



**KW-IRS**  
KWARA STATE INTERNAL REVENUE SERVICE

ISSN: 2489-0448

# KWAREVE*News*

A publication of Kwara State Internal Revenue Service

May / June 2018 Volume 4 Issue 27

**SPECIAL REPORT**

**KW-IRS GENERATES  
₦7.7 BILLION IN  
FOUR MONTHS** 37

**PRESIDENT  
BUHARI  
EXTENDS**



**VAIDS**

VOLUNTARY ASSETS AND INCOME  
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## Editorial

# MAXIMIZING EFFICIENCY IN TAX ADMINISTRATION THROUGH EXTERNAL ASSESSMENT OF THE ACTIVITIES OF THE REVENUE SERVICE

**T**his 27<sup>th</sup> edition of the publication of Kwara State Internal Revenue Service is focusing on two critical areas; first is the visit of the Centre for African Entrepreneurship and Leadership (CAEL) of the University of Wolverhampton in the United Kingdom to Kwara State to assess the activities of the Service through a week long engaging interactions with the various stakeholders in the State. This event which was a landmark one for the Service for the major reason that there is an acknowledgement of the fact that KW-IRS is worth a study by CAEL. The visit took the team to the various

“  
*The creation of the IVTEC by the present government of the State is a step in the right direction, and an opportunity that indigenes and residents of the State must begin to quickly embrace.*  
”

*“It is obvious that as a State, we should begin to take our destinies in our hands and create institutions that are capable of helping us tap into the opportunities abounding in our State.”*

stakeholders in the State, ranging from the government to the ministries, department and agencies, the professional associations and non-professional associations, the artisans and markets, the organized private sector and the traditional rulers.

This visit also afforded the visitors the opportunity to obtain first-hand information and feedback on the activities of the Service for the purpose of the study. Aside from the meetings with the various heads and members of the various directorates in the Service, the CAEL team also had the privilege of meeting with the entire members of staff of KW-IRS at the monthly field feedback and training session of the Service. There could therefore be no better opportunity than this for such a study, as enough data were gathered for the CAEL team to use for the purpose of the study. We are therefore convinced that the outcome of the week-long visit, which is expected through various reports of the study, will also be a value addition to the Service when this is eventually released.

In this edition, also, is our focus on the International Vocational, Technical and Entrepreneurship College (IVTEC) established by the Kwara State Government to address the dearth of technical manpower in the State and the country to the provision of the opportunities for training for the acquisition of the required skills for capacity creation in the most sorted areas that are hitherto been neglected by our formal education making it easy for people to become gainfully employed and solving the unemployment problem in our State. The creation of the IVTEC by the present

government of the State is a step in the right direction, and an opportunity that indigenes and residents of the State must begin to quickly embrace.

It is obvious that as a State, we should begin to take our destinies in our hands and create institutions that are capable of helping us tap into the opportunities abounding in our State.

The creation of institutions like IVTEC will obviously lead to the establishment of many micro, small and medium enterprises in the State in the years to come, as it will ably complement the existing institutions by helping to fill the gaps inherent in the curriculum of most institutions of higher learning, and create manpower for existing businesses. We are therefore of the opinion that the IVTEC, which has come to stay, should go the whole hog in her drive to make meaningful impact, not only in Kwara State but Nigeria.



**Muritala Awodun, PhD**  
*Executive Chairman*  
 Kwara State Internal Revenue Service



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 IVTEC  
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# IVTEC GRADUATES FIRST SET

...Celebrating Entrepreneurship Excellence



Femi Onabanjo & Bolaji Abdullahi

Alhaji (Dr.) Abdulfatah Ahmed in a group photograph with the graduates

**T**he International Vocational, Technical and Entrepreneurship College (IVTEC), Ajase-Ipo, Kwara State was born out of the need to transform the face of development and improve the economic status of the State. It is an establishment that is aimed at building the capacity of the residents of Kwara State economically, and by extension, the country as a whole, by maximizing their potentials in entrepreneurship skills. Tentatively, the college is centered on six major entrepreneurship skills which are; Automotive Engineering, Building

Technology, and Electrical Technology, ICT, Welding Technology and Hotel and Tourism Management.

The first set of graduates of the College were 25 young men and women who were sponsored and trained on solar photovoltaic installations, troubleshooting and maintenance, an arm of the Electrical Technology course by Riccofortezza-Astevan Energy Limited. The students also were equipped with solar products valued at One Million, One Hundred Thousand Naira (N1, 100, 000) each from the same company, for them to commence their businesses.

The success of the renewable green energy program was encouraged by His Excellency, the Executive Governor of Kwara State, Dr Abdulfatah Ahmed who provided enabling environment and platform for the nurturing of Green Growth Project in the State.

Flagging off the graduation ceremony, Dr Abdulfatah Ahmed expressed delights on the collaboration with Asteven Renewable Energy Academy (ASREA) who took on the mantle to empower and improve the quality of life and alleviate poverty among the people. He congratulated and urged the pioneer graduate trainees to put into practice the skills acquired and make judicious use of the support package. Dr Ahmed urged other Corporate Bodies, and Organizations to emulate the company by sponsoring students for training at IVTEC or provide fund endowments for various departments in the College as part of their Corporate Social Responsibility.

The Executive Director, Asteven Renewable Energy Academy, Dr Magnus Onuoha, applauded the Kwara State Government for her partnership and collaboration during the training of the students. He added that the value and services provided are immeasurable because the establishment is a landmark project dotting across the length and breadth of the State. He further expressed his profound gratitude to the students for their maximum corporation during the course of the program and asserted that the graduates will in no time be successful millionaires, employers of labor and renowned green entrepreneurs in renewable energy sector.

The Rector, IVTEC, Ajase-Ipo, Dr Ade Somide, in his address congratulated the students for their diligence and innovative approach toward the skill acquisition program. He enthused that it is a sheer determination to succeed through self-development that led to their joining the institution. He said IVTEC is meant to build high skilled workforce in the country as the State is witnessing the very first tangible manifestation of the transformative power of the College's vision by providing people with the opportunity to acquire technical skills that can lead directly into a career. The solar-photo Vocay maintenance and installation training is an arm of Electrical Solar Energy.

The certification from IVTEC carries an affiliate of City and Guilds Vocational Education and



Executive Governor addressing the graduates



Administrative block of IVTEC



Automotive Workshop



Mechanical Workshop



Front view of the Training Workshop

Apprenticeships, United Kingdom which is globally recognized by any institution, company, industry or organization. This gives whoever graduates from the IVTEC the edge over their equals who perhaps have acquired similar skill acquisition". The Rector commended the students for their focus in paying rapt attention to every detail during the three week period of the training which led to their success in the program as well as the enthusiastic spirit they embraced, the discipline, ambition and vigor is why they're been celebrated. He implored the students to be thankful to the Kwara State Government for the opportunity given to them.

In an interview, Mr Danjuma Ishiah, HOD Automotive Department, IVTEC expressed that IVTEC is an institution that has come to fill the unemployment void in the society with the educational

standard in the College and variety of modern equipment, tools, and machines made available for students, with intensive practicals. This will extend the knowledge acquired to the larger society to reduce the existing poverty rate in the country. Another HOD in the Welding Department, Mr Oyeyinka Tokunbo, also stated the importance of the creation of the IVTEC as an insightful initiative that bring back vocational education which has been faced out over the years in the country, especially when there is conspicuous dwindling in the country's economy. He added that IVTEC has come to make a landmark achievement in the country as it does not offer training based on what one can see elsewhere, but based on the need of the vocational industry which is why strategically, students are trained to fit into the labour market.



Welding Workshop



Alhaji (Dr) Abdulfatah Ahmed making presentation of certificates to the graduates



Presentation of certificates to the graduates



Stakeholders at the ceremony



# The Informal Sector and Taxation in Nigeria

GENEVIEVE HENSHAW

**T**he mass of economic activities can be categorized into formal and informal sectors. The Informal sector, which is the focus of this paper is also known as the “grey economy”. The sector widely acclaimed for its wealth creation function, as well as its personal income generation capacity, through a variety of small-scale/entrepreneurial activities is a largely unstructured interface among/between unincorporated entities in any economy. To this end, the informal sector can be explained as the sum total of income generating activities outside of a government regulated contractual relationship of production.<sup>1</sup>

The informal sector may be subdivided into Productive, Service and Financial sectors.<sup>2</sup>

The Informal Productive subsector involves economic activities relating to production of tangible goods such as agricultural production, small scale manufacturing, building & construction, furniture & garment making, welding etc. The economic activities in the Informal financial sub-sector include the Ajo/Esusu, informal money lenders among others. Activities in the Informal Service sub-sector include traditional birth attendants, menial labour, traditional healers etc.

Hence the National Tax Policy (NTP) recognised the potential of this sector vis a vis revenue generation for government and this would be disclosed below.

## The National Tax Policy

The NTP, an initiative of the Federal Government driven by the Federal Ministry of Finance sought to set the direction for Nigeria's tax system as well as provide the basis for tax

legislation and administration in Nigeria.<sup>3</sup>

The NTP in recognizing the different stakeholders in the Nigerian tax system, identifies the taxpayers as the single most important group while reiterating the need to ensure strict compliance with the tax laws at all times. In this wise, it envisages frequent interactions and engagements between the various stakeholders to ensure seamless administration of tax regimes.

The NTP encourages through innovative policy directions i.e a shift from direct taxation to indirect taxation, reduced direct tax rates (Personal Income Taxes and Companies Income Taxes alike) & increased indirect tax rates. This is all in a bid to stimulate economic growth and create an enabling environment for more investment. Regardless of the form of taxation i.e direct or indirect, a good tax system is founded on equality, certainty, convenience and economy; these are still largely relevant in today's economy.

## Application of Tax Policies to Businesses in the Informal Sector

- a. **Should businesses in the Informal Sector be taxed?** It is important to note that the informal sector has emerged to absorb the shortfalls of the formal sector, unemployment as well as provide a means of livelihood for the semi-skilled and unskilled. The sheer size of the sector makes it practically difficult to ascertain the actual membership and activities of the sector. However, a recent study by Chatham House Royal Institute of

International Affairs indicated that the Nigerian informal sector constitutes as much as 64% of Gross Domestic Product (GDP). This puts Nigeria in a class of its own as the United Nations assessments suggest that for developing economies the average percentage composition of GDP by informal sector ought to be 41% and for countries in transition; 38%. The effect of this information is two-fold. In the first place, it would appear that it means an increase in per-capita income as well as improved standards of living. On the other hand, it would appear that government is losing potential income which would otherwise be revenue for it. The latter effect which is the focus of this paper is worthy of note.

Government supports are of three categories, some of them are interwoven in concept and operation.<sup>4</sup> These are: credit policies and strategies, management and technical training, and enabling environment strategies.

Government on its part has over the years attempted to implement programs which are designed to support the operation of this sector. The establishment of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) to primarily assist, promote the growth and development of micro, small and medium scale enterprises. In partnership with the United Nations Industrial Development Organization, it birthed the Sub-contracting and Partnership Exchange (SPX) to link domestic enterprises in developing countries to the supply chains of large domestic or international companies<sup>5</sup> with the grant of credit and investment facilities in 1999. Agencies have also been established to administer government assistance. An example of such support is the N1.6 billion special intervention fund – National Women Empowerment Fund aimed at supporting grassroots women operating informal businesses by providing start up and scale-up credit for them.<sup>7</sup> This fund is expected to target 10,000 women per state. Also, established in recent times is the MarketMoni – the Government Enterprise and Empowerment Programme (GEEP) established through the Bank of Industry (BOI), a parastatal of the Ministry of Industry, Trade and Investment is a no interest loan scheme, which is accessible provided there is confirmation of membership of accredited market associations and the provision of Bank Verification Numbers (BVNs).<sup>8</sup>

It is noteworthy that government efforts would appear albeit minimal given the robustness of the informal sector, it would appear that quite a number of businesses are left out of these schemes thereby creating two germane difficulties for government;

- i. Government is unable to capture the existence of these businesses and cannot therefore include them in its tax dragnet.
- ii. These businesses do not benefit directly from government support program but survive and grow solely due to the persistence and ingenuity of their owners. There is therefore little or no

incentive to voluntarily remit or pay taxes to government.

The above remain germane points in the ongoing debate on government's morality in taxing or levying businesses in the informal sector or the implementation of tax holidays for such businesses. It is however not the focus of this paper.

#### **b. Challenges for tax collection in the Informal Sector**

Basically, effective tax collection is a function of accurate information. Given the operations of the informal sector, information gathering would be a herculean task. Some of the issues plaguing the proper taxation of these businesses include:

- Some of these businesses are operated by liquid cash;
- Absence or inadequate accounting/book keeping records;
- Absence of a database in view of the non-registration of businesses within the informal sector;
- Difficulty in identifying the appropriate tax base;
- Our tax operations are more suited for the direct sector further necessitating the need for a system which makes voluntary compliance easy;
- Tax payer's defiance to tax remittance in the face of what they consider to be failed government support.
- The average business person within the informal sector does not consider himself a taxable person.

