

GEMS 3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES



PART 1:
Harmonised Tax Laws
June 2016

**KNOW YOUR LG RATES
BEFORE YOU PAY!
ASK ME ABOUT
OBUBRA LG RATES**

HOME BOY



Contents

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Harmonised Tax Laws

**Harmonised Tax
Laws**

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Presumptive
Tax Regulations
Implementation

**Presumptive
Tax Regulations
Implementation**

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Tax for Service

Tax for Service

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Complaints Processes

**Complaints
Processes**

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Training

Training

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Improved Payment
Systems

**Improved Payment
Systems**

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Point of Sale (PoS)
Payments

**Point of Sale (PoS)
Payments**

GEMS3 TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Sensitisation

Sensitisation

Foreword from GEMS3 Team Leader

GEMS3 has sought to reduce the burden of multiple taxation through a four pillar strategy: Legislation; Payment Incentives; Payment Systems; and Taxpayer Awareness.

GEMS3 has tangible experience of continuing to deliver reforms in each of these areas within 8 states (Cross River, Jigawa, Kaduna, Kano, Katsina, Kogi, Lagos and Zamfara), and around 100 LGAs within those states. GEMS3 has also collaborated with GIZ in 3 states (Niger, Ogun and Plateau) to implement these reforms through a semi-autonomous expansion programme and has reached agreement to support these reforms on a light touch basis in 3 other states (Delta, Ebonyi and Edo).

For efficiency of roll-out, GEMS3 developed a toolkit in 2014 that spanned these four pillars and this has now been updated to reflect later developments (e.g. the presumptive tax regulations) and further experience, and to respond to comments received on the earlier version. The toolkit contains a series of modules that can be applied to States and LGAs.

The toolkit is flexible meaning that modules need not be rolled out to new areas if the risk or chance of success is not deemed acceptable. An example is that Point of Sale payment technology may not be a viable solution for all LGAs and in this case, alternative payment system modules from the toolkit can be pursued.

Table of tax toolkit modules:

Legislation	Payment Incentives	Payment Systems	Taxpayer Awareness
State-level LGA Law or LGA bye-laws	Tax for Service	Payment Systems Assessment	State-level Awareness
State-level MDA Law	Complaints Process Assessment	Direct Lodgement	LGA-level Awareness
Presumptive Tax Regulations implementation	Revenue Officer Training	Point of Sale (PoS)	Market-level Engagement

For these toolkit modules, Activity Guides have been developed that identify the steps that need to be taken in order to deliver the reforms covered by each module. Each Activity Guide has three broad parts:

- » A narrative section that provides background information relating to the tax toolkit item and outlines the general GEMS3 approach
- » A list of the “activities” that need to be completed in order to complete work on the tax toolkit item
- » Appendices containing examples of relevant tailored tools. For example, for the state-level LGA law there is a ‘Model Law’, and for Tax for Service and PoS there are sample MoUs.

GEMS3 considers that its tax toolkit information will be of particular benefit to states where GEMS3 is not currently working (some of whom have previously requested assistance) to enable those states to, for example, enact harmonised tax laws, introduce tax for service agreements, and/or introduce improved payment or complaint processes by themselves with GEMS3 involvement limited only to “oversight”.



Accordingly, this document presents an information pack containing the 8 Activity Guides that cover the 12 tax toolkit modules mentioned in the chart above. This information is also available in soft copy form on a flash drive (obtainable from GEMS3 by using the contacts listed on the back cover) and on the GEMS3 website, www.gemsnigeria.com/gems-3

We encourage States and LGAs to review this information and to commence implementation of those reforms which they feel will best assist.

William Benthall

A handwritten signature in cursive script that reads "William Benthall".

GEMS3 Team Leader



LIST OF ABBREVIATIONS

AGM	Annual General Meeting
BIR	Board of Internal Revenue
BMO	Business Membership Organisation
CATU	Council and Traders Union
CBN	Central Bank of Nigeria
CRSG	Cross River State Government
CSO	Civil Society Organisation
DFID	UK Department for International Development
DPM	Director of Personnel Management
ENABLE2	Enhancing Nigerian Advocacy for a Better Business
EXCO	Executive Council
FIRS	Federal Inland Revenue Service
GBP	Great British Pounds
GEMS3	Growth and Employment in States 3
GIZ	Gesellschaft für Internationale Zusammenarbeit
IGR	Internally Generated Revenue
IMO	Interim Management Officer
JTB	Joint Tax Board
KACCIMA	Kano Chamber of Commerce, Industry, Mines and Agriculture
KASTU	Kano State Traders Union
LASAA	Lagos State Signage & Advertisement Agency
LCDA	Local Council Development Areas
LG	Local Government
LG&CA	Local Government and Chieftaincy Affairs
LGA	Local Government Area
LGC	Local Government Councils
LIRS	Lagos State Internal Revenue Service
LRC	Land Records Company, Lagos
M&E	Monitoring and Evaluation
MAN	Manufacturers' Association of Nigeria
MDA	Ministries, Departments and Agencies
MOA	Memorandum of Agreement
MoJ	Ministry of Justice
MoLG	Ministry of Local Government
MOU/MoU	Memorandum of Understanding
NASSI	Nigerian Association of Small Scale Industrialists
NGN	Nigerian Naira
NGO	Non-Governmental Organisation
NIBSS	Nigerian Inter-Bank Settlement System
NURTW	National Union of Road Transport Workers
OPS	Organised Private Sector
PAYE	Pay-As-You-Earn
PIN	Personal Identification Number
PIT	Personal Income Tax
POS	Point of Sales/Point of Service
PPD	Public Private Dialogue
PPEM	Public Private Engagement Mechanism
PT	Presumptive Tax
RCIU	Revenue Complaints and Information Unit
SAVI	State Accountability and Voice Initiative
SHoA	State House of Assembly
SME	Small and Medium Enterprise
SMS	Short Message Service
SOP	Standard Operating Procedures
SPARC	State Partnership for Accountability, Responsiveness and Capability
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAT	Tax Appeal Tribunal
TIN	Taxpayer Identification Number
TNA	Training Needs Analysis
ToT	Training of Trainers
UK	United Kingdom
WEE	Women Economic Empowerment

Content

1. HARMONISED TAX LAWS - INTRODUCTION	14
1.1. What are harmonised tax laws?	14
1.2. Reasons for harmonised tax laws	14
1.3. Enactment of harmonised tax laws	15
2.0 HARMONISED TAX LAW ACTIVITIES	16
2.1. Establishment of LGA (or MDA) level working committee	16
2.2. Agreement reached re harmonised and consolidated taxes, levies and charges	16
2.3. Drafting of law	16
2.4 Confirmed support from SHoA (retreat)(or LGA chairperson for bye-law)	17
2.5 Public hearing held	17
2.6 Passage of state-wide bill by SHoA (3rd reading)/bye-law by LGA	17
2.7 Sign-off of bill into law by Governor/bye-law by LGA chairperson	18
2.8 Gazetting of state law/bye-law	18
APPENDIX 1: SCHEDULE FROM TAXES AND LEVIES (APPROVED LIST FOR COLLECTION)	20
APPENDIX 2: MODEL STATE-LEVEL LGA LAW	22
APPENDIX 3: MODEL STATE-LEVEL LGA LAW EXPLANATORY NOTE	30
APPENDIX 4: KANO STATE MDA LAW	32



HARMONISED TAX LAWS - INTRODUCTION

1.1. What are harmonised tax laws?

The Nigerian Constitution specifies three levels of government in Nigeria (federal, state and local government level) and outlines their rights to set and collect taxes, levies and charges. These constitutional provisions are supported by a 1998 federal law (the Taxes and Levies (Approved List for Collection) Decree No 21 of 1998) which lists the types of taxes, duties, levies, fees and charges able to be collected by each level of government. This law was amended in 2015. Details are contained in the Schedule to that law which, as amended, is repeated in Appendix 1.

