allowances, salaries, wages, perquisites, bonuses, and other forms of compensation.

“Reliefs” means the appropriate amount of an individual's emoluments which under the provisions of the Act are not chargeable to tax.

“Relevant Tax Authority (RTA)” means the Nigeria Revenue Service, the Internal Revenue Service of a State, or the FCT Internal Revenue Service.

“Taxable emoluments” means emoluments reduced by reliefs and eligible deductions.

“Tax ID” means the Taxpayer Identification issued by the relevant tax authority.

PART II – TAX IDENTIFICATION (TAX ID)

2. Obligation to Register and Obtain Tax ID

2.1. Every taxable person, whether or not liable to pay tax, shall register with the relevant tax authority and obtain a Taxpayer Identification (Tax ID) for the purpose of compliance with tax obligations.

2.2. A non-resident person that supplies taxable goods or services to, or derives income from Nigeria, shall also register for tax purposes and obtain a Tax ID.

2.3. The relevant tax authority shall, upon receiving a request, or where it considers a person as taxable, register and issue a Tax ID to the taxable person.

3. Use of Tax ID

A Tax ID shall be:

3.1. Stated on a return, notice, correspondence, or documents submitted for the purposes of tax compliance.

3.2. Stated on a document prepared, produced, issued, or submitted in respect of a transaction.

3.3. A condition for entering into a contract with any federal or state ministry, department or agency, and local government.

3.4. A person engaged in banking, insurance, stock-broking, or other financial services in Nigeria shall ensure that every taxable person provides a Tax ID.

4. Notification of Change in Particulars

Every taxable person shall, within **30 days** of the occurrence of a change in its particulars, notify the relevant tax authority of the change, including name, location of business, or registered address.

PART III – OPERATION OF PAY-AS-YOU-EARN (PAYE) TAX

5. Registration of Employer

An employer shall register with the relevant tax authority for the purposes of deducting income tax from employees with or without formal notification or direction by the relevant tax authority.

6. Deduction and Remittance of Tax

6.1. The employer shall deduct tax from emoluments of employees and remit it to the relevant tax authority at the nearest tax office or to any bank prescribed by the relevant tax authority within **ten days** of the end of every month.

6.2. Where an employee works under the supervision or management of a person who is not the employer (the “manager”), the manager shall deduct the tax due from the employee’s emolument and remit it to the relevant tax authority.

6.3. An employer who fails to deduct taxes or to account for deductions made shall be liable to administrative penalty and interest on the sums not paid as at when due.

6.4. Proceedings may be brought against an employer or manager for the recovery of all arrears of taxes outstanding against their employees.

7. Record of Deductions

An employer shall record, either on the tax deduction form or in such other manner as may be prescribed by the relevant tax authority, the following particulars regarding emoluments of employees:

7.1. The month of payment.

7.2. The amount of emolument.

- 7.3. The contribution by the employee to an approved pension fund, national housing fund, national health insurance scheme, mortgage interest for owner-occupied buildings, and life insurance premium.
- 7.4. Rent relief with appropriate information or evidence of payment by eligible employees.
- 7.5. Year-to-date cumulative gross emoluments, cumulative reliefs and eligible deductions, and cumulative taxable emoluments in relation to each employee.
- 7.6. The corresponding cumulative tax.
- 7.7. The tax, if any, deducted or repaid on making the payment.

8. Eligible Deductions (Reliefs)

To calculate chargeable income, the following eligible contributions and deductions apply subject to appropriate documentary evidence:

- 8.1. **National Housing Fund:** Limited to the actual amount contributed to the Fund.
- 8.2. **National Health Insurance Scheme:** Limited to the actual amount deducted and remitted.
- 8.3. **Pension Reform Act:** Limited to the actual amount deducted and remitted to an approved Pension Fund Administrator.
- 8.4. **Interest on loans for owner-occupied residential house:** Only the interest component for construction, purchase, or development of the employee's principal residence qualifies. The property must be owner-occupied or intended to be while being developed, not for commercial/rental use. Principal sum does not qualify.
- 8.5. **Annual annuity or premium for life insurance** on the employee or spouse, or deferred annuity contract. This is limited to the amount actually paid in the preceding year of assessment.

