



JOINT TAX BOARD
... creating a tax friendly environment

NEWSLETTER

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“LEVERAGING ON TECHNOLOGY SOLUTION FOR ENHANCING ADMINISTRATIVE OF INDIRECT TAXES”



146th Meeting of the Joint Tax Board

NEWS INSIDE



STATES URGED TO LEVERAGE TECHNOLOGY TO BOOST THEIR REVENUE PROFILE



OBASEKI SIGNS NEW LAW TO REGULATE LOTTERY, SPORTS BETTING



ONDO STATE GOVERNMENT COMMISSIONS ODIRS HEADQUARTERS

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ONE NATION ONE TAXPAYERS DATABASE ONE TAXPAYERS IDENTIFICATION NUMBER



NATIONAL TAXPAYER IDENTIFICATION NUMBER (TIN) REGISTRATION SYSTEM AND CONSOLIDATED NATIONAL TAXPAYERS DATABASE

JUST IN. That is how many times you are required to register for Tax Identification Number wherever you are in Nigeria. The days you are required to register with multiple tax authorities are over. This is the freedom the new National TIN Registration System offers ALL corporate and individual taxpayers in Nigeria.

The new National TIN Registration System assigns unique and nationally universal taxpayer identification number (TIN) to all taxpayers on the books of identity management agencies, freeing the taxpayer of the need to visit tax authorities' offices for registration and removing the need to be registered more than once.

The new National TIN Registration System obtains data from various sources, generates TIN and notifies YOU through a convenient, swift and secure system that enables YOU view, retrieve and update YOUR tax profile from the comfort of YOUR home or office and at any time of the day.

Benefits of the JTB National Taxpayer TIN Registration System.

- Enables taxpayers to initiate TIN registration from the comfort of their homes/offices via <https://tin.gov.ng>. It automatically generates TIN for taxpayers including corporate taxpayers newly registered with CAC.
- Enables payment of ANY tax type because it is integrated with relevant agencies.
- Provides for a downloadable TIN Mobile application (JTB APP) on Google Playstore and IOS, verifies TIN details and generates printable electronic TIN Certificate via the TIN Verification Portal via <https://tinverification.jtb.gov.ng>
- Taxpayers can locate the nearest tax office via the TIN mobile application functionality.
- Enables tax authorities to efficiently manage their taxpayer databases, exponentially grow tax base and Internally Generated Revenue (IGR).
- Provides various channels to access the National TIN Registration System, using web via <https://tin.jtb.gov.ng>, TIN Mobile application or USSD code.
- Enables taxpayers to easily access the system once connected to the internet from anywhere in the world.
- Taxpayers who have been registered before will still retain their TIN and do not need to register again.
- Provides online help desk service which is available 24/7.



**PAY YOUR TAX
TO ENABLE GOVERNMENT
PROVIDE SOCIAL AMENITIES**

Partner with FIRS for better service delivery

Signed:
Executive Chairman, FIRS





CONTENT

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GRAPHIC DESIGN
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1. President Buhari Directs Strict Compliance with Payment of Taxes by Foreign, Local Companies.
2. JTB Chairman Urge States to Leverage on Technology to Boost Their Revenue Profile.
3. Communiqué Issued at the end of the 146th JTB Meeting.
4. JTB Partners Office of the Accountant General Of The Federation To Review Variations In Paye Remittances.
5. JTB Management Team Pays familiarization visit to Kogi State Internal Revenue Service.
6. AKIRS Begins Implementation of full Autonomy.
7. Edo State Government Begins Enforcement of Gaming Law, Serves Notices on Online Gaming Operators.
8. Cross River State Designs Taxpayers' Service Charter.
9. IMF Advises FG to raise vat to 10% By 2022.
10. Maiden Edition of Anambra Revenue Journal Unveiled.
3. Highlights Of Finance Act 2020.
4. Borno IRS Goes Digital To Enhance Revenue Generation.
5. Edo IRS Boss, Board Members, Sensitize Traders On Tax Compliance.
6. IGR: Akwa Ibom Goes Tough On Tax Defaulters, Clamps Down On Banks For Under-remittances.
7. Ondo State Government Commissions The Headquarters Of Its Revenue Agency.
8. Ogun IRS Expands Tax Net To Border Communities.
9. North West Zone Tax Appeal Tribunal Resolves N12 Billion Tax Disputes.
10. Obaseki, Edo State Governor, Signs New Law To Regulate Lottery, Sports Betting.
11. Menace Of Illegal Revenue Collection: Anambra IRS Parades Suspects.
12. Naseni Tax Being 0.25% Of The Turnover of Commercial Companies And Firms Activated By The FG In 2021?.
13. Ondo State Internal Revenue Service Beefs Up Its Staff Strength With Over 400 Fresh Graduates.
14. Ondo State Internal Revenue Service Inaugurates Joint State Revenue Committee.
15. Firs Targeting N5.9trn Revenue In 2021-Nami.
16. Firs Hits 98% Of Target As It Collects N4.95 Trillion For 2020 Fiscal Year.
17. Imo IRS Charges New Employees On Transparency

PHOTO SPLASH

1. Governors, Finance Minister, call for tech revolution to boost Revenue Generation.
2. Joint Tax Board Begins Customised Inspectors Of Taxes Course With Delta State Internal Revenue Service



PRESIDENT BUHARI DIRECTS STRICT COMPLIANCE WITH PAYMENT OF TAXES BY FOREIGN, LOCAL COMPANIES



President Muhammadu Buhari has directed the Federal Inland Revenue Services (FIRS) and related government agencies to plug all revenue leakages by ensuring strict compliance of tax payments by foreign companies operating in Nigeria, urging deployment of more digital platforms and seamless connections. Speaking, virtually, at the First National Tax Dialogue held at the Conference Hall of the State House, the President ordered all government agencies to automate operations and ensure more synergy in advancing the interest of the

nation in revenue generation.

A release signed by the Special Adviser to the President on Media & Publicity, Femi Adesina quoted thus, "It is not enough that our citizens and local businesses pay their fair share of taxes. Equally, foreign businesses

must also not be allowed to continue to exploit our markets and economy without paying appropriate taxes.

Accordingly, the FIRS have my mandate to speedily put all measures in place to fully implement programmes to stamp out Base Erosion and Profit Shifting in all their ramifications and generally automate its

“No nation has ever made progress without having to pay for it or make the necessary sacrifice.”

“ the Inclusive Framework would have evolved into an acceptable multilateral solution that will comprehensively address the tax challenges of the digitalized economy by the middle of 2021 ”

tax processes.

“In line with this, I have directed all government agencies and business enterprises to grant FIRS access to their systems for seamless connection. FIRS must ensure that its deployment of technology for automation is done in line with international best practices. In particular, FIRS can borrow a leaf from other countries which have successfully automated their tax processes.”

The President said Nigeria will continue to work with the Inclusive Framework (on equal footing) to develop internationally acceptable rules for taxation of the digital economy, while hoping that “the Inclusive Framework would have evolved into an acceptable multilateral solution that will comprehensively address the tax challenges of the digitalized economy by the middle of 2021.”

President Buhari assured citizens that the government will continue to pursue its mandate of improving lives through investments in infrastructural projects like

railways, roads, electricity, healthcare and education, in spite of dwindling revenues and the challenge of coronavirus.

“Our government has continued to pursue all those projects despite massive decline in government revenues occasioned by a combination of factors among which is the COVID-19 pandemic.

“The devastating effect of COVID-19 on the health and economy of the world is evident across every strata of our society. It is obvious to every citizen of this country that our economy is not immune from the global economic downturn. As such, we have had to confront the conflicting situations of reflating the economy and at the same time raising revenue to meet our budgetary needs. It is within this context that the government undertook an expansive budgetary projection of over N13 trillion for 2021.”

The President said the government had “inevitably resorted to deficit budgeting

as a result of declining revenues for some years,” resulting to increase in Nigeria's debt profile.

“As we might expect, this has led to increase in Nigeria's debt profile which stood at about N32 trillion in September 2020. This funding gap created by the dwindling government revenue therefore underscores the importance of the national tax dialogue we are holding today.

“No nation has ever made progress without having to pay for it or make the necessary sacrifice.

I therefore call on all Nigerians to be alive to their tax obligations. This government is strategically restructuring the tax revenue mix in favour of indirect taxes in accordance with our national tax policy document. To this end, FIRS is mandated to do all that is required in order to efficiently collect tax revenue due from transactions carried out using local and foreign online platforms. The government has made relevant statutory amendment to tax laws in



cent growth rate in 2021, and 2 per cent growth in 2022.

Dr Adesina said taxes should be employed as instruments for promoting development by encouraging private sector companies to take up responsibilities in infrastructure, and attracting Foreign Direct Investments, admonishing that prolonged tax holidays could be counterproductive. He said youths should be incentivized to grow businesses with appropriate tax regimes, adding that Africa loses about 60

billion U S dollars annually from taxes.

Minister of Finance, Zainab Shamsuna Ahmed, said the government will improve its template for tax collection, especially in the face of dwindling revenues due to the coronavirus pandemic, describing 2021 as a year of recovery for the economy. The minister noted that emphasis on tax collection will be shifted from income to spending and all multinational corporations in the country will be required to fully comply with new directives.

The FIRS Chairman, Muhammad M. Nami, called for a new, comprehensive tax payment culture.

the Finance Act 2020."

While urging all citizens to play more active roles in nation building by paying their taxes, the President said "the administration is, however, not seeking to increase the tax burden upon the citizens but to plug the existing tax loopholes or leakages and to ensure even and equitable application of the tax laws."

According to him, "this was clearly demonstrated by the provisions in the Finance Act 2019 whereby government exempted small companies from tax and reduced the income tax rate for medium companies from 30% to 20%. In the Finance Act 2020 which I signed into law at the tail end of 2020, we went further to cushion the burden of tax on the low-

wage workers by exempting minimum wage from personal income tax."

