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SECTION A:
GENERAL TAX ADMINISTRATION
Question 1  What happens when a taxpayer’s payment is posted to a wrong tax office?
Answer  This can only be possible if the taxpayer does not have a TIN or the bank’s branch teller entered a wrong TIN which is either for another taxpayer or the TIN does not exist. The Service if informed officially, will reclassify the tax office or such payment. However, with the introduction of TaxPro Max Solution by the Service, taxpayers can only pay naira denominated taxes after they have generated the obligatory “Payment Reference Number (PRN)”. This has taken care of such mistake.

Question 2  How does FIRS prevent issuance of multiple receipts for same payment?
Answer  The automatic receipts and credit notes issuance have eliminated issuance of multiple receipts.

Question 3  If a taxpayer gives a cheque to a bank in his office without going to the bank, how can the taxpayer know whether payment has been made to FIRS account?
Answer  The taxpayer should be able to immediately receive alert of such payment on his phone or email and subsequently insist on the e-ticket from the bank evidencing the payment.

Question 4  If an individual taxpayer lives in Suleja and pays his tax there, can he obtain his TCC in Abuja?
Answer  No, an individual taxpayer can only obtain his/her TCC from the Tax Authority where the person is registered for tax purposes and has been paying his/her taxes in compliance with the rule of residence as contained in the tax law.

Question 5  Is medical allowance taxed?
Answer  Yes. If it is paid directly to the hospital, Withholding Tax (WHT) should be deducted and if it is
given to an employee in the form of allowance, it is taxed under PAYE.

Question 6  Can a taxpayer pay to any collecting bank branch?
Answer  Yes. There are no designated bank branches for any tax offices or tax types. All approved collecting banks or any of our e-payment platforms (e.g. remita, etc.) could be used in making payment to FIRS.

Question 7  What is the process involved in getting back tax payment erroneously credited in the name of the depositor instead of the taxpayer?
Answer  Any tax paid in error can be reversed by the collecting bank within 24 hours if the bank is put on notice within the period. However, if the error was not detected on time, refund can be made by FIRS on request through official channels.

Question 8  Why does it take more than two weeks to issue TCC even if the taxpayer pays tax in cash?
Answer  TCC can be issued only after all taxes payable by the taxpayer for the past three preceding years have been paid. The statutory standard of issuing TCC within two weeks is still in force. However, the two weeks start to count only after all taxes have been paid and from the day the taxpayer files application for TCC with the Tax office or online (TaxPro Max) and not from the date of payment of taxes to the banks.

Question 9  On what basis will an application for TCC be rejected after two weeks and still be under processing?
Answer  TCC can be rejected on the following grounds:
   i. Where taxes have not been paid
ii. Where penalties or interest is still outstanding
iii. Where outstanding returns have not been filed
iv. Where there are outstanding issues arising from tax queries, audit or investigation.
v. Where the case is with the Tax Appeal Tribunal (TAT) for hearing and part of the tax has not been paid as required.

TCC once rejected cannot be said to be under processing, but it is kept on hold until issues outstanding have been resolved or sorted out by the taxpayer with the relevant tax office.

**Question 10**

**Is instalment payment no longer allowed for self-assessment filers?**

The tax law recognizes the granting of instalment payment to self-assessment filers. However, this can only be granted when the taxpayer writes to the Service with evidence of payment of the first instalment and obtain approval of the Service to pay in such number of instalments as may be approved by the Service, and the final instalment must be paid on or before the due date of filing.

**Question 11**

**Why does FIRS still refuse to issue TCC after PAYE has been deducted from the staff salary?**

1. TCC is not issued automatically but subject to application and payment of all outstanding tax liabilities.

2. FIRS only issue TCC to Corporate bodies, members of the armed forces of the Federal Republic of Nigeria, Foreign residents, and employees of the Ministry of Foreign Affairs in Diplomatic Mission;

3. Each State Internal Revenue Service issue TCC to their residents.
Question 12
Answer
What is Tax avoidance and Tax evasion?
**Tax Avoidance:** This is considered as a way of identifying the loop hole in the tax law and then taking advantage of such loop hole to reduce the tax payable.
**Tax Evasion:** This is a deliberate and illegal act of the taxpayer not to pay the correct tax or not to pay tax at all.

