



KW-IRS
KWARA STATE INTERNAL REVENUE SERVICE

ISSN: 2489-0448

KWAREVE*News*

A monthly publication of Kwara State Internal Revenue Service

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FIG, GOJI BERRY AND MORE



God Has Granted Me The Courage
To **Change** The Things That I Can –
The Development of Kwara State

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Editorial

Re-strategizing and Re-structuring the Revenue Collection Process



gain, another edition, but a significant one at that as Kwara State marks fifty (50) years of its creation on May 27, 2017. How time flies.

Five decades have just gone by in the life of our State. For a state or nation, fifty or even hundred years may not make much difference and if wasted can still be recouped once the leadership gets it right.

However, for an individual or organization, the same cannot be said. It is therefore important for us as individuals and organizations to count our days.

This edition has as its main feature "Taxation: The Journey to



For a state or nation, fifty or even hundred years may not make much difference and if wasted can still be recouped once the leadership gets it right.



Sustainable Development of Kwara State' by Dr Yaru of the Economic Department, University of Ilorin. The short article encapsulates the essence of the transformation of the process of tax collection in Kwara State for the sustenance of the development efforts of the government.

It is significant to note that though, Kwara had a low key celebration of its golden Jubilee, there was still a reason to celebrate. The fact that the State realized early enough in 2015 to revamp its process of revenue collection is one major reason to celebrate. What must not be lost to us is the fact that the reformed KW-IRS must be brought to a sustainable stage that will make it a veritable source of funding for the State.

Another reason to celebrate is the fact that the State introduced the Infrastructure Fund, Kwara (IF-K) as the model to bring about socio-economic infrastructure development in the State. The IF-K's funding is however tied to the aprons of the KW-IRS which made it obvious that the taxpayers are the ones that will determine the extent or level of development that comes to the State.

This model which is based on the social contract principle makes both the government and the governed responsible as each plays their various roles.

What comes to mind clearly is the fact that the Kwara State Internal Revenue Service has become a very significant role player in the affairs of the State. The Service thus must begin to take a further look at its strategies to ensure that it lives up to the expectations of the people and government of Kwara State.

For the above reason, we have thought it wise to begin the process of re-strategizing and re-structuring that will align with the new challenges and responsibilities. The strategy that is required for a new baby to survive in its first two years cannot be sufficient for the same baby to survive another two years. While the parents will be willing to feed and substantially support the baby between ages 1 and 2, the same level of support will definitely not be there (or available) in the ages that follows.

It is therefore apparent that for us to sustain the tempo of growth in revenue collection, the Kwara State Internal Revenue Service must 'pause for breath' and come up with the most appropriate strategy for the new age.



It is therefore apparent that for us to sustain the tempo of growth in revenue collection, the Kwara State Internal Revenue Service must 'pause for breath' and come up with the most appropriate strategy for the new age.



Muritala Awodun, PhD
Executive Chairman
Kwara State Internal Revenue Service



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TAX COLLECTION HAS
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SUSTAINABILITY OF IGR
TO KWARA STATE
- DR AWODUN

Kwara State Internal Revenue Service, KW-IRS has maintained her standard and values since inception and has since shown sincerity, openness in operations. This has so far helped the State record significant feat in internally generated revenue.

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TAX SYSTEM**

Tax has been defined as 'a monetary charge imposed by the Government on persons, entities, transactions and properties to yield revenue'. A standard definition of tax: "a compulsory exaction from a taxpayer paid in cash or in kind to the government to provide for the public services of common interest without particular regard to the particular benefit received by the taxpayer."

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CATCH THEM
YOUNGER
CELEBRATING
EXCELLENCE

Reaching out to the community as created under the KW-IRS Community Impact strategy tagged 5Es; Education, Environment, Employment, Entrepreneurship, and Empowerment was the point of call for the month of May 2017.

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TAXATION:

THE JOURNEY TO SUSTAINABLE DEVELOPMENT OF KWARA STATE

Dr. Mohammed Aminu Yaru



“Tax payment creates the avenue for interdependent relationship between the citizens and their government. Government reliance on tax makes it more sensitive to the plight of its citizens. Therefore, the renewed efforts of Kwara State government towards revamping the tax system is the beginning of the journey to sustainable development in the State.”

K

warans, like all other people across the world and their state, are inherently into a social contract. The state is the legitimate institution charged with the responsibility of pursuing the collective interest and goal of all its peoples. The people are obliged to pay taxes by law to empower the state to be able to fulfil its responsibilities. The provision of public goods such as roads, education, health services, electricity and other social safety nets for the less privileged as well as maintenance of law and order are among the responsibilities of the government. However, in a fiscal federal state like Nigeria, the scope of the responsibilities of the national and sub-national governments are subject to the provisions of the constitution.

Country-level experience across the world shows that most of the countries that depend heavily on natural resources as the major source of government revenue have continued to remain in the class of developing countries, with many of them engulfed by high level of corruption, fiscal profligacy and the so called “natural resource curse”. One of the strongest reasons adduced for this troubling trend is that governments of these countries are hardly held accountable by the citizens. Another reason is that a weak relationship exists between citizens' economic productivity and

government revenue - governments do not lose in revenue when the people are poor, unemployed, underemployed or unproductive in as much as nothing happens to the natural resource production. Whereas for countries where taxation constitutes the major source of revenue, high rate of poverty, underemployment, unemployment, and low productivity of factors of production and economic recession hurt the government in revenue. The implication is that, the urge for efficiency in the use of public resource for sustainable development is bound to increase when a government depends on tax revenue.

Unfortunately, governments in Nigeria, particularly at sub-national level, had relegated taxation to a supplementary source following the oil boom of 1970s and the unprecedented increase in statutory allocation that ensued. Hence, the urge for effective tax administration and accountability was not apparent. Hitherto, popular taxes like personal income tax, and cattle tax “Jangali” in the north are now strange concepts among most youths. The current realities in international crude oil market and fragile nature of the peace in the oil producing Niger-Delta region have made revenue from oil unreliable to depend on. The state governments including Kwara have taken both reactive and proactive measures toward revenue diversification by turning back to their people for tax payment. Taxation is the only sustainable alternative to

the volatile statutory allocation to the state government.

In reality, all over the world, people are averse to tax payment but expect the government to provide all the basic amenities for the comfort of life and ease of doing business. Citizens often blame their government for bad roads, dilapidated schools and hospitals, while the government in turn lays blame on lack of funds. By paying tax, citizens are empowering government to do its jobs: fix the deteriorating physical infrastructures and create new ones in areas where they are non-existent. Tax payment creates the avenue for interdependent relationship between the citizens and their Government. Government reliance on tax makes it more sensitive to the plight of its citizens. Therefore, the renewed efforts of Kwara State government towards revamping the tax system is the beginning of the journey to sustainable development in the State.

Dr. Mohammed Aminu Yaru is a lecturer at the Department of Economics, University of Ilorin. The views expressed in this article are those of the writer and do not necessarily represent those of the organisation he represents.



THE 'PRESS' STRATEGY SUFFICED IN RESSURECTING THE STATE FROM INSIGNIFICANT MONTHLY ALLOCATION

Bolaji Abdullahi



Dr Muritala Awodun, Executive Chairman, KW-IRS and a dignitary at the event

Prudence is a rare asset that if prudently utilised in policy formulation, anything short of turning the efforts into success will prove all efforts abortive. The initiator of the Kwara State Internal Revenue Service, (KW-IRS) saw a vacuum and introduced spate of policy that revamped the financial situation in the State. The milestone attainment wouldn't be achieved without effective communication. The Executive Chairman KW-IRS, Dr Muritala Awodun shed light on how effective communication yielded anticipated result for the Revenue House at the 2017 Nigerian Institute of Public Relations Annual National Conference/Annual General Meeting. Dr Awodun elucidated how the 'PRESS' strategy helped as viable tool to communicating with the general public, stakeholders as well as the individuals and organizations within the tax bracket. Dr Awodun explained how the story is unfolding so far. He said;

To achieve a snap compliance from the taxpayers took extra efforts and consistence by the revenue drivers.



Dr Muritala Awodun, delivering his lecture



Dr Muritala Awodun being presented with an award

Ab initio, the first crucial step was 'PERSUASION' having the people dance to the tune of the service's wish, they need to be patronised appropriately and lured into understanding the need for change through substantive communication and thorough persuasion. Success won't be recorded if proper measures were not carefully carried out.

The stakeholders would not comply to the fullest if not being RAISED and RECRUITED to drive the vision of the organisation together to meeting its target. Some of the stakeholders like the traditional leaders, chiefs, rulers are the closest to the people they serve. In that regard, they were engaged at the distances they cover in consultancy and otherwise. Closing the communication gap with raising and recruiting the stakeholders played a vital role in achieving our results.

No matter how proactive the concerned persons are, something has to be deduced from their activities to ensure accuracy and consistency. There surface the idea of ELICITING and ENERGISING to encourage and equip the recruited team with needed

tool by commending efforts, recognising performances in the best gesture in the capacity of the organisation.

At the behest of the State Government as well as to transform the new process, it was required to carefully SELECT and STAFF the right people to drive the process. That, was properly done and transition of the old Board was replaced with new people. The new people were tailored toward the new system and process which so far has taken the Service to where it is today.

Part of what the KW-IRS stands for is to be opened to the public through its activities and results intermittently for the populace to, by right know what the Service is doing as well as request for accountability and transparency. In other for that to be realised, there was need for SYSTEMATIC REPORTING which the Service has been doing in various ways by reporting on its official media platforms, on its monthly magazine (KWAREVE NEWS), at its monthly field feedback training, appearing on radio and television programmes and so on.



Mr Waheed Olagunju with his award of appreciation



Group photograph of dignitaries at the event



Guests at the event



ENFORCEMENT

KW-IRS KICKS-OFF ENFORCEMENT ON SHOP RENT

Bolaji Abdullahi

Kwara State Internal Revenue Service, KW-IRS have comfortable platforms and mode of payments for shop rents and put in place every available measures to publicise and inform respective State Government shop occupants on how and when is due to pay their shop rents. Not until every options are exhausted, the State wouldn't hesitate to carry out its enforcement on recalcitrant

or noncompliant shop tenants. More than Forty (40) shops were locked in Jebba, at the Kwara KIPDC shops and Eyenkorin on May 9, 2017 and May 11, 2017 respectively.

The shop tenants were given prior notices at intervals before the enforcement process took place. All the locked shop occupants immediately began to pay for their rents on the spot. Staff from the Directorate of Legal & Enforcement of KW-IRS in collaboration with the Ministries Department & Agency MDA and the Nigeria Police Force were all on ground at the enforcement venues to ensure proper enforcement process. The 23 Shops at Eyenkorin pleaded for clemency for the payments to be postponed due to insufficient income in sales at the location.

The result of the enforcement would pay-off as the sum of N587,600 was realised on the spot at Jebba shops while N16,875 realised at Eyenkorin.



A shop under lock by KW-IRS



Process of locking shops by KW-IRS staff



A shop under lock by KW-IRS



Process of locking shops by KW-IRS staff



INFORMAL SECTOR:

COMPLIANCE AND TAX HELP

-Gbenle Isaac, Ph.D; Folasayo Ogundare



The Nigerian informal sector consists of the self-employed as well as people engaged in different vocations and small-scale businesses (such as hawkers, retail traders, market men and women, etc.), manufacturers, artisans and professionals in private practice.

By way of definition, the informal sector, also referred to as the “Grey Economy”, is the segment of the economy which activities are not included in the Gross National Product (GNP) and Gross Domestic Product (GDP) of a country.

In Nigeria, the informal sector represents a vast number of the country's population with enormous revenue potential locked up in it that is yet to be harnessed. The Nigerian informal sector consists of the self-employed as well as people engaged in different vocations and small-scale businesses (such as hawkers, retail traders, market men and women, etc.), manufacturers, artisans and professionals in private practice. Some of these people find themselves in the informal sector not as a matter of choice but as a way of making ends meet. The growth of the informal sector in Nigeria can be attributed to the increasing rate of poverty in the country and the inability of the Nigerian government to provide jobs to its teeming populace most especially the youth, who in turn create a source of livelihood for themselves. However, there are other people who have jobs in the formal sector but are also engaged in the informal sector as a way of creating another source of income to supplement their earnings in the formal sector.