President Buhari said necessary amendments had been made to the FIRS Establishment Act in the Finance Act 2020 in order to provide the legislative framework for the adoption of technology in tax administration.

"Every Nigerian must see tax payment in its proper context, which is, as a solemn and patriotic obligation that is necessary for building a better society."

In his keynote presentation, President of the African Development Bank (AfDB), Dr Akinwunmi Adesina, projected a rebound of the Nigerian economy from recession, with a 1.5 per

JTB CHAIRMAN URGE STATES TO LEVERAGE ON TECHNOLOGY TO BOOST THEIR REVENUE PROFILE



MUHAMMAD M. NAMI
CHAIRMAN, JTB

The Chairman, Joint Tax Board (JTB), Muhammed Mamman Nami, has urged States Internal Revenue Service to properly leverage technology for enhanced revenue generation in their States.

He made this admonition at the 146th Meeting of the JTB with the theme: "Leveraging Technology Solution for enhanced administration of indirect taxes." Nami, who doubles as the Executive Chairman of Federal Inland Revenue Service (FIRS), said that it is imperative to do so considering the significant role technology plays in all spheres of life.

He stressed that e-taxation will greatly help minimize errors and human manipulation, thereby reducing revenue leakages, limit tax evasion and significantly improve the fiscal position of state governments amidst the current economic challenges.

The Chairman pointed out that without technology, a lot of people are presently making money, unfortunately, from not remitting/paying appropriate taxes to governments.

He said the essence of the meeting was to, among other things, provide tax authorities in the country an avenue to brainstorm and come up with workable solutions towards mitigating challenges in the tax system. He called on relevant authorities to pay

attention to all legal means that would enhance their operations and assist them in meeting their mandates.

Nami added that technology will also assist the authorities in creating platforms that would ensure seamless exchange of information and data which are critical to the tax system and administration.

In her opening remarks, the Secretary, JTB, Nana- Aisha Obomeghie said the theme was carefully chosen to enable tax authorities discuss extensively on the global trend which if properly utilized would add value to the nation's tax system and administration. She said the JTB, as the umbrella body of tax authorities in Nigeria, would always strive towards creating a tax-friendly environment and technology is a means to achieve the envisaged success.

Mrs. Obomeghie said the quest of tax authorities to share information and data which are very vital in the system could hardly be achieved without technology hence tax authorities should leverage on the very important factor for the purpose of generating adequate funding for governments to execute viable projects for the citizenry.

In her presentation, Director of Change Management, FIRS, Ms. Chiaka Okoye, said deploying e-tax solutions by tax authorities at both Federal and State levels is the way to go if at all the authorities intend to achieve their mandates. She warned that unless technology was embraced to administer and remit taxes, fiscal positions of the States look bleak.

A cross section of members of the Board expressed optimism that with improved technology, leakages abounding in the tax system will greatly be minimized.



JOINT TAX BOARD

...creating a tax friendly environment

COMMUNIQUE ISSUED AT THE END OF THE 147TH MEETING OF THE JOINT TAX BOARD HELD ON 25TH MARCH 2021 AT HOTEL SEVENTEEN, KADUNA, KADUNA STATE

The theme of the meeting was **"Strategic Initiatives for Sustainable Revenue Generation: Prospects, Challenges and Next Steps"**.

The Board deliberated on various issues and adopted the following resolutions:

1. That it is imperative for States to codify and harmonise their taxes and levies to ease tax compliance, eradicate multiplicity of taxes, promote ease of doing business, and attract more investment opportunities, which will in turn boost revenue generation.
2. That the Joint Tax Board (JTB) develops a workplan with specific tasks, responsibilities, and timelines, for the implementation of the **"Data for Tax Initiative"** leveraging the use of technology and tax intelligence to counter tax evasion and aggressive tax avoidance by individuals, businesses, and public enterprises.
3. That the JTB engage with the Executive Governors of all the States to support the automation of the tax processes in their States, and to ensure that all State revenue authorities are integrated with the JTB database before the end of the second quarter of 2021.
4. That the JTB identifies all relevant data points, data owners and key stakeholders including government agencies, private sector organizations and other institutions for collaboration on the **"Data for Tax Initiative"** to link all key economic activities of individuals and businesses for tax administration.
5. That the envisaged database will provide reliable, easy to access information to determine the correctness of the information declared for tax purposes by all taxpayers. It is also expected to streamline various regulatory processes for businesses and individuals, leading to increased administrative efficiency and ease of doing business.
6. That proper implementation of the initiative is capable of expanding Nigeria's tax base to cover at least 90% of all eligible taxable persons, with the prospect of increasing the country's Tax to GDP ratio to about 20% over the next 5 years.
7. The JTB hereby invites all stakeholders to offer their support and collaboration for effective implementation of the initiative, given its potential to be a win-win outcome for taxpayers, the business community, government and the general public.

SIGNED:

Muhammad M. Nami
Chairman, Joint Tax Board

Obomeghie Nana-Aisha
Secretary, Joint Tax Board

JTB PARTNERS OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION TO REVIEW VARIATIONS IN PAYE REMITTANCES



In the quest to ensure synergy and efficiency in the nation's Tax System and administration, the Joint Tax Board is partnering with the office of the Accountant General of the Federation (OAGF) to resolve issues of variations in Pay-As-You-Earn (PAYE) remittances. To this end, the two agencies have agreed to establish a joint reconciliation team to reconcile variations observed in the monthly PAYE remittances.

This development was reached during a courtesy visit of the management of the Joint Tax Board (JTB), led by the Secretary Nana Aisha Obemeghie to the office of the Accountant General of the federation (OAGF).

Obemeghie Said the Board is deeply concern with the variation being observed and deem it necessary to reach out the

office of the AGF with a view to finding lasting solution to the issue.

While commenting the numerous supports of the OAGF to the JTB, The Secretary further urged the OAGF being an ally and member of the of the JTB to work out concrete modalities towards achieving a desired result.

In his response, the Accountant General of the Federation, Ahmed Idris noted that one of the effective way to address the concern raised by the Joint Tax Board is to set up a Joint reconciliation team comprising staff of the two agencies to work hand in hand towards reconciling variations observed in the monthly PAYE remittances.

Idris said the Joint team should sit monthly to resolve issues concerning non-remittances and variations observed in remittance of monthly Pay-As-You-Earn. "I recommend that all matters concerning non-remittances, figures not agreeing on month by month basis as far as deductions are concerned, can easily be addressed if we have a common joint reconciliation team that will be sitting monthly, made up of officers from the OAGF and the JTB. Let there be an established team that will be looking at these figures', he said.

The AGF, further stated: "... Variations in figures from time to time could be due to many legitimate reasons, adding such differences are always corrected through reconciliation of records. There are many legitimate reasons why variation arise from time to time, of these figures. That is why in accounting, reconciliation exercise is recognized so that figures are harmonized, and the cause of the variations are revealed", he concluded.



JTB MANAGEMENT TEAM PAYS FAMILIARIZATION VISIT TO KOGI STATE INTERNAL REVENUE SERVICE

The Acting Executive Chairman of Kogi State Internal Revenue Service, Yusufu Abubakar, recently hosted an august delegation of Management Team of the Joint Tax Board (JTB) in his office in Lokoja. In his welcome remarks, the Acting Chairman, along with his team, briefed the visiting JTB Management Team on the general overview of the operations of the Service, and solicited the support and guidance of the JTB to deliver on its mandate. He lauded the efforts of the JTB in ensuring that monies and revenues due to the states are indeed paid to them accordingly.

The leader of the team and Secretary of the JTB, Hajia Obomeghie Nana-Aisha, in her remarks, commended the leadership of the Service for the warm reception accorded the JTB delegation and noted that the

primary purpose of the visit was to congratulate the Acting Executive Chairman on his well-deserved appointment and to also acquaint him with the working relationship of the Board with all State Revenue bodies in Nigeria, including Kogi State Internal Revenue Service.

In their separate contributions, the Directors of Finance Administration and ICT emphasized the need for capacity building and automation to enable the state revenue service to enhance its operations.

Hajia Nana-Aisha Obomeghie enjoined the States, and particularly Kogi State, to avail themselves with the numerous programmes provided by the JTB for maximum efficiency, pointing out that the mandate of the JTB to create a tax-friendly environment in Nigeria can only be achieved when there is cooperation



AKIRS BEGINS IMPLEMENTATION OF FULL AUTONOMY

described the granting of full autonomy as a paradigm shift that will catalyze efficiency in internal revenue generation and administration in the State.

The Chief Internal Revenue Officer of the State said that in 2020, despite the challenges which stemmed from the COVID-19 pandemic and subsequent tax relief granted by the State Governor to cushion the adverse economic impact of the pandemic, the Board was still able to surpass its revised 2020 IGR target of ₦23bn by netting a total sum of above ₦29bn.

Mr. Okon thanked Akwa Ibom taxpayers for their cooperation and voluntary compliance while assuring them of greater value for taxpayer's money by Governor Udom Emmanuel's administration.

He further stated that the Board is grateful to the Akwa Ibom State House of Assembly, the MDAs and other stakeholders in the larger revenue family of the State for their contribution towards the improvement of the IGR of the State.

The Akwa Ibom State Governor, His Excellency, Mr. Udom Emmanuel, has approved the immediate implementation of the full autonomy granted Akwa Ibom State Internal Revenue Service (AKIRS) to enhance administrative effectiveness and further grow the State IGR.

This was made known by the Executive Chairman of Akwa Ibom State Internal Revenue Service, Mr. Okon Okon, during the 2021 Strategy Session of the Service.

The Executive Chairman said "full autonomy implies we have our own corporate governance structure independent of the civil service structure, employ enterprising spirit in our operations, determine our work force and employee's compensation scheme, all with a view to maximizing productivity.