#### **c. How should they be assessed for taxation?**

In response to these challenges, government must develop smart solutions unique to this sector and the Lagos State Internal Revenue Service (LIRS) offers a good reference point because of its approach. Upon recognizing the huge revenue stream in the informal sector, the LIRS had earlier in the year classified the tax payers in the informal sector to be: market men/women and artisans; micro, small and medium scale enterprises (including professionals); and household domestic staff. The LIRS stated that it has begun the process of overhauling its informal sector operations to ease voluntary compliance by tax payers.

Prior to this, Section 6 of the Personal Income Tax Act (Amendment) 2011 (hereinafter referred to as "PITA") provides for a new sub-section (6) to Section 36 of the Principal Act which states:

"(6) notwithstanding any of the provisions of this Act, where for all practical purposes the income of the taxpayer cannot be ascertained or records are not kept in such a manner as would enable proper assessment or income, then such a tax payer shall be assessed on such

terms and conditions as would be prescribed by the Minister in regulations by order of gazette under it prescriptive tax regime”.

In essence, the above provision mandates that the income of a taxpayers from the informal sector shall be taxed in accordance with the prescriptive tax regime.

While PITA relies on the Prescriptive tax regime as means of taxing on the informal sector, the NTP on the hand relies on the Presumptive Income Tax Assessment and it is apparent that these tax regimes have the same intent. According to the NTP, “the Presumptive Income Tax Assessment will require less documentation from the tax payer and also result in a quick and effective method of providing an assessment”. It would appear that the intent of both tax regimes is to develop a flexible plan to enhance voluntary compliance and minimize tax evasion.

It is based on a taxpayer's supposed income given the fact that most participants in the sector do not keep proper records of account. Unlike the self-assessment system of tax wherein a taxpayer prepares and submits its audited account and tax computations which are subject to acceptance or rejection by the relevant tax authorities upon review, the presumptive tax regime assesses a tax payer on perceived income in view of its lack of documentation. It would appear that this assessment can be determined based on best judgement. While voluntary compliance is a benefit of this tax regime, the “imprecise” nature of the tax assessment could pose hardship to the business owner.

Income under this tax regime may be estimated by:<sup>10</sup>

- A standard assessment i.e apportioning an aggregate sum to tax payers doing the same kind of business (this is general and may not take into consideration the tax payers specific condition);
- An estimated assessment of the tax payers' income based on indicators specific to a given business;
- Net worth and assets of the tax payer (this does not take into consideration intangible assets)

It is however advisable that a massive tax enlightenment for participants of the informal sector be embarked upon to reiterate that tax payment is part of their civic duties. The enlightenment must also seek to demystify the process leading up to taxation which is needlessly shrouded in complex financial jargons.

Given the fact that to access government support, business owners are required to undertake some form of registration with it, inter-agency collaboration would be helpful to at least identify these potential taxpayers. It remains incontestable that the law mandates tax payers to pay their taxes regardless of whether or not government provides infrastructure to support economic activities, it would however be a moral victory for government to fulfill its duty to its citizens, in order to motivate/demand the

*Taxation is a viable and long-lasting solution to government revenue shortfalls. Therefore, the effort of all players should be to evolve a tax system that works well for all parties and the economy.*

citizens to fulfil their civic duties. The need for government to capture the informal sector into the tax net has never been more urgent. Commodity prices have remained volatile globally, diversification into other better paying natural resources require massive investment income which government does not have readily. Taxation is a viable and long-lasting solution to government revenue shortfalls. Therefore, the effort of all players should be to evolve a tax system that works well for all parties and the economy.

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Article culled from  
<http://barcode.stillwaterslaw.com/1.1/2017/04/01/the-informal-sector-and-taxation-in-nigeria/>

# KW-IRS STRENGTHENS TIE WITH MDAs

Bolaji Abdullahi

**T**he Ministries, Department and Agencies (MDA)'s revenue in Kwara State is an aspect of revenue in dire need of unwavering attention if targets would be met in 2018." This was the introductory statement of the Head of Service (HOS) of Kwara State, Mrs Susan Modupe Oluwole at the 1st Quarter MDAs Revenue Review meeting held on 6 April 2018. The meeting which was organised by the Office of the HOS in collaboration with the Kwara State Internal Revenue Service (KW-IRS) held at Governor's Office, Ilorin. The meeting was held with Permanent Secretaries of the States' Ministries.

Mrs Oluwole in her welcome speech stressed the need

to put more efforts in place to improve productivity in the Internally Generated Revenue (IGR) from the MDAs. She commended the strategy KW-IRS put in place under the leadership of Dr Awodun in revamping and automating the revenue collections process in all Ministries in the State.

Dr Muritala Awodun, while appreciating the participants expressed that there was need to synchronize activities as well as be in tune with the vision of the Head of Service who initiated the gathering with the aim of finding solutions to ensure MDAs meet their monthly targets. He gave a comprehensive analysis in figures of how all the



The Head of Service, Mrs Susan Modupe Oluwole, The Executive Chairman, KW-IRS, Dr Muritala Awodun, Director, MDAs KW-IRS, Mr Lekan Rotimi, Permanent Secretaries of all Kwara State Ministries and Staff of KW-IRS at a round table discussion



L-R, HOS, Mrs Susan Modupe Oluwole and The Executive Chairman, KW-IRS, Dr Muritala Awodun



Director, Admin & Operations, Mrs Adenike Babajamu, Director, Special Duties, Mr Segun Olaniyi & Asst. Director, Internal Audit, Mrs Omolara Ojulari

Ministries and Parastatals performed in the first quarter of 2018.

The Head of Service in her response buttressed Dr Awodun's remark adding that there is a lot to be done across all the Ministries in order to complement the efforts of KW-IRS to making the growth of the IGR more substantial. She said all Ministries must put in more effort and give maximum support to KW-IRS at all times so that the vision to achieve the targets of revenue generation for the State would be achieved. She urged all MDAs to identify their constraints and possible solutions to mitigate against counter-productive effects and maximise activities for optimal output.

The interactive forum gave the Permanent Secretaries the opportunities to air various challenges facing their Ministries, which spanned from financial to infrastructure, human resource, natural as well as operational, especially in terms of logistics.

In conclusion, all Ministries, whose performance are below expectations promised to double their efforts in subsequent quarters of 2018.

Dr Awodun assured the Permanent Secretaries that KW-IRS would provide full support for the MDAs to tackle their challenges and consequently improve collections of IGR for the State as a whole.

KW-IRS Director, Special Duties, Mr Segun Olaniyi, also assured the MDAs of reliable data gathering from KW-IRS which is the bedrock of operations in revenue collections in the State. The KW-IRS Director, Ministries Departments and Agencies, Mr 'Lekan Rotimi in his vote of thanks suggested that the MDAs must be like performance-driven enterprises to achieve their set goals. He also appreciated all attendees for making the gathering.



Cross Section of Permanent Secretaries at the event



Cross Section of Permanent Secretaries at the event



Director, MDAs, Mr Lekan Rotimi



Director, Special Duties, Mr Segun Olaniyi





## PRESIDENT BUHARI EXTENDS



## DEADLINE TO JUNE 30

**P**resident Muhammadu Buhari has approved the extension of the Voluntary Assets and Income Declaration Scheme (VAIDS) to June 30, 2018.

The short extension after the original March 31 date is based on the appeals of professional bodies and individual taxpayers.

However, no further extension of time will be approved after June 30.

The President added that a new date was also given, based on the conviction of the Ministry of Finance that the overall objective to increase compliance will be attained, and additional revenue will accrue.

A fresh Executive Order will be made to give legal

backing to the new timeline.

According to President Buhari, “For a nation of people who are competitive and driven, it is not a pride that we are the lowest performer in tax to GDP, not just in Africa, but in the world.

“Nigeria's growth needs are such that every Nigerian must do his duty to his nation, to his neighbour, and to himself.

“Hiding monies overseas, evading taxes by manipulation, and other unwholesome practices, have never developed a country, and for Nigeria to attain her true potential, these must stop.”

The President urged Nigerian companies and individuals to join government in the rebuilding

mission, “and do the right thing by taking this window of extension to regularize.”

He added that the right thing may not be convenient or comfortable, “but in the long run, we will all have a nation we can be proud of.”

President Buhari further urged tax authorities to use the extension window to perfect plans to prosecute those who fail to regularize their tax status.

VAIDS is one of the key policies being used by the Federal Government to reposition the Nigerian economy and correct inherited underdevelopment.

The country has one of the lowest tax collection rates in the world at just 6% of GDP. This was partially a function of the reliance on oil that saw us abandon the

historical revenue collection systems and switch to a culture of sharing resources, rather than generating them.

President Buhari had last year launched the Economic Recovery and Growth Plan (ERGP), and the VAIDS tax amnesty is first in the series of reforms that will transform our tax system and provide sustainable predictable funding for all tiers of government.

Tax revenues will ensure that public infrastructure is provided, and public services are funded to improve the lives of the people and also redistribute wealth from those who have more to those who have less, and VAIDS is one of the windows to achieve such.

**DEADLINE  
\*EXTENDED\***

**NOW YOU HAVE UP  
TILL JUNE 30TH**  
TO DECLARE YOUR ASSETS AND INCOME. **DECLARE NOW!!!**

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# KW-IRS LIGHTS UP AYEDUN

Olufemi Oguntokun

# A

s part of Kwara State Internal Revenue Service (KW-IRS) Community Impact Program (CIP), the Service donated a 200KVA transformer to end the inadequate power supply in Ayedun Community, Oke –Ero Local Government Area of

Kwara State. The members of the Community rolled out in numbers to express delight over the installation of the transformer in the community on 29 March, 2018. The KW-IRS team was led by the Director of Special Duties, Mr Segun Olaniyi, and the Director, Corporate Directorate, Alhaji Nuhu Olaide Muhammed who represented the Executive Chairman of KW-IRS, Dr Muritala Awodun at the installation ceremony. Others present at the event were the Head of Corporate Affairs Department;

Mrs Habibah K.K Aiyelabegan, Omu-Aran Area Office Coordinator, Mr Yinka Anifowose among others.

The Obajisun of Ayedun, HRM (Dr) Olusegun Abayomi Rotimi (JP) commended KW-IRS for its revolutionary tax administration in Kwara State, and for touching lives through its various activities such as the donation of transformer to Ayedun Community amongst others.

The Chiefs of the community, including the Asiwaju of Ayedun, J. O. Ogunshola, Odofin of Ayedun, Chief Bolaji Omotosho Aralamo and other members of the community commended the Kwara State Government and KW-IRS for their tremendous impacts to changing lives in the State, stating that the Service worked as directed by God.



The Obajisun of Ayedun, HRM (Dr) Olusegun Abayomi Rotimi (JP) cutting the ribbon at the installation ceremony



Side view of the transformer



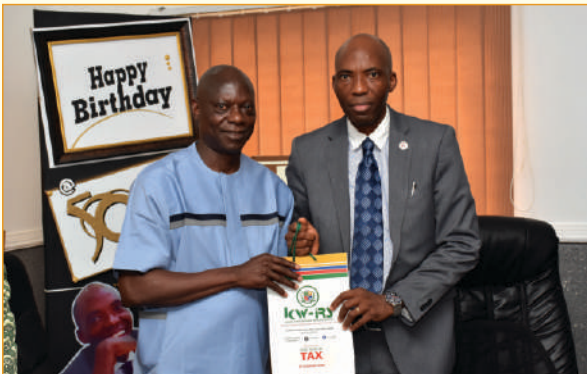
Director, Special Duties unveiling the transformer



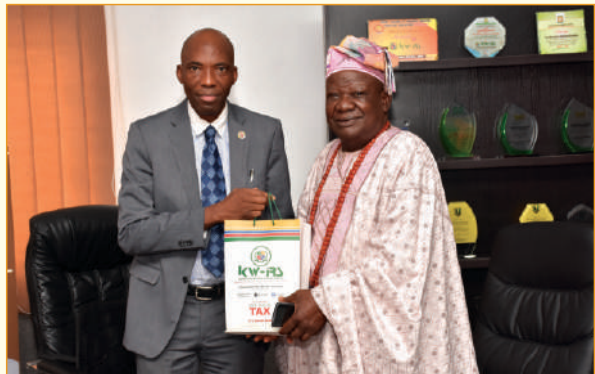
Front view of the installed transformer in Ayedun



Ayedun Monarch at the Revenue House to show appreciation



Executive Chairman, KW-IRS, Dr Muritala Awodun presenting a souvenir to Ayedun Descendant Association President



Executive Chairman, KW-IRS, Dr Muritala Awodun presenting a souvenir to HRM (Dr) Olusegun Abayomi Rotimi



Representatives of Ayedun Student Union giving an appreciation remark



Group photograph of Ayedun Student Union with Directors of KW-IRS

The representative of the Students Union, Ayedun Community expressed joy that the availability of the transformer will enable constant power supply especially for those students preparing for the forthcoming West African Examinations Council (WAEC).

In appreciation of the donated transformer to the community, the Oba of Ayedun, HRM (Dr.) Olusegun Abayomi Rotimi (JP), President, Ayedun Development Association (ADA), Alh. Fatai Tihamiyu and representatives of Ayedun Students' Union visited KW-IRS Corporate Office to express gratitude for the timely delivery of the transformer to the community. The Oba described the Executive Chairman KW-IRS, as a man of honour and integrity.

The President of the Student Union, Comrade Olatunji Dare Emmanuel in his remarks commended the Management of KW-IRS for the outstanding performance of the Service since 2015 urging residents of Kwara to join hands and make KW-IRS record more success in prospective years.