TAXING THE INFORMAL SECTOR

The fast-growing informal sector is reputed to be the

biggest job creator in Nigeria presently. Nevertheless, it has not been properly taxed over the years. With the recent economic challenges being experienced in Nigeria due to the fall in oil prices and the diminishing value of the Naira in the global economic market, there have been growing concerns about taxing Nigeria's informal sector in order to generate more revenue for improved economic growth and good governance. Capturing the informal sector in the tax net of a nation is a major challenge not only in Nigeria, but also in most developing countries because the informal sector is generally unorganised, unregulated and unmonitored. For easy taxing of the informal sector in Nigeria, the following steps ought to be taken:

- I. **Reorganising the Informal Sector:** Proper reorganisation and restructuring of the informal sector will go a long way in ensuring a correct assessment and collection of taxes in the informal sector. It may be difficult if not impossible to tax such a large group while it remains unorganised. For a long time, the Government has neglected taxing the informal sector and there is no accurate information about the population of players in the informal sector and their activities. Moreover, operators in the informal sector have been used to running their businesses without proper record keeping

to ascertain their true financial status. In Kwara State, with the establishment of the Kwara State Internal Revenue Service (KW-IRS), the Informal Sector Directorate has been mandated to be in charge of monitoring and collection of revenue in the informal sector in the State. In a bid to achieve this objective, before the commencement of operations in the Service, the Informal Sector Directorate carried out enumeration exercises to gather information and establish a database of potential taxpayers in the State's informal sector. These exercises helped to a large extent, to have a better organised informal sector that can be monitored and appropriately taxed in Kwara State. This method can also be adopted by other states across the country where it is not currently in use.

- ii. **Classifying and Categorising the Informal Sector:** It is important for the government to separate as well as categorise the different groups in the private sector by classifying them into tiny, micro, small, medium and large scale depending on their turnover rate. This will enable the government and tax authorities to properly monitor and tax them accordingly to avoid under taxation or over taxation. For individuals and unincorporated entities whose turnover is higher than others in the informal sector, they are classified as High Net-worth Individuals (HNIs) and are thus treated as organised and corporate entities.
- iii. **Increasing awareness:** Many operators in the informal sector are unaware of their civic duty to pay taxes on their income to the government. It is therefore necessary for the government and tax agencies to create awareness and provide platforms for interaction with taxpayers in the informal sector. This can be achieved by organising sensitisation and enlightenment programs on the need for citizens to honestly declare their income to the appropriate agencies and pay their taxes promptly and also on what taxes to pay and who to pay to. This is being done in Kwara State via advertisements on radio, television, the print media as well as on social media platforms and therefore awareness about paying taxes is growing in the state.
- iv. **Presumptive tax assessment:** The presumptive method of taxation is an effective way of bringing members of the informal sector into the tax net. As earlier stated, this sector comprises of a large pool of people who don't keep proper records and whose income cannot be easily ascertained. Under the presumptive tax regime, the government through the tax authorities gives an estimated and presumed tax

rate to certain groups in the informal sector. This method is currently in use in Kwara State and has been recently launched in Kano State, where commercial transporters in the state have been charged a monthly tax rate of N1000. Certain variables are sometimes considered for taxing the informal sector such as the size of the business, number of trading equipment as well as its patronage.

TAX COMPLIANCE IN THE INFORMAL SECTOR

After active steps have been taken to ensure that the informal sector is adequately informed about taxation, tax compliance is expected on the part of taxpayers in the informal sector. But in a state like Kwara, which has long been branded as a “civil service state”, tax compliance in the informal sector has been low particularly before the advent of the Kwara State Internal Revenue Service (KW-IRS). However, with the establishment of the Service, especially through the activities of the Informal Sector Directorate, there has been a considerable change in the orientation of taxpayers in the informal sector towards taxation and an overall improvement in tax compliance in the sector.

Strategies that have evolved in order to increase tax compliance in the informal sector and ultimately increase the amount of revenue generated from the sector include the following:

- 1) **Advocacy, Education and Outreach:** Taxpayers need to be informed about the benefits of paying tax. This can be achieved in many ways. Many taxpayers in the informal sector belong to various unions and associations and these often serve as platforms through which tax authorities reach out to the people and educate them about taxation. In order to reach taxpayers living in the rural communities, tax agencies often approach the heads of the various local communities and seek ways to communicate to the people in their indigenous languages. This mostly helps in getting to know the needs of the people and also carry along those who are not literate or who don't have access to modern communication facilities on the activities of the government.
- 2) **Motivation:** Motivating taxpayers in the informal sector is another way of ensuring tax compliance in the informal sector. Motivation can be in several ways and both the government and tax authorities have roles to play in this regard. According to www2.deloitte.com:

“There are players in the informal sector who desire to ensure voluntary registration with tax authorities, timely, correct, and complete tax returns; and payments as

required by law, but are only waiting for the necessary holistic signals from government and its tax authorities.”

One of the ways by which taxpayers in the informal sector can be motivated to pay their taxes promptly is by rewarding and appreciating those who pay their voluntarily and on time. This may involve giving of gifts and incentives such as discounts.

Secondly, provision of functional infrastructural facilities and transparency about the programs of the government will motivate operators in the informal sector to pay their taxes. Tax compliance is often hinged on public perceptions of the fairness of the tax system and on the belief that the tax revenue will be efficiently used to fast track development and ensure good governance. Taxpayers usually expect improved service delivery from the government when they pay their taxes.

3) Enforcement: Tax evasion and tax avoidance are two vices common in the informal sector mainly because their activities are not monitored. As part of measures to guard against tax avoidance and tax evasion in the informal sector and eventually block leakages in the revenue generation process, the use of enforcement is essential. The use of enforcement to ensure tax compliance is usually regarded as a last resort after all other “subtle” efforts seem not to yield the expected results. The Kwara State Revenue Administration Law, (Law No. 6 of 22 June, 2015) establishing the Kwara State Internal Revenue Service empowers the Service to “serve a demand note upon the company or person in whose name a tax is chargeable and if payment is not made within one month from the date of the service of such demand note, the Service may proceed to enforce payment”. Reminders are issued afterwards and if there is still no compliance on the part of the individual or company, enforcement action takes place. Enforcement in this case involves working alongside law enforcement agencies to seal up buildings or property, lock up shops, etc. until the necessary payment is made. Compliance after enforcement usually attracts penalties such as payment of double of the initial amount. Tax offenders are also prosecuted. Enforcement has helped tremendously in ensuring tax compliance in the informal sector.

TAX HELP

Tax help refers to the incentives, relief and aid modalities offered to taxpayers to reduce the burden of taxation and to encourage them to promptly pay their taxes. In some developed countries, terms like tax relief, tax credits, exemptions and deductions are often used to refer to various forms of tax help.

In Kwara State, certain provisions are made to offer relief to taxpayers in the informal sector to easily and promptly pay their taxes. Some of the ways by which tax help is rendered are as follows:

- i. **Payment of Taxes in Bits:** Over the years, operators in the informal sector were not used to paying taxes at all but were used to the daily thrift savings system. The Kwara State Internal Revenue Service (KW-IRS) had to adopt the thrift savings payment method to devise a means of collecting taxes in bits from operators in the informal sector, particularly those in the market and artisan groups to provide relief for them. This set of people are allowed to pay their taxes in instalments with the promise of completing the payment within a stipulated and agreed time. This method has been effective in the tax collection process in the informal sector.
- ii. **Discounts:** Discounts are given to taxpayers in the informal sector who pay their taxes promptly and regularly. For example taxpayers who pay their building permits within 24 hours as well as others who willingly and consistently pay their taxes enjoy some discount.
- iii. **Donations:** Regular monetary donations are made by the Kwara State Internal Revenue Service to some small to medium-scale business men and women in Kwara State to assist them in their businesses so that they will be able to pay their taxes. Sums of money ranging from N50,000 to N100,000 are given to traders and shop owners in the State. This strategy also helps in portraying the tax agency in good light and endears the government to the operators in the informal sector.
- iv. **Community Impact Projects:** The Kwara State Internal Revenue Service embarks upon Community Impact Projects (CIPs) in various communities across the State as part of her Corporate Social Responsibility (CSR) to contribute her quota towards the development of the State. These projects include provision of water by sinking boreholes, provision of street lights, reconstruction of markets that had been affected by fire outbreaks e.g. Baboko Market in Ilorin and Owode Market in Offa. Through these projects, taxpayers are able to see that their money is being put to good use and this further encourages them to pay their taxes as and when due.

REFERENCE

<https://www2.deloitte.com/ng/en/pages/tax/articles/ins-ide-tax-articles/harnessing-the-bottom-billions-in-the-informal-sector.html>
<http://irs.kw.gov.ng/downloads/kwara-state-revenue-administration-law-2015/>



www.kw-irs.com

With my petty trade, I am tax compliant. I pay my Tax

Small shop owners, kiosk owners, motorcycle riders, taxi drivers should be tax compliant in supporting the State Government for a better environment.



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KW-IRS DONATES 10,000 EXERCISE BOOKS TO 20 PRIMARY SCHOOLS IN KWARA CENTRAL

Bolaji Abdullahi

Community Impact Programme is very essential in the Kwara State Internal Revenue Service, KW-IRS's strategy to reaching out to the society. The programme is an interface that connects the service directly to the people it serve.

KW-IRS in collaboration with a non-governmental organization, (KWARA YOUTHELITES) donated ten thousand 40 Leaves exercise books to twenty (20) primary schools in the Kwara Central Senatorial district in the State including; Ilorin West, Ilorin South, Ilorin East and Asa Local Government Areas.

The distribution began with official flag-off of the programme at the KW-IRS Corporate Head office, with the Executive members of the group in attendance as well as KW-IRS Directors. The programme kicked off as planned in Ilorin West starting with the pupils of SHOLAGBERU Nursery and PRIMARY SCHOOL as the first set of beneficiary. More than five hundred pupils were given the writing materials. ANSARU ISLAM PRI SCH OKE IMOLE, PAKATA PRI SCH, ECWA

L.G.E.A PRI SCH and HIWANU PRI SCH all completed the beneficiaries from Ilorin West Local Government.

In Ilorin South Local Government, ISALE MOLIKI L.G.E.A PRI SCH, ISALE-ASA L.G.E.A PRI SCH, SUBAN L.G.E.A, FUFU L.G.E.A and ELOBOTO L.G.E.A PRI SCH, received the items as well.

OKE SUNA L.G.E.A PRI SCH, OKELELE L.G.E.A PRI SCH, PAKE L.G.E.A PRI SCH, OKEYOI L.G.E.A PRI SCH, and ILE APA L.G.E.A made the list of beneficiaries in Ilorin East Local Government Area.

From the Asa Local Government Area axis of the senatorial district, five schools and more than 2000 pupils including ASA L.G.E.A PRI SCH, ONIYERE L.G.E.A PRI SCH, AFON L.G.E.A PRI SCH, AJAGUSI L.G.E.A PRI SCH, and OTE L.G.E.A PRI SCH benefited from the writing material distribution. The initiative was applauded by the schools and pupils who benefited and they seized that opportunity to yearn for more not only in Kwara Central Senatorial district, but to be extended across other senatorial districts.



Tax Legislation in Nigeria

Shola Ajayi

The importance and significance of taxation in any economy cannot be over-emphasized, as it helps greatly in the redistribution of income and provides the government funds that it can use to finance public services such as provision of adequate national security, public infrastructure, social security services, power, and network of roads and a host of other social amenities. The ability of the state to generate a substantial amount of revenue from taxes opens up opportunities for it to provide public services and improve the economy. However, tax collection might not be easy if not impossible without an enabling law that will ease process of collection. Hence, tax legislation is seen as the act or process of enacting tax laws and the body of laws that provide for the levying of taxes and tax administration.