According to the Executive Chairman, Governor Udom Emmanuel approved the take-off of the full autonomy effective January 1, 2021. He





EDO STATE GOVERNMENT BEGINS ENFORCEMENT OF GAMING LAW, SERVES NOTICES ON ONLINE GAMING OPERATORS

In a related development, the Edo Internal Revenue Service (IRS) has commenced the enforcement of the relevant provisions of the Edo State Gaming Law of 2020 with the engagement of key actors in the sector to ensure full compliance with the law in the State.

The Executive Chairman of EIRS, Igbinidu Inneh, in a chat with journalists in Benin City, said it was imperative for the State to enforce the law to protect the participating public, regulate gaming operators and ensure that their agents operate within the ambit of the law. In his words, "The service has

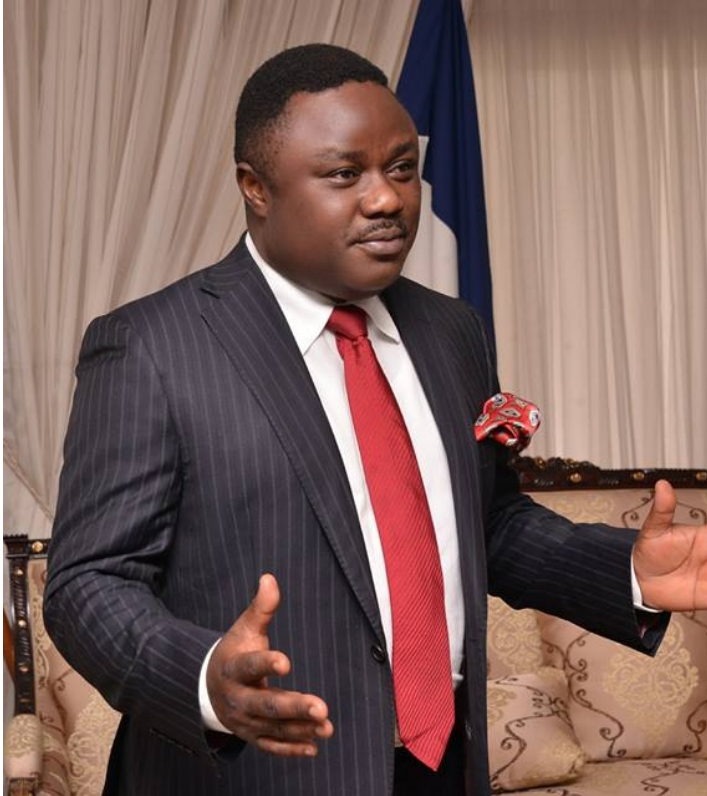
served notices on operators of online gaming with emphasis on the need for them to ensure that they ply their businesses within the provisions of the law and apply global best practices". The Edo State Government is determined to regulate the gaming industry, which is why Governor Godwin Obaseki signed the Bill into law.

He further noted that "The EIRS, in line with its mandate as conferred on it by the law, has commenced the process of ensuring that all operators in the gaming industry operate within the law. This is why we have written to these operators and their agents to ensure

that they comply with the guidelines and duly register with the EIRS."

He added that the State is taking the measure to ensure that all those who patronize lottos and online gaming operators in the state are assured that they are dealing with responsible companies that are duly recognized to avoid falling prey to unauthorized persons especially with the current level of illegal and unregulated cyber activities globally.

regulate gaming operators and ensure that their agents operate within the ambits of the law.



CROSS RIVER STATE DESIGNS TAXPAYERS' SERVICE CHARTER

The Nigeria Governors' Forum Helpdesk has in the last five years, provided technical support to the Cross River State Internal Revenue Service (CRIRS).

From 22nd to 26th July 2019, the NGF Help Desk team visited CRIRS to provide capacity building training to over 60 staff of the Service on taxpayer management, compliance risk management, strategic data management for tax administration, tax audit and investigation.

During the visit, the team dialogued with stakeholders including taxpayers on ways the state government could improve tax administration. This was supported by a desk review of the State's IGR data, economic statistics, tax policies, procedures, and

processes to identify improvement areas. A number of these outputs and outcomes emerged from this intervention by the NGF Secretariat, including the establishment of service standards (Taxpayer Service Charter) for taxpayers.

The CRIRS interfaced with a multiplicity of stakeholders and interested parties, including taxpayers, revenue collecting agents, revenue collecting MDAs, supervisory organs of Government at both Federal and State levels, etc. This interaction had helped the Service to appreciate the expectations and concerns of its stakeholders and

foster the required closer relationship. The provisions of the Service Charter were presented to and discussed with taxpayers and revenue collection agents before a final compilation was documented as the Cross-River State Taxpayer Service Charter.

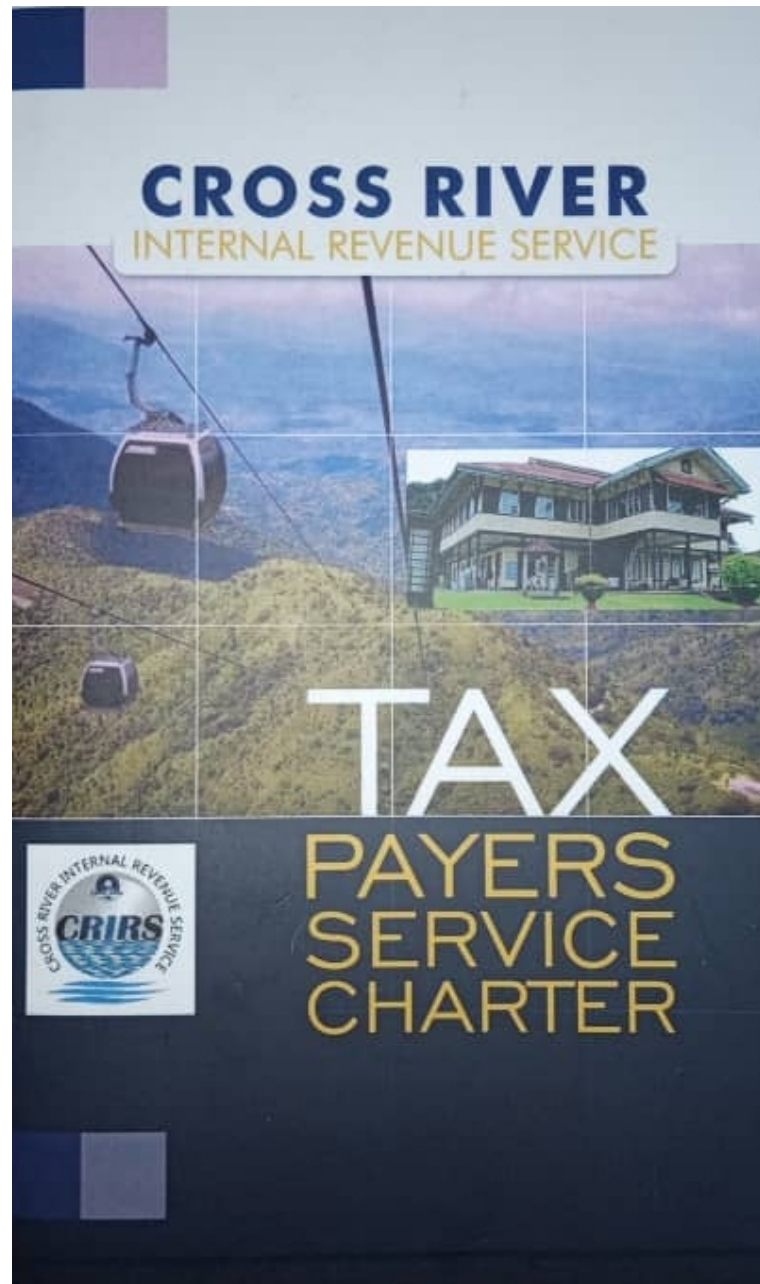
The Charter sets out the respective rights and obligations of taxpayers, on the one hand, and the CRIRS on the other. It also provides benchmark standards that the Service applies (and expects of taxpayers) for the management of taxpayer registration, filing of annual returns and other statutory documentation, assessments, payment, receipting, etc. processes.

It is expected that the document will further enhance voluntary tax compliance among taxpayers in Cross River State.

Other action points recommended by the NGF team have been substantially achieved. The following outputs are worthy of reporting:

- A Tax Audit Standard Operating Manual has been developed to guide the activities of the Tax Audit Department as well as serve as reference material for staff training on audit activities.
- A Process Manual for Ministerial Revenues (detailing Standard Operating Procedures for enumeration of revenue sources, assessment of enumerated revenue sources, billing/invoicing for revenue payments, payments/collections, reporting, records keeping & revenue accounting, compliance enforcement, quality management as well as monitoring and evaluation).

A key action point recommended by the NGF Team was the Review of MDA collaboration strategy



especially the effectiveness of revenue officers posted to ministerial departments as well as deploying of revenue officers trained on associated revenue type. This process manual alongside the step-down training component has been designed to address this action point.

The Service has also

established a Help Desk Unit. This Unit is saddled with the responsibility of attending to various taxpayers' concerns and inquiries, as a first point of contact to the Service. Emails, telephone numbers, and other enquiries via new media are attended to and escalated by this Unit.



IMF ADVISES FG TO RAISE VAT TO **10% BY 2022**

The International Monetary Fund (IMF) has advised the Federal Government to increase the rate of Value Added Tax (VAT) chargeable in the country to 10 per cent by 2022, from the current rate of 7.5 per cent, once economic recovery takes root in 2022. It has also recommended that VAT in the country should be increased to 15 per cent by 2025.

The IMF stated this in an article posted on its website, recently, titled: "Five Questions About Nigeria's Road to Recovery." It was authored by some staff of its African Department.