Question 13
Answer
What is Accounting year and Accounting period?
**Accounting Year:** This is a twelve (12) calendar months period over which an entity’s financial accounts are made-up.
**Accounting Period:** This simply means the period with reference to which financial accounts of an entity are prepared.

Question 14
Answer
Is inclusion of Taxpayer Identification Number (TIN) on a contractor’s quotation necessary?
Yes, it is mandatory.

Question 15
Answer
What is the meaning of due dates?
Due date is the date prescribed by law for filing tax returns and making of tax payments by taxpayers. All tax types have their different due dates as provided by the relevant tax laws. Due dates for filing tax returns are as shown below:
## DUE DATES FOR FILING TAX RETURNS

<table>
<thead>
<tr>
<th>S/N</th>
<th>DUE DATES</th>
<th>TYPES OF TAX RETURNS</th>
</tr>
</thead>
</table>
| 1   | a. For old companies that has been in business, within six (6) months from the end of the company’s accounting year  
     b. For newly incorporated companies, either within eighteen (18) months from the date of incorporation or six months from the end of the company’s first accounting period whichever is earlier. | Company’s Income Tax (CIT) Filing Date                     |
| 2   | a. For old companies that has been in business, within six (6) months from the end of the company’s accounting year  
     b. For newly incorporated companies, either within eighteen (18) months from the date of incorporation or six months from the end of the company’s first accounting period whichever is earlier. | Education Tax (EDT)                                       |
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>a. For old companies that has been in business, within six (6) months from</td>
<td>National Information and Technology Development Levy (NITDL) for</td>
</tr>
<tr>
<td></td>
<td>the end of the company’s accounting year</td>
<td>applicable companies only</td>
</tr>
<tr>
<td></td>
<td>b. For newly incorporated companies, either within eighteen (18) months from</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the date of incorporation or six months from the end of the company’s first</td>
<td></td>
</tr>
<tr>
<td></td>
<td>accounting period whichever is earlier.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Two (2) months after the commencement of the company’s accounting period</td>
<td>Estimated Petroleum Profit Tax (PPT) Returns</td>
</tr>
<tr>
<td>5</td>
<td>Within five (5) months after the end of the company’s accounting period</td>
<td>Annual PPT Returns</td>
</tr>
<tr>
<td>6</td>
<td>31st March</td>
<td>Personal Income Tax (PIT) Returns</td>
</tr>
<tr>
<td>7</td>
<td>31st January</td>
<td>Annual Personal Income Tax (PIT) Returns by individuals in employment</td>
</tr>
<tr>
<td></td>
<td>paid through Pay As You Earn (PAYE) (Employees)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>10th of every month</td>
<td>Pay As You Earn (PAYE) Returns (Employers)</td>
</tr>
<tr>
<td>9</td>
<td>21st of every month</td>
<td>Withholding Tax (WHT) Returns</td>
</tr>
<tr>
<td>10</td>
<td>21st of every month</td>
<td>Value Added Tax (VAT) Returns</td>
</tr>
<tr>
<td>11</td>
<td>30th June and 31st December of that year in which the transaction took place.</td>
<td>Capital Gain Tax (CGT) Returns</td>
</tr>
</tbody>
</table>
SECTION B: PERSONAL INCOME TAX (PIT)
Question 1  What is P.A.Y.E?
Answer  P.A.Y.E is an acronym for Pay As You Earn. It is a method of collecting personal income tax from employee’s salaries and wages through deduction at source by an employer as provided by the relevant sections of Personal Income Tax Act (PITA). (S. 81 of PITA Cap P8 LFN 2004)

Question 2  What is the due date for remitting PAYE?
Answer  The due date for remitting PAYE is 10th day of every month following the month of deduction

Question 3  Why do PAYE vary from Ministries to Ministries for the same level of income/salary?
Answer  PAYE does not differ because the rates used for computation are the same.

Question 4  What are the tax rates applied on taxable income?
Answer  The rates applicable to the taxable or chargeable income are as follows:
1st    N300,000.00 @ 7%
Next   N300,000.00 @ 11%
Next   N500,000.00 @ 15%
Next   N500,000.00 @ 19%
Next   N1,600,000.00 @ 21%
Above  N3,200,000.00 @ 24%

Question 5  Is the submission of comprehensive list of staff with tax deductions different from submission of annual returns?
Answer  No. Comprehensive list of employees with PAYE deductions is continuously submitted on
monthly basis each time the tax is being remitted to FIRS, while annual returns (form H1) is to be submitted by 31st day of January of every year by every employer to enable the Relevant Tax Authority ascertain whether the correct deductions and payments of tax have been made for the previous year (period of twelve months) for all its employees.