Despite the existence of these provisions, which clearly delineate revenue collection responsibilities between the various government levels, revenue collection practices by various agencies at state/MDA level and by LGAs (including LCDAs in Lagos) had extended beyond those provisions and meant that Nigerian taxpayers have been facing “multiple taxation” (taxes/fees/charges on the same or similar income/transactions/assets by different levels of government and by differing agencies at the same level of government).

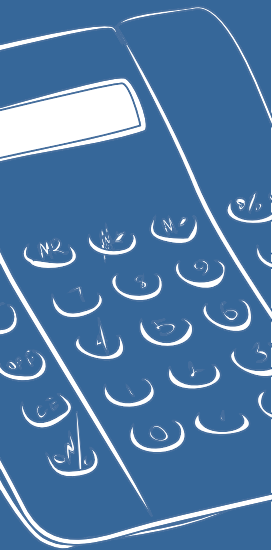
The GEMS3 approach has been to support the drafting and enactment of the following types of harmonised tax laws:

- State-level harmonised rates and levies laws covering LGAs, which outline the rates and levies collectable by all LGAs within a State – these “State-level LGA laws” have not only provided legal authority for LGAs that have not passed bye-laws covering the rates of revenues they are able to collect but also repealed any LGA bye-laws that are inconsistent with the state-level law. Such laws have also ensured that the types of revenue collected at LGA level are consistent with the Nigerian Constitution and 1998 law (as amended) referred to above
- LGA-level bye-laws, which outline the rates and levies collectable in specific LGAs – these bye-laws have also ensured that the types of revenue collected at LGA level are consistent with the Constitution and the 1998 law (as amended)
- State-level harmonised taxes, fees and charges laws covering state BIRs/MDAs, which outline the taxes, fees and charges collectable by state-level revenue collecting agencies in each state - these “State-level MDA laws” clearly delineate the revenue collecting responsibility of State BIRs alongside other MDAs in each state to not only ensure that multiple taxation across state-level agencies is eliminated but also to ensure that the types of revenue collected by such agencies are consistent with the Constitution and the 1998 law (as amended)

1.2. Reasons for harmonised tax laws

The purposes of harmonised tax laws are to:

- Ensure that the types of revenue collected by different levels of government are consistent with the Nigerian Constitution and a 1998 federal law (as amended) that supports it. GEMS3 believes that compliance with these provisions provides “vertical” harmonisation between the different levels of government.
- Remove instances of “multiple taxation” particularly across State government level but also across local governments. This provides for “horizontal” harmonisation across the different levels of government





Together the results of such harmonisation have typically been to reduce the number of types of revenue collected at local government level by between 150 and 200 to a harmonised list of between 15 and 20 different revenue heads that matches the listing in the 1998 law (as amended). As such the tax system at state/local government levels has been considerably simplified which benefits both taxpayers (once they have been sensitised on the changes) and the revenue administration agencies.

These simplifications have at the same time provided the vehicle for the removal of:

- Illegal taxes, where revenues were being collected without legal authority and/or outside the mandate of the government level
- Nuisance taxes, where the expense required to collect such revenues has exceeded or exhausted the revenue collected from such revenue types

1.3. Enactment of harmonised tax laws

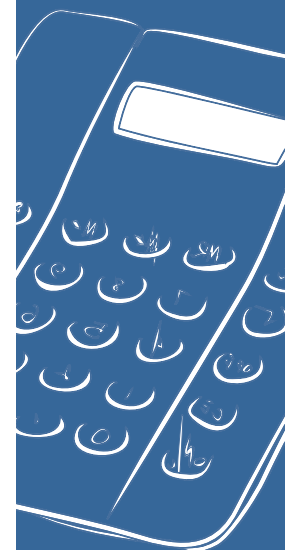
Of the 3 different types of harmonised tax laws mentioned above, GEMS3 has initially supported the development of “State-level LGA laws” and assistance with the development of such laws has been given in each state it has worked in (except Lagos which passed a harmonised law in 2010). Given the extra work involved in bye-law development for each LGA supported, GEMS3 preference has been to develop state-level LGA laws and only work on bye-laws for each LGA (the second type of harmonised law) where there have been difficulties in getting support for a state-level LGA law process – the development of bye-laws had only been necessary in the Cross River state, but the situation changed and a state-level LGA law has now been passed there.

Given the experience GEMS3 has gained in the development of these state-level LGA laws, a “model tax law” has been developed which can be used as a base for work on developing such laws in states where such a law has not yet been drafted. The “model law” not only allows for the standardisation of good practice across states, but more importantly it contains options allowing for each state to modify it to meet the specific and unique circumstances of each state (rather than it being a “one size fits all” law). The “model law” is included as Appendix 2 and an explanatory note covering its development is included as Appendix 3.

“State-level MDA laws”, the third type of harmonised law, have been developed in Kaduna state (where there was a focus on the autonomy of the state BIR) and in Kano state (where there was a focus on strengthening of MDA operations and streamlining of rates and charges) and are being developed in other states. As these laws develop, it is expected that a “model” for this type of harmonised tax law can also be developed. In the meantime, a copy of Kano’s MDA law is attached as Appendix 4.

One area addressed in the development of state-level MDA laws is the issue of the level of autonomy provided to State BIRs. In some states where separate laws covering this have been passed this is not an issue; but it has been raised as an issue in other states that GEMS3 is working with, where a law has been passed but not implemented or where no such law covering this issue is in place.

Where a State MDA law makes provision for the BIR to collect LGA levies/rates on behalf of the local government (as is the case in the Kaduna MDA law), obtaining the buy-in of the LGAs is very important, and if possible a memorandum of understanding (MoU) on mode of operation and revenue sharing ratio should be signed between the State and the LGAs.



While it is preferable to follow the full legislative process in getting government/executive approval before referring draft state-level laws to the SHoA (and this guide assumes this), in situations where there are undue delays or resistance being experienced, consideration could be given to engaging a supportive member of the House of Assembly to see whether they are prepared to sponsor the harmonised tax law as a “private member’s bill”. In such case, while most of the detailed steps in this guide relating to government/executive approval will not be necessary, government and other key stakeholders should be consulted and kept up to date with developments to minimise the risk of creating rifts between the executive and the SHoA which could later threaten implementation of the law. (For different reasons, this process was followed with the Kaduna and Cross River state-level LGA laws).