9. Rent Relief

- 9.1. An individual can claim a Rent Relief at the rate of **20%** of annual rent paid subject to a maximum of **N500,000**.
- 9.2. To be eligible, the actual rent paid and other prescribed information must be accurately declared to the relevant tax authority.
- 9.3. In the case of a shared tenancy, each tenant shall be eligible to the rent relief up to N500,000 with respect to the portion of the rent incurred.
- 9.4. The relief is applicable on an actual year basis. That is, rent paid in the year 2026 is available for relief for the 2026 year of assessment.
- 9.5. If rental payments span multiple calendar years, the eligible rent for relief must be pro-rated to cover only the portion attributable to the relevant year, regardless of the payment cycle.
- 9.6. To be eligible for the relief, an individual shall provide the minimum information specified below:
 - i) Legal tenant's name.
 - ii) Actual rent paid and period covered.

- iii) Landlord details (Full name and one of: mobile number, Tax ID, or NIN).
- iv) Property address.

Illustration

If an individual pays rent of N2,000,000 covering January 2026 to December 2027 (24 months), the actual rent attributable to the 2026 year of assessment (January to December 2026) is determined as follows:

Description	Amount (N)
Total Rent Paid	2,000,000
Period Covered (Months)	24
Rent Attributable to 2026 YOA	1,000,000
Rent Relief for 2026 (20%)	200,000

10. Benefits-in-Kind (BIK)

10.1. Benefits-in-Kind refers to any non-cash benefits, facilities, or perquisites provided by an employer to an employee by reason of employment, in addition to or in place of monetary remuneration, from which the employee derives personal or economic benefit.

10.2. Guidelines for valuing BIK:

- i) **Employer-owned Asset Used by Employee:** The annual benefit is 5% of the asset's cost or market value at acquisition.
- ii) **Rented/Hired Asset Used by Employee:** The annual benefit equals the annual rent or hire paid by the employer.
- iii) **Employer-provided Accommodation in Nigeria:** If the employee pays no rent or less than the annual rental value, the additional emolument is the annual rental value, capped at 20% of annual gross income (excluding the rental value).

10.3. Exemptions (not considered BIK):

- i) Employer-provided meals in a general staff canteen or meal vouchers.
- ii) Employer-provided uniform, protective clothing, work tools, or equipment.
- iii) Employer-paid expenses for an employee's change of residence due to a change in employment or work location.

PART V — FILING OF RETURNS AND PAYMENTS

11. Income Tax Returns for Individuals

11.1. Every taxable person, whether or not liable to pay tax, shall file an annual return of income, in the prescribed form, with the relevant tax authority without notice or demand not later than **31 March** of the relevant year of assessment in respect of the preceding basis period.

11.2. The return shall disclose the amount of income from every source (including employment income) for the year preceding the year of assessment, computed in accordance with the Nigeria Tax Act, 2025.

11.3. In the case of income earned from trade, business, profession or vocation, an audited financial statement or a statement of accounts attested to by the taxpayer must be submitted.

11.4. The Individual Self-Assessment Return Form in **Appendix 2** may be used for filing across all tax jurisdictions except otherwise prescribed by the relevant tax authority.

12. Employer's PAYE Returns and Payment

12.1. An employer shall file a return with the relevant tax authority for all emoluments paid to its employees, not later than **31 January** of each year in respect of all employees in its employment in the preceding year.

12.2. Pay-As-You-Earn amount deducted at source shall be remitted to the relevant tax authority not later than the **10th day** of the month following the deduction.

12.3. Any other income tax shall be paid by the due date specified in the notice of assessment, or by the due date as specified in the Act.

13. Non-periodic Payments

13.1. An employer who makes a payment to an employee that is not part of the regular monthly emoluments (non-periodic payment), such as payments to temporary employees, bonus, severance pay, overtime or commission, shall deduct the applicable PAYE tax.

13.2. The tax deducted from a non-periodic payment shall be remitted to the relevant tax authority along with PAYE tax on periodic payments or WHT as applicable.

14. Payments to Non-Employees

14.1. Any person who makes a payment on which tax is deductible at source to a non-employee (including contractors, consultants, and suppliers of goods or services) shall deduct and remit withholding tax at the prescribed rate.