In Nigeria, tax legislations can be traced back to the amalgamation of the Northern and Southern protectorate in 1914, where the government deemed it important to extend direct taxation in the Northern parts of the country to the Southern part. There was promulgation of certain tax laws by the colonial power such as proclamation law of 1914, Native Ordinance Cap 74 of 1917, which was re-enacted in 1929 in Eastern Nigeria, the Non-natives Protectorates Tax ordinance of 1931, which was later repealed and merged into tax Ordinance, No 4 of 1940, and subsequently re-enacted as income Tax ordinance 1943.

What makes a good tax Legislation?

According to Ifueko (2015), for any tax legislation to be acceptable by all it must satisfy the following characteristics:

1. Tax legislation must be certain, that is to say it has to be clear on what it aims to achieve, what does it want to tax, how does it want to tax it and who is doing the taxing. Generally tax legislation must be

very direct and transparent, i.e. taxpayers must know that the tax exists and know when it is imposed on them, that is, no hidden provisions.

2. A good legislation must be one, which is clear about each party's obligations and how to discharge it. To achieve this, such legislation must have the quality of simplicity, such that the law is easy to understand and comply with, and in a cost efficient manner.
3. Tax legislation must also exhibit fairness so that taxpayers in similar circumstances are taxed similarly, a good tax legislation must not create circumstances that has the effect of impeding the productive capacity of the taxpayer and it must not unduly affect the taxpayer's decision making as to whether or not to engage in particular transactions
4. Tax legislation must have the goal of enhancing rather than complicating voluntary compliance.

Challenges facing Tax Legislation in Nigeria

There are lots of challenges facing tax legislation in Nigeria, however the following are listed as some of the challenges facing tax legislation in Nigeria and solutions to some of them as put forward by Ifueko (2015),

1. Tax laws which were passed down to us had been written in archaic English which gave rise to ambiguities and misinterpretations
2. The evolution of tax laws has not seen a holistic harmonization to remove or at least reduce conflicting provisions.
3. The propensity to pass laws to cater for specific situations rather than pass laws that cover a broad range of issues.
4. Issue of outdated, obsolete and redundant provisions in our laws.

Steps that should be taken in resolving some of these challenges are:

* **Strengthening of Constitutional Provisions relating to taxation and the tax system.**

The Nigerian Constitution sets out some basic provisions relating to the tax system and tax administration in Nigeria. There are however several challenges in the tax system, which can be resolved by the enactment of explicit Constitutional provisions on such matters. The Constitution in some instances does not set out provisions, which are detailed or elaborate enough to deal with the dynamic and ever changing circumstances that we face in our tax system. Certain constitutional amendments have been proposed in this regard and I hope they will be revisited in order to accord priority status to these issues, which cover items such jurisdiction over certain taxes, legislative powers over taxation and the need to make tax compliance a major criteria for holding public office in Nigeria amongst others.

* **The need for regular amendment of tax laws to strengthen tax administration.**

Prior to 2007, when the wholesale review and amendment of several tax laws were carried out, the last such exercise had occurred in 1993, nearly a decade and a half prior. The 2007 review showed the necessity for carrying out regular reviews and amendment of tax laws to ensure that they are responsive to changing circumstances and also to remove obsolete and outdated provisions therein. Subsequent to the 2007 amendments, only two other amendments have been made to the Personal Income Tax Act and the Tertiary Education Trust Fund Act both in 2011. Not seen as too responsive enough to the needs of our tax system and the practice in other more developed systems. It is suggested that there should be a focus on regular review of tax laws to ensure that they cater for increasing complexity of the economy and local and international developments.

* **Effective collaboration between stakeholders in the tax system.**

Where tax laws are simple and enhance compliance, it has a resultant effect on tax revenue collection, which is used to provide public services and run all other activities of Government. Accordingly all stakeholders including the legislature, taxpayers and tax professionals should collaborate in ensuring that our body of tax laws are such that provide a platform for taxation to become the mainstay of the economy.

The following are the existing tax legislation in Nigeria, as at 2016:

- Associated Gas Re-Injection Act
- Capital Gains Tax Act

The ability of the state to generate a substantial amount of revenue from taxes opens up opportunities for it to provide public services and improve the economy. However, tax collection might not be easy if not impossible without an enabling law that will ease process of collection.

- Companies Income Tax Act
- Deep Offshore and Inland Basin Production Sharing Contracts Act
- Tertiary Education Trust Fund Act
- Federal Inland Revenue Service (Establishment) Act
- Income Tax (Authorised Communications) Act
- Industrial Development (Income Tax Relief) Act
- Industrial Inspectorate Act
- National Information Technology Development Act
- Nigerian Export Processing Zones Act
- Nigeria LNG (Fiscal Incentive Guarantees and Assurances) Act
- Oil and Gas Export Free Zones Act
- Personal Income Tax Act
- Petroleum Profits Tax Act
- Value Added Tax Act
- Stamp Duties Act
- Taxes and Levies (Approved List for Collection) Act
- Casino Act

The Petroleum Industry Bill (PIB) was recently passed into law by the National Assembly on May 25, 2017, and this replace the Petroleum Profits Tax Act. However reviews, amendments and modifications to tax legislations are continuous, evolving with global best practices and view of local socio-economic realities. In Nigeria, there is an on-going process to overhaul all existing tax laws and the Service has consequently initiated the Tax Law Redrafting Project to achieve this.

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[Http://dailypost.ng/2017/05/25/petroleum-industry-bill-passed-law-17-yearsupdated/](http://dailypost.ng/2017/05/25/petroleum-industry-bill-passed-law-17-yearsupdated/)

Our Story, Our Transformation

CeleBrating Kwara @

Bolaji Abdullahi

To wriggle the State out of economic recession which ditched the whole nation as well as to manoeuvre from the insignificant monthly allocation from the federation accounts of the country seem perpetual in Kwara State not until the special birth of the Kwara State Internal Revenue Service, KW-IRS. An institution saddled with the responsibility to administer and revamp the mode, style, methods of generating revenue in the State. It appeared like an illusion in the beginning of the saga, but the gaffer who initiated the decision to



Executive Governor of Kwara State, Dr Abdulfatah Ahmed speaking at the event



Grand Khadi of Sharia Court of Appeal, Ilorin



Group photograph of dignitaries with the Executive Governor



implement medium strategic plan such as Agricultural Development plan, Infrastructure Development plan and Funding plan equipped the service with visionary drivers who has made the story attractive to all and sundry in the State as well as in the Country at large. Generating revenue won't come easy, a lot of citizens see tax collectors as their foe thinking collection of tax is insignificant to them in various capacities which concerns development in the State.

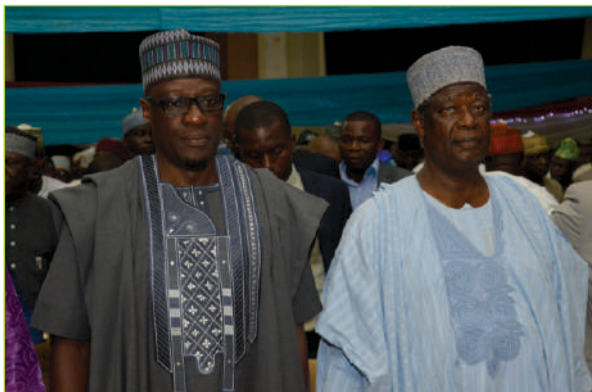
Perhaps, for any state to grow or develop, it requires funding. Therefore, the funds must come from the state. That is, the government has to be inward looking and explore the available resources as well as create resources if there are none. Such resources includes revenue generation which is one of the most reliable tool to developing a nation. Kwara State in the last 5 decades have changed the face of revenue generation in the country from unknown to a model worthy to be adopted by all revenue captains in the country. For the new era of tax administration to survive in Kwara State, it had to be sanctioned by law. Ab initio, bill was passed, management staff were carefully selected, the former staff of the old board were replaced with new set of staff, the process of revenue collection was changed, technology was introduced and it all was rebranded into a model named People, Process and Technology (PPT Model) by His Excellency, Alhaji Abdulfatah Ahmed.



Hajia Zaratu Umar (Head of Service) and Alh. Abdulwahab (Chief of Staff)



Alh. Isiaka Gold (SSG) and a guest at the event



The Executive Governor and the Deputy Governor



Royal Fathers at the event



Dignitaries at the event



Dr Muritala Awodun, making his speech at the event



A dignitary making a comment at the event



Prof. K.K Kamaludden making comment at the event



Guests at the event



Guests at the event



Royal Fathers at the event



Royal Fathers at the event



Guests at the event



Guests at the event



Dignitaries at the event



Deputy Governor with the Commissioner for Education



Cross section of Royal Fathers at the event



Dr Muritala Awodun and Prof. K.K. Kamaludden



Group photographs of dignitaries at the event



Dr Muritala Awodun, Executive Chairman, KWIRS



Dr Muritala Awodun, Executive Chairman, KWIRS



Alh. Jani Ibrahim (Chairman LUBCON Group)



Mrs Sarah Alade (Special Guest Speaker)



Pictures from KWARA @ 50 lecture

TAX DEFAULT

AJAYI I. S.

Tax default refers to failure to meet the payment obligation of tax assessed by the final due date. Taxpayers are expected to file return every year in order for tax authority to determine the tax liability of such tax payer, such tax payer can either be individual or corporate organization carrying on businesses in the jurisdiction of the tax authority. Individuals file returns to determine their personal income tax while corporate organization file returns to determine their PAYE, withholding tax and interest payable taxes.

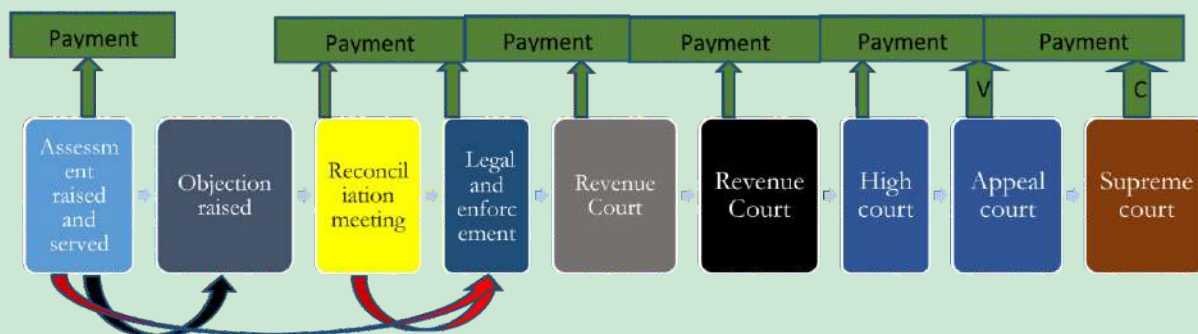
information like; the full name of the tax payer, business address, nature of business, tax liability and how the tax authority arrived at the computation of the liability, issued date, due date of payment, the place where payment should be made, assessment and file numbers and note on the procedure for objection in case the tax payer wish to object to tax due. If the tax authority did not receive objection from the taxpayer within a period specified by the law (usually 30days), the assessment becomes final and failure to meet the payment obligation of tax assessed as defined above means such taxpayer defaults.

interpretation of the liability given to him/her by the tax authority, after which a dispute may be raised to fault the liability if not acceptable. When this happens, the ground of objection must be clearly stated and forwarded to the relevant tax authority, on receiving of the objection letter sent by the taxpayer, the tax authority will send a letter informing the tax payer of a reconciliatory meeting to discuss the objection. If the taxpayer fails to pay after exhausting all means of reconciliation and due process has been adopted, the case will be forwarded to Legal and Enforcement for the retrieval of the tax liabilities. However, when the case gets to Legal and Enforcement it does not go straight to the court since court is the last option available if every means of enforcement has been exhausted.