Although there are 3 different harmonised tax law types, the process for drafting and enacting such laws is sufficiently similar that the activities and the steps to achieve them are outlined below in this guide, rather than there being 3 separate activity guides.

HARMONISED TAX LAW ACTIVITIES

2.1. Establishment of LGA (or MDA) level working committee

- a. Concept of harmonised tax laws mentioned during initial GEMS3 introductory meetings with Governor and State Government stakeholders and during initial PPEM meeting
- b. Make a case for the need for a law that will harmonise rates and levies that will be uniform across the LGAs in the state/ a law that will harmonise taxes, fees and charges across the BIR/MDA level in the state
- c. Establish LGA (or MDA) level working committee

2.2. Agreement reached re-harmonised and consolidated taxes, levies and charges

- a. Assemble legislation and bye-laws from all LGAs and key state revenue MDAs
- b. Review legislation and compile summary report
- c. Table report for discussion with state level committee
- d. Produce recommendations for amendments/new law
- e. Table recommendations for discussion with state level committee
- f. Obtain endorsement by state level committee of recommended amendments
- g. Engage with state revenue MDAs on areas of conflict with LG taxes
- h. Record “agreement reached regarding harmonised and consolidated taxes, levies and charges” milestone as having been met

2.3. Drafting of law

- a. Engage with all stakeholders on inputs to the harmonised law. Get the buyins of relevant stakeholders which includes but is not limited to:
 - Chairpersons/Treasurers and Revenue Officers of LGAs
 - Ministries for Local Government, Justice and Board of Internal Revenue
 - Private sector organizations, NGO’S, BMO’S, Market Unions, NURTW etc.
 - Women Development Associations
 - Sister organisations such as SAVI, ENABLE2, SPARC
- b. Meet with SAVI/CSO to discuss strategy for passage of law
- c. Draft the harmonised tax law amendments





- d. Workshop with state Ministries and LGAs to sign off on harmonised laws
- e. Complete sensitisation as deemed necessary regarding draft amendments
- f. Finalise drafted amendments
- g. Have a detailed discussion of the law with the state level committee
- h. Send the law to the Ministry for Local Government for onward passage to the Ministry of Justice for vetting
- i. Obtain Ministry of Justice sign-off comments
- j. Final draft sent to Commissioner for LG & CA for presentation to EXCO
- k. Ensure the law gets to the Governor for onward presentation to the SHoA as executive bill
- l. Discuss publicity campaign for signing of bill into law with MoLG
- m. Create budget proposal for sensitisation activities
- n. Agree strategy and budget for sensitisation activities

(note: the above steps will need to be modified if the bill is being promoted by a SHoA private member as a private member's bill rather than being introduced through the normal MoJ/EXCO process)

2.4 Confirmed support from SHoA (retreat)(or LGA chairperson for bye-law)

- a. Meet with MoLG and SAVI to agree on lobbying responsibilities and target timelines
- b. Approach the State House of Assembly for their support
- c. Organise a retreat for the State House of Assembly members in collaboration with other sister agencies
- d. Confirm support from SHoA ready for when bill arrives from the executive

2.5 Public hearing held

- a. Submission of draft law to SHoA
- b. Propose date of second reading to accompany first reading
- c. Monitor the proceedings in the SHoA to ensure the law has accelerated hearing
- d. First reading held
- e. Second reading held with bill debated in Chamber and referred to committee stages
- f. Support public hearing
- g. Organise stakeholder input on bill
- h. Organise civil society pressure for public hearing
- i. Organise civil society input
- j. Push/assist on meeting on bill and report writing
- k. Committee published report to SHoA

2.6 Passage of state-wide bill by SHoA (3rd reading)/bye-law by LGA

- a. Bill debated
- b. Sent to the Governor for approval
- c. Confirm publicity campaign regarding signing off the bill into law with MoLG

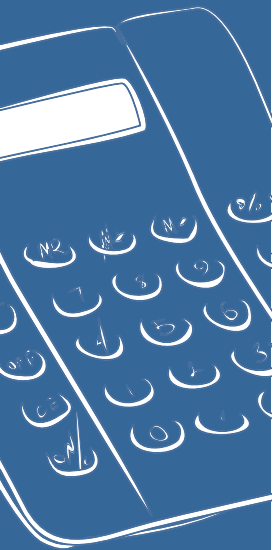


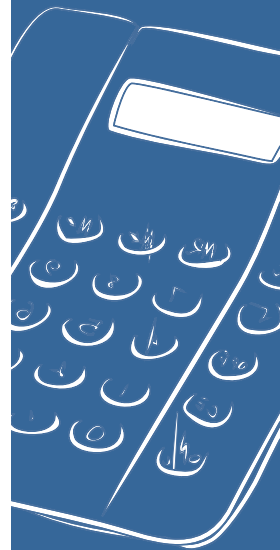
2.7 Sign-off of bill into law by Governor/bye-law by LGA chairperson (or explicit support gained from LGAs for state defined rates)

- a. Governor receives bill from SHoA/LGA chairperson receives bye-law for signing
- b. Support MDA in prioritising signing
- c. Governor signs the bill/LGA chairperson signs the bye-law
- d. Record “sign-off of bill into law by Governor/bye-law by LGA chairperson (or explicit support gained from LGAs for state defined rates)” milestone as having been met

2.8 Gazetting of state law/bye-law

- a. Monitor progress on gazetting of law including checking on printed drafts of the law and advising of any mistakes noted before final printing
- b. Obtain printed copies when available and provide copies or details of where to get them to key stakeholders
- c. Proceed to assist with law implementation including full sensitisation





APPENDIX 1: SCHEDULE FROM TAXES AND LEVIES (APPROVED LIST FOR COLLECTION) DECREE OF 1998 (as amended in 2015)

PART I

Taxes to be collected by the Federal Government

1. Companies income tax.
2. Withholding tax on companies, residents of the Federal Capital Territory, Abuja and non-resident individuals.
3. Petroleum profits tax.
4. Value added tax.
5. Education tax.
6. Capital gains tax on residents of the Federal Capital Territory, Abuja, bodies corporate and non-resident individuals.
7. Stamp duties on bodies corporate and residents of the Federal Capital Territory, Abuja.
8. Personal income tax in respect of-
 - a. members of the armed forces of the Federation;
 - b. members of the Nigeria Police Force;
 - c. residents of the Federal Capital Territory, Abuja; and
 - d. staff of the Ministry of Foreign Affairs and non-resident individuals.
9. National information technology development levy.

PART II

Taxes and levies to be collected by the State Government

1. Personal income tax in respect of-
 - a. Pay-As-You-Earn (PAYE); and
 - b. Direct taxation (self-assessment).
2. Withholding tax (individuals only).
3. Capital gains tax (individuals only).
4. Stamp duties on instruments executed by individuals.
5. Pools betting and lotteries, gaming and casino taxes.
6. Road taxes.
7. Business premises registration fees in respect of urban and rural areas which includes registration fees and per annum renewals as fixed by each State.
8. Development levy (individuals only) not more than N100 per annum on all taxable individuals.
9. Naming of street registration fees in the State Capital.
10. Right of Occupancy fees on lands owned by the State Government in urban areas of the State.
11. Market taxes and levies where State finance is involved.
12. Land use charge, where applicable.
13. Hotel, restaurant or event centre consumption tax, where applicable.
14. Entertainment tax, where applicable.
15. Environmental (ecological) fee or levy.
16. Mining, milling and quarrying fee, where applicable.
17. Animal trade tax, where applicable.
18. Produce sales tax, where applicable.
19. Slaughter or abattoir fees, where state finance is involved.
20. Infrastructure maintenance charge or levy, where applicable.
21. Fire service charge.