They noted that Nigeria has one of the lowest revenue levels as a share of GDP worldwide, stating that a large share of the country's revenue is spent on the country's public debt service payments, leaving insufficient fiscal space for critical social and infrastructure spending, and to cushion an economic downturn.

In this context, it noted that mobilizing revenues through efficiency-enhancing

and progressive measures ought to be a top near-term priority. "Revisiting tax exemptions and customs duty waivers, increasing and broadening the base for excise taxes, developing a high-integrity taxpayer register, enhancing digital infrastructure, and improving on-time filing and payment are important measures.

Once economic recovery takes root, Nigeria will need to increase the Value Added Tax rate to at least 10 percent by 2022 and 15 percent by 2025, the average in countries belonging to the Economic Community of West African States to create effective fiscal space," they stated.

VAT in the country should be increased to 15 per cent by 2025.

MAIDEN EDITION OF ANAMBRA REVENUE JOURNAL UNVEILED



The Anambra State Internal Revenue Service (AIRS) recently unveiled the maiden edition of the Anambra Revenue Journal. The event was held on Saturday, 12th December 2020 at Golden Tulip Hotels, Agulu in Anaocha Local Government Area. The unveiling featured awards recognition to some outstanding staff, departments and taxpayers.

The event was attended by the His Excellency, the Governor of Anambra State, Chief Willie Obiano, represented by his Deputy, Dr. Nkem Okeke, who officially unveiled the Journal. In his speech, the governor noted that "the State will be better if all the residents will be committed to tax payment" while commending the AIRS Executive Chairman, Dr. David Nzekwu, for his commitment which he observed has

redoubled the State Internally Generated Revenue.

While responding, the Executive Chairman of the Anambra Internal Revenue Service, Dr. David Nzekwu, commended a great number of Ndi Anambra who have remained consistent in their tax payment, disclosing that, initially, Anambra State Internally Generated Revenue (IGR) was about N8.7bn. He stated that the State IGR has grown to N26.7bn in year 2020 and expressed the hope that the subsequent years would record higher figures.

Highpoint of the event was the award recognition and presentation to some outstanding staff of the Service, and Departments who had been more productive and outstanding in their duties, and Taxpayers who had been complying with tax directives in addition to being consistent in filing their annual tax return.

The award for the Most Compliant Tax Agent went to International Breweries Plc, while Chief Sir Emeka Offor got the winner for the Most Outstanding Taxpayer in Anambra

State. Dr. Oseloka Obaze won the award of the Most Compliant Taxpayer Award. The Most Productive Consultant Award went to Mr. V. C Igbeka and Company while The Best Service Provider Award went to Interswitch.

The Most Productive Staff Award (Direct Assessment) went to Mrs. Christiana Ike, while the Most Productive Staff Award (Road Tax) was won by Mrs. Okolonji Chinelo of the Tax office, Fegge Onitsha. The Most Productive Staff Award (Support Services) was won by Mr. Ekemezie Anthony. Miss Genevieve Isineyi won the Most Productive Staff Award (Autonomous Department).

Also, in the keenly contested category of the Most Productive Department/Unit Award, the Taxpayer Education and Enlightenment Team unit won the award beating the competition from Stamp Duties, and Backduties/Withholding Tax Departments.

The Anambra Revenue Journal is a publication of the Taxpayer Education and Enlightenment Team of the Anambra State











FEDERAL MINISTRY
OF FINANCE

GOVERNORS, FINANCE MINISTER, CALLS FOR TECH REVOLUTION TO BOOST REVENUE GENERATION

The Nigeria Governors' Forum (NGF) and the Minister of Finance, Budget and National Planning have separately called for the deployment of technology in tax collection for improved internally generated revenue for States.

The Chairman of the NGF and Governor of Ekiti State, Dr. Kayode Fayemi, made the call while declaring open the 6th 'IGR National Peer Learning' meeting organized by the NGF in Abuja recently. He highlighted that the objective of the meeting was to deepen the drive for improved revenue generation at the state level through effective, efficient, fair and legal tax administration.

Fayemi observed that Covid-19, oil prices decline and social unrest, which echoed the demands of the #ENDSARS protests, have further worsened the country's economic and social conditions. In his words, "This has exacerbated the already

vulnerable fiscal environment for governments at both the national and sub-national levels, he stated. Other accompanying trends have included rise in inflation, degrading exchange rate and growing unemployment," he bemoaned. He noted the need to improve government revenue to adequately service planned expenditures could not be over-emphasized.

The NGF Chairman regretted that the 2020 half-year IGR performance reported a negative growth of 11.7 per cent for the 36 states and the FCT. He, however, noted that Ebonyi, Gombe and Yobe States recorded more

than 50 per cent in growth despite the overall decline.

He further stated, "At the state level, we are professionalizing our internal revenue services to be taxpayer-centric and responsive to the new normal of digitalizing tax administration. The world's trade and financial markets are going digital, and we must adapt or be left behind. We are not canvassing or proposing for new taxes to be

“Other accompanying trends have included rise in inflation, degrading exchange rate and growing unemployment,”

NIGERIA GOVERNORS' FORUM



introduced but emphasizing the need for our Internal Revenue Service to be more strategic, innovative, and pragmatic in administering those taxes, fees, levies and charges that have been legally prescribed for collection across various jurisdictions. Pivotal to the success of these series of reforms is taxpayer enumeration, which is still very much weak. While technology presents us with a platform to strengthen our taxpayer databases, we must collaborate, share data, intelligence and information, and embrace advanced taxpayer profiling techniques to inform our approach to taxpayer information management."

On her part, the Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, said the impact of Covid-19 on the economic and fiscal revenue outlook for 2021 presented a significant opportunity for states to strategize and reposition their fiscal revenue management.

She noted, "In the area of tax administration, the government is leveraging on technology and digitalization to drive revenue mobilization, data management and cost optimization. Technology is also being used for the purpose of assessing and collecting stamp duty and for the automation of VAT collections in banking and telecommunications sectors with more sectors

being explored, he concluded."

According to her, fiscal reforms are important now, more than ever, to mitigate against the current and possible future global crises. She observed that revenue outlook for 2021 will largely depend on the willingness of state governments to embrace the right tools, technology, and strategies to transform, enhance and strengthen revenue growth and sustainability, and adopt cost optimization plans.



JOINT TAX BOARD BEGINS CUSTOMISED INSPECTORS OF TAXES COURSE WITH DELTA STATE INTERNAL REVENUE SERVICE



Declaring the course open, the Secretary of JTB, Nana-Aisha Obomeghie, spoke of the importance of capacity building especially in service-oriented organizations which, according to her, is key to any meaningful success.

She reminded the participants that taxation and revenue generation, like any other sector of the economy, have taken a new dimension

In its quest to entrench professionalism and ethical standards in the administration of taxes in the country, the Joint Tax Board (JTB) has commenced the Final Inspectors of Taxes course for the staff of Delta State Internal Revenue Service (DIRS).

This customized course has been exclusively organized for the staff of the DIRS, and it is the first of its kind. This edition has been modelled in line with the revised skills curriculum designed by the JTB to equip staff of tax authorities across the country with the requisite tax administration skills for the advancement of the system.

following the devastating effects of the COVID 19 pandemic, hence stakeholders should design and implement various measures towards cushioning the adverse effect. She identified one of such measures as human capacity building through a regular re-jig of the skills and capacities of tax administrators to enable them perform optimally.

"In today's knowledge-driven environment, the extent to which the best can be derived from the personnel will also be dependent on their use and application of knowledge, and such knowledge can only be derived from quality capacity building programs, designed to address gaps that

are likely to emerge in the very dynamic and fast-paced world of revenue generation. This is especially more so with the rapid development in technology and ICT", the Secretary canvassed.

According to her, the Inspectors of Taxes course is one of the fundamental means employed by the JTB to fill this gap, to equip our revenue administrators nationwide with knowledge on the multiple facets of tax administration. Mrs. Obomeghie added that the course is also meant to introduce to participants new and better ways of managing the revenue generating processes and procedures required for effective harnessing of the inherent revenue potentials within their respective jurisdictions.

The Secretary, while urging the participants to strive for excellence, called on them to embrace the four cardinal pillars that inform the vision of the JTB Chairman, Muhammad Nami, which metamorphosed into the central theme of building customer-centric institutions. She expressed optimism that when tax administrators are equipped with the necessary skills and training to function, tax administration, which is indeed a service-oriented enterprise, shall reach and even surpass the lofty institutional goals and objectives that will bring about a friendlier tax environment in our nation. She appreciated Mr. Nami and the management team of the Delta State Internal Revenue Service for bringing the Final Inspectors of Taxes Course to the doorstep of DIRS staff. "This unique initiative is commendable and has

ensured a maximum involvement of the eligible personnel of the Board," the Secretary further stated.

Earlier in his welcome address, the Executive Chairman, Delta State Internal Revenue Service, Sir Monday John Onyeme, noted that capacity building in any service-oriented organization cannot be overemphasized, hence his commitment to ensuring that staff of the DIRS are fully equipped with the necessary skills to perform optimally for effective service delivery.

He said that DIRS, as a key stakeholder in the Stronger Delta Agenda (a sobriquet for the development agenda of the Delta State Governor), Dr. Ifeanyi Okowa, will strive towards fulfilling its mandate of generating adequate funds for the State to enable the administration execute viable projects for the citizens.

Sir Onyeme while thanking the JTB for bringing the training to Delta State, urged the participants to re-dedicate themselves to the call to duty, and ensure that the knowledge acquired during the training is effectively utilized for increased internally generated revenue for the State.

The duration of the Course is ten weeks.





HIGHLIGHTS OF FINANCE ACT 2020.

The Finance Act 2020 was signed into law by His Excellency, the President of the Federal Republic of Nigeria on 31st December 2020, and it came into effect on 1st January 2021. The new law introduces over 80 changes to 14 different laws that will affect all stakeholder.