Responding, the Executive Chairman, Kwara State Internal Revenue Service, Dr Muritala Awodun said it is the responsibility of the Service to reciprocate by giving back to the society as provided by the Kwara State Administration Law 2015. He added that governance and taxation is a social contract expected to be mutually beneficial on the part of the

government and the governed. Dr Awodun said, it is the duty of the residents of Kwara State to respond by paying their taxes to spur the government to do more.

“As you continue to pay your Taxes, the Government through IF-K and other projects will continue to change the face of Kwara State” said Dr Awodun.



Executive Chairman, KW-IRS with the Ayedun Student Union Representatives



Members of Ayedun community at the installation



Head, Corporate Affairs, KW-IRS Mrs Habibah Aiyelabegan addressing the visitors

# CULTURE INDUSTRIES: CONDUIT FOR REVENUE GENERATION

Emmanuel Duntoye



**C**hange is a constant feature of any human society, therefore, as human societies continue to increase, they become more complex and certain inclinations to a particular direction emerge. Today, culture has become an unfeigned means of determining the direction a society should go if it wants to develop. Culture Industry is a product of new development in aspect of culture over years. Interestingly, Culture industry is basically concerned with the production of creative contents. Although, it is multilayered in scopes and perspectives; however, to have a conceptual clarity about the concept of Cultural Industry, UNESCO definition quoted by Obafemi (2011), seems to be the most appropriate and suitable definition of Culture Industries. It defines thus;

*Cultural Industries are defined as those industries which produce tangible or intangible artistic and creative outputs, and which have a potential for wealth creation and income generation through the exploitation of cultural assets and production of knowledge-based goods and services (both traditional and contemporary). What cultural industries have in common is that they all use creativity, cultural knowledge, and intellectual property to produce products and services with social and cultural meaning.*

There are different elements that make up the Culture Industry, which include: advertising; architecture; crafts;

designer furniture; fashion clothing; film, video and other audio-visual production; graphic design; live and recorded music; performing arts, and of course, creative entertainment; television, radio and internet broadcasting; visual arts and antiques; and writing and publishing. In addition, the following are also closely related to the industry – Heritage, Hospitality, Museums and Galleries, Sport and Tourism (Obafemi, 2011).

It can be concluded that any nation that craves substantial development should deploy and utilize these areas appropriately. Historically, most of these areas are fundamental parts of the country from inception and till now. Therefore, there is need to examine how Culture Industry can be optimally utilized for development, especially revenue generation.

Evidently, it is an axiomatic fact that in many advanced communities, Culture Industry is one of the most resourceful channels in generating economic growth, innovation, trade and commerce.

Hesmondhalgh (2005, p.155) cited by Olu Obafemi (2011) opines that there is an increase in the relationship between entertainment and economics. According to him, “this interest derives not only from the increasing size and economic significance of the entertainment industries, though that is certainly a factor. It also stems from a view widely held in the social sciences in the 1990s that the cultural industries have certain characteristics which are

*There are different elements that make up the Culture Industry, which include: advertising; architecture; crafts; designer furniture; fashion clothing; film, video and other audio-visual production; graphic design; live and recorded music; performing arts and of course creative entertainment; television, radio and internet broadcasting; visual arts and antiques; and writing and publishing.*

becoming more and more a part of economic and organizational life generally.”

Statically, many countries are exploiting Culture Industry. According to Wikipedia (Free Encyclopedia) cited by Awodiya (2016), countries that made so much money from tourism in 2015 include: U.S.A, \$177.20 billion; Spain, \$65.20 billion; China, \$ 56.90 billion; France, \$55.40 billion; Macau, \$50.80 billion; Italy, \$45.50 billion; United Kingdom, \$45.30 billion; Germany, \$43.30 billion; Australia \$42.20 billion; Hong Kong \$41.30 billion and Thailand \$38.40 billion. In Africa, South Africa grossed \$35.00 billion; Morocco \$34.00 billion; Namibia \$33.80 billion; Kenya \$32.00 billion; Tunisia \$31.80 billion while Nigeria trailed with a depressing \$2.79 million earning! Indeed, Nigeria ranks 131 out of 141 countries with tourism competitiveness index in 2015. This indicates that the Nigerian government has not harness the potentials in Cultural Industry.

Regardless of the tokenism given to Culture Industry in Nigeria, its influence and potentials cannot be repudiated in the contemporary society. It is quite unfortunate that despite the range of culture industry in Nigeria, for instance, there are varieties of tourist attractions such as Tinapa Resort Centre, Obudu Cattle Ranch, and in Kwara State, we have over twenty-five (25) resort centers like Patigi Regatta, Jebba Tourist Site and the popular Esie Museum among others, which are favorable and advantageous for holidaying. However, many of these attractions are still largely unexplored areas.

Having a cursory foray into the revenue capacity of Culture Industry will show its importance to the economy of the State and the country at large. Nollywood, the second largest movie producer in the world, can generate millions of naira for Nigeria if well funded by the government. The Nigerian film industry is undoubtedly helping create jobs in a country with an economy that relies mainly on oil and agriculture. Over a million people are currently employed in the industry, making it the country's largest employer after agriculture. Interestingly, the industry generates over 590million dollars annually. For instance, the Wedding Party (part 1 and 2) movies that top the list of the movies with the highest gross made over 453 and 500 million in the year 2016 and 2017 respectively.

It is an axiomatic fact that no nation can effectively develop without drawing from its culture and tradition. It is quite a collective effort from both the people and the government. Therefore, the use of our local products should be encouraged rather than using the jeans and silks from foreign lands while our textiles factories are pulverizing to a cessation.

### Recommendations

1. Government should invest and encourage stakeholders in the industry to pool resources to finance good products.
2. Government should also form a synergy with foreign countries for culture and tourism development in developing and marketing the potentials in the industry. This can be achieved if there is a conducive atmosphere for foreign partnership.
3. Councils that will be in charge of cultural industry should be established in all 774 Local Government Councils in Nigeria. This will enable the government to reach the grassroots for their cultural revitalizing programmes.

### Conclusion

Culture Industry is people-oriented; therefore, it has more tendencies to generate more revenues than the Oil and Gas industry if adequately funded and utilized by the government like developed countries. The economy would be broadened as well as employment for the seething population of Nigerian unemployed youths. The potentials are ready and waiting for the right approach. Therefore, Kwara State and the country at large have no justification for being a failed or poor state. Although, there are challenges which seem to be inevitable, but they are undoubtedly surmountable with the proper utilisation of the listed recommendations.

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## Germany To Provide Tax Relief In 2019

German Finance Minister, Olaf Scholz has indicated that the Government may provide limited personal income tax relief by adjusting tax brackets next year, with tax revenues expected to be higher than targeted over the next few years.

According to the latest official tax revenue estimate, released on May 9, federal revenue will be EUR10.8bn (USD12.8bn) higher than forecast in the previous estimate six months ago for the period to 2022.

"We will make responsible use of the additional revenue to eliminate the effects of [bracket creep] in 2019," Scholz said upon presenting the new estimate.

However, Scholz emphasized that despite growing tax revenues, a budget surplus and a strong economy, the

Government would continue to exercise fiscal restraint amid rising transatlantic trade tensions, in the process dashing the hopes of business associations calling for Germany to compete more aggressively on corporate tax after the US tax cuts.

Last month, Timo Wollmershaeuser, Head of Economic Forecasting at the Ifo Economic institute, said that the program for government agreed by the CDU and the SPD in February 2018 was "disappointing" because it avoided any mention of reforms to the income tax and social security systems, while also failing to take account of events in other countries.

"More specifically, it fails to offer any response to the clear reduction in corporate taxes in the USA, as well as in France and Britain," Wollmershaeuser said.



## Ireland Introduces New Sugary Drinks Tax

Ireland's new sugar-sweetened drinks tax launched on May 1. The tax agency has released updated guidance on how businesses should comply with the measure.

The tax was originally due to enter into force on April 6, but implementation was delayed while the Government sought state aid approval from the European Commission. The Commission has now provided approval and the Sweetened-Sugar Drink Tax (SSDT) commenced on May 1.

The tax operates as an excise duty and will be administered on a self-assessment basis. As the guide explains, the SSDT will apply on the first supply of sugar-sweetened drinks in Ireland, with the supplier making the first supply liable for accounting for, and paying the tax.

Revenue said that a supplier must register with Revenue in advance of making a first supply of sugar-sweetened drinks in Ireland. They must file returns within one month after the end of the accounting period during

which the supplies were made.

A relief will be available where sugar-sweetened drinks sourced in Ireland are supplied outside Ireland on a commercial basis. To claim this relief, "exporters" will need to register with Revenue in advance of making supplies outside Ireland.

The tax will apply to non-alcoholic, water-based, and juice-based drinks with an added sugar content of five or more grams per 100 millilitres or above. Drinks with between five and eight grams of added sugar per litre will attract a tax of 20 percent. Drinks with a sugar content of eight grams or more per litre will be taxed at 30 percent.

Ahead of the SSDT's entry into force, the Irish Beverage Council said that three quarters of soft drinks sold in Ireland will not be subject to the tax.

Director Colm Jordan said: "In Ireland, 10 billion calories have been removed annually between 2005 and 2012 through voluntary sugar reduction in soft drinks. That is a 10 percent reduction in seven years. Today, soft drinks represent less than three percent of Ireland's calorific intake."



# KW-IRS on Facility Tour to IVTEC

Olufemi Oguntokun



shared his experience with the students of the College, offering to them words of encouragement and urging them to take optimum advantage of the available resources (professional teachers and state-of-the-art technology) and opportunities therein. He advised them to try as much as possible to excel and help the larger society, not limiting their knowledge to the immediate locality.

The Executive Chairman, however, commended the Kwara State Government for the scholarship given to the first set of students saying that this will spur the youth towards becoming self-reliant. He encouraged the students to maximize what is learnt to help develop their society by, in-turn, training the teeming youth who cannot afford to undergo the world class training at IVTEC.

**T**he Kwara State Internal Revenue Service (KW-IRS) went on a facility tour to the International Vocational, Technical and Entrepreneurship College (IVTEC), Ajase-Ipo in Irepodun Local Government Area of Kwara State on 10 April, 2018. The tour offered the KW-IRS team, led by the Executive Chairman, Dr Muritala Awodun, an opportunity to interact with the IVTEC Management and Students on the latest development in the College. Dr Awodun as an entrepreneur



Dr. Awodun in a discussion with the Rector of IVTEC



The Rector taking the Executive Chairman and his team on a tour of the College



Students at the training session



Some training equipment in the College

# IN KW-IRS, WE ARE ALL BRAND CHAMPIONS

- Dr Awodun

Bolaji Abdullahi



**T**he efforts of the entire staff of Kwara State Internal Revenue Service (KW-IRS) in realizing the mission of revenue generation in Kwara State in the last couple of years is immeasurable and had been a major reference in revenue administration in Nigeria.

The increase in the revenue base from a low ebb to an outstanding and attractive figure is quite impressive today, compared to what it was decades ago. In spite of all the efforts by revenue drivers to maintain steadfastness and commitment, there is still lots to be achieved in meeting the needs of the people because

revenue generation is consequential to the economic growth of Kwara State.

KW-IRS, in its growing stage, has been consistent in performance and productivity. Dr Awodun advised all staff of the Service to represent the Service with all sense of modesty and humility as everyone is an image maker of KW-IRS.

Adding that all staff, at all time, must exhibit and promote the value which the organization stands for. Dr Muritala Awodun revealed that the revenue generated in the first quarter of 2018 amounts to Six Billion, Four Hundred Million Naira) (#6.4 billion),

compared to the first quarter of 2017 which aggregated to #6.6 billion (Six Billion, Six Hundred Million Naira) . The difference shows there is a lot to be done, and with consistent team efforts targets could be surpassed in 2018.

One of the most important tools that will improve revenue generation in the State and allow the Government fashion her developmental plan is the use of data gathering. KW-IRS in its capacity has established data gathering and evaluation department under the office of the Director of Special Duties with the objective to capture and keep records of tax payers as well as expand its data base. This development will enhance revenue generation in the State and will create rapid transformation in the growth of the economy.

The Director General, Kwara Public-Private Partnership Bureau, (Kp3) Mr Yomi Ogunshola who represented the Executive Governor, Kwara State at the field feedback session, commended the attitude and efforts put up by KW-IRS towards revamping the tax administration in the State. He pronounced the importance of the existence of the Service in the State as impeccable, and expressed his delight on the issue of data gathering by emphasizing that data gathering is important to development in the State.

Mr Ogunshola added that the need to be more proactive in operations must be imbibed as well as repel all speculations that the 2019 General Elections would disrupt revenue collections in the State in 2018. After the pronouncement of the collections in the first quarter of the year, Mr Ogunshola commended the efforts and urged for more vigour from staff, stating that rewards for outstanding performances would be prioritize appropriately.