22. Property tax, where applicable.
23. Economic development levy, where applicable.
24. Social services contribution levy, where applicable.
25. Signages and mobile advertisement, jointly collected by States and Local Governments.

PART III

Taxes and levies to be collected by the local government

1. Shops and, kiosks rates.
2. Tenement rates.
3. On and off liquor licence fees.
4. Slaughter slab fees.
5. Marriage, birth and death registration fees.
6. Naming of street registration fee, excluding any street in the State Capital.
7. Right of Occupancy fees on lands in rural areas, excluding those collectable by the Federal and State Governments.
8. Market taxes and levies excluding any market where State finance is involved.
9. Motor park levies.
10. Domestic animal licence fees.
11. Bicycle, truck, canoe, wheelbarrow and cart fees, other than a mechanically propelled truck.
12. Cattle tax payable by cattle farmers only.
13. Merriment and road closure levy.
14. Radio and television licence fees (other than radio and television transmitter).
15. Vehicle radio licence fees (to be imposed by the local government of the State in which the car is registered).
16. Wrong parking charges.
17. Public convenience, sewage and refuse disposal fees.
18. Customary burial ground permit fees.
19. Religious places establishment permit fees.
20. Signboard and advertisement permit fees.
21. Wharf landing charge, where applicable

APPENDIX 2: MODEL STATE-LEVEL LGA LAW

XXXXXX STATE OF NIGERIA

XXXXXX STATE LOCAL GOVERNMENTS HARMONIZED RATES AND LEVIES LAW 201X

A Law to harmonize Rates and Levies collectible by Local Government Councils in XXXXXX State and for matters connected thereto.

BE IT ENACTED by the XXXXXX State House of Assembly as follows:

1.	This Law may be cited as the XXXXXX State Harmonized Rates and Levies Law 201X and shall come into operation on the xxth day of XXXXXX, 201X.	Short Title and Commencement
2.	<p>In this Law, unless the context otherwise requires:</p> <p>“Levy” means an authorized charge and includes any fee and charge.</p> <p>“Permanent stalls” means solid structures built and owned by persons.</p> <p>“Person” includes an individual or body of individuals, family, corporation sole, trustee or executor or a person who carries on an economic activity, or who exploits tangible or intangible property for the purpose of obtaining income therefrom within a Local Government Area in the State.</p> <p>“Rates” means an amount payable to a Local Government Council as provided in the First Schedule hereto.</p> <p>“Revenue Collector” means a staff member of a Local Government Council and any other person or group of persons duly appointed to collect revenue for a Local Government Council.</p> <p>“Revenue Court” means a Magistrate Court, Customary Court or Shari’a Court, or any other competent Court within the Local Governments in the State.</p> <p>“Rural Local Government” means(Option 1 only)</p> <p>“Semi Urban Local Government” means(Option 1 only)</p> <p>“State” means XXXXXX State of Nigeria.</p> <p>“Urban Local Government” means(Option 1 only)</p> <p>“Ward category” means the category A, B or C as shown in the Second Schedule to this Law. (Option 2 only)</p>	Interpretation
3.	<ol style="list-style-type: none"> 1. From the commencement of this Law, no rate or levy shall be payable to a Local Government Council in the State except those contained in the First Schedule hereto. 2. Subject to the powers of the State House of Assembly to make laws for the finance and functions of Local Government Councils in the State, the State Joint Revenue Committee may amend the Schedules to this Law from time to time by Order published in the Gazette. 3. Each Local Government Council shall display at a conspicuous place in all the revenue offices of the Local Government Council a chart showing the approved collectible rates and levies and their expected time of payment. 	Rates and Levies Payable



4.	<ol style="list-style-type: none"> 1. There is hereby established for each Local Government Area of the State a committee herein referred to as “The Local Government Revenue Committee”. 2. The Local Government Revenue Committee shall be comprised of the following members: <ol style="list-style-type: none"> a. Head of Finance as Chairperson; b. Three Local Government councilors; and c. Two other persons experienced in revenue matters to be appointed by the Chairperson of the Local Government Council on their personal merits. 	Establishment of Local Government Revenue Committee
5.	<ol style="list-style-type: none"> 1. The Local Government Revenue Committee shall be responsible for the assessment and collection of all the levies, taxes, fines and rates under its jurisdiction and shall account for all revenue so collected in a manner to be prescribed by the Chairperson of the Local Government Council. 2. The Local Government Revenue Committee shall be autonomous from the Local Government Council treasury and shall be responsible for the day to day activities of the department which forms its operational arm. 	Functions of the Local Government Revenue Committee
6.	<ol style="list-style-type: none"> 1. There is hereby established in the State a committee herein referred to as “The State Joint Revenue Committee” which shall be comprised of the following members: <ol style="list-style-type: none"> a. The Chairperson of the State Board of Internal Revenue as Chairperson; b. Chairpersons of the Local Government Revenue Committees; c. A representative of the Ministry for Local Government who shall be not below the rank of a Director; d. A representative of the Revenue Mobilization Allocation and Fiscal Commission as an observer; e. The State Sector Commander of the Federal Road Safety Commission as an observer; f. The Legal Adviser of the State Board of Internal Revenue; and g. A staff member of the State Board of Internal Revenue who shall be the Secretary of the Committee. 	Establishment and Composition of State Joint Revenue Committee
7.	<p>The functions of the State Joint Revenue Committee shall be to:</p> <ol style="list-style-type: none"> a. Implement decisions of the Joint Tax Board; b. Advise the Joint Tax Board and the State and Local Governments on revenue matters; c. Harmonize revenue administration in the State; d. Enlighten members of the public, generally on State and Local Government revenue matters; and e. Carry out such functions as may be assigned by the Joint Tax Board. 	Functions of the State Joint Revenue Committee
8.	<ol style="list-style-type: none"> 1. Each Local Government Council shall between the months of January and March each year issue and serve a harmonized demand notice in respect of rates and levies listed in the First Schedule to this Law to the persons liable to pay such rates and levies. 2. Where a person is liable to two or more of the scheduled rates and levies at the same time in any year of assessment, the relevant Local Government Council may issue and serve a single demand notice indicating the amount due on each of the levies. 3. For the purpose of the tenement rate, Local Government Councils may employ the services of an estate surveyor/valuer to determine the value of the property for the purpose of assessment. 	Demand Notice