1. Service of Notice of Assessment and objections under Companies Income Tax Act (CITA) may be done via email or other electronic means, as may be directed by FIRS through a Notice. The Tax Appeal Tribunal (TAT) will also be able to conduct virtual hearings using such technology or application as may be necessary to ensure fair hearing.
2. Minimum tax payable by companies regarding returns for year of assessments falling due between 1st January 2020 and 31st December 2021 has been reduced from 0.5% to 0.25% of 'gross turnover less franked investment income'.
3. Small or medium scale companies engaged in primary agricultural production may now be granted pioneer status for an initial period of 4 years and an additional 2years (making a total of 6years).
4. For Personal relief purposes under the Personal Income tax Act (PITA), Gross Income has been redefined as income from all sources, excluding non-taxable income, exempt items & income on which no further tax is payable. This will entail a lower tax relief for earners of exempt income.
5. In the case of an enterprise and for purposes of claiming personal relief by the owners under Personal Income Tax Act (PITA), Gross Income is defined as 'income less all allowable business expenses & capital allowance'.
6. Low-income earners on N30,000.00 (national minimum wage) per month or less are now exempted from personal income tax.
7. There will be a new Electronic Money Transfer Levy (EMTL) of N50.00 to replace the Stamp Duties hitherto charged on bank (or any financial institution) transfers of N10,000.00 and above.
8. Revenue from the EMT Levy is to be shared on the basis of derivation 15% to Federal Government and Federal Capital Territory on the one hand, and 85% to the States.
9. Compensation for loss of office up to N10million is exempt from tax. The excess above N10million is liable to 10% CGT to be deducted by the payer and remitted within the time specified under the PAYE Regulations.
10. Donations made in cash or kind to any fund set up by Government in respect of a natural disaster or pandemic are tax deductible, subject to a maximum of 10% of 'assessable profits after other allowable donations.'
11. Unclaimed dividends in a listed company and dormant account balances unutilized for 6yrs or more to be transferred to a trust fund to be managed by Debt Management Office (DMO). Amount may subsequently be claimed by owner of such funds at any time, plus the yield thereon.

BORNO IRS GOES DIGITAL TO ENHANCE REVENUE GENERATION



responsibilities of generating revenue for the State.

Systemspecs Limited (REMITA) is the technical implementing partner to the Project.

The Workshop took participants through the rudiments of the system called Unified Revenue System as well as the roles and responsibilities of participating stakeholders.

operate a platform that is in alignment with global best practices and will as well enhance synergy and efficiency among revenue generating agencies in the State. He urged the participants to pay attention to the presentations and bring up viable ideas for the betterment of the system.

A cross section of participants at the Workshop expressed optimism that the system will add value to the revenue profile of the State.

Revenue System as well as the roles and responsibilities of participating stakeholders.

Borno Internal Revenue Service has kicked off an Automation Project aimed at linking all revenue generating agencies under a platform for effective management of its revenue system in the State.

The Workshop to kickstart the Project held at its headquarters in Maiduguri and had in attendance representatives of the State Government, Local Governments, and MDAs saddled with

In his welcome address, the Chairman, BOIRS stated that the aim of the Project was to





EDO IRS BOSS, BOARD MEMBERS, SENSITIZE TRADERS ON TAX COMPLIANCE

positive feedback mechanism.

addition to the existing online and bank payments to suit individual needs of traders who find it cumbersome to make bank payments especially in the wake of the dreaded COVID-19 pandemic.

In what could be likened to a street campaign, the Chairman, Edo State Internal Revenue Service, Mr. Igbinidu Inneh, recently led a team of directors and staff of the Service to interface with traders on tax payments and ancillary issues in an exercise codenamed, "Operation Show Your Tax Receipts."

Appreciating the traders for re-electing Governor Godwin Obaseki for a second term in office and highlighting the need to actualize good works already started during his first tenure in office, Igbinidu Inneh enlightened traders on tax payments to the government. His team interacted with the traders at Mission Road through Etebite Street, and other surrounding streets.

Traders welcomed the novel visit of the tax chief at their shops, personally enlightening them which gave a humane tilt to the process, aside boosting

Addressing members of the press on the engagement with traders, the first for the year under the "Tax Thursday" sensitization campaign, the tax chief said: "What we have come to do is, first, to sensitize traders on the need to pay tax to government and enlighten them on the options that make it more convenient for them to pay their taxes via the Edo Revenue Administration System.

He noted that traders do not have to wait till the end of the year to pay tax which makes the liability higher. To him, taxpayers can make payments against their profiles, based on the amount they were paying monthly so that at the end of the year, they will pay only a little to settle the outstanding liabilities.

He informed the traders that scratch cards have been introduced to the payment scheme in

Mr. Ikechukwu Ezeji, a trader, praised the exercise noting that the country and even the State need the proceeds of tax to effect development. He also praised the state governor for his humanist approach towards addressing the needs of the people.

Earlier, the Executive Director, Income Tax, Prince Felix Isuku, reminded the revenue staff of their terms of engagement with taxpayers. Other directors, who participated in the sensitization program, include the Executive Director, Tax Compliance, Mr. Emmanuel Okodugha, the Executive Director, Other Revenue, Osahon Imaru, and many other personnel of the Revenue Service.

IGR: AKWA IBOM GOES TOUGH ON TAX DEFAULTERS, CLAMPS DOWN ON BANKS FOR UNDER-REMITTANCES



In a move aimed at shoring up its internally generated revenue, the Akwa-Ibom State Government has begun an aggressive tax drive, shutting down operations of some banks in Uyo, said to have failed to remit appropriate taxes to the state government.

One of the new generation banks, whose branches in Uyo was distrained by the officials of the State Government, is said to be owing the State Government a tax obligation of over N184 million. The affected bank branches are located on Udo Udoma Avenue and Abak Road in Uyo. Officials claimed they obtained an ex-parte order authorizing the 'distrain' from the State High Court, Uyo Division.

It could be recalled that the affected bank branches had been given warning notice on February 4, 2020. According to the State Internal Revenue Service, the bank

failed to comply with the warning ten months after.

It was gathered that the management of the bank dragged the State Internal Revenue Service to Court in Uyo, Port Harcourt and Benin City over the tax remittance. The cases were struck out in favour of State Government.

The distrain order seen by Business Day reads, "The organizations served have not been remitting the actual tax deductible from their employees' salaries and other relevant taxes due to the state, hence failed to comply with the provisions of relevant tax laws."

According to the Executive Director, Enforcement and Recovery, of the revenue agency, Leo Umanah, the Board had exhausted reconciliation and negotiation opportunities with the affected organizations.



ONDO STATE GOVERNMENT COMMISSIONS THE HEADQUARTERS OF ITS REVENUE AGENCY

Governor Arakunrin Oluwarotimi Akeredolu, SAN, as part of the Ondo State Government's commitment to ensure seamless revenue generation and economic development of the State, has completed and officially commissioned a state-of-the-art Revenue House for the State Internal Revenue Service (ODIRS).

The building, which is the new Headquarters of the agency, and a one-stop shop equipped with modern facilities, was constructed to enhance the capacity and smooth running of ODIRS and to provide a good working environment for revenue workers and

Ondo State taxpayers as well.

Apart from its architectural beauty, the building has a very large capacity that conveniently accommodates the five directorates and about twenty-seven departments of the agency in order to enhance optimal productivity in view of the facilities installed therein. The complex has four main buildings which are Administrative Building where the Office the Executive Chairman is situate, the Administration Department, where all administrative related matters are handled, the Directorate Building that houses the Directors, MDAs and all other revenue generating departments and

where all tax related matters are conducted.

The fourth building in the complex accommodates the Motor Licensing Authority and Federal Road Safety Corps (MLA/FRSC). This is where basic vehicle licensing operations are being carried out. There is also a Multipurpose Hall called the Learning Centre where sundry activities take place. An extension of this hall is occupied by Tax Education and Enlightenment Team.

The complex also has a cafeteria, the

Governor, Dapo Abiodun, to mention a few.

While commissioning the ultra-modern facility the Governor said the idea of the new complex was conceived to provide a conducive environment for taxpayers and tax administrators to discharge their duties in a manner that will enhance the capacity of the officials. The Commissioner for Finance, Mr. Wale Akinterinwa, said the ultra-modern complex was conceived and delivered within a year, and was built to enhance productivity and provision of a



store, consultants' offices and the lounges.

The complex has two commercial banks, namely, Providus Bank and Wema Bank, a Police post, security chambers, drivers pool building as well as three parking lots, among other facilities.

The sprawling structure was commissioned by the former Governor of Lagos State Asiwaju Bola Ahmed Tinubu on 5th September 2020. Also present at the epoch-making event were the Governor of Lagos State, Mr. Babajide Sanwo-Olu, Osun State Governor, Mr. Adegboyega Oyetola, Ogun State

conductive environment to engender the growth of revenue generation in Ondo State.

Further expounding on the benefit associated with this complex, the Executive Chairman of Ondo State Internal Revenue Service, Mr. Tolu Adegbie, said the complex was built in 12 months by civil servants using direct labour, and the complex is expected to improve processes and procedures of the agency's operations for better performance and to meet desired goals and objectives.

OGUN IRS EXPANDS TAX NET TO BORDER COMMUNITIES



we are really going to expand the net."

The Executive Chairman also stated that the agency was already working with market associations and trade associations to improve tax collection from the informal sector, where a larger percentage of the State's population is found. He reiterated that the agency would leverage automation and digitization to enhance its tax revenue drive and base. "We

In its effort to surpass its 2021 revenue generation target, the Ogun State Internal Revenue Service has perfected strategies to tax its border communities at the fringes of Lagos, Oyo, Osun as well as Ondo.

The Executive Chairman, Ogun State Internal Revenue Service, Anthony Olaleye, who stated this during the presentation of the 2021 budget breakdown, added that the measure was meant to expand the Services' tax net to ensure that every taxable resident in the State pay their appropriate tax.