After receiving the returns filed by the tax payer it is necessary for the tax authority to compute the liability of the tax payer and communicate same to the taxpayer in form of notice of assessment. Notice of assessment contains

A taxpayer can make full payment of the amount assessed if he/she finds the assessment fair and acceptable. On the contrary taxpayers can engage a tax consultant for proper

The chart below illustrates the processes





The first red arrow above indicate situations where a taxpayer fails to pay the tax assessed after the due date and the taxpayer did not raise any objection to the tax liability (the tax becomes final and conclusive) while the second red arrow explain situations where a taxpayer object to the tax liability and fails to meet up with the payment obligation after all means of reconciliation has been exhausted and the necessary action taken by the tax authority, the green rectangles shows payment if the case is finalized and payments made by the taxpayer.

Enforcement Processes in KWIRS

When a taxpayer did not remit what is due to the tax authority at the due date the case is forwarded to Legal and Enforcement directorate as indicated in arrows 1 and 2 above, meanwhile there are processes through which this enforcement is done by the directorate some of which are discussed further in this paper.

If a case gets to the directorate of Legal and Enforcement, they will study the case to determine the appropriate time of enforcement i.e. if the case is due for enforcement, in a situation whereby the case is not ready for enforcement the pending directorate will be advised on the appropriate things to do. But if it's due for enforcement, the Legal and Enforcement directorate will send a letter of "Intention to Distrain" to the affected tax payer which contains information about the enabling laws, legal consequence of default, and time frame to pay up the liabilities. After exhausting all the enforcement options, the case will be moved to Revenue Court for legal action and this goes

on till it stops at the Supreme Court if the taxpayer fails to pay what is required. After the Supreme Court decision, the taxpayers have no option again than to settle the tax authority with the defaulting liabilities as pronounced by the court.

Informal sector enforcement is no different from the explanation above, At KWIRS, if a taxpayer fails to pay the amount due after due date stated on the notice of assessment, the enforcement unit will swing into action using shop lock actions to retrieve the amount due. Though there are taxes that does not require court activities such as road taxes, in this regard MDA directorate writes the legal and enforcement directorate requesting for their support in carrying out enforcement. The enforcement is done by checking for those who defaults in renewing their vehicle papers and whosoever found guilty will have his/her vehicle impounded pending the time they pay what is due to the tax authority. The chart also explain options available to both the taxpayers and the tax authority in resolving issues that relates to tax default.

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BORROWING FROM THE TRADITIONAL RULERS

“ The good of the past when known can be copied and improved upon for a better today and tomorrow. Likewise, the bad of the past, when known, can be avoided for a better today and tomorrow. ”



here is the tendency to always believe that what is past is history and has little or nothing to benefit the present or the future. For a well informed mind, it is obvious that this cannot be true.

This is because there are always lessons to be learnt from events around us, whether in the past or present. The good of the past when known can be copied and improved upon for a better today and tomorrow. Likewise, the bad of the past, when known, can be avoided for a better today and tomorrow.

It is the above that thus informed the Service's romance with the traditional rulers who are the custodians of history and tradition, and right from the commencement of the new Service, we took lessons from our traditional fathers, both formally and informally, to devise the best approach to handle the assignment of tax/revenue collection today and tomorrow.

First, we learnt that tax collection is not a new thing to our society but had been neglected the same way agriculture was neglected the moment the nation discovered oil in commercial quantity. The gradual erosion of the tax collection process of old made the people become used to not paying taxes for over three to four decades and its re-introduction must therefore be gradual and systematic. This historical lesson was therefore instrumental to our strategy of engaging the stakeholders through intensive tax education and persuading/patronizing them as well.

Another lesson learnt from the traditional rulers is the fact that the needs of the people and their yearning for infrastructure must be addressed for

continuous patronage. The obvious neglect of the past we were told, will not be tolerated when the people start paying taxes as they will obviously ask for results for taxes paid. Following from this position is the resolve by the Service to start with Community Impact Programme through which some obvious needs of the community were quickly addressed to enable us gain some ground and attention.

But more significantly to address this issue permanently is the State Government's introduction of Infrastructure Fund, Kwara (IF-K) which was not only legislated but was ring-fenced in such a way that projects to be funded through the IF-K are guaranteed payment from start to finish.

It was also from the, traditional rulers that we learnt our 'inclusive' strategy for effective tax collection. Thus for each of the strategic 'Informal sector' participants, the associations or groups under which these taxpayers have already been organized became the most ideal structure/platform to use for the purpose of reaching the people for the collection of taxes.

All of these, and many others have been borrowed from the wisdom of our traditional rulers who are the custodians of history. For us at KW-IRS we have blended the processes of the past with some touch of modernity to arrive at the model of revenue mobilization of today. With taxpreneurship, we have dug deep into our past and brought out the good, modified it for an improved and better tax process of today.

Muritala Awodun, PhD

Executive Chairman

Kwara State Internal Revenue Service (KW-IRS)

DR. ABDULWAHEED OLANREWAJU

MBBS, DTM&H, FMCGP, FAGP



Hygiene and Tropical Medicine for the Diploma in Tropical Medicine and Hygiene (DTM&H).

On his return to Nigeria in 1985, he established a Family Centered Private Medical practice that provides primary and secondary medical care in Ilorin.

Olanrewaju hospital has become fairly relevant through the grace of Almighty Allah and the determination of the proprietor to copy the ideals of excellence. The 3-prong approach of Research, Good Clinical Practice and Continuing Professional Development has proved to be very important in the continuing relevance of the institution which he started in 1985.

He is a Consultant in Family Medicine with special interest in Malariology, a subject in which, through his publications has been able to contribute immensely to the reduction in mortality among infants and under-5s in Nigeria.

Despite the challenges of private medical practice Dr. Olanrewaju has been able to publish over 30 papers in reputable journals, most of which are very relevant to our locality.

The relevance of his pick on research subjects to the locality cannot be over-emphasized. For example, he co-authored the prevalence and continuing significance of *rota-virus* induced diarrhea among children in Ilorin that was published in the Journal of Tropical Pediatrics.

Among other publications with significant health impact on the local community was the identification, for the first time in the middle belt zone of Nigeria, a very high prevalence of *chloroquine-resistant plasmodium falciparum* malaria. This finding was part of the considerations that prompted the revision of the protocol for the management of acute *plasmodium falciparum* malaria in Nigeria.

Dr Olanrewaju is a prominent member of the Nigerian Medical Association (NMA), the Society of Family physicians of Nigeria (SOFPON) and the Association of general and private medical practitioners of Nigeria (AGPMPN). He is a fellow of the Royal Society of Tropical Medicine and Hygiene, founding member, Research Initiative on Traditional Antimalarial Methods (RITAM) and a fellow of the National Postgraduate

Dr. Abdulwaheed Idowu Olanrewaju was born in 1954 to a well-known business magnate and God-fearing man, the late Alhaji Oseni Olanrewaju. He hails from Offa Kwara State. He started formal education at the United Primary School Ilorin in the 60s.

He attended Government Secondary School Ilorin in the 70s before proceeding to the University of Benin where he bagged his first degree in medicine in 1978 with a distinction in Surgery.

After his internship at the Ilorin General Hospital and the National Youth Service in Kano state, he joined the Department of Surgery of the Ahmadu Bello University Teaching Hospital Kaduna where he worked for about a year before moving down to Kwara State to continue his tutelage at Olalomi Hospital Ilorin under the mentorship of the late Dr. (Chief) Kola Olafimihan.

In 1983, he proceeded to the London School of

Medical College of Nigeria in Family Medicine. He is a WHO accredited malariologist.

He has served as clinical consultant to various international organizations including the American Peace Corps, the Chinese railway Contractors and Egyptian Clergymen. His involvement with the management of health-related problems of the Chinese group was particularly rewarding. His institution not only significantly reduced the morbidity and mortality among the group, his recommendations regarding pre-travel counseling with emphasis on malaria chemoprophylaxis for such vulnerable groups was adopted and published in the Journal of Travel medicine.

Despite being in the private sector setting, Dr. Olanrewaju has enjoyed the rare opportunity of being a recipient of many research grants and travel fellowships from organizations, some of which include Pfizer, Becton Dickinson, Nuffield foundation, and the WHO.

These grants enabled him to participate effectively in the seeding trials of new antimalarial drugs and some antibiotics before introduction to the Nigerian market. It also afforded him the opportunity to participate in various local and international conferences and workshops.

He is the immediate past Chairman of the Society of Family Physicians of Nigeria, past Member of the Ethical/Disciplinary Committee of the Nigerian Medical Association, Past Chairman of the Continuing Medical Education Committee of AGPMPN, past Vice-Chairman, Association of Community Physicians of Nigeria, past Chairman LOC, AGM/Scientific Conference Committee of the Academy of Family Physicians of Nigeria, member, clinical sub-group of the Research Initiative on Traditional Antimalaria Methods (RITAM), founding editor Malaria Care organization in Africa journal (MACOA). He also coordinates the Malaria Resource Centre, a research enterprise arm of the hospital involved in basic laboratory and clinical research on malaria.

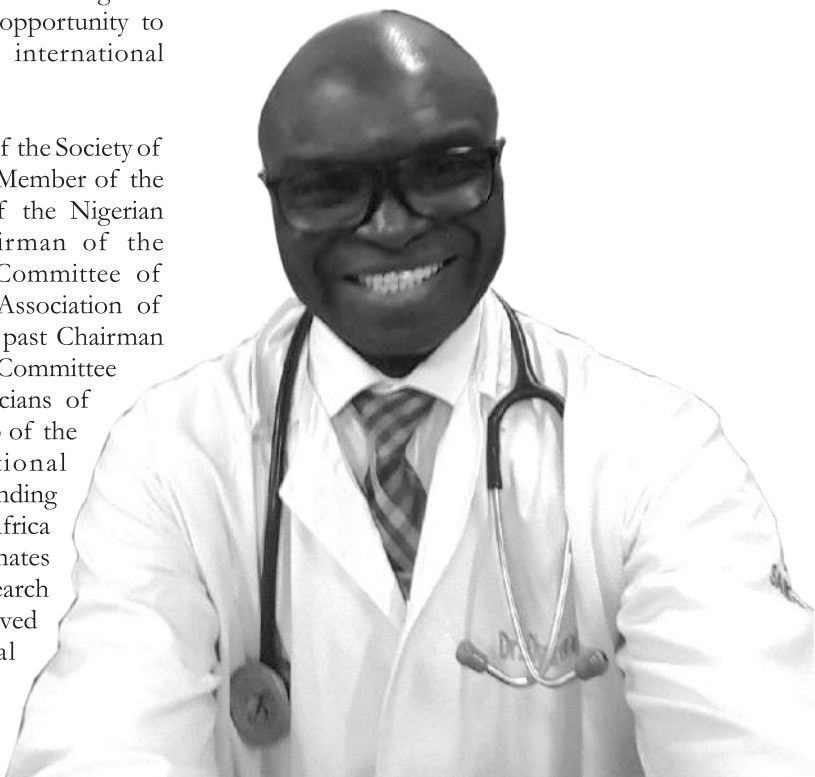
He is involved in the Post Graduate Training of Family Physicians and

Medical Students through the tutelage program of the National Post Graduate Medical College of Nigeria, and the COBES Programs respectively.

As a mark of respect and recognition in the medical community, Dr Olanrewaju has been honored in the past to deliver key-note address to the audience at the initiation of graduating young doctors at the University of Ilorin. He has also been seated as “medical elder” on 2 of such initiation ceremonies where it is assumed that the young grandaunts can appreciate the positive characteristics of the “elder” as they mature in the profession.

Dr. Olanrewaju is happily married with children, a devoted Muslim and a member of the Islamic Welfare Foundation.

His institution not only significantly reduced the morbidity and mortality among the group, his recommendations regarding pre-travel counseling with emphasis on malaria chemoprophylaxis for such vulnerable groups was adopted and published in the Journal of Travel medicine.