14.2. The deduction and remittance of the withholding tax shall be filed and paid to the relevant tax authority not later than the **last day of the month** following the month of deduction, in line with the Deduction of Tax at Source (Withholding) Regulations, 2024.

15. Compensation for Loss of Employment

15.1. Compensation paid for the loss of employment is exempt from tax up to a maximum of **N50 million**. Any amount exceeding this threshold is taxable and subject to the individual's applicable tax bands and rates.

15.2. The employer is required to deduct a withholding tax (WHT) of **10%** at source from the taxable portion (the amount above N50 million) and remit to the relevant tax authority along with PAYE remittances.

Example Calculation

Mr. Ben Musa earned an annual salary of N12 million in 2026. Following a staff rationalisation at Better Days Limited (his employer), he received a severance package of N75 million.

Exempt Compensation: N50,000,000

Taxable Compensation: N75,000,000 - N50,000,000 = N25,000,000

Employer's Deduction (Better Days Ltd):

- PAYE Tax: Normal PAYE deducted from the N12 million annual salary.
- WHT on Severance: N2,500,000 (10% of N25 million taxable compensation).

Mr. Ben Musa's Final Obligation:

He remains responsible for the balance of tax on total taxable income (N12m salary + N25m taxable compensation = N37m). Final tax is calculated using applicable bands and rates, with credit for PAYE and WHT already remitted. (Refer to Appendix 1 for the full schedule.)

PART VI – NON-EMPLOYMENT INCOME

16. Chargeable Gains (CGT)

16.1. Income, profits, or gains arising from the disposal of shares or property may be accounted for by way of deduction at source under section 51 of the Nigeria Tax Act, 2025 and the Deduction of Tax at Source (Withholding) Regulations, 2024.

16.2. Principal private residences, personal chattels, and disposal of shares not exceeding proceeds of N150m and gains of N10m are exempt.

17. Income from Digital and Virtual Assets

17.1. Income, profits, or gains arising from transactions in digital assets and virtual transactions are chargeable to tax in accordance with Section 4(1)(j) of the Nigeria Tax Act, 2025.

17.2. Persons who, through the provision of technology or a digital platform, facilitate or engage in digital or virtual transactions shall comply with the registration, return filing, and deduction at source requirements as may be prescribed by the relevant tax authority.

17.3. A taxable person engaged in services related to the exchange, custody or management of virtual assets as a Virtual Asset Service Provider (VASP) shall submit to the relevant tax authority, information containing:

- i) A description of the virtual asset service provided during the month;
- ii) The date of the transaction;
- iii) The type and value of the virtual assets involved;
- iv) The sales value of the virtual assets;
- v) The name, address, telephone number, email address and Tax ID of the customer including NIN if an individual;
- vi) The name, address, telephone number and email address of any counterparty involved;
- vii) Such other particulars as may be prescribed by the relevant tax authority.

17.4. The relevant tax authority may at any time, with or without a notice, request a VASP to submit further information in a prescribed form, by a specified date.

18. Direct Assessment and High Net Worth Individuals (HNIs)

18.1. The relevant tax authority may designate individuals earning annual income above a specified threshold and meeting prescribed conditions as High-Net-Worth Individuals for the purpose of Direct Tax Assessment.

19. Honorarium

19.1. Any honorarium, fees, or similar payments, not being salary or wages, are chargeable to tax in the hands of the recipient under the provisions of the Nigeria Tax Act, 2025.

20. Directors' Fees

20.1. Withholding tax shall be applied to directors' fees while honorarium shall be disclosed by the recipient for personal income tax purposes as part of annual tax returns.

21. Income of Content Creators and Influencers

21.1. Income earned by content creators, social media influencers, and other similar digital income earners, whether from within or outside Nigeria, from their trade, business, profession, or vocation, is chargeable to tax.

21.2. The income shall be computed as gains or profits from a trade or business and shall include earnings from subscriptions, advertisements, brand endorsements, platform revenue sharing, digital rewards, and all forms of compensation, whether in money or money's worth.

21.3. Persons making payments to content creators, influencers, or their agents shall comply with all applicable withholding tax, reporting and remittance obligations.