He said, "If you look clearly, you'll see that not everybody has been paying taxes as appropriate. Looking at the area of taxing border communities, the IRS is driven by the residency rule, meaning everyone living in the State, even if working in another state, must pay their personal income tax to Ogun state. But beyond Lagos, we have not really looked into other border states. We have Oyo, Osun and Ondo States. These are areas where

want to ensure that we do this in an efficient and transparent manner. We also want to ensure that this is done at the least cost, which is why we are bringing in the aspect of automation to really save the Service a lot of mundane manual processes that will probably involve a lot more cost," he added.

He stated further that the agency had started gathering information on all companies within the border states from Ministries, Departments, and Agencies, leveraging automation to build the data. While expressing confidence that OGIRS would provide the needed funds for the state government to deliver on all the projects enumerated for the benefit of the citizenry in the state, the Executive Chairman added that the Service was also looking deeply into other areas of revenue collection, such as pool betting, Withholding Taxes and others.

NORTH WEST ZONE TAX APPEAL TRIBUNAL RESOLVES N12 BILLION TAX DISPUTES



The North West Zone of the Tax Appeal Tribunal has since the inception of the current panel in 2018 resolved tax disputes in excess of N12 billion, with pending appeals in excess of N3 billion.

Taxpayers within the Zone, comprising the states of Kaduna, Kebbi, Kano, Katsina, Jigawa, Sokoto and Kano, have been availing themselves of the services of the Tribunal, sitting in Kaduna to challenge alleged arbitrary tax assessments charged on them by the various revenue authorities within the Zone.

Organizations which have recently taken their appeals

to the Tribunal include Unity Bank, Silver Plastics, Leadway Pension Limited, Bank of Industry, Access Bank, and Kano State University of Science and Technology, Wudil.

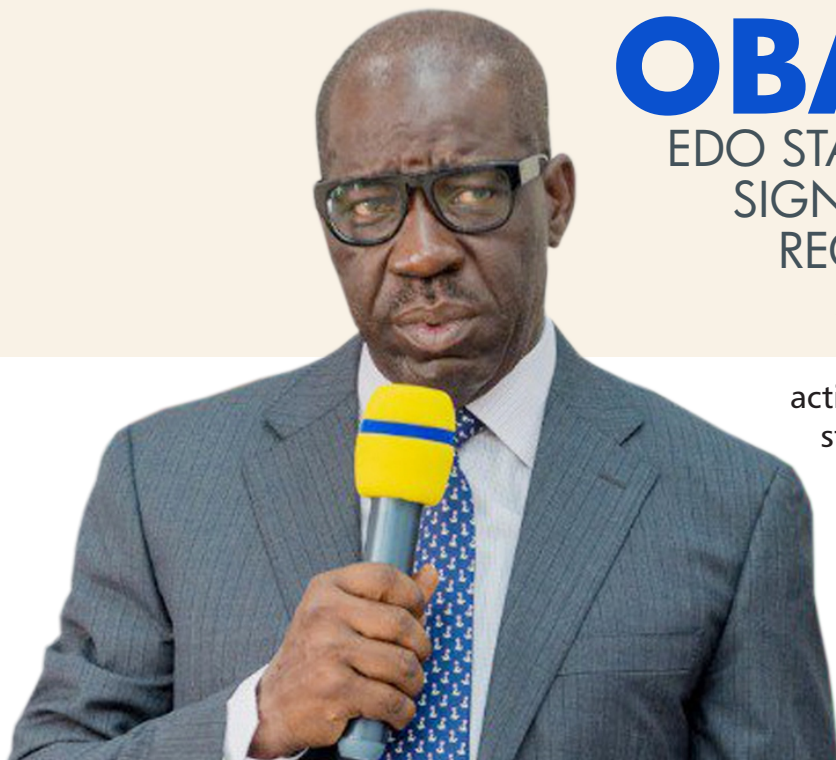
Ibrahim Boyi of Ibrahim Boyi and Company, a law firm having its office in Kano, on 11th November 2020 filed before the Tribunal, an appeal challenging a demand notice for the sum of N118,865,475.42 only charged on Silver Plastics by the Kano State Internal Revenue Service.

A statement from the Tribunal said the demand notice was with respect to an outstanding tax liability,

assessed by the revenue authority to have been due within the 2015/2016 years of operation. The same law firm had successfully challenged tax assessment imposed on Unity Bank Plc by the Kano State Internal Revenue Service.

With respect to the Unity Bank matter, a tax assessment charged on the bank by the Kano State IRS was successfully challenged by the taxpayer. The demand by the Revenue Service in the sum of N431,924,976.25k was set aside by the Tribunal and the said assessment was reduced to the sum of N27,459,236.53k, all of which was achieved within a sitting period of less than six months.

The North West Zone of the Tax Appeal Tribunal is led by Barrister Umar M. Adamu, Mrs. Sameerah Abubakar Gwandu, Professor Kabiru Isa Dandago, Professor A.S. Bayero, and Professor Ahmed Kumshe as members.



OBASEKI, EDO STATE GOVERNOR, SIGNS NEW LAW TO REGULATE LOTTERY, SPORTS BETTING

activities and conduct of all stakeholders in the gaming business, to the extent of granting licenses to gaming operators, agents as well as make regulations.

Inneh said: "The new law will bring value addition to the gaming industry, restore sanity, rid the

sector off illegal and fraudulent gaming operators and ultimately improve the standard of gaming activities in Edo State.

Governor Godwin Obaseki of Edo State has signed a new law to regulate lottery, online sports betting, and gaming in Edo State, in the bid to restore sanity and rid the sector of fraudulent actors. The law, known as the Edo State Gaming Law, 2020, was passed by the Edo State House of Assembly and consented to by Governor Obaseki. The Law regulates lotteries, lotto and online sports betting businesses in order to boost the revenue profile of Edo State.

Expatriating on the law, Igbini Inneh, the Executive Chairman of Edo State Internal Revenue Service (EIRS), said the Gaming Law of Edo State, 2020, which repealed the Bendel State Lotteries Edict, 1990, empowers the EIRS to regulate

Lotto and online sports betting businesses in order to boost the revenue profile of Edo State.

According to him, "It would be achieved through issuance of licenses to approved gaming operators and agents upon meeting certain requirements, effective monitoring and enforcement as well as sanctions of erring operators, where necessary." He further stated that the new law was also meant to improve the internally generated revenue of the State through the payment of taxes, which will assist the government in the provision and improvement of infrastructure for the people.

MENACE OF ILLEGAL REVENUE COLLECTION: ANAMBRA IRS PARADES SUSPECTS

By Sylvia Tochukwu-Ngige



The greatest problem thwarting the effort of the Anambra State Internal Revenue Service (AIRS) in revenue generation is the menace of illegal revenue collectors. Greater percentage of revenue meant for the State Government go to private purse, leaving the government with lean resources and huge responsibility.

The Enforcement Team of AIRS recently nabbed some illegal revenue collectors who operate with fake tickets causing hardship for people by imposing unnecessary levies upon them. The illegal revenue collectors divert the

revenue of the State into their private pockets. Parading them to newsmen at Revenue House, Awka, the Executive Chairman of AIRS, Dr. David Nzekwu, noted that the receipts they issue to unsuspecting members of the public were not from the State Government. He noted that the Anambra State Government had appreciated the hardship people face and decided to reduce the number of tickets by allowing only necessary ones to aid the development of the State. He regretted that even at that, some miscreants still indulge in causing hardship to the people by issuing fake tickets to unsuspecting

members of the public.

Dr. Nzekwu stressed the commitment of Anambra State government in ensuring that those who still indulge in fake ticketing in the State are apprehended as provided by the law.

Speaking to Anambra Revenue Journal, some of the suspects claimed they were lured by some people to sell tickets and generate money for them. They pledged not to go back to the business if allowed to go home. Meanwhile, the suspects were handed over to the Legal Department of AIRS for more investigation and prosecution

NASENI TAX BEING 0.25% OF THE TURNOVER OF COMMERCIAL COMPANIES AND FIRMS ACTIVATED BY THE FG IN 2021?

by Chukwuemeka Eze, fcti

The National Agency for Science and Engineering Infrastructure (NASENI) was established under the NASENI Act of 1992. The Board of the Agency is headed by the President, meaning that President Muhammadu Buhari, GCFR, is the Chairman of the Board while the Executive Vice Chairman is the Chief Executive.

Section 20 of the Act provides for the Fund of the Agency to wit:

1. The Agency shall establish a fund from which shall be defrayed all expenditure incurred by the Agency for the purposes of this Act.
2. There shall be paid and credited to the fund-
 - a) 1 percent of the Federation Account in the first instance, to be increased to 3 percent by the year 2000;
 - b) levy on income or turnover of commercial companies and firms with turn-over of N4 million and above,
 - c) which shall be-
 - i. at the rate of 1 percent in the first instance;
 - ii. collected by the Federal Board of Inland Revenue or by any other suitable means as may be specified by the Agency; and
 - iii. credited to the account of

the Agency; contributions from the organized private sector;

From the above provisions, section 20(2)(b) and (c)(ii) of the Act should be of interest to the taxpaying community. Subsection (2)(b) of the Principal Act provides that commercial companies and firms shall pay 1% of their income or turnover as NASENI Tax.

The Cable has reported on March 1, 2021 that President Buhari has directed FIRS to comply with the tax law on NASENI.

In a letter signed Ibrahim Gambari, Chief of Staff to the President, The FIRS has been mandated to remit the deducted levy on turnover of commercial companies and firms.

"I write to inform you that on 24th January 2021, Mr. President approved the prayers of the Executive Vice Chairman (EVC) of the National Agency for Science and Engineering Infrastructure (NASENI) on the funding of NASENI activities," the letter said.