**Question 6**  
**Answer**  
What is benefit-in-kind?

Benefit in kind may be defined as those benefits or perquisites that accrue to a person by reason of office and/or position he/she occupies. Benefits in Kind include such benefits as official car, official accommodation, cooks, gardeners, securities etc. It is taxable after certain deductions/reliefs are granted.

**Question 7**  
**Answer**  
Where should PAYE deductions of staff working in Abuja but residing in Suleja or Mararaba be remitted to?

By residency rule, an employee's PAYE is payable to the Relevant Tax Authority of his/her place of residence. It is therefore the duty of the employer to deduct and remit it to the Tax Authority where the employee is resident (Niger State Internal Revenue Service for Suleja or Nasarawa State Internal Revenue Service for Mararaba resident).

**Question 8**  
**Answer**  
What is the minimum tax rate for Personal Income Tax?

The minimum tax rate is 1% of total income. It is applicable if the taxable income is below N300,000. However, an individual who earns gross income of National Minimum wage (i.e. N30,000) or less from employment, is exempted from paying tax (including minimum tax).
Question 9  Is it possible to apply for a refund for excess PIT deductions/payments?
Answer  Yes; the law provides that excess tax paid by any employee shall be refunded on application by
the employee to the relevant tax authority with the option of set-off against future tax liability.

Question 10  When there is under deduction of tax in the employee's income, who bears the burden of
the under deduction?
Answer  When there is under deduction of tax in staff salary, the staff whose tax is under deducted bears
the burden.

Question 11  What is Gross Emolument/salary?
Answer  Personal Income Tax Act (PITA) as amended defines Gross Emolument as the aggregate of
wages, salaries, allowances (including benefits-in-kind), gratuities, superannuation and any
other income derived solely by reason of employment.

Question 12  What are non-taxable deductions under PIT Act?
Answer  The sixth schedule of PITA as amended specifies the following as tax exempt. They are:
a) National Housing Fund contributions
b) National Health Insurance Scheme contributions
c) Life Assurance Premium
d) National Pension scheme
e) Gratuities
Question 13  
Is it within the law for a state tax authority to charge interest, penalty and threaten distraint for a shortfall between the PAYE remitted by a company and the expectation on the company’s tax deduction cards, going by the fact that actual tax could differ from expectations as a result of salary cuts and staff exit?

Answer  
It is lawful for a state tax authority to carry out audit of your returns to ascertain compliance. It is also lawful for penalty to be charged on any shortfall. Where a taxpayer is still not pleased with the interest or penalty imposed, the taxpayer has the powers as conferred by the PITA (as amended) to appeal to the Tax Appeal Tribunal.

Question 14  
What is the tax implication of giving new/used vehicles to staff for use in an organization?

Answer  
This is treated as benefit-in-kind. 5% of the value of the vehicle is calculated and added back to the income of staff and taxed.

Question 15  
What is the relief claimable under Personal Income Tax Act?

Answer  
The Personal Income Tax Act (PITA) as amended provides for Consolidated Relief Allowance (CRA) of N200,000.00 subject to a minimum of 1% of gross income whichever is higher plus 20% of gross income and the balance shall be taxable in accordance with the tax rates in Schedule six (6) of the Act.

The following deductions are also tax exempt:

(a) National Housing Fund Contribution

(b) National Health Insurance Scheme

(c) Life Assurance Premium

(d) National Pension Scheme

(e) Gratuities
SECTION C:
VALUE ADDED TAX (VAT)
Question 1  What is Value Added Tax?
Answer  Value Added Tax (VAT) is a consumption tax imposed on the supply of all goods and services in Nigeria. Thus, all goods and services are liable to VAT except those expressly exempted and listed in Parts 1 and 11 of the First Schedule to the Value Added Tax Act, CapV1, LFN 2004 (as amended).