TOP

25 HEALTHY FRUITS:

CANTALOUPE, CHERRY, CRANBERRY, FIG, GOJI BERRY, FROZEN FOOD AND MORE



Cantaloupe

Nutritional value (1/2 cup/125 mL): 25 calories, less than 1 g fibre, source of vitamin A, folate and potassium

Disease-fighting factor: Cantaloupe is high in the antioxidant beta-carotene, which may help reduce the risk of developing cataracts. Cantaloupe is a perfect diet food since it has about half the calories of most other fruits.

Did you know? Since bacteria can grow on the outside rind, it is important to wash cantaloupe before cutting into it.

Cherry

Nutritional value (1/2 cup/125 mL): 46 calories, 1.5 g fibre, rich in antioxidants

Disease-fighting factor: Sour cherries contain more of the potent antioxidant anthocyanin than any other fruit. Anthocyanin may help reduce inflammation and ease the pain of arthritis and gout.

Did you know? Sour cherries, commonly used in pie and jam, have more vitamin C than sweet cherries do, but much of it is lost when they are heated.

Cranberry

Nutritional value (1/2 cup/125 mL): 25 calories, 2.5 g fibre, rich in antioxidants

Disease-fighting factor: Cranberries are antibacterial and studies show that they can help treat and prevent urinary tract infections. Recent research has also linked cranberries to the prevention of kidney

stones and ulcers.

Did you know? Unsweetened cranberry juice makes an excellent mouthwash – studies show it can help kill bacteria and fight cavities.

Fig (dried)

Nutritional value (2 dried figs): 42 calories, 1.5 g fibre, source of potassium, calcium and iron

Disease-fighting factor: High in fibre, figs may help reduce the risk of heart disease.

Did you know? Puréed figs make an excellent substitute for fat (like butter or oil) in baked goods. Simply purée 1 cup (250 mL) of dried figs with 1/4 cup (50 mL) of water, then replace half of the fat called for in the recipe with an equal amount of the fig mixture.

Goji berry

Nutritional value (1/2 cup/125 mL): 90 calories, 2.5 g fibre, source of vitamin A, rich in antioxidants

Disease-fighting factor: Goji berries are a nutrient powerhouse, containing six vitamins, 21 minerals and a slew of antioxidants. They have been linked to the prevention of diabetes and cancer, but more research is needed to understand their effects.

Did you know? Dried goji berries, which look like dried cranberries, can be found in most health food and bulk stores.

Note: Health Canada has warned people using the prescription drug Warfarin to avoid goji berries, because they can alter the drug's effectiveness.

Frozen fruit

If your favourite fresh fruit is only available for six weeks of the year, head to the frozen food aisle. Grocery store freezers house a variety of affordable frozen fruit, ranging from cubed mango to woodland blueberries to tropical fruit salad.

Not only is frozen fruit convenient, but it's also equally nutritious – if not more so – than its fresh counterpart. Fresh fruit starts to lose nutrients as soon as it's picked. The time between harvest and consumption can be long enough for significant nutrient losses to occur. Frozen fruit, however, is picked and frozen immediately, retaining much of the nutrient value. Plus, since frozen fruit is already washed, peeled and cut, it's a breeze to use. It can be thawed at room temperature or defrosted in the microwave. Once defrosted, eat it as you would fresh fruit, or use it atop cereal, mixed in yogurt or blended into **smoothies**.

Grape

Nutritional value (1/2 cup/ 125 mL): 53 calories, less than 1 g fibre, source of manganese

Disease-fighting factor: Grapes contain resveratrol, an antioxidant that may help prevent **heart disease** by reducing blood pressure levels and lowering the risk of blood clots. Resveratrol may also help stop the spread of breast, stomach and colon cancer cells.

Did you know? You can freeze red and green grapes and use them as colourful ice cubes in your favourite drinks. They add a special touch to sparkling water or Champagne.

Grapefruit (pink)

Nutritional value (1/2 grapefruit): 52 calories, 2 g fibre, source of vitamin A

Disease-fighting factor: Pink grapefruit contains lycopene and flavonoids, which may help protect against some types of cancer. Grapefruit also boasts an ample supply of pectin, a soluble fibre that may help lower cholesterol levels.

Did you know? Grapefruit can heighten the effect of certain drugs, including cholesterol-lowering statins. Check with your pharmacist to see if grapefruit may interfere with any of your medications.

Kiwifruit

Nutritional value (1 large): 56 calories, 3 g fibre, source of vitamins C and E, and of magnesium and potassium

Disease-fighting factor: With more **vitamin C** than oranges, kiwis can help in the development and maintenance of bones, cartilage, teeth and gums. They can also help lower blood triglyceride levels (high triglycerides increase the risk of heart disease).

Did you know? Most people remove the fuzzy skin, but kiwis can actually be eaten whole – skin and all.



Mango

Nutritional value (1/2 medium): 54 calories, 1.5 g fibre, source of vitamins A and E

Disease-fighting factor: Mangoes are high in the antioxidants lutein and zeaxanthin, which may help protect vision and reduce the risk of age-related macular degeneration (the leading cause of blindness in adults).

Did you know? Mangoes can be enjoyed ripe as a sweet, juicy dessert choice or unripe as a sour, crunchy addition to chutney and **salads**.

Orange

Nutritional value (1 medium): 62 calories, 3 g fibre, source of vitamin C, folate and potassium

Disease-fighting factor: Oranges are a good source of folate, an important vitamin for pregnant women that can help prevent neural tube defects in their infants. They also contain a phytochemical called hesperidin, which may lower triglyceride and blood cholesterol levels.

Did you know? The edible white part of the orange rind has nearly the same amount of vitamin C as the flesh, so eat that part too!

Papaya

Nutritional value (1/2 medium): 59 calories, 3 g fibre, source of folate, vitamins A and C

Disease-fighting factor: **Papayas** contain papain, an enzyme that aids digestion. Plus, their high vitamin A content aids in maintaining the health of the skin.

Did you know? The black seeds inside the papaya are edible and have a sharp, spicy flavour. Try blending them into salad dressing as a substitute for black pepper.

Peach

Nutritional value (1 medium): 58 calories, 2 g fibre, source of vitamin A

Disease-fighting factor: High in vitamin A, peaches **help regulate the immune system** and can help fight off infections.

Did you know? Peaches do not get any sweeter once they have been picked, so avoid buying underripe peaches.

CROSSWORD PUZZLE

By: Fatimah Jaji

TAX TERMINOLOGIES

X	E	D	X	N	P	Z	B	W	M	D	A	C	I	B	M	U	E	M	G
E	L	E	O	P	L	B	D	U	O	E	Z	S	G	N	I	G	D	E	H
G	B	F	Y	B	T	F	W	A	R	R	A	N	T	S	Z	F	U	Q	G
A	A	I	C	Q	R	Z	Z	S	K	I	R	G	J	C	O	U	P	O	N
R	C	C	N	D	U	C	G	Z	G	V	X	V	G	N	B	Q	M	E	I
T	O	I	E	Y	L	M	X	I	Q	A	D	T	A	H	K	R	X	Y	E
I	V	E	V	Q	B	S	R	H	J	T	R	K	O	R	C	P	R	L	E
B	E	N	L	W	O	Q	E	Q	O	I	D	N	E	G	E	F	B	Z	V
R	R	C	O	I	C	H	M	Q	A	V	X	G	I	N	K	A	V	B	A
A	I	Y	S	V	D	E	U	W	D	E	R	K	D	S	T	L	B	Z	E
O	Y	C	N	E	U	Q	N	I	L	E	D	I	B	I	H	X	A	A	S
X	V	Z	I	F	X	N	E	P	M	P	T	G	U	V	R	M	M	E	P
Q	L	I	C	I	W	D	R	C	M	U	F	Q	Y	Q	P	Z	E	R	A
O	G	D	Z	D	J	Y	A	C	R	X	E	K	A	M	V	M	U	N	L
P	U	R	J	U	E	B	T	E	N	S	Q	W	B	C	H	L	G	T	T
A	P	E	P	C	F	G	I	L	I	Q	U	I	D	A	T	I	O	N	I
E	X	C	L	I	C	S	O	T	R	V	C	R	C	Q	K	O	M	F	O
C	X	Q	I	A	E	C	N	A	I	L	P	M	O	C	Y	S	P	M	N
E	P	K	L	R	E	X	E	M	P	T	I	O	N	S	Z	C	K	E	P
E	W	H	E	Y	V	O	L	U	N	T	A	R	Y	U	H	E	K	W	S

Search up, down, forward, backward and diagonal to find the hidden tax terminologies

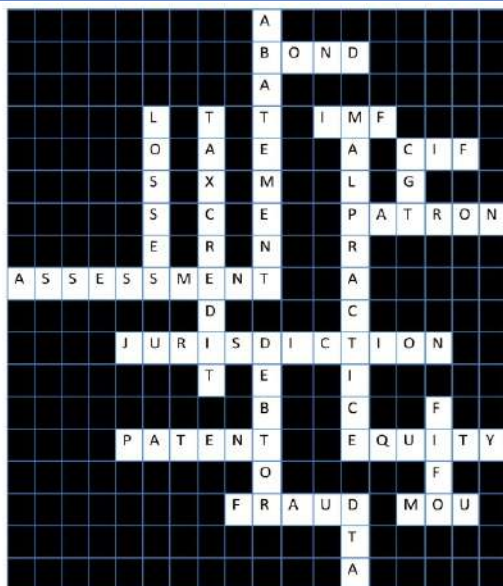
INSOLVENCY
DEFICIENCY
EQUITABLE
GARNISHMENT
LIQUIDATION
REVOCABLE
WARRANTS

ARBITRAGE
DELINQUENCY
EXEMPTIONS
HEDGING
MERGER
VOLUNTARY
COUPON

EXPENDITURE
DERIVATIVE
FIDUCIARY
LAPSE
REMUNERATION
COMPLIANCE

Send your solutions, your name and phone number via email to press@kw-irs.com with the subject: Puzzle Solution to Volume 3 Issue 16

Solution to Kwareve News Issue 17 Crossword Puzzle



ADENIKE OYELEKE



Adenike Oyeleke a staff of the Directorate of Research, Intelligence and Monitoring (RIM) has been nominated as undisputable hall of fame personality for the month of May, 2017. She works in the Intelligence Department of the Directorate, and she displays a high level of proficiency, enthusiasm and commitment in discharging of her duties.

She is diligent, smart, a fast learner, humble, zealous, **intelligent, bold, and** above all courteous. **Adenike is hardworking and possess the ability to work under pressure.**

The entire Kwareve Team congratulates you.

Taxpedia

Abdulwahab Fareedah

CASCADE TAX

A cascade tax or cascading tax is a turnover tax that is applied at every stage in the supply chain, without any deduction for the tax paid at earlier stages. Such taxes are distorting in that they create an artificial incentive for vertical integration. In other words, it's a tax that is levied on a good at each stage of the production process up to the point of being sold to the final consumer. A cascade tax is a type of turnover tax with each successive transfer being taxed inclusive of any previous cascade taxes being levied. Because each successive turnovers includes the taxes of all previous turnovers, the end tax amount will be greater than the cascade tax rate.

Cascade tax can create higher tax revenues compared to a single stage tax, because tax is imposed on top of tax. Cascade Tax have been replaced in Europe and many other locations by a value added tax.

REPROCESSING AND REBRANDING OF TAX COLLECTION HAS BROUGHT SUSTAINABILITY OF IGR TO KWARA STATE - DR AWODUN

Bolaji Abdullahi



Dr Muritala Awodun and Barr. Lateef Okandeji Esq



Chairman, NUJ Radio Kwara Chapel, Basir Jimoh and General Manager Radio Kwara, Adebowale Adedeji

Kwara State Internal Revenue Service, KW-IRS has maintained her standard and values since inception and has since shown sincerity, openness in operations. This has so far helped the State record significant feat in internally generated revenue. Kwara State for decades has remained number 32 on the Federal Allocation list due her social economic status. The criteria for the allocation of funds to each state in the country has not changed due to political and economic condition of the states. To continue to display the openness and transparency that the organization and the state uphold, the Nigerian Union of Journalist (NUJ), Radio Kwara Chapel summoned the Executive Chairman KW-IRS to its programme 'View Point', an interactive session, a platform designed for organizations to ex-ray their activities and be responsive and responsible to the people who entrusted the public offices on them.