The Executive Chairman, KW-IRS, Dr Muritala Awodun



Director, KP3, Mr Yomi Ogunshola



Director, MDAs, KW-IRS, Mr Lekan Rotimi



Director, Special Duties, Mr Segun Olaniyi



Director, Admin & Operations, Mrs Adenike Babajamu



Director, Legal and Enforcement, Lateef Okandeji, Esq



Head Accounts and Finance, Mr Rufai Kabiru



Head Property Tax, Mrs Shade Olanipekun



Cross Section of Staff at the Feedback



Cross Section of Staff at the Feedback



Cross Section of Staff at the Feedback



Cross Section of Staff at the Feedback

## TAXPRENEURSHIP

### THROUGH CONTINUOUS TRAINING OF EMPLOYEES FOR INNOVATIVE PERFORMANCE IMPROVEMENT

**T**he Kwara State Internal Revenue Service right from inception understands the significance of continuous training of employees as a medium for innovative performance improvement and embedded it in its business strategy. To be able to assess how far this has been achieved, a study was carried out during the special field feedback session of the month of May, 2018. The purpose of the study was to establish the role of continuous training in maximizing efficiency in tax administration using the case of Kwara State Internal Revenue Service (KW-IRS). The study examined the strategies adopted for continuous training by the Service and subsequently measured the impact of these strategies on the performance of all levels of management (low, middle and top) of the Service.

KW-IRS having identified the need for training from inception, had built into its process the entry training programme (of 3 months) for all staff, the monthly field feedback and training (of a day monthly) for all staff, directorates' regular (weekly) technical training, professional trainings (as organized and available) within and outside the Service respectively, and leadership and management trainings (both local and international). These schedule trainings have become a closely knitted continuous training that has improved the skills and capacities of the employees of the Service to create the required capacities. To ascertain the extent to which the above have impacted on the employees, the SWOT ANALYSIS was adopted to appraise a set of questionnaires applied to 642 staff of KW-IRS present at a particular month field feedback session.

*“Our findings revealed that there is a very significant positive relationship between continuous training and employees' commitment, a significant positive relationship between continuous training and job satisfaction, a significant positive relationship between employees' capacities and employees' commitment, and a significant positive relationship between employees' capacities and job satisfaction...”*

The questionnaires were designed to measure the state of change readiness and change resistance of the employees of the Service in an attempt to measure the impact of continuous training on the employees' level of efficiency. This is in addition to the analysis of the individual strengths and weaknesses that culminates in the organizational strengths and weaknesses that another part of the set of questionnaires was to address. Also, the environmental opportunities and threats which have a significant role to play on the organizational performance was also included as part of the coverage of the questionnaires.

Our findings revealed that there is a very significant positive relationship between continuous training and employees' commitment, a significant positive relationship between continuous training and job satisfaction, a significant positive relationship between employees' capacities and employees' commitment, and a significant positive relationship between employees' capacities and job satisfaction, all leading to the significance of continuous training to maximizing efficiency and performance in tax administration which is the focus of the study.

This study could be considered as a pioneer study in tax administration that has extended the employee commitment debate to the Internal Revenue Service, using KW-IRS as a case study. It provides an explanation with empirical evidence by demonstrating that continuous training extends direct positive effect on employee commitment, job satisfaction, employee capacities and performance in the revenue service. The study also revealed that, at KW-IRS, job satisfaction helps to transmit the effect of continuous training on employee commitment and performance. What this exercise is capable of doing for the Service is to assist in exposing the areas that requires attention, and convince the management of the need to continuously develop capacities to drive for performance in the organization in the pursuit of the vision 'to mobilize revenue for the strategic development of Kwara State'.

**Muritala Awodun, PhD**  
Executive Chairman  
KW-IRS



# HIDDEN BENEFITS OF MANGO

**I**t's the rainy season and we will start seeing fresh and juicy mangoes in the Market and they are loved by everyone especially when they are sweet. Mangoes have been named the most widely consumed fruit in the world and they have a range of possible benefits. There are many different kinds of mangoes, they range in colour, shape, flavour, and seed size. While the skin colour of mangoes can vary from green to red, yellow, or orange, the inner flesh of the mango is mostly a golden yellow. Mangos are luscious and wonderful tasting and they are also full of lots of health benefits

Here are some of the hidden benefits that you get from eating mango fruit. Stay happy! **Increases your metabolic rate:** Mangos are very rich in fiber, which improves the digestion and increases the metabolic rate; this makes mango a great fruit to eat, when you are trying to lose weight.

- ❖ **Helps in regulating diabetes:** Eating mango leaves are great to regulate diabetes. So, people suffering from diabetes should boil 5-6 mango leaves in a vessel, soak it overnight and drink the filtered decoction early in the morning.

Also, mango has a low glycemic index, eating mango in moderation will not increase your blood sugar level.

- ❖ **They are good for your eyes:** Eating mangos can help keep your eyes healthy and fight off the onset of macular degeneration. The fruit is a good source of Vitamin A, which is needed by the body to maintain good vision
- ❖ **Stabilizes blood pressure:** Mangos are a great natural source of potassium, which, amongst other things, regulates the balance of fluids in your body and helps to maintain a stable blood pressure. It is also a vital nutrient that assists with muscle, heart and nerve functions.
- ❖ **Make a mango hair mask:** Mango is often used as an ingredient in commercial hair conditioners, but here's a way to make your own, homemade mango hair mask. Pulp the flesh of one mango and mix it with one egg yolk, a teaspoon of honey and a spoonful of natural yogurt. Apply to your hair and leave it in for about thirty minutes before washing out.

- ❖ **Lowers cholesterol:** Eating mangos regularly can help to reduce your cholesterol levels. The vitamin C and pectin in the fruit, combined, help to assist your body in ridding itself of the cholesterol, especially the harmful, low-density lipoprotein.
- ❖ **Helps to prevent heart stroke:** As well as being a refreshing and tasty drink, mango juice can also help prevent heart stroke. For the best results, squeeze out the pulp of some raw mango fruits and add it to a glass of cool water. In hot weather especially, if you drink a glass of the mango water, twice a day, it will keep you hydrated and the potassium from the mango will help to regulate your fluid levels.
- ❖ **They boost stamina:** Mangoes are good for your love life too. They contain a high content of Vitamin E, which can boost stamina. They also contain potassium and magnesium, which are essential ingredients in the production of the 'love' hormones.
- ❖ **Improves the digestion:** Mangos contain the special enzymes that are needed to break down protein, for use by the body. This, along with their high fiber content, makes them an excellent food for regulating and improving the digestive system.
- ❖ **Use Mango for Glowing Skin:** A mango can give an eternal glow to your skin. For getting a dewy complexion, add mango pulp on your face and leave it on for 30 minutes. Beta carotene and Vitamin A present in mango aid in resurrecting the dull skin and turn the lacklustre skin into a radiant and luminous.
- ❖ **Use Mango Pulp for Removing Fine Lines and Wrinkles:** Mango is rich in antioxidants which promote collagen production to make your skin elastic and firmer. All you need to do is to mix mango pulp with egg white on your face and leave it on for 30 minutes. This recipe is very helpful in removing wrinkles, laugh lines and fine lines and it gives your skin a youthful bloom. You can use this anti-ageing face mask once a week to keep your skin firm and youthful the natural way.
- ❖ **Regular Use of Mango Improves Skin Tone:** A very rich source of vitamin A, mango benefits by imparting a healthy glow to your skin. You can mix mango pulp with milk cream and apply this homemade face pack on your face for 30 minutes. You can also dry up mango peels in sun and use this powder mixed with milk powder. Then dab this resultant paste on your skin to make it fairer and spotless. Try this homemade face mask in summer to get whiter and spotless complexion naturally.

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# CROSSWORD PUZZLE

By: Fatimah Jaji

## ECONOMICS

C	S	C	G	I	M	S	E	R	V	I	C	E	S
R	U	B	O	O	S	E	M	P	L	O	Y	E	E
R	L	S	T	M	O	C	E	R	O	P	Y	R	S
O	P	A	P	C	P	D	I	S	R	T	U	E	A
N	R	E	T	S	R	E	S	M	I	L	S	T	L
T	U	R	O	B	A	L	T	C	O	O	C	R	A
P	S	R	O	N	E	D	R	J	P	N	O	A	R
D	E	M	A	N	D	A	E	E	T	N	O	B	Y
P	R	O	D	U	C	T	I	O	N	I	E	C	I
C	C	O	N	S	U	M	E	R	S	D	O	M	E
I	N	N	R	D	I	Y	L	P	P	U	S	N	S
R	U	E	N	E	R	P	E	R	T	N	E	O	A
C	C	D	I	S	T	R	I	B	U	T	I	O	N
U	N	N	O	I	T	P	M	U	S	N	O	C	R

- |              |             |
|--------------|-------------|
| COMPETITION  | SERVICES    |
| PRODUCTION   | CONSUMPTION |
| SUPPLY       | SURPLUS     |
| ENTERPRENEUR | ECONOMICS   |
| GOODS        | SCARCITY    |
| DISTRIBUTION | DEMAND      |
| BARTER       | LABOR       |
| EMPLOYEE     | CONSUMERS   |
| SALARY       |             |

Send your solutions, your name and phone number via email to [press@kw-irs.com](mailto:press@kw-irs.com) with the subject: Puzzle Solution to Volume 4 Issue 26

## Solution to Kwareve News Issue 26 Crossword Puzzle

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



## KAZEEM OLANREWAJU

Kazeem Olanrewaju a Staff of Research and Data Gathering Department under the Directorate of Special Duties has been nominated as deserving the Hall of Fame spotlight for the month of May – June, 2018. As the Head of Unit (HOU) of Data Gathering, he has contributed immensely to the Data Gathering Exercise and also ensures that the enumerators perform their tasks excellently.

He is hardworking, a fast learner, humble, passionate, zealous, intelligent, bold, and above all always happy. Kazeem is meticulous despite the pressure and urgency required to deliver under the Department which he works. His commitment to KW-IRS is conspicuous that he was identified to be worthy of this accolade.

The entire Kwareve News Team congratulates you.

# Taxpedia

Abdulwahab Fareedah

## MANSION TAX

A mansion tax is a common name for an annual property tax on high value homes, although the term itself is widely regarded as a misnomer. The tax is levied on expensive residential properties of a value in excess of a particular sum. Nigeria, during the 2015 budget effective from 2015, introduced a one percent (1 percent) Mansion Tax on residential properties within the Federal Capital Territory, Abuja. The tax is applicable to property with value of NGN 300 Million (Three Hundred Million) and above.

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# TAX ADMINISTRATION & E-PAYMENT PLATFORMS

Olufemi Oguntokun

**W**ith the global economic downturn and high rate of inflation in some countries in the world, especially in developing countries, these countries are employing all measures to improve its revenue and ensure the proceeds are reinvested or redistributed into the economy. But revenues are not well mobilized or are syphoned by corrupt agents by not remitting the revenue collected into the appropriate account.

These had caused impediment for government to realize its economic plans and set agendas that would improve the lives of the citizens. Government needs money to perform its expectation and such monies are gotten from internally generated revenue and foreign aid.

## Electronic payment platforms

A sustainable way of ensuring steady revenue flow for the government is to put in place an effective and efficient tax system which will enhance the productivity of the tax collection process and encourage voluntary compliance by taxpayers who are currently non-complaint. This is in line with the cardinal principles of taxation which encourage ease of compliance and efficiency of collection. Such a system will, in effect, ensure that taxation becomes the “new crude oil” as far as funding government expenditure is concerned.

The Nigerian tax to GDP ratio is presently about 7% (4% for the non-oil sector). This is abysmal. A review of the tax to GDP ratio in other jurisdictions show that United States has 27%, United Kingdom 39%, France 46% and Sweden 45%. Even African countries, such as Tanzania, 12%, Togo 14%, Ghana 20%, Cameroun 18% and Burkina Faso 11.5%, fare much better than Nigeria. This clearly shows that Nigeria is a grossly undertaxed society and there is a clear need for increased tax collection.

It must be emphasized, though, that the call for increased tax collection is not synonymous with



harassing existing taxpayers with ridiculous tax assessments as the tax authorities usually do. The main focus should be to systematically expand the tax base and ensure that more taxpayers are brought into the tax net so that all taxable persons will contribute to the revenue base.

To achieve this expansion, there is need to revisit the Nigerian tax administration system and seek ways to simplify the compliance process.

Electronic payment platforms are designed according to the specification of the organization and the purpose. It is an online self-service payment system which gives taxpayers the opportunity to pay their taxes through online payment portals and it is meant to facilitate payments of taxes from the comfort of taxpayers' offices or homes.

## Integrated Tax Administration System

Policy makers around the world are increasingly interested in the tax systems of various countries, especially as regards the ease of tax compliance. Indeed, the ease of paying taxes is part of the factors considered in the World Bank's global competitiveness survey. This is measured using various indicators, such as the number of taxes paid, number of hours required for tax compliance and availability of electronic filing system. Improvement in any of the

indicators helps economies achieve better competitiveness. It goes without saying that the more competitive an economy is, the more likely it is to attract foreign investments, as multinational companies usually consider such issues when deciding where to host their regional operations. In view of this, tax authorities around the world are continually making effort to streamline tax administrative processes and modernise payment systems. This is to ensure continuous improvement in the competitiveness of their individual economies to attract much needed investments.

Generally, tax authorities are using electronic systems to make tax processes easier, more accessible and more reliable for taxpayers. The latest World Bank's 2015 Paying Taxes Survey revealed that taxpayers are able to file tax returns electronically in about 45% of the countries that were surveyed. In 83% of the surveyed countries, taxpayers are able to complete at least one aspect of their tax compliance process electronically.