Question 2  What is the VAT rate?
Answer  Section 4 of the VAT Act (as amended) states that the tax shall be computed at the rate of 7.5% with effect from 1 February 2020 on the value of all goods and services, except that goods and services listed under Part 11 of the First Schedule to this Act shall be taxed at zero rate.

Question 3  What are Vatable Goods and Services?
Answer  Vatable goods and services refer to the goods and services not listed in the First Schedule to this Act. They are goods and services that are liable to VAT in Nigeria. Examples of Vatable goods include jewellery, shoes, bags, television etc. while examples of Vatable services are services rendered by Lawyers, Engineers, Accountants, Contractors, Consultants etc.

Question 4  What are exempted goods under Value Added Tax (VAT) Act?
Answer  Exempted goods are those goods which are not subject to VAT. These include:
   •  All medical and pharmaceutical products
   •  Basic food items (as defined in Finance Act 2019)
   •  Books and Educational materials
   •  Baby products
- Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment.
- All exports
- Plant, machinery and goods imported for use in the export processing zone or free trade zone; provided that 100% production of such company is for export.
- Plant, machinery and equipment purchased for utilization of gas in down-stream petroleum operations.
- Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.
- Locally manufactured sanitary towels, pads or tampons
- Commercial aircrafts, commercial aircraft engines and commercial aircraft spare parts.

**Question 5**

**What are exempted services under VAT Act?**

Exempted services are services that are not taxable, i.e., not subject to 7.5% VAT. These include:

- Medical services
- Services rendered by microfinance banks, people’s bank and mortgage institutions.
- Plays and performance conducted by the educational institutions as part of learning.
- All exported services
- Tuition relating to nursery, primary, secondary and tertiary education
- Airline transportation tickets issued and sold by commercial airlines registered in Nigeria
- Hire, rental or lease of tractors, ploughs and other agricultural equipment for agricultural purposes.
| Question 6 | What is zero-rated goods and services?  
Answer | Zero-rated goods and services means goods and services that are taxable, but at zero percent (0%). |
| --- | --- |
| Question 7 | Which transactions are zero-rated?  
Answer | The following transaction are zero-rated:  
- Non-oil exports  
- Goods and services purchased by diplomats.  
- Goods purchased for use in humanitarian donor funded projects |
| Question 8 | Are goods purchased by NGOs and the not-for-profit organisations exempted from VAT?  
Answer | Goods purchased by NGOs for use in humanitarian donor funded projects are taxed at zero-rate (0%). However, goods purchased or consumed by NGOs that are not for use in humanitarian donor funded projects are liable to tax at the rate of 7.5%. |
| Question 9 | Are services consumed by NGOs and the not-for-profit organisations exempted from VAT?  
Answer | No. All taxable services consumed by NGOs and other not-for-profit organisations are liable to VAT at the rate of 7.5%. The zero-rated status only applies to goods purchased for use in humanitarian donor funded projects and not services consumed by NGOs. |
| Question 10 | What is the due date of filing VAT Returns?  
Answer | The due date for filing VAT returns is on or before 21st day of every month following the month of transaction. |
Question 11  When a contractor/supplier supplies goods that are exempted from VAT, should VAT be paid and return filed?
Answer  No. Goods or services exempted from VAT are not taxable but the contractor/supplier should file VAT returns.

Question 12  Are entertainment services taxable?
Answer  Yes. They are taxable except as contained in the exempted list.

Question 13  Are catering services Taxable?
Answer  Yes. Catering services are taxable.

Question 14  Can Ministries, Department, Agencies (MDAs) exempt foreign investors from paying VAT?
Answer  No. MDAs do not have statutory power to exempt a taxpayer from payment of tax or to amend the tax laws.