Dr Awodun started by accounting for his stewardship at the Revenue House in 2017 as at when the programme was held and pronounced the blistering figure generated in the first five months of the year as 8.6 Billion. The figure was remarkable and historic as it surpassed what was generated in the whole of 2015 and what was generated in the first five months in 2016. He expressed this was due to the increase in the level of commitment which the service begun with in 2015. He further expressed and reassured the pressmen and the public that the mission of the organisation remain sacrosanct, that the Government is fashioning to put in place more convenience and comfort for the people in the State as enshrined in the enabling law that established the agency in 2015.

He stressed that before the establishment of the service, the Revenue generation was at a low ebb but the revamped process of revenue collection has



Members of the PRESS at the event

skyrocketed the State in IGR collection to fifth position (when IGR is taken as a percentage of Federal Allocation) compared to where it is placed in the past. Kwara State now sits behind Lagos, Kano, Ogun and Delta State respectively. This is based on the Federal Office of Statistics report released in the month of May 2017. This is an effort that can't be ignored by many in the country. He reiterated that the huge figure accumulated has been properly put to planning as the State government enacted a law to deflate substantial amount of money into the created Infrastructure Fund which was established to cater for the infrastructural development in the State. It has since inception resurrected abandon projects in the State and established new ones to maintain its developmental vision.

The pressmen in their usual practice posed series of questions to Dr Awodun to clarify some trending issues the people are curious about. Dr Awodun begun by repronouncing the Tax Holiday Scheme that was promised by the Executive Governor of Kwara State, Dr Abdulfatah Ahmed at the celebration of the Kwara at 50 event. The Governor at the event pronounced the holiday will kick off and will be granted to those who meets the stipulated conditions to benefit from the scheme. Dr Awodun when asked about what the Service, KW-IRS intends to do to the complaints by taxpayers who claimed to have been billed in multiples responded saying; a Tax Account and Relationship Management Scheme (TARS) will be introduced later in 2017 to harmonise bills to be paid by taxpayers.

The scheme is targeted to eradicate the issue of multiple taxation claim by taxpayers. When also asked about what the State has kept in place to revive the Ministry of Commerce and Industry in the State? He said, the government in her plan has increased her infrastructural development base which would attract investors to the State through putting strategic development in place.



Dr Muritala Awodun, making a speech



GM, Radio Kwara



Hameed Alayo



Members of the PRESS



Members of the PRESS



KW-IRS Staff at the event

HEAR ME OUT

A column just for you! Views to air, concerns to voice, questions to ask? Let's hear you out.

Hello,

I want to know why my shop had to be locked after I made my payments and placed the evidence of payment. My shop was locked before I even got to my shop.

Anonymous.

Hello, Anonymous

There are some things involved when a shop is locked. I want you to know that our staff wouldn't take any action without the backing of the law. Your trade permit or tax payment in general is always for the preceding year. The evidence of payment you placed on your shop was for the year 2015 and not for 2016. You pay the tax of 2016 in 2017. Please, endeavour to visit our Lajonrin area office, Informal Sector Directorate for more clarification.

Thank you.

Hello,

I paid for my building permit and there is no availability of building permit code on your internet platform. How do I generate the code?

Anonymous.

Hello, Anonymous

The code you are requesting for is available on our internet platform. Maybe whoever is attending to you assume you already know how to generate the code. We urge you to please endeavour to always ask the staff attending to you search thoroughly for you the code.

Thank you.

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Kindly give us your feedback on how we can serve you better.

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KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE

Hereby advise the general public to pay their taxes, levies and rates to the following **Kwara State IGR Accounts** only at any branch of the respective banks listed below

LIST OF IGR COLLECTION ACCOUNTS		
S/N	BANK NAME	ACCOUNT NUMBER
1	DIAMOND BANK	0072365510
2	ACCESS BANK	0004063946
3	ECOBANK	4822068065
4	FCMB	0897529151
5	FIDELITY BANK	5030063684
6	FIRST BANK	2029378380
7	GTB	0034886758
8	HERITAGE BANK	6003071503
9	SKYE BANK	1790106140
10	STANBIC IBTC BANK	9201637207
11	STERLING BANK	0049380670
12	UBA	1019295290
13	UNION BANK	0018799797
14	UNITY BANK	0025014446
15	WEMA BANK	0122584028
16	ZENITH BANK	1010522867
17	KEYSTONE BANK	6010010789
18	JAIZ BANK	0002241278

	BANK	ACCOUNT NAME	ACCOUNT NO
TSAACCOUNT	GTB	KWARA STATE CENTRAL REVENUE COLLECTION ACCOUNT	0199648356

Signed:

Muritala Awodun, PhD

Executive Chairman

KWARA STATE INTERNAL REVENUE SERVICE

Corporate Head Office: 27 Ahmadu Bello Way, Ilorin Kwara State

Email: info@kw-irs.com

Website: www.kw-irs.com

Telephone: 0700MYKWIRS (07006959477)

Mobilizing Revenue for the Strategic Development of Kwara State

PHOTO NEWS



National Association of Nigerian Students honours Dr Muritala Awodun with Leadership Award received by Mrs Adenike Babajamu for the Executive Chairman, KWIRS



Professor K.K. Kamaludeen on a courtesy visit to KW-IRS, a photograph with Some members of staff



KWAREVE News

Guidelines for Contributions

Subject Matter

Kwareve News is a monthly publication of the Kwara State Internal Revenue Service. Articles on revenue and expenditure may be accepted for publication in Kwareve News. Articles on Tax Law, Policy and Administration are especially welcome.

Format

- All articles sent should include the full name of the writer(s) with the first name first. A one paragraph bio-data including organisational affiliations of the writer(s) must also be included.
- All articles must be sent as an attached Word document file.
- Articles should be written in size 12 of Garamond font on a digital A4 sized paper.
- Text should have at least 1.5 line spacing.
- All pages must be paginated and fully justified.
- Where images are involved, they should be pasted within text where appropriate as well as

attached individually as .jpg or .png files. Images attached must be not less than 300 resolution and 2MB.

- Figures, tables, charts, graphs, photographs, etc must be consecutively labelled.
- Submissions must be limited to **3 pages** (including tables, charts, pictures, etc).

Referencing

- All contents (text, diagrams, tables, images, etc) **must not be plagiarised**.
- All contents must be properly references, both in-text and end of text.
- References or bibliography are acceptable.
- The required style is the APA.

Submission

Submissions should be sent to press@kw-irs.com

EXCERPT FROM FIFTYFIFTY; AN ANTIDOTE TO MANY BUSINESS PROBLEMS

Bolaji Abdullahi



The Celebrant, Dr Muritala Awodun making a comment



The Book on display



Dr (Mrs) Sola Adesola, reviewer of the book



Alh. Jani Ibrahim, Chairman, LUBCON

Creativity is general and could be celebrated by many, but astute creativity takes more than common celebration, it goes beyond its fundamentals which is what anyone could be gifted with. This was enthused by Dr Mrs Shola Adeshola, the reviewer of the 'FIFTYFIFTY BUSINESS from ENTREPRENEURSHIP *Taking the Risk Out Of Risk-Taking*', a 384 Pages with 18 Chapters book almost indescribable, in genuine piece of work launched by an Entrepreneurship and Business guru, Dr Muritala Olakitan Awodun, who doubled in celebration at the event where he also celebrated his 50th Golden anniversary. The book is a testimony of entrepreneur leadership and a legacy of seed planted for decades and will linger for decades. A lot of aggrandizement was showered on the astute accomplishment by the author, but what is most needed to be gratified is the aftermath transformation of the book in the society where it serves as a guiding principal document to existing entrepreneurs as well as aspiring entrepreneurs to acquire needed knowledge and practice in the area of enterprise and business. The dignified Entrepreneurship document was cheerfully lunched by the Crème de la Crème at the event, Royal Majesty's, Highnesses, erudite, elites, political mogul, and so on.

The focus and mission of the Author is an attempt to provide insights into so many questions arising from the fact that business and entrepreneurship have come to be recognized as related fields of

inquiries, theories and practices. Within the last two to three decades, quantitative methods have been brought to bear on the study of business and entrepreneurship. Tried as many have, to separate business from entrepreneurship, the obvious is presented by the submission of this book that any business enterprise created from or established on entrepreneurship principles has a higher probability of survival than the business enterprise that has no such foundation.

The title of this book thus draws from the fact that business and entrepreneurship are fifty percent theory and fifty percent practice, on one hand, while on the other hand, it also establishes the fact that the success of a business enterprise is predicated upon the entrepreneur's understanding and application of the principles of entrepreneurship in the business enterprise.

Entrepreneurship is about taking risk, since the entrepreneur is expected to muster resources

together to transform the opportunities identified into innovative products that will solve the societal problems. However, in taking risk with his resources, the entrepreneur tries to take away the risk by paying attention to all the variables and yardsticks that could make the risk manifest, thus taking the RISK out of risk taking. It is therefore fifty-fifty as the business enterprise emerges from entrepreneurship and the entrepreneur takes the risk away from taking risk.



Mr Olusegun Olaniyi



1st Makama of Ilorin



Muhydeen Akorede, SSA Media



Mrs Shobowale



Celebrant with dignitaries at the event



Celebrant cutting his birthday cake



Celebrant with dignitaries at the event



Celebrant with dignitaries at the event

Pictures of the Book Launch and 50th Birthday Anniversary of the Executive Chairman



NIGERIAN TAX SYSTEM

ALOBA Oluwatosin¹, GBENLE Isaac PhD²



Tax has been defined as 'a monetary charge imposed by the Government on persons, entities, transactions and properties to yield revenue'. A standard definition of tax: "a compulsory exaction from a taxpayer paid in cash or in kind to the government to provide for the public services of common interest without particular regard to the particular benefit received by the taxpayer." Tax is a powerful tool for achieving economic and social policy objectives of government and it is a means of transferring resources from the private to the public sector.

Taxation is undoubtedly a veritable instrument for national development. Apart from being a major source of revenue for government to provide goods and services needed by the people, tax policies, can and do stimulate economic growth and job creation through its impact on investment and capital formation in the economy. In this respect, reform of the tax system that ensures effectiveness, equity, and efficiency are necessary conditions for a healthy public finance.

Nigeria is a federation with three tiers of government namely; Federal, State and Local Government. These tiers of government have their different expenditure responsibilities and taxing powers.

The Nigerian tax system favors the federal government since it controls the buoyant tax components while the lower tiers have jurisdiction over the less profitable ones. In most instances the federal government taxes the corporate bodies while the state and local governments tax individuals. In the areas of concurrent taxation such as the personal income tax, capital gains tax and stamp duties, the federal government retains the legislative power while sharing administrative capacity with the states.

THE TRIPOD OF THE NIGERIAN TAX SYSTEM

The Nigeria tax system, like any tax system, is a tripartite structure which comprises of: Tax Policy, Tax Legislation and Tax Administration. Tax policy forms the basis for tax laws while tax administration is the implementation of the tax laws. This shows that in a bid to establish an

effective and efficient tax system that will make taxation the pivot for national development, appropriate tax policies and legislations should be put in place and adequately implemented.

The Nigerian tax system has undergone several reforms geared at enhancing tax collection and administration with minimal enforcement cost. The recent reforms include the introduction of TIN, (unique Taxpayer's Identification Number which became effective since February, 2008), automated tax system that facilitates tracking of tax positions and issues by individual taxpayers, e-payment system which enhances smooth payment procedure and reduces the incidence of tax touts, enforcement scheme (Special Purpose Tax officers), these are special tax officers in collaboration with other security agencies to ensure strict compliance in payment of taxes.