In 2014, more than 24 countries instituted reforms that made it easier or less costly for firms to file returns and pay taxes and the most common feature of tax reforms globally was the introduction of, or enhancement of electronic filing system. Such changes were implemented in 18 countries including Costa Rica, Cyprus, Mozambique, Spain, Vietnam, Serbia, and Zambia, amongst others. Businesses in these countries now file returns electronically thus spending less time on compliance. The system also increased transparency and limited the opportunity for corruption and bribery.

In Serbia, for example, the government introduced a system that electronically centralised all communication between taxpayers and tax administrators, including filing and payment of taxes. The system consolidated the payment of different taxes into a single account and automated the exchange of data with banks. This significantly reduced administration cost for both business and the tax authority. This is something that Nigeria can definitely adopt, such that a taxpayer's records can be linked with the bank account through the Bank Verification Number. This will improve the States' revenue service capacity to monitor the compliance level of taxpayers.

It has been observed that the ease of tax compliance has an inverse relationship to the economic growth of any country as inefficient tax systems tend to



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encourage tax evasion. Countries with such a system usually have a large informal sector and increased corruption within the tax system. It is, therefore, important to continuously review the administrative burden of compliance and seek ways to enhance it. The electronic tax systems, if implemented well and used by most taxpayers, will benefit both tax authorities and the taxpayers as it lightens workloads and reduces operational costs.

### Benefits of using e-payment

- Promotes transparency in tax payment system;
- Boosts taxpayer confidence and trust in the tax system;
- Promotes voluntary compliance by taxpayers;
- Convenience, time and cost saving for the taxpayers as they can do it themselves within the confine of their offices without going to the banking hall.
- The platform is safe and secure.

### Measures to promote electronic payments

In the area of tax administration, most developed countries have recorded significant mileage in tax collection by automation and leveraging appropriate applications to: identify tax payers; obtain financial information; and ensure taxes are paid to the

treasury.

This has led to increase in the level of tax compliance and ultimately, tax collection, increase in delivery of social services, greater transparency and better accountability.

In the light of this reality and the general realisation that it would be foolhardy if Nigeria continues to solely depend on oil revenues whilst neglecting other non-oil sources, adapting the tax administrative processes to technology on a bigger scale than it is currently becomes an imperative.

No doubt, tax authorities have taken certain “baby steps” to automate and engage technology and its applications in the tax administrative process.

A range of government measures to clamp down on the shadow economy are already in use around the world, and some are showing positive results. These include incentives for customers to pay electronically; requirements for traders to install card payment systems; and restrictions on the size of permitted consumer and business cash payments.

South Korea, for example, was an early adopter of an income tax deduction mechanism for households that made electronic payments. More recently, Bulgaria has introduced a new regulation that means taxpayers who make electronic payments can receive up to 1% of relief from due income tax. There are some restrictions, however, and a cap on the tax relief sum of 500 Bulgarian levy (€255/US\$283).

Although these tax incentives are often temporary, the effects on behaviour can be permanent. This means that the incentive may be reduced or even fully eliminated after a year or two, without prompting a return to cash payments. If people have changed their habits and they have understood the benefits of electronic payments, it is very unlikely that they would shift back to cash usage if there is no more incentive. In some countries, the lack of payments infrastructure is a significant obstacle to change. One solution is to oblige merchants to operate point-of-sale (POS) terminals.

A new law in Romania requires every merchant with an annual turnover of more than US\$10,000

to have POS terminals to accept electronic payments.

### Electronic payment in Kwara State

Upon creation of Kwara State Internal Revenue Service through Kwara State Revenue Administration Law 2015, the promulgation of use of technology was emphasized as one of the instruments to block leakages and improve revenues. The Service from startup, automated the collection of Citizenship and Pilgrimages fees.

The success of the automation (e-payment) of local government citizenship and pilgrimages under the office of Secretary to the State Government gave clue to the Management of Kwara State Internal Revenue Service to adopt automating other revenues in the Ministries, Departments and Agencies (MDAs) of Kwara State the platform made available is used for payment of all taxes, levies and other revenues to Kwara State Government through Ministries, Departments and Agencies (MDAs) such as;

- Schools registration and renewal
- Stamp Duties
- Signage and Adverts
- Kwara State Government Contractor Registration & Renewal Fee
- Kwara State Muslim & Christian Pilgrimage application fee
- Tax Clearance Certificate Application Fee
- Citizenship
- Vetting Fee. Etc

### Conclusion

The electronic payment platforms aligned with the basic principles of taxation, such as convenience, simplicity, transparency and efficiency. If Nigeria can overcome the hurdles associated with implementing an efficient and reliable tax system, then the tax compliance system will be made easier. Efficient tax advocacy need to be in place to enlighten taxpayers about the enormous advantage of online payment especially taxpayers in the informal sector of the economy into the tax base and thereby increase revenue collection.

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# 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 obtain a tax clearance certificate. Kindly guide me through on what to do, and if possible I'd like to know how much it'll cost me.

Thank you.

Anonymous.

**Hello anonymous,**

First, an application letter will be written to the Executive Chairman KW-IRS stating the reason for the need of a Tax Clearance Certificate. Evidence of three previous years of tax payment, and a sum of one thousand naira application fee payable at any commercial bank.

Thank you.

Hello,

I am a cement seller, I don't have more than 30 bags in my store. I want to know how much I'm supposed to pay.

**Hello anonymous,**

The profit realised from the over-all sale of your commodity for the year would be the basis on which tax assessment would be raised while payment is to be made the following year.

Thank you.

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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
<b>TSA ACCOUNT</b>	GTB	<b>KWARA STATE CENTRAL REVENUE COLLECTION ACCOUNT</b>	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

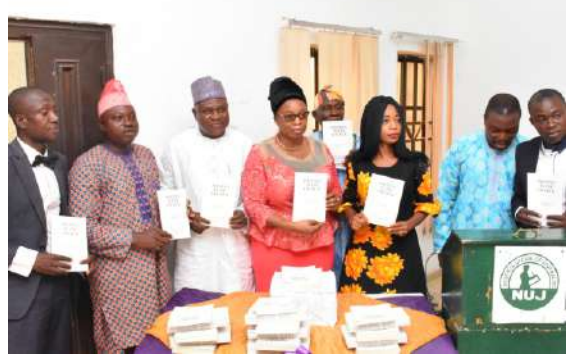
MR LEKAN ROTIMI DIRECTOR, MDAs, KW-IRS  
AT THE UNIVERSITY OF ILORIN TAX CLUB PROGRAMME



MRS ADENIKE BABAJAMU, DIRECTOR, ADMIN & OPERATIONS  
REPRESENTS THE EXECUTIVE CHAIRMAN AT A BOOK LAUNCH



MR SALAWU CONFERRED AS AN ASSOCIATE MEMBER OF ICAN



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#### 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 referenced, 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](mailto:press@kw-irs.com)

# PHOTO NEWS

THE EXECUTIVE CHAIRMAN, KW-IRS CELEBRATES BIRTHDAY, MAY 5, 2018



## SPECIAL REPORT

## KW-IRS Generates N7.7 Billion in Four Months

**K**wara State Internal Revenue Service (KW-IRS) had generated the sum of N7.7 Billion (Seven Billion, Seven Hundred Million Naira) as Internally Generated Revenue (IGR) in the first four months of 2018 compared to N7.4 Billion (Seven Billion, Four Hundred Million Naira) recorded in the first four months of 2017 as against N11 Billion targeted.

The Executive Chairman, Kwara State Internal Revenue Service (KW-IRS), Dr Muritala Awodun made this known while presenting the first quarter report to journalists during the quarterly media parley held at Ministry of Information and Communication (MOIC), Kwara State Secretariat, Ilorin, Kwara State.

The Chief Executive of tax and revenue collections in Kwara State, Dr Awodun said the marginal increase in revenue generation in the State was due to change in strategies and positive response of taxpayers. He gave the breakdown of the N7.7 Billion as; January, the sum of N2.2 Billion was realised, February N2.39 Billion, March recorded the sum of N1.8



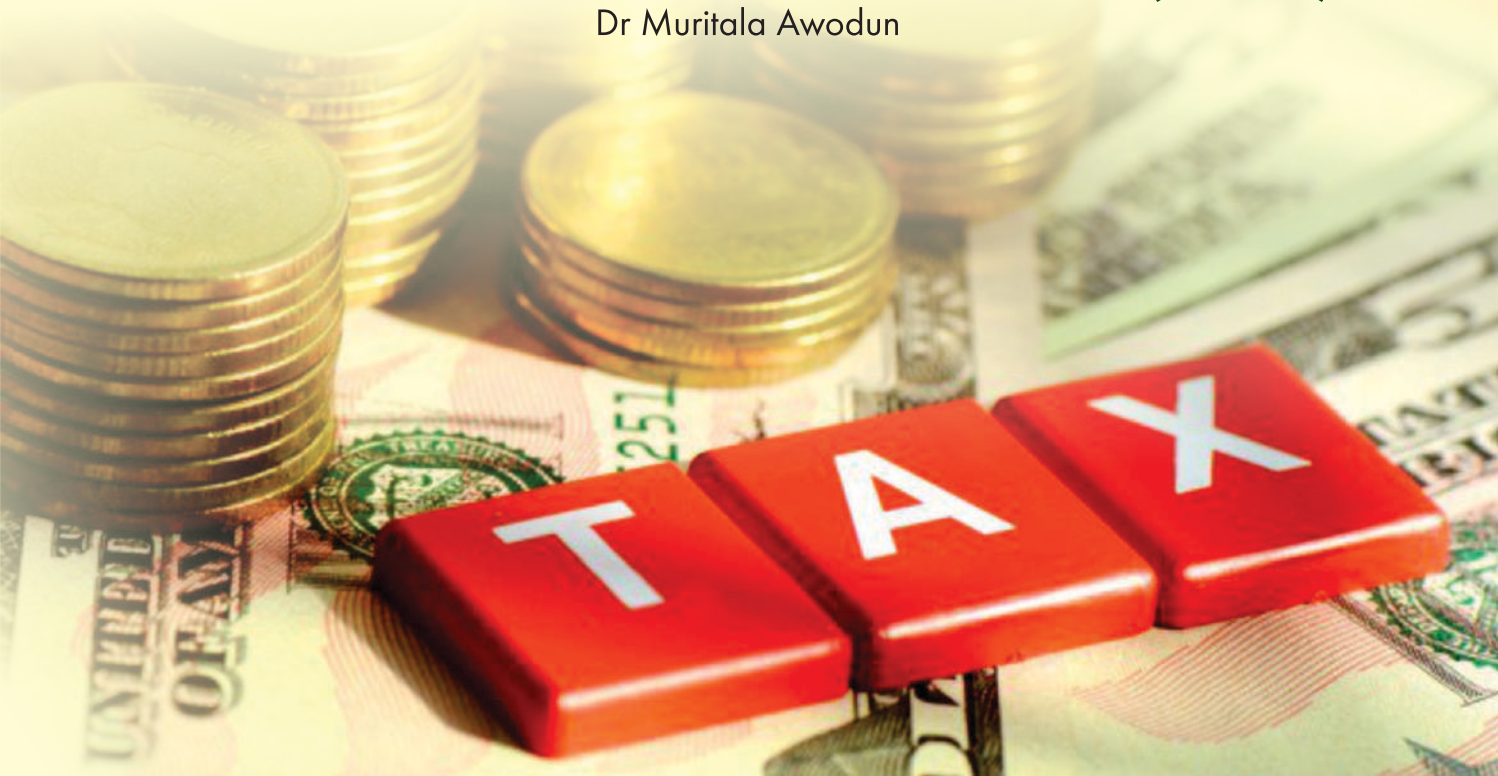
The Executive Chairman, Kw-IRS, Dr Muritala Awodun at the Media Parley

Billion and April recorded N1.29 Billion.

According to the Executive Chairman, the total budget for the year 2018 signed into law by the State House of Assembly was N38 Billion Naira. But due to some constraints, two major revenue items namely; Land Charge and Sales of Fertilizers were removed from the budget in total of N2 Billion and N3 Billion respectively leaving the target as N33 Billion.

# Deepening Internally Generated Revenue (IGR) Beyond Personal Income Tax (PIT)

Dr Muritala Awodun



## Introduction

**W**hen I was first contacted about the decision of the JTB Secretariat that I present a paper at the 140<sup>th</sup> Joint Tax Board Meeting on the theme of the meeting, '*Deepening Internally Generated Revenue (IGR) Beyond Personal Income Tax (PIT)*,' what first came to my mind is what lessons would the paper bring to the calibre of audience that the paper is meant to address. What is new that can be brought to the attention of this top-level executives of tax administration in Nigeria? However, after some reflections over the activities of the Revenue Service, and the laws guiding such operations, I came to the conclusion that there are still much

more to learn, hence the resolve to accept the responsibility.

I am therefore, grateful to the JTB Chairman and the Executive Secretary for considering me worthy of this assignment. I hope that the presentation will meet their expectations and the issues that will be brought out for discussion will be of meaningful impact to the audience who are desirous of adding value to their respective agencies, in particular, and the nation, in general.

Ordinarily, I should be a beneficiary of the presentation, if someone else has been chosen. Notwithstanding the fact that I have been given the responsibility to address you, my colleagues, I will like



to state that the paper is meant to raise our consciousness to the opportunities that still exist within the coverage of our operations as tax administrators.