Question 15  Who is a taxable person?
Answer  A taxable person under Value Added Tax Act (VATA) Cap VI LFN 2004 (as amended) includes an individual or body of individuals, family, corporations sole, trustee or executor or a person who carries out in a place an economic activity, a person exploiting tangible or intangible property for the purpose of obtaining income therefrom by way of trade or business or a person or agency of Government acting in that capacity.  
In order words, a taxable person is one who deals in taxable goods and services for a consideration.
| Question 16 | Is it compulsory for a taxable person to register for VAT?  
Answer | Every taxable person has an obligation to register for VAT. A taxable person shall upon commencement of business register with the Service for the purpose of the tax. SEE Section 8 of VAT Act as amended. |
| Question 17 | Is it compulsory for a non-resident company to register for VAT?  
Answer | A non-resident person that makes a taxable supply of goods and services to Nigeria shall register for tax with the Service and obtain Tax Identification Number (TIN). SEE Section 10(1) of VAT Act as amended. |
| Question 18 | Can a non-resident company appoint a representative for tax purposes?  
Answer | Yes. A non-resident person that makes a supply of taxable goods or services in Nigeria may appoint a representative, for the purpose of its tax obligation. SEE Section 10(4) of VAT Act as amended. |
| Question 19 | Who is a VAT Agent?  
Answer | A VAT agent taxable person engages in the supply of taxable goods or services and obligated under the law to collect the tax on those goods or services in accordance with the law. They include Government Ministry, statutory body and other agency of Government, Oil and Gas Companies etc. |
| Question 20 | Is VAT registration for individuals or corporate bodies?  
Answer | It is for all taxable persons as defined by law. |
Question 21
What are the penalties for non-registration of VAT?
A taxable person who fails to registers with the Service upon commencement of business shall be liable to a penalty of N50,000 for the first month in which the failure occurs; and N25,000 for each subsequent month in which the failure continues. SEE Section 8(1) & (2) of VATA as amended.

Question 22
What are the penalties for non-deduction or failure to collect VAT?
Non-deduction of or failure to collect VAT by a taxable person attracts a penalty of 150% of the amount not collected plus 5% interest above the CBN's rediscoun rate. SEE Section 34 of VATA as amended.

Question 23
What are the penalties of non-remittance of VAT?
If a taxable person does not remit the tax within the time specified by law, it shall attract a penalty of a sum equal to 10% of the tax not remitted and interest at the prevailing CBN minimum re-discount rate, which shall be added to the tax not remitted and the provisions relating to collection and recovery of unremit tax, penalty and interest shall apply and be payable within 30 days of notification. SEE Section 19 of VATA as amended.

Question 24
Why is VAT on certain goods and services paid in foreign currency?
Taxes are to be paid in the currency of transactions as specified by the law.

Question 25
Should Ministries issue contractors with receipts for VAT remittance in place of FIRS receipt?
Question 26
Most times, organization makes part payment to contractors. When should VAT be deducted?
Answer
At every stage payment is made the corresponding VAT should be deducted and remitted.

Question 27
Does FIRS grant refund of VAT on non-oil exports?
Answer
All non-oil exports are zero-rated. Therefore, any person who pays VAT on non-oil goods and services being exported out of Nigeria is entitled to refund of the VAT suffered.

Question 28
How is VAT on goods sold treated?
Answer
VAT elements on goods sold (difference between output tax and input tax) is deducted and remitted to the FIRS through any of the approved collecting banks or e-platform on or before the 21st day of the month following the month of sale.

Question 29
What does “VAT inclusive” mean?
Answer
VAT inclusive means that VAT is already included in the price or cost of transaction. However, the term is being discouraged as it is always advised that VAT be isolated and not included as part of price. VAT should be separately stated in the invoice.

Question 30
Some contractors charge 10% for VAT. Is it allowable?
Answer
No. The correct rate is 7.5%. It is an offence to charge more than the law specified.
**Question 31**  
**Is it appropriate for VAT and WHT rates to be mixed up in a contract?**  
There should be no mix up between VAT and Withholding tax rates in a contract, the two are to be treated separately. WHT is deducted from the contract sum due to the contractor while VAT is included as an addition to the contract sum payable by the consumer of the goods and services.

**Question 32**  
**What is input Tax?**  
Input tax is tax paid on the purchase of goods and services used for production purposes or goods purchased or imported for resale. A taxable person cannot use input VAT that can be expended through income statements or capitalized with an asset to reduce output VAT.

**Question 33**  
**What is output Tax?**  
Output tax is tax charged by taxable persons on goods and services sold or supplied. Where output tax is more than the input tax, the difference is paid to FIRS. But where input tax is more than the output tax, the taxable persons claim a refund.

**Question 34**  
**Are the services of a motor mechanic taxable?**  
Services provided by motor mechanics are taxable. Even vehicle spare parts used for the services are subject to tax.