PART VII – TAX CLEARANCE CERTIFICATE (TCC)

22. Issuance of Tax Clearance Certificate

22.1. The relevant tax authority may issue a Tax Clearance Certificate (TCC) to any taxable person upon being satisfied that the person has discharged their tax liability for the **three preceding years** of assessment.

22.2. The TCC shall cover all taxes due and payable to the relevant tax authority.

22.3. A taxpayer shall be eligible to a TCC notwithstanding that no tax has been paid provided the taxpayer is exempted from tax or falls within the maximum threshold of zero tax.

23. Request for TCC

23.1. A request for a TCC shall be made on the prescribed form and be accompanied by:

- i) The tax assessment for the three years immediately preceding the current year of assessment.
- ii) Evidence of payment of all taxes due (where applicable).

24. Refusal to Issue TCC

24.1. Where the relevant tax authority refuses to issue a TCC, it shall issue a letter of refusal stating the reasons within **two weeks** of receiving the request.

PART VIII — ADMINISTRATION

25. Administration of Personal Income Tax

The relevant tax authority in a State or the Federal Capital Territory (FCT) shall be responsible for the administration of personal income tax of individuals (including PAYE of employees) resident in the State or FCT with the exception of the categories of non-residents, diplomats and members of the armed forces administered by the Nigeria Revenue Service.

26. Offences and Penalties

Offence	Penalty
Failure to Register	N50,000 initial penalty, plus N25,000 for each subsequent month of non-compliance.
Failure to File or filing incomplete/inaccurate returns	N100,000 initial penalty, plus N50,000 for each subsequent month of non-compliance.
Failure to Deduct Tax	40% administrative penalty on the amount not deducted.

<p>Failure to Remit Tax Deducted at Source</p>	<p>Liable for the unremitted amount, a 10% p.a. administrative penalty on the unremitted tax, and interest at the CBN monetary policy rate.</p>
<p>Offences by body corporate</p>	<p>Every director, manager, secretary, or officer concerned in the management shall be severally liable for the commission of the offence.</p>

APPENDIX 1

Format for Computing Income Tax of an Individual

Description	Amount
Total Annual Employment Income	XX
Less: Eligible Deductions	
National Health Insurance Scheme (if applicable)	X
National Housing Fund (if applicable)	X
Pension	X
Interest on Loan for Developing Owner Occupied House	X
Life Insurance Premium	X
Rent Relief (20% of annual rent paid, capped at N500,000)	X
Chargeable Income	X

Tax Bands and Rates

Tax Band	Rate	Tax (N)
First N800,000	0%	X
Next N2,200,000	15%	X
Next N9,000,000	18%	X
Next N13,000,000	21%	X
Next N25,000,000	23%	X
Above N50,000,000	25%	X
Annual Total Tax Payable		XX
Monthly Tax		XX

APPENDIX 2

Individual Annual Tax Return Form

[Name of State] Internal Revenue Service

~~This form is issued pursuant to Section 13 of the Nigeria Tax Administration Act 2025 (NTAA) and is to be completed by taxable individuals for the relevant Year of Assessment (YOA).~~

PART A: Taxpayer Identification Details

1. Full Name (Surname First): _____
2. Taxpayer Identification (Tax ID): _____
3. Residential Address: _____
4. City/Town: _____ State: _____
5. Phone Number: _____ Email: _____
6. Employment Status: Employed Self-Employed Unemployed Retired

PART B: General Information

1. Year of Assessment (YOA): _____
2. Date of Filing: ____ / ____ / _____
3. Mode of Filing: Self Agent
4. Tax Office / Tax Station: _____

PART C: Employment and Income Details

C1. Employment Information (if applicable)

1. Employer's Name: _____
2. Employer's Address: _____
3. Nature of Employment: _____

C2. Self-Employment Information (if applicable)

1. Business/Trade Name: _____
2. Business/Trade Address: _____
3. Nature of Business/Trade: _____

C3. Income Sources (Tick as applicable)

Employment Income Business/Trade/Profession Rental Income
 Interest Income Dividend Income Digital/Virtual Assets Income
 Other Income (Specify): _____

PART D: Statement of Income (Annual)