In my quest to do justice to this assignment, I will take a critical look at the following;

What do we really mean by Internally Generated Revenue (IGR)?

What does Personal Income Tax (PIT) means?

What do we mean by deepening IGR beyond PIT?

Why do we need to deepen IGR beyond PIT now?

I sincerely believe that if I am able to draw our attention to a critical look at these questions, it will not be difficult to come to a reasonable conclusion on what must be done to achieve an improvement in our IGRs and also deepen our collections beyond the present concentration on PIT collections in our various states.

### Resources, the Basis of Human Existence

Resources from nature forms the basis of human existence, and are very unevenly distributed over the earth's surface. Various parts of the world differ with regards to climate, soil, relief features, locations, water bodies, natural vegetation, mineral wealth, people, etc. First-class fertile soil is found only in few spots, whereas the world arable land is made up only 40 per cent of world land (exclusive of the Polar Region). The uneven distribution of population and wide differences in economic development and living standards are, therefore, a direct outcome of this uneven distribution of natural resources. Both in terms of availability and frequency, the operations of the nature of resources can be classified into four main categories.

Resources as we can see are diverse and similar. While some resources are commonly found everywhere, some are uniquely found in specific places. Some countries are so blessed with availability of diverse resources while some can hardly boast of any meaningful resource.

### Resources of Nigeria as a Basis for IGR

Nigeria as a country belongs to the category of countries with diverse resources and on the basis of this is popularly referred to as the “giant of Africa.” Giant in terms of its mass of land resources, large deposits of mineral resources and enormous population (human resources).

With a population figure of over 140 million people (National Bureau of Statistics, 2009), estimated to be now about 180 million, it is the most populous (populated) country in Africa. Nigerians constitute one sixth of black population of the world, and ranked the 8<sup>th</sup> most populous country in the world. By the year 2025, Nigeria is expected to become the 5<sup>th</sup> largest country in the world (World Development Report, 2005).

The Nigerian nation covers an area of about 909,890 square kilometres, (i.e. 90.99 million hectares), of which about 99% is suitable for cultivation. As a result of abundant mineral resources, her principal trading partners for a very long time were United States of America, Britain, Netherlands, Germany, France and Spain, and they are, incidentally, the country's major partners in import and export of her mono-product, oil. This has changed with China playing a dominant role in Nigeria's trade. Nigeria was for many years the 6<sup>th</sup> largest oil producer and has the 6<sup>th</sup> largest deposit of natural gas in the world with abundant solid mineral deposits that remain largely untapped (Awodun, 2011a).

Moreover, less than 40 percent of the country's arable land is being cultivated, and about 75 percent of the population are under 34 years as at the 2006 figures, therefore within the 40-years age bracket now. It is estimated that 17 million Nigerians live outside the country, and tens of thousands of them are world class professionals in various fields. As at today, there are 158 universities and over 100 mono-technics, polytechnics and colleges

Resources that can be found everywhere.	Ubiquitous	Examples of such are; Sunshine, Oxygen, Air (but not nitrogen)
Resources that are available in many places but not everywhere.	Commonalities	Examples are; Arable land, Forest, Manpower (Labour)
Resources that are found only in few places.	Rarity	Examples are; Petroleum, gold, uranium, etc.
Resources that can be found in one place only.	Antiquity	Example is Cryolite

*On closer examination, one observed that since independence, the main thrust of Nigeria's development strategies and objectives has been development of education, industrialization and self-reliant economy at a high cost resulting from infrastructural neglect, unethical practices, capacity underutilization, increasing poverty, corruption, and so on, against the emergence of some mega-cities status with low level of business development.*

of education producing annually over 200,000 graduates, with annual intake of about 300,000 students, and total enrolment in these higher institutions put at over 1.5 million students by the 2012 Unified Tertiary Matriculation Examination, hence the availability of the basic human capital for development (National Bureau of Statistics, 2017).

However, there are several challenging and pressing indicators about the Nigerian socio-economic environment that are of significance and worthy of mentioning in our consideration of the Nigerian Journey:

- Decreasing level of per capita income (from \$870 in 1981 to \$260 in 2001, two decades later).
- Low level of agricultural, industrial and infrastructural development rate.
- Increasing Population of primary school students (about 17 million pupils in 2006 which is above the population of Cameroon put at about 16 million or Cote d' Ivore at 14 million) and the enrolment of fresh pupils into primary school put at a little above 3 million annually is about the population of Liberia which was 3.04 million in 2001 (Otokiti, 2006).
- The population of secondary school students and students in higher institutions is put at a figure above 5 million just about the population of Libya 5.47 million or Togo 5.56 million or Benin Republic and Liberia put together. In other words, the population of school going children in Nigeria is more than the population of countries like Ghana or (Zimbabwe and Malawi) or (Tunisia and Libya) or (Benin, Togo, Liberia and Sierra Leone put together) (Bloomsbury, 2006).
- Above 80 million Nigerians (i.e. about two third of the population) are reported to be living below poverty line, while 19 persons of her citizens are ranked amongst the 500 wealthiest men of modern market economies.
- Other challenging indicators are; (i) Increasing

population figure (see New National Population Policy 2006). (ii) Emerging Market (Economy) status with some cities (i.e. Lagos, Ibadan, Abuja, Port-Harcourt and Kano emerging as Mega Cities. (iii) Sub-optimum mineral exploration (iv) inability to manage and sustain higher level of human focused developmental policies. (v) Bad and inconsistent governance.

On closer examination, one observed that since independence, the main thrust of Nigeria's development strategies and objectives has been development of education, industrialization and self-reliant economy at a high cost resulting from infrastructural neglect, unethical practices, capacity underutilization, increasing poverty, corruption, and so on, against the emergence of some mega-cities status with low level of business development (Otokiti, 2004; and 2008).

While business is saddled with the responsibility of propelling other sectors to maturity, its sub division into commerce and industry are the pivots of evolution of national developmental process and industrial revolution of the modern economy. Otokiti (2009) therefore posited that governments are assigned the responsibilities of;

- Encouraging the diversification and development of basic infrastructure, such as improvement on land, labour, population adaptability and its control.
- Development of supportive and promotional institutions, structures and strategies basically for specific trust within the complex national expectation on her resource availability.
- Provision of sound and acceptable business regulatory environment by regulating conflicts within the various participants responsible for implementing basic changes

in the national system.

- Provision of infrastructural facilities in the areas of health, education, water, defence, housing, and so on.

There is no doubt that the Nigerian economy is embodied with complex social and economic difficulties, more so, it exhibits the structure of a developmental economy even though the space of her development has never been taken seriously. The caravan of Nigerian economy has, after long delay, collective will of many participants and a slumber of decades of hopelessness, started marching towards the goal of her founding fathers. With the repositioning of the budgetary system, the nature of development has particularly been taken more seriously. With the content of “Modified Rolling Plans and arrival of vision 2020”, all these presented an array of hope on the requirements of the people of this country, and more as it is being promised on the country's resource availability and resource consciousness.

Within the next few years or so, the critical indicators to watch and strive to achieve by all managers of Nigeria's resources were identified as:

- Increase Level of resource consciousness,
- Resource appropriateness and justification of strategies.
- Increase in revenue resistances and destruction.
- Increase and structural composition and diversification of resources.
- Increase in Industrial Production and value added.
- Increase in Agricultural Production and modernization of advance development of high yielding varieties.
- Increase in social overheads or improvement of basic infrastructures (power, irrigation, insurance, banking, education, monitoring of vital statistics and improvement of skills and productivity).

From the foregoing, it is obvious that Nigeria's development is beyond oil. Someone once described Nigeria as a rich country with poor people. This is a statement that is easily comprehended since we know that Nigeria's export and income are up to 90% dependent on oil with less than 10% linkage of these to employment, production and other

sectors of the economy, hence the accomplishment of limited development. Nigeria's oil economy therefore lacks the capacity to incorporate development objectives of improving the living standards of the majority and promoting balanced growth, and at fifty-eight as a nation, we need no angelic visitation to realize that we must retrace our steps back.

### Managing the Resources for Growth

For any nation to grow, choices must be made about the level of the nation's resource unconsciousness, the use of scarce resources and the possible resource creativity and resistances (Otokiti, 2006; and 2009). Crucial among these are the present unconscious usage of natural resources, human resources, technological resources and capital resources. If economic growth is to occur, these must not only be increased but also must be used consciously and applied efficiently (Vietor, 2007).

The role of resources as basis for economic prosperity, among other factors, has been confirmed. For this reason, different countries are at different levels of economic development, primarily because of their level of proven resources. For example, it is evident that the Western World, USA, Canada, UK are economically prosperous because they possess vast and proven resources (technology, human capital and culture) whereas most part of Africa, Asia and to some extent Latin America are quite benevolent with nature but the lack of resource consciousness, inadequate use of knowledge and initiative, made them unable to convert available huge mass of neutral stuff into resources (Beinhocker, 2006 and Van Agtmael, 2008).



It is in this latter category that Nigeria belongs, as the managers of the nation's resources are 'resource unconscious'. As a result of this, Nigeria's massive land and forest resources, mineral wealth, solar-energy, agro-allied potentials still lie largely unutilized, and in the state of national and regional unconsciousness.

From the resource perspective, only those countries where the managers of the nation's resources have become conscious of the "state of her resource" and put in place creative and conscious effort to exploit them in a planned and rational manner have we witnessed high levels of economic development and prosperity. Examples of such nations abound in the developed nations and the newly industrialized nations with high level of economic prosperity.

Our country, Nigeria is known and associated with lack of resource consciousness and reckless exploration of resources, hence our inability to rise above the traditional status. We have subjected ourselves to the natural environment and dictate of nature. We toil hard, but get little reward because of our lack of resource creativity and resource consciousness despite the abundance that nature has blessed us with. The above forms the required leading to our subject-matter on how to deepen the internally generated revenue beyond the collection of personal income tax.

It is obvious that all the other resources respond to the level of growth and development of one major resource which is the human resource. Thus, it is significant to note that the rate of development or otherwise of a state or nation is positively correlated to the level of development of its people. Knowing fully well that we possess the various resources as already described above, the capacity and capability to utilize these resources for the advancement of the course of the people and the nation is our major undoing, thus our limitations.

### Conceptual Clarifications

Internally Generated Revenue (IGR), by popular description, refers to monies collected by a government through imposition by legislation, in the form of fees, levies, rates, charges, and taxes on facilities, incomes, sale of goods and services, transfers of properties, and other domestic transactions within the confines or territory of that government. There are certain characteristics that must be given due consideration when classifying revenue as IGR. Most fundamental of it is that the

revenue must be collectible from the residents of a state or nation based on the legislation (law) that mandates such payments. So, the revenue service is guided by the law upon which the revenue is administered.

As the definition above has stipulated, the tax or fee or rate or levy or charge must be applicable to something that has value and belonging to somebody, be it an individual, group or organization. It could be based on income generated by the person, group or organization, or charged for a service rendered by any arm of government that we refer to as ministries, departments or agencies. Thus, the responsibilities of the Revenue Service in administering taxes for the government could be classified into revenue that are related to personal income, PIT or revenue that are not related to personal income, which we will call, non-PIT revenues, for the purpose of this paper. For this reason, we need to understand further what PIT is.

Personal Income Tax (PIT) is a form of direct tax that is deducted from the income of a person. In this case, a person could be an individual, an ordinary partnership, a sole proprietor, an undivided estate, a non-juristic body, etc. It is deductible from income realized from trade, business, vocation, profession, employment, gratuity, pension, superannuation, over a period of time.

The components of PIT include salaries, wages, fees, allowances or other gains or profits earned from employment, including compensations, bonuses, premiums or other benefits given by the employer to the employee, be it temporary or permanent. Also, PIT is applicable to the gains or profits (in the form of rents) derived from a right granted to anybody for the use or occupation of any property. In addition, it is also applicable to dividends, interests, discounts, pensions as well as annuities

Those eligible to pay PIT are:

- Persons employed in the Nigerian Army, the Nigerian Navy, the Nigerian Air Force, the Nigerian Police Force other than in a civilian capacity;
- Officers of the Nigerian Foreign Service;
- Every resident of the Federal Republic of Nigeria who earns an income or profit from a business in Nigeria;

- Anyone residing outside Nigeria who derives income or profit from Nigeria.
- Itinerant workers; this category is often charged by the state in which they have worked for any given year
- Communities; this occurs when it is impossible to assess each member of the community individually
- Trustees of any settlements or estates according to the Second Schedule to the PIT Act.

**Schedule of Levies and Taxes**

The Personal Income Tax Act (PITA) of 1993 as amended in 2011, and the Approved List for Collection as promulgated in 1998 spells out the various categories of taxes and levies that are collectible by the various arms of government in Nigeria. These are referred to as the approved list of taxes, and they guide the operations of the various tax administrators in the different arms of government in the country. For the Federal Government and its collecting agency (Federal Inland Revenue Service), there are nine (9) items on the approved list. For the 36 State Governments and their agencies (States Internal Revenue Service), there are twenty-four (24) items while there are twenty-one (21) items for the 774 Local Government Areas.