9.	<ol style="list-style-type: none"> 1. If any person wishes to dispute an assessment, he or she may apply to designated persons within the relevant Local Government Council, who shall be independent of Revenue Collectors and their managers, by notice of objection in writing to review and to revise the assessment and such application shall state precisely the grounds of objection to the assessment and shall be made within 14 days from the date of service of the notice of assessment/demand notice. 2. On receipt of a notice of objection the Local Government Council may require the person giving the notice to furnish such particulars and to produce documents as may be deemed necessary and may summon any person who may be able to give information which is material to the determination of the objection to attend for examination by an officer of the Local Government Council. 3. In the event of any person who has objected to an assessment agreeing with the Local Government Council as to the correct amount chargeable, the assessment shall as the case may be, stand unamended or be amended accordingly. 4. In the event over payment or incorrect payment has been made to the Local Government Council, a refund shall be made to the payer within one month of application to the Local Government Council. 	Review of Assessment
10.	<p>All persons to whom this Law applies shall pay to the Local Government Council all rates and levies as prescribed in the First Schedule hereto:</p> <ol style="list-style-type: none"> a. within sixty (60) days after the service of an assessment/ demand notice on him or her, in respect of rates and levies due to be paid annually; b. within five (5) days from the beginning of every month, in respect of rates and levies due to be paid monthly; c. immediately, in any other case. 	Payment
11.	<ol style="list-style-type: none"> 1. Local Government Councils shall have the exclusive power to appoint Revenue Collectors. 2. The Revenue Collectors shall wear identification badges with clear inscriptions of their names and official capacity. 3. The production by a Revenue Collector of an identity card and certificate or warrant- <ol style="list-style-type: none"> a. Issued by a Local Government Council; b. Setting out his or her full names, and stating that he or she is authorized to exercise the functions of a Revenue Collector, shall be sufficient evidence that the Revenue Collector is duly authorized for the purpose of this Law. 4. No Local Government Council shall employ a consultant(s) for the purpose of assessment and collection of any rates and levies contained in the First Schedule to this Law. 	Appointment of Revenue Collectors
12.	Revenue Collectors shall have the power to enter into any premises between the hours of 8.00 a.m. and 6.00 p.m. for the purpose of demanding and collecting rates and levies on behalf of the Local Government Council.	Powers of Revenue Collectors
13.	Upon request by a Revenue Collector, it shall be the duty of every person who has paid a rate/levy to show evidence of such payment to the Revenue Collector.	Payer to show Evidence of Payment
14.	Upon payment of a rate/levy, Revenue Collectors shall issue a receipt or any other instrument in the form authorized by the Local Government Council.	Issuance of Receipt for Revenue.
15.	Local Government Councils may institute recovery action through their legal departments or by employing the services of legal practitioners against any defaulter at the Revenue Court or any competent Court for the purpose of enforcing the collection of rates and levies.	Recovery of Rates



16.	<ol style="list-style-type: none"> 1. Any person who: <ol style="list-style-type: none"> a. Fails to comply with the requirements of a notice served upon him or her under this Law; or b. Without sufficient cause, fails to attend in answer to a notice or summons served on him or her under this Law, or having attended fails to answer any question lawfully put to him or her, commits an offence under this Law. 2. Where an offence has been committed under this Law by an incorporated or unincorporated organization, every director, manager or other employee of the organization who is responsible for the default also commits an offence. 3. Notwithstanding the provisions of the Criminal Procedure Code, a Court may dispense with the personal attendance of the defendant if he or she pleads guilty in writing or so pleads through a legal practitioner. 	Offences and Penalties
17.	<ol style="list-style-type: none"> 1. Any person who contravenes the provisions of this Law as aforesaid shall be liable on conviction: <ol style="list-style-type: none"> a. For the first time, to a fine not exceeding five thousand naira (NGN 5,000) or to imprisonment for a term not exceeding one (1) month or both; b. And for each subsequent time, to a fine not exceeding ten thousand naira (NGN 10,000) or to imprisonment for a term not exceeding three (3) months or both. 2. In addition to the penalties imposed above, rates/levies shall be regarded as a debt due to the Local Government Council and shall be recoverable as such. 	Fines
18.	<p>Any person who:</p> <ol style="list-style-type: none"> a. Collects or attempts to collect any rate/levy that is not listed in the First Schedule to this Law; or b. Collects or attempts to collect any rate/levy or penalty without due authority and identification; or c. Mounts a roadblock or causes a road or street to be closed for the purpose of collecting any rate/levy, commits an offence and shall be liable on conviction to a fine of fifty thousand naira (NGN 50,000) or imprisonment for three (3) months or both. 	Unauthorized Collection
19.	<ol style="list-style-type: none"> 1. Any person or agency appointed for the administration of this Law or employed in connection with the assessment and collection of rates/levies who: <ol style="list-style-type: none"> a. Demands from anyone an amount in excess of the authorized assessment of the rate/levy; or b. Fails to remit revenue collected as and when due; or c. Withholds for his or her own use the whole or any portion of the revenue collected; or d. Renders a false return, whether orally or in writing of the amount of revenue collected or received; or e. Defrauds any person, embezzles any money, or otherwise uses his or her position to deal wrongfully with the Local Government Council or any member of the public; or f. Steals or misuses Local Government Council documents; or g. Compromises the assessment or collection of any rate/levy, commits an offence and shall be liable on conviction to a fine equivalent to 500 percent (500%) of the sum in question and imprisonment for a term of three (3) years. 2. Any person who, while committing any offence under the provision of this Law, is armed with any offensive weapon commits an offence and shall be liable on conviction to imprisonment for a term of three (3) years. 3. Any person who obstructs, or threatens to or causes injury to, any officer or authorized agent of a Local Government Council in the discharge of their functions under this Law, commits an offence and shall be liable on conviction to imprisonment for a term of five (5) years. 4. Any person who aids or abets one or more persons for the purpose of contravening any of the provisions of this Law commits an offence and shall be liable on conviction to a fine equivalent to 400% of the sum in question or to imprisonment for term of two (2) years. 5. Any person who impersonates a Revenue Collector or appointed agent shall in addition to any other punishment be liable on conviction to a fine of two hundred and fifty thousand naira (NGN 250,000) or to imprisonment for a term of three (3) years or both. 	Contravention representation

20.	<p>1. The State Joint Revenue Committee shall carry out a periodic review of the rates and levies charged and the categorization of the Local Government Areas into urban, semi urban and rural or ward categories every three (3) years and ensure that the differences in amounts chargeable by Local Government Councils in respect of any scheduled rate/levy are minimized.</p> <p>2. This review shall be made in consultation with relevant stakeholders.</p>	Review of Rates and Levies
21.	<p>1. Without prejudice to the provisions of any law on jurisdiction of courts, the Revenue Court shall have jurisdiction to entertain all cases under this Law. The Chief Judge may establish mobile Revenue Courts for the purpose of enforcing the provisions of this Law where requested to do so by a Local Government Council.</p> <p>2. In entertaining a case of default, the Revenue Court shall have power to order the sealing off of any premises, impounding, seizure or confiscation of any moveable property from a defaulter for the purposes of recovering a defaulted rate/levy.</p> <p>3. Local Government Councils may employ the services of law enforcement agencies to enforce this Law.</p> <p>4. Nothing in this Law shall be construed as prohibiting a Local Government Council from enforcing penalties stipulated for breach of its Bye Laws or charging fees as may be approved by the State Joint Revenue Committee for the use of Local Government Council properties, public utilities established and maintained by the Local Government Council, or services rendered by the Local Government Council or its officials to particular persons.</p>	Enforcement
22.	Local Government Councils shall provide an amount not less than 3% and not more than 5% of all revenue collected in the preceding year as incentives to their Revenue Collectors.	Funding of Revenue Collection
23.	Each Local Government Council shall establish a Tax-for-Service scheme under which the Council shall set aside at least ten percent (10%) of its Internally Generated Revenue (IGR) to provide basic services and amenities to the citizenry within its Local Government Area including its market or business environment. The modalities for this scheme shall be agreed upon by the Local Government Revenue Committee in conjunction with such other market, community and traditional leaders as shall be appointed by the Chairperson of the Council and their decisions shall be ratified by the Chairperson of the Council	Tax-for-Service scheme
24.	All Bye Laws prescribing rates and levies for Local Government Councils in the State are hereby repealed.	Repeal