OBJECTIVES OF A TAX SYSTEM

- To promote fiscal responsibility and accountability
- To facilitate economic growth and development
- To provide the government with stable resources for the provision of public goods and services
- To address inequalities in income distribution
- To provide economic stabilization
- To correct market failures or imperfections

STRUCTURE OF NIGERIAN TAX SYSTEM

The structure of Nigerian tax system basically deals with classification and types of taxes.

Nigerian taxes can be classified in any of the following ways:

- (a) Proportional, Progressive and Regressive taxes
- (b) Direct and Indirect taxes

Under (a) above, Nigerian taxes are classified into:

• **Proportional Tax**

This form of tax assesses a taxpayer to tax at a flat rate on his total assessable income. Therefore, the tax payable is proportional to the taxpayer's income.

For instance, at a flat rate of 20%, a taxpayer with total assessable income of N50,000 will pay tax of N10,000 while a taxpayer with income of N100,000 pays tax of N20,000 and so on.

• **Progressive Tax**

This form of tax is graduated as it applies higher rates of tax of income increases. For instance, the progressive tax concept can be explained using the current personal income tax table s follows:

Taxable Income	N	Tax Rate (%)
First	30,000	5
Next	30,000	10
Next	50,000	15
Next	50,000	20
Over	160,000	25

It is a tax whose objective is the redistribution of income from the well to do to the less privileged.

• **Regressive Tax**

This type of tax makes the tax payable decrease as the taxpayer's income increases. This type of tax is not commonly applied.

The second form of classification is by incidence as follows:

• **Direct Tax**

This form of tax is assessable directly on the taxpayer who is required to pay tax on his property, income or profit etc.

The types of taxes that fall under this heading include:

- I. Personal income tax
- II. Companies income tax
- III. Capital gain tax
- IV. Education tax
- V. Petroleum profit tax

• **Indirect Taxes**

These are imposed on commodities before they reach the consumer and are paid by those upon whom they ultimately fall not as taxes but as part of the selling price of the commodity. Indirect taxes may affect the cost of living as they constitute taxation on expenditure. Examples include:

- I. Value added tax

- II. Stamp duties
- III. Custom duties
- IV. Excise duties

MEANING OF NATIONAL TAX POLICY

The National Tax Policy is a document which sets broad parameters for taxation and ancillary matters connected with taxation. It is a clear statement on the principles governing tax administration and revenue collection. It therefore, provides a set of guidelines, rules and modus operandi that would regulate taxation in Nigeria.

Objectives of National Tax Policy

The objectives of the National Tax Policy are to address the myriad of problems bedeviling the Nigerian tax system. It is aimed at creating a tax system that will contribute to the well-being of all Nigerians and taxes which are collected by Government, should directly Impact on the lives of the citizens. This can be accomplished through proper and judicious utilization of the revenues collected by government. The tax system, as envisaged by the National Tax Policy, is expected to meet the following objectives:

- To pursue fairness and equity
- To promote fiscal responsibility and accountability
- To facilitate economic growth and development
- To provide the government with stable resources for the provision of public goods and services
- To address inequalities in income distribution
- To provide economic stabilization
- To correct market failures

The Policy document was launched and given credence to in April 2012. However, in a bid to give legal backing to tax policy, there is need to fully crystallize its tenets into more tax laws enacted by the national assembly.

Tax legislation

Laws refer to a whole body of enacted acts of legislation. In the context of taxation, it is a codified system of order that describes the legal implications of taxation, i.e. government levies on economic transactions.

- Tax laws provide a well-defined legal backing to the administration of each tax type.
- States in clear terms the applicable rate.
- Tax laws stipulate what constitutes offence and the appropriate sanctions to each offence.
- They enshrine best practices in terms of ethical and professional conduct.

Tax Laws in Force in Nigeria

- Federal Inland Revenue Service (Establishment) Act No. 13 of 2007
- Companies Income Tax Act (CITA) CAP C21 LFN, 2004 (commencement 1st Jan, 1958)
- Personal Income Tax Act (PITA) CAP 8 LFN, 2004 (as amended)
- Petroleum Profits Tax Act (PPTA) CAP 13 LFN, 2004 (commencement 1st Jan, 1958)



Petroleum Profit Tax: imposed on the profits of all corporate entities registered in Nigeria or who derive income from oil and gas operations in Nigeria between 50% and 85%;

Education Tax: 2% imposed on all corporate entities registered in Nigeria;

- Deep Offshore and Inland Basin Production Sharing Contracts Act
- Value Added Tax Act (VATA) CAP D1 LFN, 2004 (commencement 1st Dec, 1993)
- Education Tax Act CAP E4 LFN, 2004 (commencement 1st Jan, 1993)
- Capital Gains Tax Act (CGT) CAP C1 LFN, 2004 (commencement 1st April, 1967)
- Stamp Duties Act CAP S8 LFN, 2004 (commencement 1st April, 1939)
- National Information Technology Development Agency Act (NITDA)
- Nigeria LNG (Fiscal Incentives, Guarantees & Assurances) Act
- Industrial Development (Income Tax Relief) Act
- Industrial Inspectorate Act
- Investment and Securities Act, 2007
- Insurance Act of 1997 (as amended)

Bases of Imposition of Tax in the Nigerian Tax System

For a good understanding of taxes payable by individuals and corporate bodies, it is essential to note the bases on which taxes are imposed in the Nigerian tax system. It is important to note that even though taxes are payable by individuals and corporate bodies, such taxes are not levied or imposed on such individuals and corporate bodies. Rather, taxes are levied on the incomes and transactions of these individuals and corporate bodies.

Taxes may be direct or indirect and may be imposed on individuals' incomes, corporate entities' incomes, assets and transactions. The bases of imposition are highlighted below:

• On individuals' incomes

Personal Income Tax: imposed on the income of all Nigerian citizens or residents who derive income in Nigeria and outside Nigeria.

Development Levy: a flat charge imposed on every taxable person typically within a state.

• On Companies' incomes (Corporate Entities)

Companies Income Tax: 30% imposed on the profits of all corporate entities who are registered in Nigeria or drive income from Nigeria, other than those engaged in petroleum operations.

Technology Development Levy: imposed on selected corporate entities (telecommunication companies, internet service providers, pension managers, banks, insurance companies and other financial institutions within a specified turnover range) in Nigeria to support nationwide development of technology infrastructure and capacity.

• On Transactions

Value Added Tax: imposed on the net sales value of non-exempt, qualifying goods and services in Nigeria, it is 5% of the value.

Capital Gains Tax: 10% imposed on capital gains derived from sales or disposal of chargeable assets.

Stamp Duties: imposed on instruments executed by individuals and corporate entities in Nigeria' the rate on Stamp duties varies.

Excise Duty: imposed on the manufacture of goods within the Government territory and collected by the Nigeria Customs Service.

Import Duty: imposed on the import of goods into the Government territory and collected by the Nigeria Customs Service; and

Export Duty: imposed on the export of goods outside the Government territory and collected by the Nigeria Customs Service.

This includes taxes such as property tax and other such taxes imposed on land or landed property.

Notwithstanding the above enumerated bases of imposition of taxes, the various tax laws provide relief and exemption to certain entities on certain incomes and activities. It is however important to note that these reliefs or exemptions are limited to the specific incomes or transactions for which they have been so granted rather than the global income or transaction of a particular entity.

To achieve the overall purposes and objectives of taxation, there is an inevitable need for a set of rules and regulations (quasi laws) to, amongst other things, give its administration a legal backing, provide ethical and professional conduct, etc. The components of the tripartite structure of a tax system will now be mentioned in relationship with the Nigerian tax system.

TAX ADMINISTRATION IN NIGERIA

The administration of taxation in Nigeria is vested in the various tax authorities depending on the type of tax under consideration.

Broadly, there are three categories of tax authorities, namely:

- Federal Inland Revenue Service,
- State Internal Revenue Service, and
- The Local Government Revenue Committee

The enabling law in respect of each type of tax will normally contain a provision as to the body charged with the administration of the tax. Each of the above mentioned tax authorities have their distinct composition, powers and functions.

LIST OF APPROVED TAXES AND LEVIES FOR THE THREE TIERS OF GOVERNMENT

A list of taxes and levies for collection by the three tiers of government has been approved by government and published by the Joint Tax Board (JTB) as follows:

(A) Taxes collectible by the Federal Government

- i. Companies income tax;
- ii. Withholding tax on companies;
- iii. Petroleum Profit Tax;
- iv. Value-added tax (VAT);
- v. Education tax;
- vi. Capital gains tax - Abuja residents and corporate bodies;
- vii. Stamp duties involving a corporate entity;
- viii. Personal income tax in respect of:
 - Armed forces personnel;
 - Police personnel;
 - Residents of Abuja FCT;
 - External Affairs officers; and
 - Non-residents.

(B) Taxes/Levies Collectible by State Governments

- i. Personal income tax:
 - Pay-As-You-Earn (PAYE);
 - Direct (self and government) assessment;
 - Withholding tax (individuals only);
- ii. Capital gains tax;
- iii. Stamp duties (instruments executed by individuals);
- iv. Pools betting, lotteries, gaming and casino taxes;
- v. Road taxes;
- vi. Business premises registration and renewal levy;
 - urban areas (as defined by each state): maximum of N 10,000 for registration and N5,000 for the renewal per annum
 - rural areas
 - registration N2,000 per annum
 - renewal N 1,000 per annum
- vii. Development levy (individuals only) not more than N100 per annum on all taxable individuals;

“
To achieve the overall purposes and objectives of taxation, there is an inevitable need for a set of rules and regulations (quasi laws) to, amongst other things, give its administration a legal backing, provide ethical and professional conduct, etc.
 ”

- viii. Naming of street registration fee in state capitals
- ix. Right of occupancy fees in state capitals;
- x. Rates in markets where state finances are involved.

(C) Taxes/Levies Collectible by Local Governments

- i. Shops and kiosks rates;
- ii. Tenement rates;
- iii. On and off liquor license;
- iv. Slaughter slab fees;
- v. Marriage, birth and death registration fees;
- vi. Naming of street registration fee (excluding state capitals);
- vii. Right of occupancy fees (excluding state capitals);
- viii. Market/motor park fees (excluding market where state finance are involved);
- ix. Domestic animal license;
- x. Bicycle, truck, canoe, wheelbarrow and cart fees;
- xi. Cattle tax;
- xii. Merriment and road closure fees;
- xiii. Radio/television (other than radio/TV transmitter) licenses and vehicle radio license (to be imposed by the local government in which the car is registered);
- xiv. Wrong parking charges;
- xv. Public convenience, sewage and refuse disposal fees;
- xvi. Customary, burial ground and religious places permits; and
- xvii. Signboard/advertisement permit.

CHALLENGES OF TAX ADMINISTRATION AND COLLECTION IN NIGERIA

In discussing an efficient and effective system of tax administration, there must always be consideration of the challenges which militate against the creation and maintenance of such a system. In Nigeria, most of the issues are faced out across the three tiers of government. The major challenges faced in tax administration in Nigeria include:

- i. Lack of an overall understanding of the role of taxation in National development.

- ii. Dependence on oil revenue leading to a neglect of taxation as a source of revenue.
 - iii. Lack of sufficient political support for the tax administration
 - iv. Level of business activity in the economy.
 - v. Large informal sector outside the tax net
 - vi. Poor attitude to taxation, lack of tax culture low awareness amongst tax payers
 - vii. Low level of voluntary compliance.
 - viii. Deliberate evasion and non-compliance
 - ix. Multiple taxation
 - x. Corruption, leakage and diversion of tax revenue by tax officials before and during collection by government officials after distribution.
 - xi. Lack of accountability for tax revenue
 - xii. Lack of inter-governmental collaboration, co-operation and co-ordination between tiers and agencies of government.
 - xiii. Lack of sufficient government impact on citizens
 - xiv. Issue within the tax administration set up which include capacity issues, quality and quantity of human resources, technology issues, manual system of tax operatives, lack of records, low level of tax payer education and finding challenges.
- f. Diversity: The tax revenue should come from diversified sources, but much multiplicity unnecessary cost of collection and violates the economy.
 - g. Flexibility: It should be possible for the authorities without undue to revise that tax structure, both with respect to its coverage and rates that suits the charging requirement of the economy and the treasury.
 - h. Simplicity: That tax system should not be too complicated that is makes it difficult to administer and understand so as not to be breed problem of difference in interpretation and legal dispute.