**States IGR Deepening**

Using the States IGR figures of the National Bureau of Statistics released in 2017 in conjunction with the Joint Tax Board, and the classification of the IGR into five sub-heads, namely; Pay-As-You-Earn (PAYE), Direct Assessment, Road Taxes, MDAs and Others, as presented by the reports, we extracted, for the purpose of our analysis, the PAYE collections and Direct Assessment summing them together to derive the PIT related IGR, while the remaining three categories were summed up to arrive at the non-PIT related revenues.

With the above established, we found the ratio or percentage of the PIT related IGR and the non-PIT related IGR to the total IGR for each of the states. This was done, first on a geo-political zone arrangement before extracting the states that are seen to be moving towards deepening their IGR beyond PIT as states whose PIT-IGR deepening is less than 50 percent or non-PIT-IGR deepening is more than 50 percent, as the case

may be.

In this wise, the IGR figures of the thirty-six states for the years 2015 and 2016 were critically examined, and the results obtained are presented in tables 1 – 6 below:

South Western States	2015 (PIT) Deepening	2015 (Non-PIT) Deepening	2016 (PIT) Deepening	2016 (Non-PIT) Deepening
Ekiti	69	31	47	53
Lagos	69	31	69	31
Ogun	64	36	33	67
Ondo	NR	NR	63	37
Osun	64	36	59	41
Oyo	NR	NR	NR	NR

**Table 1: South Western States IGR Deepening**

Out of the six states in the south west of Nigeria, only Ekiti and Ogun are moving towards non-PIT IGR deepening with their 53 and 67 percent scores in the 2016 IGR Report, all the other states, including Lagos are high on PIT with Lagos (69), Ondo (63) and Osun (59). It is important to mention that the non-PIT IGR deepening in Osun State improved from 36 in 2015 to 41 in 2016. Oyo State has no record of breakdown of IGR making it difficult for us to assess.

South Southern States	(PIT) Deepening	(Non-PIT) Deepening	(PIT) Deepening	(Non-PIT) Deepening
Akwa Ibom	9	1	8	
Cross River	4	6		6
Edo			5	4
Rivers	b w	b w	b w	b w

**Table 2: South Southern States IGR Deepening**

From the figures in table 2, out of the six south southern states in Nigeria, only Cross River State has maintained a 56 percent point non-PIT IGR deepening in both 2015 and 2016. All the other states are low on non-PIT IGR with Delta (12), Akwa Ibom (22), Bayelsa (30) and Edo (44) in the year 2016. It is important to mention, however, the observed significant improvement in Bayelsa State from a non-PIT IGR deepening of 6 in 2015 to 30 in 2016. Rivers State has no record of breakdown of IGR so it was not possible to assess the level of IGR Deepening of the State.

South Eastern States	2015 (PIT) Deepening	2015 (Non-PIT) Deepening	2016 (PIT) Deepening	2016 (Non-PIT) Deepening
Abia	NR	NR	NR	NR
Anambra	NR	NR	NR	NR
Ebonyi	NR	NR	NR	NR
Enugu	29	71	35	65
Imo	89	11	93	07

**Table 3: South Eastern States IGR Deepening**

Of the five states in the south-eastern region of Nigeria, Enugu State has a very high non-PIT IGR deepening of 71 in 2015 and 65 in 2016. Imo State, however remains very low on non-PIT IGR with 11 in 2015 and 7 in 2016. The other three states have no record of breakdown of their IGR collections making it impossible to calculate their IGR Deepening as recorded in table 3 above.

b 1Ah Eastern States	(PIT) Deepening	(Non-PIT) Deepening	(PIT) Deepening	(Non-PIT) Deepening
! É Ø I				
. ò d f ù	b w	b w	b w	b w
. 1 Å I				
DI Ø D G	b w	b w		
Ç Å D				
ò T D G	b w	b w		

**Table 4: North Eastern States IGR Deepening**

Both Adamawa and Taraba states have 69 and 54 percent non-PIT IGR deepening in 2016. For both states, these results are improvements over the 2015 figures of 48 and 50 respectively. For Borno, Gombe and Yobe the non-PIT IGR deepening ratios are still below the 50 percent mark with the scores of 15, 13 and 44 respectively. It is equally important to note that Bauchi State had no record of breakdown of their IGR reports for both years, making assessing them for IGR Deepening difficult.

b 1Ah Central States	(PIT) Deepening	(Non-PIT) Deepening	(PIT) Deepening	(Non-PIT) Deepening
. Ç ö G	2	8		
Y I R ù	b w	b w		
Y I Å			2	8
b O Å I				
b Å R G			7	3
t ž I G v	b w	b w		

**Table 5: North Central States IGR Deepening**

Out of the six states in the north central region, Benue, Kwara and Kogi have non-PIT IGR deepening of 69, 68 and 52 respectively in 2016. For Benue and Kwara the results are significant improvements from the 2015

figures of 38 and 43 respectively. The other three states in the region still remain low on non-PIT IGR with Nasarawa (8), Niger (43) and Plateau (29).

b 1Ah Western States	(PIT) Deepening	(Non-PIT) Deepening	(PIT) Deepening	(Non-PIT) Deepening
Å R I	b w	b w		4
Y É ö			5	5
Y ø I	b w	b w		
Y Å ö	b w	b w		
Y Ç ð				0
{ I Z I I	b w	b w	b w	b w
ù Ø I Å				

**Table 6: North Western States IGR Deepening**

From the seven north western states, only Kano has a non-PIT deepening higher than 50 percent which is 58 for 2016. All the remaining states have non-PIT IGR deepening, ranging from as low as 22 for Katsina, 34 for Jigawa, 35 for Kaduna, 40 for Kebbi and 41 for Zamfara in 2016.

**States with IGR Deepening Beyond PIT (2016)**

From the above analysis, only ten (10) out of the thirty-six (36) states are in the category of IGR deepening beyond PIT by the 2016 reports. This is because their PIT to non-PIT (IGR Deepening) Ratio is less than one which indicates that they collected more non-PIT related revenues than PIT related revenues in the year 2016.

This is an indication of diversification of IGR sources beyond the PIT and a step that should be encouraged particularly if the potentials inherent in the resources of our nation must be harnesses efficiently as required. There are prospects, but prospects alone translate to nothing if no conscious efforts are made to utilize the opportunities.

{ I Å	t I Ç ø I ö - PIT IGR	IDw 5 Ç Ç Ç ö R w I Å I
9 Ž ù	(0.88)	
h R ö	(0.49)	
/ Å Ç ö w I Å	(0.76)	
9 ö R	(0.54)	
. Ç ö G	(0.45)	
Y I R ù	(0.92)	
Y I Å	(0.47)	
Ç Å D	(0.85)	
! É Ø I	(0.45)	
Y ø I	(0.72)	

**Table 7: States with IGR Deepening Beyond PIT in 2016**

### Challenges to IGR Deepening Beyond PIT

In conducting this assignment, the various problems encountered shows that we are still not taking the issue of conscious planning through research and data gathering as anything important. It is therefore obvious that not able to assess the required data to plan is only a sure bet to failure, and this explains the poor state of our states. In this wise, this paper thus identified some of the challenges associated with deepening IGR collection beyond PIT are as follows;

- Lack of adequate information on taxpayers as most taxpayers can easily avoid reporting their income to the State IRS.
- Lack of cooperation from the taxpayers as many Nigerians (even within the tax net) do not feel obligated to Government to tax payment; therefore, they do not consider paying tax as a civic responsibility.
- Insufficient information on the logic and significance of taxes.
- Lack of Motivation as certain taxpayers who might be willing to pay are not motivated to do so.
- Lack of uniformity in the incidence of taxation as most taxpayers believe that they are unfairly levied.
- Lack of standard structures and modalities for tax assessment in Nigeria, and the problem has created distrust between collectors and payers.
- Complexity of the tax system and a lack of explanation with respect to tax obligations by the Nigerian government.
- Many taxpayers cannot distinguish between PAYE, WHT or VAT, even among the intellectuals much less calculate the tax base or tax liability in any of these cases.
- Inadequate training and preparation of tax officials as most lack the basic knowledge and techniques to communicate.
- Many Tax inspectors tend to be very aggressive, thereby putting the taxpayer on the defensive.

- High level of leakage associated with the collection of cash and politicization of the tax business.

### Recommendations

Based on the above, one will be quick to recommend that we all take the following seriously, if we must turn around the fortunes of our states:

- Continuous & Intensive Tax Research and Data Gathering
- Continuous & Intensive Tax Education
- Continuous & Intensive Staff Training
- Automation & Simplification of Tax Processes
- Stakeholders Engagement for Voluntary Compliance
- Autonomy and Reform of IRS to Deepen IGR Collection Beyond PIT

### Conclusion

Let, me close by stating that for us to move away from the concentration on personal income tax to other forms of indirect taxes that could be derived from the abundant resources of our nation, a lot of work is required and what is required is a deliberate and conscious effort that will be focused on taking us out of the concentration on PIT taxes/revenues to non-PIT taxes/revenues in our various states.

Thank You.

Paper presented at the 140th Joint Tax Board (JTB) Meeting. Held in Oshogbo, Osun State, Nigeria, on Tuesday, March 27, 2018



140TH JOINT TAX BOARD (JTB) MEETING





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for conducive business and working environment.



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PAY YOUR  
**TAX**





## YET I WILL RISE

Though I faint and stumble  
Tired and weak by trouble  
Buffeted beaten and battered  
By foes and friends  
Yet I will rise

Wearied and sapped of vigour  
By the seemingly defeat that glared  
At every of my effort  
Like the graze of an ant  
Against the great *iroko* tree  
Helpless!  
Yet I rise

With clenched fist on *Everest*  
One step after another towards the peak  
Worn out arms, feet hurting  
Yet moment by moment  
Day after day  
Against the tides and the winds  
I rise

I rise each day  
Take the bull by the horn  
Step by step, step by step  
I fall, I stumble, I miss the mark  
Yet I rise again and again

Daily I rise to advance  
Through this hazardous task of life  
Too sweet to let go  
Gentle, kind and mild  
Irresistible and overwhelming  
yet I rise  
I WILL ARISE



## MONTHLY COMMUNITY IMPACT PROGRAMME

April 2018



KW-IRS donate borehole to Alagbado Community

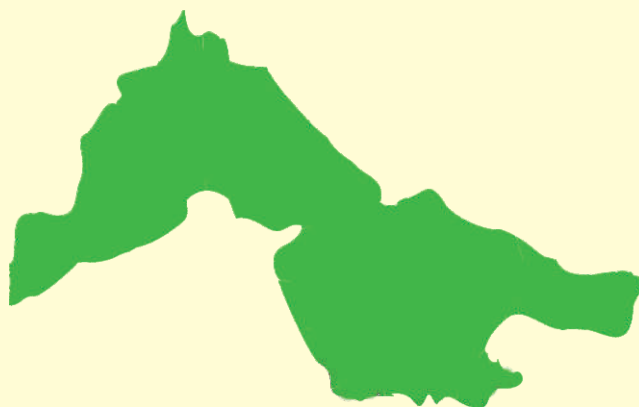
## Donation of Borehole Facility to Alagbado Ifelodun Community Sobi Area



Water tap points of the borehole

# Investing in Kwara State Nigeria

A 40 YEARS ANECDOTE BY SENATOR SHA'ABA LAFIAGI AT THE  
NIGERIA AMERICA BUSINESS FORUM (NABF)



Senator Mohammed Shabba Lafiagi making his presentation

**M**y experience of investing in Nigeria from diaspora stems both from working in private and public sector for over 4 decades. And my knowledge of Kwara State investment environment follows from 5 years as the Corporate Secretary in Kwara State Agricultural Development Corporation, 2 years as a Civilian Governor of Kwara State and 7 years as a Senator representing Kwara North Senatorial District. Before then, I served for 7 years as the Managing Director and CEO of the then Nigeria Sugar Company, Bacita, given the responsibility to rehabilitate Savannah Sugar Company while presiding as Managing Director of Sugar Company Bacita; also doubled as the coordinator of National Sugar Policy of the Federal Government. This led to the establishment of full fledged new sugar manufacturing companies at Lafiagi and Sunti in Niger State.

Personally, I see Kwara State as an outstanding example of where Nigeria has been, where it is and where it is headed. Located in North Central Nigeria, with a population of 2.4 million people, 45 minutes and 1 hour by air from Lagos and Abuja respectively; Kwara State is home to the only Entrepreneurial University in Nigeria and some of the best quality Shea butter in Africa. We Kwarans refer to Kwara State as the home of peace; stemming from our unique middle-belt location between Northern and Southern Nigeria and indeed our representation of all religions found in Nigeria.

*Kwara State is a prime investment destination for diaspora and international community, laden with several opportunities in small, medium and large scales. If you are a prospective investor wary of partnership with the State government, I urge you to see worthy examples in the 13-year-old, 1000 daily tonnes capacity Dangote Flour Mill, located in Ilorin; Adesoye college and Thomas Adewunmi International College producing some of the best Nigerian minds across the globe;*

While others might see Kwara as a small state, we continue to see strength in our numbers and capitalize on our size to focus on improving the wellbeing of our citizens, while cultivating a respectful, mutually beneficial relationship with our neighboring States and country (Benin Republic) with which we have a common boundary to the North. In 2016, Kwara State Internally Generated Revenue was ranked number 7 by the Nigeria Statistics Bureau, after bigger States including Lagos, Rivers, Ogun, Delta, Kano, Edo and Akwa Ibom States. We leveraged on the benefits of technology and intellectual capacity to re-structure our Internally Generated Revenue system among other systems in the State.