"In accordance with the NASENI Establishment Act, one of the prayers of the Executive Vice Chairman relates to the funding of the agency via a levy on income or turnover of commercial companies and firms with turnover of N4million (later increased to N100million by the NASENI Governing Board) at the rate of a quarter per cent of turnover.

Accordingly, you are kindly requested to act on the implementation of this provision of the NASENI Act as soon as possible."

The directive was also communicated to Zainab Ahmed, Minister of Finance, Budget and National Planning.

In the NASENI Establishment Act 2004, FIRS is expected to deduct and remit to it a quarter percent of the levy on turnover of firms earning over N100 million and above.

Although NASENI was established in 1992, the law guiding its funding has not been complied with by successive governments; but in January, Buhari decided to ensure compliance with NASENI Act. President Buhari also approved the placement of NASENI directly under the supervision of the Presidency instead of the Ministry of Science and Technology.

The directive was said to be due to seven key projects (inventions) being undertaken by NASENI with funding as a major hindrance. One of the key projects is a Made-In-Nigeria helicopter which Buhari has mandated NASENI to produce. Others are:

- Establishment of first Made-In-Nigeria transformer plant and high voltage testing laboratory to be located in Okene. Kogi State.
- First Made-In-Nigeria plant for the manufacturing of Silica which is the major materials needed for local manufacturing of solar panels to resolve alternative/renewable energy supply for the nation.
- Funding of the plant for first Made-In-Nigeria smart prepaid energy meter (SPEM), which is already patented, before transferring them to private sector entrepreneurs as stipulated by its mandate.
- Establishment of zonal (six geo-

political zones) agricultural machinery & equipment development institutes which had already been approved by the president.

- Completion of work on first Made-in-Nigeria e-voting solutions designed and produced by Nigerian engineers in NASENI.
- Completion of work on reverse engineering process of 5-kilowatt small hydro kinetic turbine. This project is to facilitate energy supply to Nigeria rural areas as alternative to national grid.

Tax Implications

1. Commercial companies and firms with annual turnover of N100 million shall pay 0.25% of their turnover to the FIRS. Those excluded are:
 - o Companies and firms with turnover of less than N100 million are excluded;
 - o Companies limited by guarantee
2. The collection agency shall be FIRS.
3. FIRS may likely release guidelines for its collection.
4. It is not a new tax because the Act provided for it, but this is the first time the FG has activated its collection.
5. NASENI has been removed from the Federal Ministry of Science and Technology to the Presidency.
6. This is certainly a new tax burden for large companies.

Culled from:

The Cable of 1st March 2021

Chukwuemeka Eze is the Editor of the Joint Tax Board Newsletter and the National Legal Adviser of the Chartered Institute of Taxation of Nigeria

ONDO STATE INTERNAL REVENUE SERVICE BEEFS UP ITS STAFF STRENGTH WITH OVER 400 FRESH GRADUATES



In a bid to strengthen and enhance effectiveness in revenue generation, the Ondo State Internal Revenue Service (ODIRS) has employed over four hundred (400) fresh graduates. The new employees, who cut across various disciplines, were employed following a thorough and transparent exercise, and have been deployed to the 18 Local Government Areas of the State to strengthen the revenue generation drive of the current administration of the State. Speaking at the induction programme of the of the new employees held in

Akure, the State capital, the Executive Governor of Ondo State, Governor Oluwarotimi Akeredolu, SAN, charged the new revenue workers to be dutiful, committed and be prepared to deliver maximally towards the revenue growth of the State. While noting that the employment was also carried out to provide manpower to help the government increase her internal revenue take, Arakunrin Akeredolu urged them to see their employment as a call to service and do things differently by adding value to the tax collection system of the State. The Executive Chairman of the Ondo State

Internal Revenue Service, Mr. Tolu Adegbie, commended the Governor for giving the Service the needed support. He stated that the gesture would go a long way in improving the State's internally generated revenue. Also speaking at the event, the State Commissioner for Finance, Mr. Wale Akinterinwa, lauded Governor Akeredolu for his commitment to revenue growth in the State, saying that for any government to succeed, it must give holistic approach to revenue generation. Responding on behalf of the newly employed staff, Adeola Oluwadare thanked the Governor for the opportunity given to them and pledged that they would be hardworking and follow the laid down rules of the agency in order to justify the confidence reposed on them by the State Government.



ONDO STATE INTERNAL REVENUE SERVICE INAUGURATES JOINT STATE REVENUE COMMITTEE

The Ondo State Internal Revenue Service (ODIRS) has inaugurated a Joint State Revenue Committee to boost revenue generation in the State. The Joint Committee is made up of ODIRS Chairman and the Chairmen of the 18 Local Government Councils in the State.

Speaking at the inauguration of the Committee, Mr. Tolu Adegbie, the Chairman of ODIRS, said that the Committee was a product of the Ondo State Revenue Administration Law, 2019, as passed by the State House of Assembly and signed into law by Governor Oluwarotimi Akeredolu. He noted that the function of the Committee was to harmonize tax administration, deal with revenue matters of common concern to the State and Local Government authorities. According to him, the Committee will enlighten members of the public on the State and Local Government revenue issues. The ODIRS Chairman noted that there were opportunities the Local Government areas could tap into to increase their revenue generation capacity without creating more tax burden for the populace.

The Commissioner for Local Government and Chieftaincy Affairs, Deaconess Omolola Fagbemi, who was represented by Mr. Segun Odusanya, the Permanent Secretary, Ministry of Local Government

and Chieftaincy Affairs, stated that the initiative would block some financial losses experienced by some Local Governments. He noted that some Local Governments did not know the actual money being generated by their tax consultants, saying that with the standard measures of ODIRS, the Committee would be of great benefit to local governments because their revenue has become harmonized.

Speaking on the benefit of this Committee, the Chairman Idanre Local Government Council, Prince Kayode Aroloye, described the Committee as timely as it will block the loopholes of tax evasion in the various Local Government councils and the State.

It should be recalled that section 92 of the Personal Income Tax Act provides for the establishment and composition of the Joint State Revenue Committee while section 93 of the same Act provides for the functions of the Committee.

According to him, the committee will enlighten members of the public on the state and local government revenue issues.

FIRS TARGETING N5.9TRN REVENUE IN 2021-NAMI

...Says COVID-19 lockdown, #EndSARS protest affected tax drive in 2020
...As Reps query increase in recurrent budget, revenue deficit
By Levinus Nwabughioqu



Chairman, Federal Inland Revenue Service, FIRS, Mohammed Nami, yesterday placed their revenue projection for 2021 at N5.9 trillion.

Nami made the disclosure while meeting with the House of Representatives Committee on Finance, led by Honourable James Falake, on the Service's 2021 budget defence and consideration of its proposed Revenue and Expenditure Estimates.

Out of the proposed figure, the Executive

Chairman said that non-oil and oil components were expected to generate N4.26 trillion and N1.64 trillion respectively.

He, however, put the cost of collecting the projected revenue at N289.25 billion against the budgeted N180.76 billion in 2020 to fund the three operational expenditure heads for the year.

He said "Out of the proposed expenditure of N289.25 billion across the three expenditure heads, the sum of N147.08 billion

and N94.97 billion are to be expended on Personnel and Overhead Costs against 2020 budgeted sums of N97.36 billion and N43.64 billion respectively. Also, the sum of N47.19 billion is estimated to be expended on capital items against budgeted sum of N27.80 billion in 2020. The sum is to cater for on-going and new projects for effective revenue drive".

Speaking on why the agency failed to realize the expected N5 trillion it targeted in 2020, Nami

said the lockdown occasioned by the Covid-19 pandemic and the #ENDSARS protest affected the drive for taxes.

Responding to a query by the Committee on why there was an increase in the recurrent expenditures of the Service for 2021, Nami attributed it to the new salary structure occasioned by recruitment of more staff.

He said there were about 1,800 staff recruited by the erstwhile management between 2019 and 2020, adding that the Service also carried of about 500 members of staff.

"There's lockdown effect on businesses, implementation directive also for us to study,

research best practices on tax administration which involves traveling overseas and we also have to expand offices and create offices more at rural areas to get closer to the taxpayers, we pay rent for those offices and this could be the reason why all these things went up. If you have more staff surely, their salary will go up, taxes that you're going to pay on their behalf will go up, the National Housing Fund contribution, PENCOS contribution will go up. Those promoted you have to implement a new salary regime for them. There's also the issue of inflation and exchange rate differential", he said.

The Executive Chairman however gave hints of a marginal reduction in the

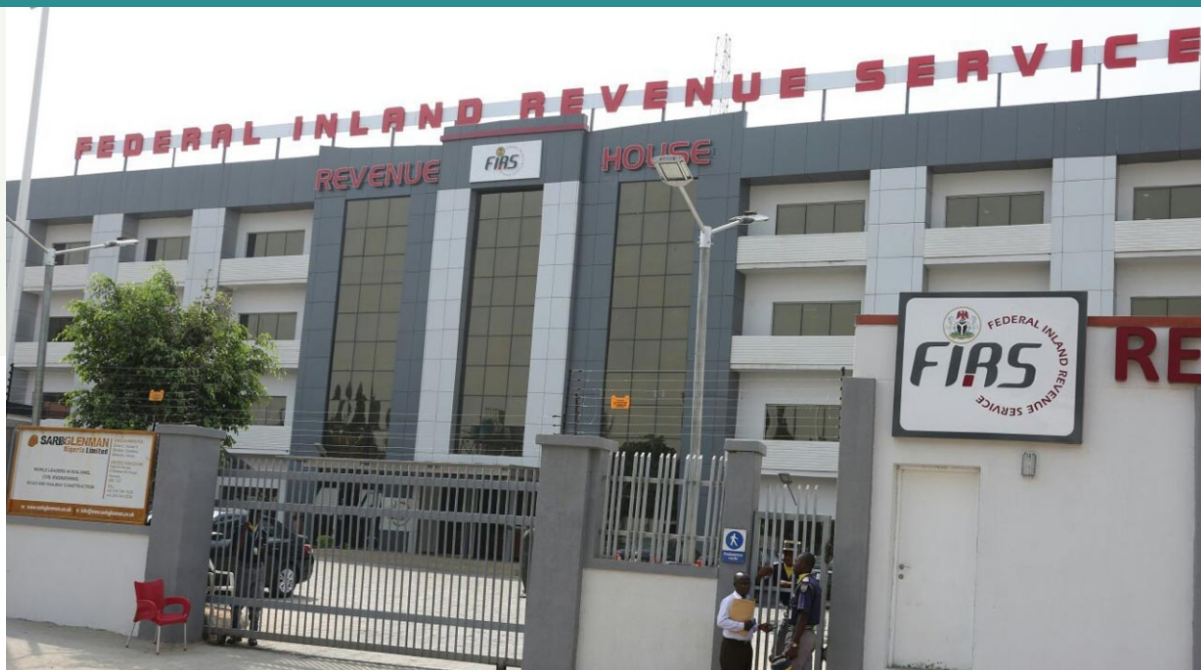
taxable income of taxpayers due to the effect of Covid-19 pandemic, ruling out a new recruitment exercise this year.