**Question 35**  
**Do Mortgage Institutions pay VAT?**  
VAT is exempted only on the services rendered by mortgage institutions. Thus, goods purchased and services consumed by mortgage institutions are liable to VAT.
Question 36  What happens in the case of electricity consumption? Who deducts VAT and How?
Answer  VAT is charged on the consumer by the distribution companies that issue bills to the consumers. They are to charge and reflect the VAT on the bills, collect and also remit same to FIRS.

Question 37  Is VAT a form of multiple taxation?
Answer  No. VAT is not a form of multiple taxation, but a multi-stage tax; the actual burden is on the final consumer of the goods or service.

Question 38  When should taxable person register for VAT?
Answer  A taxable person is required to register for VAT upon commencement of business.

Question 39  Is VAT payable on non-oil exports product?
Answer  Yes. All non-oil exports are zero-rated i.e., tax rate applicable is 0%. This means that all input VAT incurred in the production process up to the point of export is refundable.

Question 40  Who can charge VAT?
Answer  All taxable entities who have engaged in taxable supplies are required to charge VAT. However, an entity whose turnover is less than N25million may not register, charge / collect or remit VAT.

Question 41  What happens when an entity (individual or corporate) below the threshold (that is not registered for VAT) makes a VATable supply to another entity that is registered for VAT?
Answer  An entity below the threshold that is not registered for VAT is not required to charge VAT for taxable goods and services supplied to another entity that is registered for VAT. However, the entity that is registered for VAT and who is paying for such taxable goods and services from the entity that is not registered for VAT shall self-charge itself VAT at 7.5% of the invoice amount and remit the amount self-charged to FIRS.
SECTION D: WITHHOLDING TAX (WHT)
Question 1  What is Withholding Tax (WHT)?
Answer  Withholding Tax is an advance payment of income tax which may be used to offset or reduce tax liabilities. It is an advance payment to be applied as tax credit to settle the income tax liability of the years of assessments to which the income that suffered the deduction relates. Withholding Tax is deducted at source when a payment is to be made to the beneficiary.

Question 2  What is the due date for remitting WHT returns?
Answer  The due date for remitting WHT returns is 21st day of every month following the month in which the deductions were made.

Question 3  What is the rate of Withholding Tax for companies and individuals on transactions?
Answer  Rates of WHT for corporate companies and individuals on transactions are as follows:

<table>
<thead>
<tr>
<th>Transactions</th>
<th>Companies' WHT Rate (%)</th>
<th>Individuals' WHT Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Contract of Supplies</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Contract of Construction on road, buildings, bridges and power plants</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Other construction works depending on the type of work</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Dividend</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Technical Service</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Professional Service</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Consultancy</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Management Service</td>
<td>10</td>
<td>5</td>
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<tr>
<td>Commission</td>
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<td>Rent</td>
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<td>Interest</td>
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<tr>
<td>Hire, Charter, Lease</td>
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<td>10</td>
</tr>
<tr>
<td>Director’s fees</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>
Question 4  What is the content of remittance schedule of Withholding Tax Returns?
Answer  The contents of remittance schedule of WHT returns are as follows:
I. Name and address of the Agent/Depositor
II. TIN of the Agent/Depositor
III. The name and address of the Taxpayer/Beneficiary
IV. TIN of the Taxpayer/Beneficiary
V. The nature of transaction
VI. The gross value of the business on which WHT is being deducted
VII. The applicable rate of WHT
VIII. The amount of WHT deducted
IX. Period covered

Question 5  What is Withholding Tax Credit Note?
Answer  This is the document issued by the Relevant Tax Authority showing that a taxpayer has suffered tax deduction at source.

Question 6  What are the contents of Withholding Tax Credit Note?
Answer  Withholding Tax Credit note will contain the following information:
• Issue date.
• Credit note Number.
• The name of the agent/taxpayer who deducted and remitted the Withholding Tax.
• Taxpayer Identification Number (TIN) of the payer.
• The name of the beneficiary from whose income, WHT was deducted.
• Taxpayer Identification Number (TIN) of the beneficiary.
• Address.
• The nature of transaction.
• Payment date.
• The name of the bank or e-platform through which remittance was affected.
• The amount deducted.
• Withholding Tax Rate
• Tax Office
• Payment reference number
• Signature of the Relevant Tax Authority’s accounting officer.