Description	Amount (N)
-------------	------------

Gross Employment Income (Salary, Allowances, BIK etc.)	-----
Net Income from Business/Professional (Schedule X)	-----
Rental Income (Schedule Y)	-----
Income from investing activities (dividends, interest, royalty etc.)	-----
Capital gains from disposal of chargeable assets (Schedule M)	-----
Profits or income from any other source (Schedule Q)	-----
Taxable Income	-----

PART E: Allowable Deductions and Reliefs

Description	Amount (N)
Pension Contribution	-----
National Housing Fund (NHF) Contribution	-----
National Health Insurance Scheme (NHIS) Contribution	-----
Life Assurance Premium (Self and/or Spouse)	-----
Interest on Loans for Developing Owner-Occupied Residential House	-----
Rent Relief	-----
Total Eligible Deductions	-----

PART F: Chargeable Income Computation

Description	Amount (N)
Taxable Income (From Part D)	-----
Less: Total Deductions (From Part E1)	-----
Total Income	-----
Less: Total Eligible Deductions (From Part E2)	-----
Chargeable Income	-----

PART G: Tax Computation (NTA Rates)

Tax Band	Rate	Tax Due (N)
First N800,000	0%	-----
Next N2,200,000	15%	-----

Next N9,000,000	18%	-----
Next N13,000,000	21%	-----
Next N25,000,000	23%	-----
Above N50,000,000	25%	-----
Total Personal Income Tax Due		-----

PART H: Tax Credits

Description	Amount (N)
PAYE Deducted (if any)	-----
Withholding Tax Credit (provide evidence)	-----
Others	-----
Total Tax Credits	-----

PART I: Net Tax Position

Description	Amount (N)
Total Tax Due (Part G)	-----
Less: Total Tax Credits (Part H)	-----
Tax Payable / (Refund Due)	-----

Tax Payable Refund Due

PART J: Declaration

I, _____, hereby declare that the information provided in this Return is true, correct, and complete to the best of my knowledge. I understand that any false declaration, misrepresentation or omission is an offence under the Nigeria Tax Administration Act 2025.

Taxpayer's Signature: _____ Date: ____ / ____ / ____

PART K: For Official Use Only

1. Return Reviewed By: _____
2. Assessment Reference No.: _____
3. Date of Assessment: ____ / ____ / _____

4. Amount Assessed (N): _____

5. Remarks: _____

Authorised Officer's Name & Signature: _____

Official Stamp & Date

Returns for Exempt Individuals (Employee)

[Name of State] Internal Revenue Service

1. Full Name (Surname First): _____
2. Do you earn more than minimum wage of N70,000: [Yes / No] (if yes, fill the standard form)
3. Address: _____
4. Taxpayer Identification (Tax ID): _____
5. Phone Number: _____
6. Year of Assessment (YOA): _____
7. Date of Filing: ____ / ____ / _____
8. Employer's Name: _____
9. Employer's Address: _____
10. Any other information: _____

Declaration

I, _____, hereby declare that the information provided in this Return is true, correct, and complete to the best of my knowledge. I understand that any false declaration, misrepresentation or omission is an offence under the Nigeria Tax Administration Act 2025.

Taxpayer's Signature: _____ Date: ____ / ____ / ____

For Official Use Only

1. Return Reviewed By: _____
 2. Assessment Reference No.: _____
 3. Remarks: _____
- Authorised Officer's Name & Signature: _____
- Official Stamp & Date

Returns for Exempt Individuals (Self-Employed)

[Name of State] Internal Revenue Service

1. Full Name (Surname First): _____
2. Does your business earn more than N12m turnover last year: [Yes / No] (if yes, fill the standard form)
3. Address: _____
4. Taxpayer Identification (Tax ID): _____
5. Phone Number: _____
6. Year of Assessment (YOA): _____
7. Date of Filing: ____ / ____ / _____
8. Employer's Name: _____
9. Employer's Address: _____
10. Any other information: _____

Declaration

I, _____, hereby declare that the information provided in this Return is true, correct, and complete to the best of my knowledge. I understand that any false declaration, misrepresentation or omission is an offence under the Nigeria Tax Administration Act 2025.

Taxpayer's Signature: _____ Date: ____ / ____ / ____

For Official Use Only

1. Return Reviewed By: _____
 2. Assessment Reference No.: _____
 3. Remarks: _____
- Authorised Officer's Name & Signature: _____
- Official Stamp & Date