FIRST SCHEDULE			
Revenue Heads	Urban (or Category A – Option 2)	Semi-Urban (or Category B – Option 2)	Rural (or Category C – Option 2)
(1) Shops and Kiosk rates:	NGN (per annum)	NGN	NGN
a) Shop Permit	Small xxx Medium xxx Large xxx Ex Large xxx	Xxx	Xxx
b) Kiosk permit	xxx	Xxx	Xxx
Container /Temporary shop	Small xxx Large xxx	Xxx	Xxx
Workshop permits for Artisans (Carpenters, Mechanics, Vulcanisers) etc.	Small xxx Large xxx	Xxx	Xxx



(2) Tenement Rates/ (private and commercial property).			
Based on value of the property	Commercial Property To charge x.xx% on total Value of the property as Tenement Rate. Residential To charge x.xx% on the Value as Tenement Rate.	Xxx	Communication mast for all GSM operators to charge NGN xxx,xxx per mast in any Local Government area. Charge of NGN xx per metre on pavers for cable laid by GSM operators in any Local Government area.
(3) Slaughter Slab Fees:			
Abattoir Licence Fees (per annum)	Xxx	Xxx	Xxx
Cow/Camel slaughter per head	Xxx	Xxx	Xxx
Goat/Sheep slaughter per head	Xxx	Xxx	Xxx
(4) Merriment and Road Closure Levies:			
Entertainment Fees (per activity)	Xxx	Xxx	Xxx
Noise Control Fees (per activity)	Xxx	Xxx	Xxx
(5) Food and On and Off Liquor Fees:			
Food Licence Permit (for restaurants, bakeries and other places where food is sold) – once only	Xxx	Xxx	Xxx
Annual dues			
On licence	Xxx	Xxx	Xxx
Off licence			
Liquor fees (native liquor/palm wine)			
(6) Radio and TV Licence Fees (other than radio and television transmitter) (per annum)			
Radio & TV fees	Xxx	Xxx	Xxx
Vehicle Radio fees (where the vehicle is registered)	Xxx	Xxx	Xxx
(7) Marriage, Birth and Death Registration Fees			
Customary Burial ground permit fees	Xxx	Xxx	Xxx
Marriage Registration (Act) fee	Xxx	Xxx	Xxx
Customary Marriage fee.	Xxx	Xxx	Xxx
Marriage Certificate fees	Xxx	Xxx	Xxx
Birth Registration fees	Xxx	Xxx	Xxx
Death Registration Certificate fees	Xxx	Xxx	Xxx
Indigene certificate	Xxx	Xxx	Xxx
(8) Naming of street Registration fee			
Renewal annual	Xxx	Xxx	Xxx
(9) Right of Occupancy fees in local areas			
(one off)	Xxx	Xxx	Xxx

(10) Market Rates & Levies:			
Permanent Stalls (per-annum)	Xxx	Xxx	Xxx
Market Stalls (per-market day)	Xxx	Xxx	Xxx
Seasonal Markets (per bag/heap)	Xxx	Xxx	Xxx
Market Hawkers (daily)	Xxx	Xxx	Xxx
Market Hawkers (weekly)	Xxx	Xxx	Xxx
(11) Motor Park Levies:			
Entrance fees (Gate): -Trucks, Lorries, Tankers - Canters, Buses, Pick up vans,	Xxx	Xxx	Xxx
Loading and off-loading fees (per trip) Trailers Lorry Canter	Xxx	Xxx	Xxx
Motorcycle Parking Fees (per day)	Xxx	Xxx	Xxx
(12) Domestic Animal Licence Fees:			
Dog licence (one off)	Xxx	Xxx	Xxx
(13) Bicycle, Truck, Canoe, Wheelbarrow and Cart Fees: (per annum)			
Bicycle licence fee	Xxx	Xxx	Xxx
Canoe licence fee	Xxx	Xxx	Xxx
Wheelbarrow/Cart fee	Xxx	Xxx	Xxx
(14) Cattle Tax: (per head)			
Cow/ cattle	Xxx	Xxx	Xxx
Goat/Sheep	Xxx	Xxx	Xxx
Other livestock	Xxx	Xxx	Xxx
(15) Religious Places Establishment Permit Fees:			
Open air preaching permit fee (per activity)	Xxx	Xxx	Xxx
Establishment of religious centres fee (one off)	Xxx	Xxx	Xxx
(16) Sign Board (Signage) and Advert Permit Fees:			
Mobile Sales (per activity)	Xxx	Xxx	Xxx
Promotion fees (per activity)	Xxx	Xxx	Xxx
Directional Signboard fee (per annum)	Xxx	Xxx	Xxx
Electric Design Advert per face fee (per annum)	Xxx	Xxx	Xxx
Wall Print Advertisement per side fee (per annum)	Xxx	Xxx	Xxx
Billboards, Unipoles and Eye-catchers (per annum)	Xxx	Xxx	Xxx
Market Road Show permit (per activity)	Xxx	Xxx	Xxx



Digitalised Boards (per annum)	Xxx	Xxx	Xxx
(17) Public Convenience, Sewage and Refuse Disposal fees			
Dislodgement of Septic Tanks (per activity)	Xxx	Xxx	Xxx
Sanitation fees per annum (Residential)	Xxx	Xxx	Xxx
Sanitation fees per annum (Commercial)	Xxx	Xxx	Xxx
(18) Wrong Parking Charges			
Wrong parking charge (per activity)	Xxx	Xxx	Xxx
(19) Other levies & fees:			
Contract Registration fees (per annum)	Xxx	Xxx	Xxx
Contract Processing fees (per contract)	x.x% of the value of the contract	x.x% of the value of the contract	x.x% of the value of the contract
	SECOND SCHEDULE (Option 2 only)		
	WARD CATEGORIES		

Government x.x% of the value of the contract

Ward Name	Category
xxxxx	x
xxxxx	x
xxxxx	x
etc	etc

(repeated for each LGA)

APPENDIX 3: MODEL STATE-LEVEL LGA LAW EXPLANATORY NOTE

“Model” State Harmonized Tax Law

Introduction:

With the increasing interest in State-level harmonised tax laws from not only GEMS3 assisted states but also other states, we consider the timing is appropriate to develop a “model” state harmonized tax law based on the experiences to date which can be used as a starting base for future state-level harmonized tax law development, and modification to suit the particular needs of each state.