Payment of tax is compulsory for every eligible citizen once you earn income. The Nigerian tax system has undergone significant changes in recent times. The tax laws are consistently being reviewed with the aim of repealing obsolete provisions and simplifying the main ones.

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PRINCIPLES OF TAXATION

For tax to be considered as good or not it has to be able to satisfy the basic principles of taxation. By principles, we mean the rules, reasons, quality and condition that lie behind a particular tax or tax system. The four cannon put forward by Smith are as follows:

- a. Canon of Equality: This states that a tax payer should pay as much tax as nearly as possible in proportion to his ability to pay, that is, tax payment should be progressive. Meaning, the higher the level of income, the higher should the proportion of that income as tax.
- b. Canon of Certainty: The certainty principle state that a tax payer should know exactly how much he is to pay as tax and when it is being paid. Meaning: that payment should be arbitrary.
- c. Canon of Economy: This emphatically states that the cost of collecting and assessing a tax should be small in relation to the revenue it brings in. Any tax system which has the cost of collecting higher than the accruing should be avoided. Furthermore, recent application of modern economics shows that two other criteria are necessary.
 - i. That tax should not hamper the creation of wealth.
 - ii. That tax should not deter the tax payer from work.
- d. Canon of Convenience: This principle means that a tax should be due at a time and a place convenient for the tax payer. Other canons added by different author include.
- e. Neutrality: By neutrality, we mean that a tax system should not distort relative prices in an economy. It should not interfere with that operation of the price system.

ALOBA Oluwatosin¹ is a staff of Kwara State Internal Revenue Service, GBENLE Isaac PhD² is the Director Research, Intelligence and Monitoring Directorate of Kwara State Internal Revenue Service

Ode to a Doyen of Inestimable Value (Dr Muritala Awodun)

The lion, the king of the jungle
Turns not away from any man
Muritala Olakitan Awodun
A courageous achiever
Who knows not what fear is
But dared to tread
Where no one dared.
A rare breed
Muritala Olakitan Awodun
Standing strong like the lion
The lord of the forest
A survivor, a warrior
A high-flier and go-getter
The first among equal
A silent achiever putting others first
And saving himself last.
Your silence and gentle mien is the loudest
roar
Like the blow from a lion's paw
Strong, firm and resilient
In pursuit of virtues for which you believe
Defies all odds until
Victory is accomplished
The invincibility of the Great One, your
foundation
And confident in your inner strength makes
you
Courageous, limitless and boundless.
Brave daring audacious and enterprising
That's who you are; our doyen of
inestimable value
Truth does not sit in a cavern and hide like a
lie.
Oh No!
It walks around confidently with pride
And roars loudly like a lion.
Just as a city placed on the hill top
Muritala Olakitan Awodun
You stand out and you stand tall
With integrity uncompromised
Honour dignified,
And grace unequalled
We at KWIRS
Celebrate you again today
We celebrate your greatness
Your ingenuity, your kindness
And love for humanity.

We celebrate your "it's not over until it's
over" spirit
Your "can do spirit"
That keeps everyone on their toes
Until victory is achieved.
We celebrate you today because success is
having the heart of a lion
Daring the impossible and returning home
with the prey

Happy, Happy Birthday to you Dr Muritala Olakitan Awodun



Kwareve Toon By Ojerheghan Godfrey



Profile of Board Members of



Dr. Muritala Olakitan Awodun

DR MURITALA OLAKITAN AWODUN is the pioneer Executive Chairman of the Kwara State Internal Revenue Service. Prior to his appointment, he was the pioneer Dean of the School of Business and Governance, and before that, the pioneer Director, Centre for Entrepreneurship both at the Kwara State University, Malete. He is an Associate Professor of International Business and Entrepreneurship (since 2012) with teaching and research interests in Business Economics, Business Strategy, Entrepreneurship, Emerging Economies and International Business. He holds a Bachelor of Science (Honours) Degree in Economics, Master of Science Degree in Economics, and Doctor of Philosophy (PhD) in International Business.



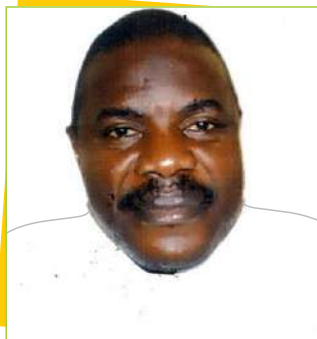
Adenike Omolara Babajamu

Adenike Omolara Babajamu is currently the Director of Operations and Process, Kwara State Internal Revenue Service (KWIRS). She is a highly dynamic professional, with over 27 years vast and relevant experience in civil service, academics (secondary and tertiary), and banking industry. She is versatile in various levels of personnel and human management, training and retraining of personnel, branding and rebranding of existing products and policies having served in various capacities in both the private and public sectors.



Alhaji Ahmed A. Mohammed

Alhaji Ahmed A. Mohammed is a native of Lade town in Patigi LGA of Kwara State. He is currently the Director of Agriculture and Engineering Services Department of Kwara State Ministry of Agriculture and Natural Resources (MANR). He is a board member of the Kwara State Internal Revenue Service representing the Ministry as provided for by the Kwara State Revenue Administration Law (2015).



Dr. Ahmed Salihu

Dr. Ahmed Salihu is an indigene of Kwara State from Ilorin West Local Government Area. He is currently the Director (FS) Ministry of Works and Transport. He is a board member, International Aviation College, Ilorin. and currently a board member of the Kwara State Internal Revenue Service representing his ministry as provided for by the Kwara State Revenue Administration Law (2015)



Babatunde Idris Mahmud

Babatunde Idris Mahmud is committed conservationist with over 12 years experience at Ministry of Environment and Forestry, implementing forestry policy and creating awareness on Afforestation as well as collaborating with people of various social and cultural backgrounds to foster sustainable development. He is the director representing his Ministry on the Board of Kwara State Internal Revenue Service as provided for by the Kwara State Revenue Administration Law (2015)



Ezekiel Olajide Bamigboye

Ezekiel Olajide Bamigboye is currently the Director of Cooperatives Kwara State. He took up appointment with Kwara State Schools Board in 1983 and later transferred his service to the then Ministry of Commerce Industry and Cooperatives in 1989. In the same year he proceeded to the prestigious Federal Cooperatives College Eleyele Ibadan to pursue his Postgraduate course in cooperative studies. He is representing his Ministry on the Board of Kwara State Internal Revenue Service as provided for by the Law establishing the Service.



Iyabo Funke Banire

Iyabo Funke Banire Nee Adefila is a native of Ijomu-Oro in Irepodun LGA of Kwara State. She is currently the Director (State counsel) and also heading the Legal Drafting Department with the Kwara State Ministry of Justice. She is also a board member of the Kwara State Internal Revenue Service representing her Ministry as provided for by the Law establishing the Service. She has functioned in different leadership position.



Lateef Ahmed Okandeji

Lateef Ahmed Okandeji was appointed Secretary to the Board of Kwara State Internal Revenue Service upon his resumption in 2017. He is running a concurrent portfolio as the Director Legal & Enforcement of the Service. He was at one time a member of Governing Council, Kwara State University, Malete (2013-2016), Board member Kwara State Water Corporation (2011-2017), Executive Chairman Ilorin-East LGA (Nov 2013-Nov 2016) and about the same time, also doubles as the Chairman Kwara State chapter of the Association of Local Government of Nigeria (ALGON), an umbrella body of the third tier of government in Nigeria.



Alhaji Mohammed Razak Umar

Alhaji Mohammed Razak Umar (Mutawali Kaiama) is a native of Kaiama town in Kaiama LGA of Kwara State. He has worked with Kwara State Government for 28 years before retiring from the employment of Kwara State Government as a Permanent Secretary. He is presently the Coordinator NNDC-ICAN study centre, Ilorin Kwara State and also a member of Kwara State Committee on Religious Matters.



Muhammed, Nuhu Olaide

Muhammed, Nuhu Olaide is a native of Kwara State. He is currently the Director of High Networth Individual (HNI) and Corporate, Kwara State Internal Revenue Service (KWIRS). He was the acting Chairman of the defunct Board of Internal Revenue Service. He has served in Public sector for over 31 years. He is also a board member of the Kwara State Internal Revenue Service.



Mudasiru Adejumo Oladapo

Mudasiru Adejumo Oladapo is a seasoned and servant technocrat, who retired from the employment of Kwara State Government as a Permanent Secretary/Chairman of the defunct Kwara State Board of Internal Revenue Ilorin. He was a founding member of the Governing Council of Kwara State University, Malete till 2016. Post retirement calling for him is full time farming and as well as consultant on tax matters to several public enterprises and reputable organizations. He is alumni of University of Ibadan, where he badge B.sc (Statistics), and he is a member of several reputable professional bodies.



Oyelowo Abdulazeez Tayo

Oyelowo Abdulazeez Tayo is a native of Kwara State, Ifelodun Local Government Area. He is currently the Director of Planning with the Ministry of Planning and Economic Development Kwara State. He is currently a board member of the Kwara State Internal Revenue Service representing his ministry as provided for by the Law establishing the Service. He has worked with the State government for several years.



Alhaji Razak. R. Olorunmako

Alhaji Razak. R. Olorunmako is an indigene of Kwara State, Ilorin West Local Government Area. He is currently the Director of Local Government Inspectorate with the Directorate of Local Government Affairs, Ministry of Local Government, Chieftaincy Affairs and Community Development, Kwara State. He is presently a member of Kwara State Internal Revenue Service Board and a member of Kwara State Joint Revenue Committee, representing his Ministry as provided for in the Kwara State Revenue Administration Law (2015).



Salaudeen Ibrahim

Salaudeen Ibrahim is a native of Malete, Moro Local Government Area of Kwara State. He is currently a board member of the Kwara State Internal Revenue Service. He is also a research fellow at the Kwara State University, Malete, College of Humanities, Management and Social Sciences, Department of Accounting & Finance. He has worked in various sectors in the State before his appointment to the Board.



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Community Impact Programme

CATCH THEM YOUNGER CELEBRATING EXCELLENCE

Busari Ayodeji Mahbub

Reaching out to the community as created under the KW-IRS Community Impact strategy tagged 5Es; Education, Environment, Employment, Entrepreneurship, and Empowerment was the point of call for the month of May 2017. The programme is aimed at some selected private primary schools in Ilorin. The programme tagged "SPEAK OUT" was targeted to enlighten, inform and educate the primary school pupils on taxation. This programme was designed in a competitive form to test the ability of the pupils and to help discover some potentials in them. It has different segments namely; Tax Quiz, Rhyme Battle and Spelling Bee.

It was competed for by Ten (10) selected primary schools in Ilorin. Some of the Schools that participated were; Abdulazeez Attah Nur./Pry. School, Swot Chartered Nur./Pry. School, Joel Best legacy Nursery and Primary School, Little Learners Nur./Primary School, Excel Kiddies Nur./Pry. School. Abdulazeez Attah Memorial Nursery and Primary School emerged the winner of the competition, Swot chartered school, and Joel Best Legacy School emerged as the first and second runners up respectively. This programme however will be extended to capture many more primary school pupils in the state to equip them with the knowledge of taxation from the beginning. It was organized by a directorate in the Service.



Busari Mahbub conducting the quiz competition



Presentation of certificate to the winning school



Presentation of souvenir to the winning school



Panel of Judges during the competition



Presentation of certificates to winning schools



Presentation of certificates to winning schools



Pictures of the Primary School Tax Quiz



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