

# **The Burden and Benefits of Tax Compliance in Nigeria: Managing the Changing Tax Landscape and Preparing for the Inevitable Taxing Times Ahead**

## **“An Overview Of Expectations From The New LIRS Administration”**



A Presentation By  
Olufolarin Ogunsanwo  
Executive Chairman  
Lagos State Board Of Internal Revenue  
& Chief Executive Officer  
Lagos State Internal Revenue Service  
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# Introduction

This stakeholders meeting is apt and could not have come at a better time as I just returned this weekend from the **36th CATA Annual Conference in Malaysia** with the theme “**Reinforcing Governance, Protecting Tax Base**” and the main topics discussed were:

- 1. Abuse of Treaties in Base Erosion and Profit Shifting (B.E.P.S.)**
- 2. Governance and Integrity in Tax Administration.**

This is in consonance with your firm’s position on trending issues like imposition of fines by various regulators as well as action plans to prevent “**Base Erosion and Profit Shifting**”, “**Tax Inspectors without Borders**” (i.e. Transfer pricing) and emphasis on “**Tax Transparency**”.

Furthermore, with the decline in oil and gas revenue , the Federal, States and Local Governments resources are shrinking with attendant consequences for socio economic service delivery.

This turn of events has forced the three tiers of Government to look inwards and re-engineer their IGR Machinery to manage the turbulence.

# Our Promise to Taxpayers

We intend to ensure the following:

- **Well Trained, Motivated and Competent Staff**
- **A Contemporary, Professional and World Class Revenue Agency**
- **Leadership by Example Based on Transparency and Integrity with ZERO TOLERANCE FOR CORRUPTION**
- **Increase the Taxpayer Base by Leveraging on the use of Technology to Capture the Informal Sector.**
- **Improved Turnaround Time for Tax Audit and Other Issues like Processing of Tax Returns, e-TCC and other related issues**
  - Tax audit exercise to be carried out professionally in accordance with a new tax audit manual.
- **Reintegration of I.T. & Automation of Processes in Line with Best Practices**
  - Introduction of e-filing, e-payments, e-assessment etc.

# Our Promise To Taxpayers

- **Alternative Tax Dispute Resolution Process**
  - Introduction of Tax Simplification Unit
  - Independent Tax Adjudicators as an alternative means of dispute resolution
- **Collaboration with FIRS and Other Agencies**
- **Enforcement**
  - Sticking up, Distrain and Prosecution of recalcitrant tax payers will be continuously carried out within the **ambit of the law**

# LIRS Expectations from Taxpayers

It is important to note that payment of tax is obligatory and not optional and that there are sanctions for non-compliance within the statutory provisions.

The following are expected from taxpayers:

- **The emoluments of staff must be fully exposed to the burden of taxation in line with the provisions of the tax laws and taxes deducted thereof must be remitted as and when due.**
- Higher voluntary compliance with less emphasis on tax audit
- PAYE remittances should be made as salaries are paid

# LIRS Expectations from Taxpayers

- **Every employer shall be required to file a return with the LIRS of all emoluments paid to its employees, not later than 31<sup>st</sup> January of every year in respect of all employees in its employment in the preceding year.**
- **Ensure all returns are filed as required by the law (Sections 41 & 81 of the Personal Income Tax Act as amended)**
- **Necessary books of accounts and other documents must be made available for inspection whenever the need arises**
- **All employers of labour are encouraged to process and obtain e-TCC cards for their employees from the LIRS and distribute same accordingly**

# Conclusion

The new administration is set to build on the success of the past administration and would harness all resources at its disposal in doing so.

A key feature of the present administration is its open door policy. The Chairman's office is open to all complaints and requests for information and on behalf of the entire Management team, I urge all stakeholders to join hands with us in our service to Lagos State.



THANK YOU FOR LISTENING