Developing a “Model” Law:

In commencing this exercise, the Centre tax team has reviewed the Lagos 2010 law, the Kano 2014 law, and the drafts being used in other states. Of these, the Kano 2014 law was judged as the best base for a model law, but it was acknowledged that certain improvements could also be made to that law. Thus rather than everyone simply “copying and adapting” the Kano law, it was decided to develop a “model” law based on GEMS3 intervention work that could be adapted for other states.

The “model” law has provided the opportunity to improve the Kano law by:

- Including a definition of “rural local government” that was inadvertently omit from the printed law
- Deleting irrelevant definitions (e.g. there were definitions of “block stalls” and “general contractor” but neither of those terms was referred to in the law)
- Extending the “person” definition to include persons who exploit resources
- Placing the definitions in alphabetical order
- Standardising the different terminology for “fees, levies, rates, charges and taxes”; references have been changed to “rates and levies” to match the “rates and levies” references in the title to the law
- Make the law gender-neutral (references to Chairman have been changed to Chairperson, references to “he” changed to “he or she” and references to “him” changed to “him or her”)
- Incorporating provisions from the Lagos harmonised law that relate to:
 - » Providing more detail on how the Schedule to the law can be changed
 - » Allowing for single demand notices where persons are subject to multiple rates and levies
 - » Specifying the persons within organisations who commit offences when an offence has been committed by an organisation
 - » Ensuring that the law does not conflict with local government revenues from rents and other fees for services charged
- Providing greater detail on payment dates to reflect the different time periods for rates and levies (annual, monthly, daily/per activity)
- Enhancing the enforcement provisions to allow local governments to get assistance from law enforcement agencies and for the Chief Judge to set up mobile Revenue Courts
- Providing that the penalties for offences included in the law are the “highest” of those included in the Lagos or Kano laws (realising that these will be discussed with each State but using the higher amount as a starting base given the likelihood of reductions) – the exception to this is the penalty for mounting roadblocks where the penalty shown is that included in the 1998 law
- Providing that tax dispute objections referred to local governments need to go to persons independent of revenue collectors and their managers
- Allowing demand notices/assessments to be amended where both parties agree after an objection has been considered



- Removing the requirement for receipts to have security features – given the ability of persons to fake receipts, even those with security features, such a requirement imposes costs on LGAs which often outweigh the benefits
- Making a small number of technical corrections (e.g. the word “Allocation” had been inadvertently missed from the reference to the “Revenue Mobilization Allocation and Fiscal Commission)
- Making a number of editorial changes to correct grammar and use less capitalisation of terms
- In terms of the Schedule to the law, a comprehensive listing of potential revenue heads has been included in the “model” law, allowing each state to modify, including removing revenue heads where decided. For example, in the Kano law, the revenue heads were deleted for:
 - On and off liquor license fees (this recognised that sale of liquor is illegal in that state so to include it as a revenue head would be to acknowledge such sales)
 - Religious places establishment permit fees
 - Customary burial ground permit fees
 - Cattle tax

The Schedule in the Kano law was also amended to include a category for “commercial” sanitation fees that was inadvertently missed from the printed law.

It was also noted that the Kano law includes two revenue heads that are not included in the Taxes and Levies (Approved List for Collection) Decree no 21 of 1998 which specifies the types of taxes and levies able to be collected by Local Governments, namely:

- Food license permits (these have been left in the “model” law, and merged with the liquor license fees revenue head, as the ability to “regulate” the food industry by local governments is included in the Nigeria Constitution)
- Other levies and fees, namely contract registration fees and contract processing fees (these have also been left in the “model” law)

For most revenue heads in the Schedule, additional information was also included regarding when the rate/levy should be paid.

Variation to the “Model”

It should be noted that the Kano law was based on different rates and levies being applied to different LGAs within their states based on whether those LGAs are regarded as “urban” (pay the highest), “semi urban” or “rural” (pay the lowest). The approach taken with the Kaduna law and Kogi draft law has however been to allow these LGA categorisations to be further broken down into wards within the LGAs (e.g. some wards could be urban, some semi urban and some rural within the same LGA). This development while fairer also means that the “model” law will need to be more complex with an additional Schedule listing the categorisations for each ward and replacing references to urban, semi urban and rural throughout the law with references to categories A, B and C. These changes have been shown in the “model” law as being Option 2 (compared with Option 1 for the Kano law LGA categorisations).

While Option 2 is likely to be fairer and thus more politically acceptable, it does add a level of complexity in terms of the actual administration and collection of rates and levies and hence the model law shows both variations allowing each State to decide which option it wants to run with.

APPENDIX 4: KANO STATE MDA LAW

Kano State MDA Revenue Harmonization
Law 2016 (1437 A.H)

No. 2 of 2016

A13

Assented to this 11th day of February, 2016 (1437 A.H.).

DR. ABDULLAHI UMAR GANDUJE OFR,
Governor,
Kano State of Nigeria

KANO STATE MDA REVENUE HARMONIZATION LAW 2016 (1437 A.H.).



No.2

Kano State of Nigeria

2016

A Law to make provision for the Harmonization of Revenue collectible by Kano State Ministries, Departments, Agencies, Institutions and Extra Ministerial Departments and for matters connected therewith.

BE IT ENACTED by Kano State House of Assembly as follows:-

1. This Law may be cited as Kano State MDA Revenue Harmonization Law 2016 (1437A.H) and shall come into operation on 11th day of February, 2016 (1437A.H.). Short title and Commencement

2. In this Law unless where the context otherwise requires:- Interpretation

"Accountant General" means the Accountant General of the State;

"Executive Council" means Executive Council of the State;

"Excess Revenue" means the total Revenue collected above the approved estimated revenue in a fiscal year;

"Government" means Government of Kano State;



A14 Law No. 2 of 2016

Kano State MDA Revenue Harmonization
Law 2016 (1437A.H).

"MDA" means Ministries, Departments, Agencies, Institutions and Extra Ministerial Departments duly established by a Law of the State or any other relevant Law;

"Social Sector" means Health and Educational Sector;

"Lead Bank" means the Bank appointed by the State Government as the main Bank collecting Revenue on behalf of the State;

"Revenue" means any form of revenue payable to the State through any of the MDA's which includes Taxes, Fees, Levies, Fines, Charges, Rates, Receipts, Dividend, Penalties and Interests on Penalty;

"Revenue Collector" means a government official duly appointed to collect revenue;

"State" means Kano State;

"Executive Chairman" means Executive Chairman of the State Board of Internal Revenue;

"Governor" Means the Executive Governor of Kano State.

Establishment
of Single
Central
Revenue
Account

3. (1) There is hereby established for the State a single central revenue account (herein after called "the Account") for all the internally generated revenue of the State.

(2) The account shall be utilized for the purpose of capturing the total revenue collection of the State.

(3) The account shall be maintained and operated with IGR reporting Bank, which shall account for all revenues collected by lead bank through designated collecting banks as may from time to time be authorized by the Governor or any other person authorized by him.