Earlier, members of the Committee had queried the increase in the budget and demanded explanation on the shortfall in 2020 revenue projection. The lawmakers also raised concerns on the projected non-oil cost of collection of 4 percent which was accrued to FIRS in 2020 and worth N137.411 billion. They also demanded explanation on the reason for the proposed 7 percent cost of collection worth N298.411 billion for 2021.

Culled from:
The Vanguard Newspaper
of 5th March 2021?



FIRS HITS 98% OF TARGET AS IT COLLECTS N4.95 TRILLION FOR 2020 FISCAL YEAR



The Federal Inland Revenue Service (FIRS) has announced that it generated N4,952,243,711,728.37 as tax revenue in the 2020 fiscal year.

This is about 98% of the tax target of N5.076 trillion that was set for the FIRS by the Federal Government, despite the economic challenges of 2020 caused by record low oil prices and the outbreak of the coronavirus pandemic. This disclosure was contained in a statement which was issued by the Director of

Communications, FIRS, Mr. Abdullahi Ahmad, on Tuesday in Abuja.

According to a report from the News Agency of Nigeria (NAN), Ahmad in his statement quoted the Executive Chairman of the Service, Mr. Muhammad Nami, as saying that this performance was remarkable, considering the devastating impact of Covid-19 on the Nigerian economy.

He pointed out that some of the factors that negatively affected the operations of FIRS last year

include, record low oil crude oil prices globally, business disruptions and lootings during the violent #ENDSARS protests and the generous tax waivers granted to businesses to ease the impact of the Covid-19 lockdown.

He also said that additional tax exemptions granted to small businesses in the 2019 Finance Act and insecurity in some parts of the country were other factors that affected collections.

In the analysis of the significance of the 2020

performance, the FIRS Executive Chairman said that the oil revenue which used to contribute over 50% in tax returns through the Petroleum Profits Tax in previous years, accounted for only 30.6% of the tax revenue generated in 2020 due to low oil prices.

He also pointed out that the non-oil tax collection, which was 109% in 2020, was 9% higher than the previous year and attributed these achievements to many reforms initiated by the Board and management of FIRS under his leadership.

He said, "The conscientious taxpayers in the country and dedicated members of staff of the FIRS nationwide for their support and devotion to work made this performance possible despite the numerous obstacles encountered in

2020. The FIRS is optimistic that this current fiscal year will be better than in 2020. We shall perform well, given that our service reforms are expected to yield greater dividends, especially as different parts of tax administration are being automated."

"We are also optimistic that exploration activities will improve in the oil sector and increase the prospect of higher tax revenue from the sector. Similarly, the ongoing reforms together with increased stakeholder collaborations will brighten the prospect of improved voluntary compliance and consequently higher tax revenue generation for the country this year and beyond."

What this means

- This means that despite the unprecedented crisis in the oil sector due to the

impact of the Coronavirus pandemic, the non-oil sector performed beyond expectation in terms of tax collection.

- This was made possible by incentives granted by the revenue agency to encourage taxpayers to voluntarily fulfil their obligations towards the government in addition to some reforms to aid efficient and effective tax collections.

- Some of these reforms include the deployment of technology for tax operations, capacity building for staff, improved welfare for staff and so on.

Culled from:
Nairametrics, 19th January 2021



Mr. Muhammad Nami, as saying that this performance was remarkable, considering the devastating impact of Covid-19 on the Nigerian economy.

IIRS Chairman charges new recruits on transparency



The Executive Chairman of Imo State Internal Revenue Service, Mr Justice Okoye has charged the new recruits into the service on transparency. The chairman gave this charge during a week-long training workshop organised by IIRS for its latest batch of new recruits in Owerri, the state capital recently.

While delivering his welcome, Mr Okoye told the new intakes to see their recruitment into the state's revenue service as an opportunity help develop the state.

"IIRS presents a lot of opportunities for your career progression, but you must always develop yourself and be prepared at all times. You must see this as a clarion call to contribute your own quota in the development of Imo, your state, my state," the chairman said.

He commended the state

governor, Distinguished Senator Hope Uzodinma who according to him backed him in the difficult task of disengaging the tax consultants that held sway in the Service before his assumption of office barely 10 months ago.

"When I assumed duties as Executive Chairman on May 8, 2020, I met very demoralized personnel with only two old IBM computers in the entire Board. The Board staff concentrated their efforts acting as agents for motorists, while revenue consultants had a field day conducting the core function of staff. It was a gory sight to behold.

"But with the guidance, encouragement, directive and support of His Excellency Distinguished Senator Hope Uzodinma, Governor of Imo State, I officially disengaged all revenue collectors and consultants operating in Imo State.

"Today IIRS has fully unbundled. We are regenerating reliable data. Laptops, Tablets, photocopiers, printers have been procured for use of our staff across the entire Service.

"In December 2020, IIRS was given the responsibility of solely collecting the entire internally generated revenue for Imo State government and the entire 27 local government areas of Imo State".

He warned the new staff that the Service is not political organization and therefore must treat every information with utmost confidentiality. "Our taxpayers' information is paramount and must be protected at all times. The task is intriguing and as well surmountable. Your duty here must be specific, it will be measured, you must strive to be accurate, provide reliable information and of course your deliverables must be time-bound," Mr Okoye said.

The training workshop for the over 100 new recruits marked the second recruitment exercise by the IIRS in recent months aimed at staffing the Service with core professionals to help shore up the internally generated revenue of the state.



JOINT TAX BOARD

....creating a tax friendly environment

PUBLIC NOTICE

CLARIFICATIONS ON ASABA COURT JUDGEMENT ON N50 STAMP DUTY CHARGES

The judgement of the Federal High Court, Asaba, delivered on 9th December, 2020, in a Suit No. FHC/L/CS/126/ 2016 and Appeal No CA/L/437A/2014, has been brought to the attention of the Joint Tax Board. The Board wishes to use this medium to clarify some grey areas contained in the judgment including the legality or otherwise of the deduction of N50 Stamp Duty charges by Nigerian banks.

The judgement was in relation to the suit filed to challenge the legality of a circular issued by the Central Bank of Nigeria referenced CBN/GEN/DMB/02/006 of January 15, 2016 with an instruction to banks to deduct N50 as stamp duty on electronic transactions, teller deposits or transfers of monies from N1, 000 (One Thousand Naira) and above on current accounts.

The Board in its 146th meeting held on 18th December, 2020 resolved to bring to the attention of the general public and, particularly, the concerned parties that the proceedings of the judgement commenced prior to the passage of Finance Act, 2019. And that the Finance Act 2019 has laid to rest the question of legality and authority to charge and collect N50 Stamp Duty charges on electronic transactions, teller deposits or transfers of monies by Nigerian banks.

Therefore, for the sake of emphasis, the general public is urged to note that the provision of Section 54 of the Finance Act, 2019 has already amended and replaced the provisions of Section 89 of the Stamp Duties Act, CAP S8 LFN, 2004 particularly Subsection (3) reproduced hereunder:

"Notwithstanding the provisions of the Stamp Duties Act, electronic receipt or electronic transfer for money deposited in any bank or with any banker, on any type of account, to be accounted for and expressed to be received of the person to whom the same is to be accounted for of amounts from N10,000 upwards shall attract a singular and one-off duty of the sum of N50:

Provided that money paid into one's own account or transferred electronically between accounts of the same owner within the same bank shall not be chargeable on duty".

To set the records straight, the judgement of the Federal High Court, Asaba, under reference, **ONLY** nullified the CBN Circular in question and **NOT** the N50 stamp duty and also reaffirmed the position of the tax authorities in Nigeria as having the right to administer stamp duty matters as contained in the Stamp Duties Act, LFN S8 2004 as amended.

By virtue of the provisions of Section 4 (1&2) of the Stamp Duty Act, S8 LFN of 2004 as amended, the Federal Inland Revenue Service is the **ONLY** competent agency authorized to impose, charge and collect stamp duties in relation to transactions between individuals and corporate bodies on behalf of the Federation; while the relevant tax authority in a state is the **ONLY** competent agency authorized to impose, charge and collect stamp duties in relation to transactions between persons or individuals.

Members of the public, banks and other financial institutions are hereby notified that the Joint Tax Board shall continue to carry out its statutory functions as contained in the Stamp Duties Act, LFN S8 2004 as amended.

Consequently, duty payers should note that the N50 charges on *electronic transfer for money from N10, 000 upward deposited in any bank* is statutory and they should continue to comply with the provisions of the law.

Signed
Muhammad Nami
Chairman,
Joint Tax Board (JTB)