I premise that unlike the usual suspects, Kwara State is a prime investment destination for diaspora and international community, laden with several opportunities in small, medium and large scales. If you are a prospective investor wary of partnership with the State government, I urge you to see worthy examples in the 13-year-old, 1000 daily tonnes capacity Dangote Flour Mill, located in Ilorin; Adesoye College and Thomas Adewunmi International College producing some of the best Nigerian minds across the globe; as well as Arik, Overland and Medview Airlines flying the skies to transport people by air to and from Ilorin on a daily basis.

Should you be interested in a Public Private Partnership with the State, I urge you to see a promise of efficiency and effectiveness in the Kwara State Public Private Partnership Bureau led projects including; the street light project valued at 7.8 Billion naira, 60% of which was privately funded and 100% complete; and the Kwara Hotel project, in partnership with the International Ibis and Novotel groups. Like most of the processes you would find in Kwara State, the Bureau is

driven by structure and a focus on sustainable, viable projects in the State, for its people and its neighbors.

Kwara has invested heavily in establishing institutions that stand to complement the efforts of the administration in seeking sustainable partnerships with the private sector, knowing fully well that the State cannot single-handedly make robust contributions to the global economy. In essence, we welcome participation of the private sector with open arms in developing our State. We pride ourselves in our ability to seek, develop and sustain mutually beneficial relationships with the private sector over the long term. I hope you will find this holds true when you refer to the business examples cited earlier.

In clear recognition of our responsibility to contribute to the Human Development Index in Kwara State and Nigeria at large, our focus as a State is on projects in the healthcare, agriculture, consumer products (especially manufacturing), works and transport, education and human capital development sectors. And in these sectors, do we seek investment partners. I will go on to discuss a few of opportunities and challenges in some of these sectors.

### **Agriculture**

To name of few, this administration introduced the Off-takers Demand Driven Agricultural Scheme (ODDA) aimed



to empower rural farmers, create employment, promote commercial farming and boost food production. We therefore, seek private participation in commercializing our efforts, harnessing our aggregate production for the International markets as well as finding solutions that takes commercial advantage of the thorough food chain, warehousing and logistics. Commodities that can be found in commercial quantities across Kwara State include; Shea butter, coal, charcoal, bees wax, crushed bone, cashew nuts, yam, beans, tomatoes, rice, granite, timber, honey and most recently gold deposits found in Baruten.

From experience, I can tell you that the Nigerian agricultural market is prime with bountiful opportunities and a large purchasing population. Local labour is cheap, domestic intellectual content is huge and economic potentials are immeasurable. It is however worth recognizing some of the challenges facing the sector. Quality control is sub-par with the proliferation of substandard products, which led to poor pricing at the international market for export from Nigeria thereby shifting demand to neighboring countries with less commodity deposits such as Ghana area to the North.

### **Manufacturing**

Albeit not the only reason, a primary contributor to our most recent dollar problems in Nigeria stemmed from our excessive dependence and consumption of imported products as a nation. Like the Federal Government, Kwara State has taken sustainable steps in developing a vibrant local production environment to meet local consumption demands. While we pride ourselves on our natural resource deposits we are also poignantly aware that our young population desire and deserve refined finished products, giving birth to a huge manufactured products market.

An apt example is the sugar manufacturing industry and its subsidiaries. The defunct Nigeria Sugar

Company Bacita (NISUCO) was born in 1964 as a fully integrated sugar factory in northern part of Kwara State, Nigeria. At its peak, the factory contributed over \$1 billion dollars to the Nigerian economy, in today's prices. Savannah is still in operation and Lafiagi Sugar factory will soon come on stream. However, there has been a general neglect in this industry, seeing most of its processes outsourced. Till today, we are yet to develop or re-structure another sugar manufacturing plant designed to operate from "farm to sack" since NISUCO. That said, we continue to strive, we refuse to give up.

One of the advantages of once housing such a plant is the depth of knowledge on the industry that still abounds in the country. From experience, we know that the market exists, what we lack is the capacity. By investing in the sugar-manufacturing sector for example, not only would you be producing a multi-purpose cash crop, you would also have a highly demanded by-product, Ethanol on your hands.

Other production plants have since launched in Kwara State to turn our shea butter into body lotion and clean and package our consumable commodities for household consumption. However, Kwara State is prime for so much more. We are conveniently located one and half hours from Ibadan, four hours from Lagos and, four hours from Minna and six hours from Abuja all by road. We have daily flights in and out of Ilorin to other parts of Nigeria as well as an excellent ferry service between Patigi and Lafiagi (Kwara State) and Bida (Niger State), thereby easily connected to a market that extends beyond our State.

### **Energy, Telecommunication and ICT**

Nigeria is perfectly situated for renewable energy generation with abundant sources such as gas, hydro, wind, coal, biomass, solar etc. With a population of over 180M people, less than 50% of the population has access to electricity in both urban and rural area. Additionally, most households and businesses generate energy from alternative sources that are expensive and damaging to persona and environmental health. At the same time, there are ready off takers for affordably generated power with consistent service and quality. Where required, supporting power purchase agreements and other features and deal enhancements can be explored with the State and/or national governments as may be appropriate. Thus, the opportunities for technically and commercially viable green energy businesses abound. Kwara State's drive for green energy is multifaceted, encompassing public social infrastructure and direct off-taker opportunities for households and businesses of





various sizes – micro to industrial.

From commercial to industrial use, there is an insatiable energy demand without commensurate or stable supply. This has created a new market for power storage or portable power bank and also inverters for domestic and industrial use. The need for these power banks is far too often, because of the epileptic power supply.

As at 2011, Nigeria had the highest telecommunication penetration in Africa, with different tiers of licenses being issued out for various service provisions. Telecommunication industry contributes over N1.5 Trillion to the GDP annually, with a lot of room to grow in different service spaces.

The Giant of the service providers is MTN, a South African company with over 40% of the market share and over 100M Internet subscribers. Not only has this increased employment but also it has given rise to a new market for e-transactions and other Internet-enabled services.

However, the challenge here is the abysmal telecoms infrastructure deficit required for quality of service (QoS). Therefore stunting the exponential growth to other parts of the country as experienced at the shores of Lagos. Again, herein lies the opportunity for provision and management of infrastructure services.

ICT consumerism behavior has shifted drastically especially with newer operators in the radio, Television, digital transmission, gamification, and especially social media industry. Suffice it to say that when the founder of Facebook, Mark Zuckerberg visited Nigeria, he summed up the local talents in the ICT industry in Nigeria as “the global changer”.

There are young budding talents that will in the very near future use ICT to change the way the country is run. It is thus indeed a perfect space to build apprenticeship institution to develop and guide these young talents into national and global assets.

### In Conclusion

I always say this, to see the bounties of Nigeria, take a road trip across Nigeria; and to see the challenges, take a road trip across Nigeria. To me, the vast lands you see reminds you of the investment opportunities that abound and the people you will come across tells you, priced right, there is always a market of at least 180 million people, ready to consume your products.

Investment in the Nigerian economy, like any economy is not as complicated as it might seem. My advice, complete your due diligence and take advantage of the administrative institutions that are

strategically implemented in Nigeria, including the Corporate Affairs Commission and the Bank of Industry. In your idea, think through the product chain.

In my humble opinion, Nigeria is not the proverbial gold mine of opportunities, but rather the opportunity to create gold mines; be it in manufacturing, technology, agriculture or education. In fact, institutional investors know and appreciate this simple fact, as reported by the American Bloomberg and the Nigerian Vanguard, the \$1 billion Nigerian Eurobond raised in 2017 was 8 times oversubscribed at a time when Nigerian economy was deep in recession. A highly knowledgeable institutional investor once said; “seasoned foreign investors in Nigeria do not complain about the challenges of Nigeria, they have seen it all. What others runaway from, we run toward head-on, because in the challenges lie the incomparable opportunities”.

No doubt, the Nigerian environment has some way to go, but we have also come a long way and continue to stretch this way even further. I could have used my time with you to talk about things we lack in Nigeria, but I stand firm in my belief that complaining without seeking solutions is a futile effort. While we complain about electricity in Nigeria, a Nigerian is the richest man in Africa – servicing more than half the population through production of consumer products. While we lament about the dearth of our educational system, the deputy secretary general of the United Nations is Nigerian and the Zuckerberg thought our youth worthy of intellectual interaction. Agreeable, our government is trying to do more but partnered with the private sector, it can go even further to turn its challenges into opportunities. I task the diaspora crowd here today to look inward and invest in these opportunities. Invest your time, your intellect and your finances in Kwara State and Nigeria as a whole.

**Author:** Mohammed Shaaba Lafiagi, Senator of the Federal Republic of Nigeria.

CHARTERED INSTITUTE OF TAXATION, NIGERIA

# CITN 20TH ANNUAL TAX CONFERENCE

**T**he CITN Annual Tax Conference is the largest assembly of tax administrators and practitioners in Nigeria, an avenue where tax experts share and ruminate on consequential issues from tax administration to national issues that are relevant for socio-economic growth and national development. The conference is also an avenue for networking, collaboration and sharing information on tax-related technical and management practices as well as building and maintaining confidential relationship across disciplines and geographical boundaries.

Over 200 delegates from all states in Nigeria attended the 20th Annual Tax Conference which commenced on 8<sup>th</sup> and ended on the 11<sup>th</sup> May, 2018 at Nigeria Air force (NAF) conference and suits, Kado, Abuja with the theme “**institutionalizing tax-paying culture in a developing economy**”. The event featured series of impactful sessions, forums, workshops, as well as insights and discussions that will aid tax administration and economic growth in Nigeria.

In his introductory remark, the Vice President of Nigeria, Professor Yemi Osinbajo, expressed his confidence in various tax institutions for being reputable bodies responsible for tax administration in their respective states and the country as a whole. He highlighted the challenges of tax administration in the country stating that “tax is not an issue that excites citizens anywhere around the world. It is a favorite of those who love chicken-and-egg arguments: which should come first: paying taxes or enjoying the dividends of good governance”. This assertion gives credence to the low and paucity of tax compliances in the country.

According to him, Nigeria's tax-to-GPD ratio is one of the lowest in the world and surprisingly, out of an estimated 70 million Nigerians who are economically active, only 14 million representing twenty percent pays any federal or state taxes.

The Vice President succinctly stated the efforts of the Federal Government in ensuring public funds, especially revenues from tax are shrewdly managed and utilized. Parts of the efforts are the introduction of VAIDS, establishment of an Implementation Committee for National Tax Policy, implementation of the Treasury Single Account (TSA) and the Integrated Personnel Payroll Information System (IPPPIS).

Amongst those that were present at the conference were; CITN President, Chief Cyril Ikemefuna Ede, Chairman of JTBA and FIRS, Mr William Babatunde Fowler, Secretary of JTBA Chief Oseni Elamah, Executive Chairman KW-IRS, Dr Muritala Awodun, Prof Olateju Somorin, Prof. Abiola Sanni, Mr Taiwo Oyedele, and Dr Mark Abani.



Executive Chairman presenting an award to the 2nd CITN President



KW-IRS Staff at the Conference



KW-IRS Staff at the Conference



Group photographs of KW-IRS staff at the CITN Gala Night



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**ENJOY DISCOUNT**

**5%** ON MINIMUM OF 10 - 19 VEHICLES PARTICULARS RENEWED

ENGINE CAPACITY	RENEWAL FEES	FLEET DISCOUNT	DISCOUNTED AMOUNT
1.6 - 2.0	6,525.00	166.25	6,358.75
2.1 - 3.0	7,150.00	197.50	6,952.50
3.0 and above	9,025.00	191.25	8,833.75
Tipper	14,150.00	447.50	13,702.50
Truck	15,400.00	510.00	14,890.00

**7%** ON 20 VEHICLES PARTICULARS AND ABOVE RENEWED

ENGINE CAPACITY	RENEWAL FEES	FLEET DISCOUNT	DISCOUNTED AMOUNT
1.6 - 2.0	6,525.00	232.75	6,292.25
2.1 - 3.0	7,150.00	276.50	6,873.50
3.0 and above	9,025.00	267.75	8,757.25
Tipper	14,150.00	626.50	13,523.50
Truck	15,400.00	714.00	14,686.00



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### TAX CLUB

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## COMPETITION

### 3rd Edition

#### with 238 SCHOOLS

**KWARA CENTRAL 102 | KWARA SOUTH 89**  
**KWARA NORTH 47**

## Grand Prize N5 Million

with lots of other prizes to be won

### Schedule of Competition

#### KWARA SOUTH

Date: 9<sup>th</sup>-11<sup>th</sup> July 2018

Venue: Oyun Baptist High  
School, Ijagbo

Time: 8:00 am

#### KWARA NORTH

Date: 12<sup>th</sup> July 2018

Venue: Government Day  
Secondary School, Bode Saadu

Date: 13<sup>th</sup> July 2018

Venue: Government Unity  
Secondary School, Kaiama

Time: 9:00 am

#### KWARA CENTRAL

Date: 16<sup>th</sup>-19<sup>th</sup> July 2018

Venue: Bishop Smith  
Memorial College, Ilorin

Time: 8:00 am

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child  
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