4. (1) From the commencement of this Law, all revenue account of the MDAs in the State shall be integrated into the pay direct platform of the reporting Bank for the purpose stated under the provision of section 3(2) of this Law;

Integration of pay direct platform

(2) Notwithstanding the provisions of section 7 of this Law, all MDAs shall remit generated revenue to the office of the Executive Chairman at the end of each month through the designated bank.

5. (1) Where an MDA is authorized by this or any other Law to collect any form of revenue the MDA shall within 5 working days remit its revenue collection to a designate collecting bank;

Time within which to remit collections into the Account

(2) The designated collecting bank shall transfer such remitted revenue to the Account with the lead bank within five (5) working days after collection.

6. No MDA shall utilize revenue or any part thereof it collected for the State save in the manner authorized by this or any other relevant Law.

Non Utilization of Revenue

7. (1) where, however, it appears that an MDA cannot effectively discharge its functions without sufficient fund, the Executive Council may declare such MDA as "Authorized MDA"

The State may Authorize MDA

(2) For the purposes of sub-section (1) of this section, the MDA's mentioned in the first schedule to this Law are hereby declared as Authorized MDAs.

8. Wherever the State declares an MDA as authorized MDA, the collecting Bank shall within 48 hours of remittances of revenue by the declared MDA transfer such remitted revenue into the expenditure account of the MDA provided that the Authorized MDA shall not utilize any amount in excess of its approved budgetary provisions without the approval of the Executive Council.

Permission to Transfer Funds to Specific MDAs



A16 Law No. 2 of 2016

Kano State MDA Revenue Harmonization
Law 2016 (1437A.H).Reporting
Revenue
Collection

9. Notwithstanding the provisions of this or any other Law, all MDAs shall report revenue collected to the office of the Executive Chairman at the end of each month for comparison with what the collecting Bank reports.

Establishment
and
Functions
of Revenue
Unit

10. (1) There is hereby established for each of the MDAs a revenue unit which shall be headed by a senior officer who shall be appointed and answerable to the office of the Executive Chairman.

(2) The revenue unit shall be responsible for:

(a) collection of all payments due to the State;

(b) issuance of official receipts;

(c) remitting all revenue collections to the account of the MDA; and

(d) maintaining records of all revenue collections and remission.

Monthly
reports
by
MDAs

11. In compliance with the provision of this Law, all MDAs shall within 10 working days of the succeeding months report their monthly collections to the office of the Executive Chairman, who reports to the Ministry of Finance and Ministry of Planning and Budget in addition to any statutory requirement.

Service of
Demand
Notice

12. (1) Where it appears that a person liable to pay rate, fee or charge defaults to pay the relevant MDA may demand in writing from such person payment of the rate, fee or charge by serving an assessment thereof in a demand notice on such person requesting the payment of the total amount due within 30 days from the service of the demand notice.

(2) The demand notice shall be in a form stipulated in the third schedule to this Law.

13. A person or organization who disputes any part or all of the contents of the demand notice served on him may apply to the relevant MDA by a notice of objection in writing stating the ground of objection within 14 days from the date of service of the demand notice.

Notice of
Objection

14. The relevant MDA shall respond to such notice of objection within five working days from the receipt thereof and may require the person making the objection to furnish it with such particulars or to produce such relevant documents as may be deemed necessary in the determination of the notice of objection.

Response
to
Objection

15. In the event of an objection being resolved in favour of the person making the objection the MDA shall issue a revised assessment in a new demand notice in accordance with section 13 of this Law. However, if the objection is resolved in favour of the MDA the first assessment shall stand.

Revised
Assessment

16. An MDA shall have powers to recover any rate, fee or charge by means of instituting recovery action at the Kano State Revenue Court through the Ministry of Justice against the person who, after being served with a demand notice defaults to pay the assessed rate, fee or charge within the time provided by the demand notice.

Power to
Institute
Recovery
Action in Court

17. Any person who:

- (a) collects or attempts to collect any rate, fee, levy or charge that is not authorized by any Law in the State;
- (b) being a revenue collector fails to remit revenue collected in accordance with this or any other Law;
- (c) withholds for his own use or otherwise any portion of the revenue collected;
- (d) renders false return, whether orally or in writing the amount revenue collected or received;
- (e) defrauds any other person or embezzles any

Offences



A18 Law No. 2 of 2016

Kano State MDA Revenue Harmonization
Law 2016 (1437A.H).

revenue or otherwise uses his position to deal wrongfully with any member of the public in the discharge of his duty under this Law;

- (f) steals or misuses any Government documents for the purposes of administration of any form of revenue and;
 - (g) compromises on the assessment or collection of any levy, rate or charges;
- commits an offence and is liable upon conviction to a term of not less than 6 months imprisonment or a fine of not less than 50 percent of the sum in question. In addition, the convict shall refund whatever amount collected or benefitted in contravention of this Law.

Aid and
Abetment

18. Any person who aids or abets any person in contravening any of the provisions of this law commits an offence and is liable upon conviction to a term not less than 4 months imprisonment or a fine of not less than 50 percent of the sum in question.

MISCELLANEOUS

Provisions of
Rates, Fees
and Charges

19. Except the social sector services, fees, rates and charges which shall be reviewable when ever appropriate, all other rates, fees and charges to which this Law applies shall be reviewed subject to the approval of the Governor by the relevant MDA every four years.

Provision of
an Incentive

20. Where an MDA exceeds its targeted revenue collection for a particular period of time, the MDA shall with the approval of the executive council, be entitled to an amount not below 5 percent of the amount collected above the target as incentive to its staff.

21. The provisions of this Law shall not apply to funds managed by an MDA as a result of a special arrangement, trust or savings by organizations or individuals for the purposes of undertaking some specified projects by the MDA.

Non Applicability
of this Law on
Some Funds

22. The Commissioner of Finance subject to the approval of the Governor may make or whenever appropriate direct an MDA to make regulations on the category of rates, fees and charges collectible by the MDAs in the State.

Power to
Make
Regulations

SCHEDULES

First Schedule

Section 7

The following Government Agencies are hereby declared as authorized MDAs

1. Hospital Management Board
2. Fire Service
3. All Tertiary Educational Institutions and
4. Kano State Water Board

Second Schedule

Section 9

1. Name of MDA
2. Reporting Month and Year
3. Total amount collected in figures and words
4. The Bank in which the revenue was remitted
5. Copy of statement of account for the month and
6. Signature of Head of MDA or other authorized person.



A20 Law No. 2 of 2016

Kano State MDA Revenue Harmonization
Law 2016 (1437A.H).**Third Schedule****Section 12 (2)**

1. Name of MDA
2. Date of Issue
3. Name and address of person or authority required to make payment
4. Amount involved in figures and in words
5. Period involved
6. Name of Bank(s) where payment is to be made and
7. Signature of authorized officer.

AUTHENTICATION BY THE CLERK

This Printed impression has been carefully compared by me with the said Bill (Kano State MDAs Revenue Harmonization Law 2016 (1437A.H.)), which was passed by the State House of Assembly and found by me to be a true and correctly Printed copy of the said Law.

LAWAN BADAMASI
Clerk/Permanent Secretary,
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