Question 7  Can WHT Credit note be used to offset late returns penalty (LRP)?
Answer  No. WHT Credit Note cannot be used to offset LRP. Penalty is not tax, WHT Credit Note can only be used to offset income tax due.

Question 8  WHT was deducted from my contract through GIFMIS but I do not have WHT credit note; How do I go about this?
Answer  A request for WHT Credit Note should be made to the Service with evidence of deduction through GIFMIS. The payment will be confirmed/validated by the relevant tax authority and a letter of credit will be issued to the taxpayer.

Question 9  Is mobilisation fee liable to WHT?
Answer  Yes. Mobilisation fee is liable to WHT. In addition, every certificate of work done issued at the
different stages of a contract must be subjected to WHT. However, the amount of WHT being deducted at source from the mobilisation fee paid at the inception of the contract should be adjusted (deducted) from the WHT due on the next payment in respect of the certificate of work done issued and the balance should be remitted to the relevant tax authority.

**Question 10**  
**Who are the agents of WHT?**

**Answer**
The agents of WHT are as follows:

- i. Corporate bodies (companies)
- ii. Individuals, firms and sole traders
- iii. A statutory body, a public authority and other institutions or organisations
- iv. Government Ministry, Department or Agency
- v. State and Local Government.

**Question 11**  
**Is there any exemption from Withholding Tax?**

**Answer**
Yes, there are certain transactions that are exempted from WHT, such as

- i. Direct purchase across the counter
- ii. Direct purchase of raw materials from supplier as distinct from contract of supplies
- iii. Sale in the ordinary course of business
- iv. Income exempted from income tax
- v. Premium on insurance business

**Question 12**  
**What are the relevant documents required for filing WHT returns?**

**Answer**
Relevant documents for filing WHT returns includes the following:
i. Evidence of payments such as bank tellers, e-ticket, e-acknowledgement etc. from an FIRS designated revenue collecting bank or e-platform (e.g. remita)

ii. Schedule of WHT deductions indicating the following
   a. Period covered
   b. Name of supplier/vendor
   c. Address
   d. Nature of supply
   e. Gross amount
   f. WHT rate
   g. WHT amount
   h. Taxpayer Identification Number (TIN) of agent making remittance
   i. TIN of company or individual (supplier/vendor) from which the tax was withheld (beneficiary)
SECTION E: TAXPRO MAX
<table>
<thead>
<tr>
<th>Question 1</th>
<th>Can I file VAT for December 2020 if I haven’t filed for November 2020?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>No, the previous return must be filed before the current assessment period</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 2</th>
<th>Under what tab can I view the filing forms?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Taxes Due</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 3</th>
<th>At what point will the system generate the form to file VAT returns for each month?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>On the first day of every month</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 4</th>
<th>Since the system is generating forms for CIT, VAT, etc. does that mean the manual self-assessment forms have been discarded?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 5</th>
<th>Will the solution show any balance from previous periods?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 6</th>
<th>If I want to file for a period for which no filing form exists, what is the solution?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Contact your tax office, the form will be injected by the tax office.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 7</th>
<th>Should I enter input VAT as positive or negative figures?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>The system automatically calculates the Input VAT based on the purchase figure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 8</th>
<th>If I have paid through the bank before filing, will the system recognize the payment? If no, how can the issue be resolved?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>No, it is expected that taxpayers file before making payment. If you have made payment, kindly contact your tax office for reconciliation.</td>
</tr>
<tr>
<td>Question 9</td>
<td>Will payment be automatically linked with the filing when the payment reference code is used?</td>
</tr>
<tr>
<td>Answer</td>
<td>Yes</td>
</tr>
<tr>
<td>Question 10</td>
<td>Will I need to upload evidence of payment after filing on TaxPro max?</td>
</tr>
<tr>
<td>Answer</td>
<td>No</td>
</tr>
<tr>
<td>Question 11</td>
<td>When filing nil returns, how do I attach documentary evidence like bank statement?</td>
</tr>
<tr>
<td>Answer</td>
<td>The documents will only be requested at the point of reviewing your return</td>
</tr>
<tr>
<td>Question 12</td>
<td>Have banks been informed on the use of payment reference codes generated on TaxPro max?</td>
</tr>
<tr>
<td>Answer</td>
<td>Yes</td>
</tr>
<tr>
<td>Question 13</td>
<td>Is it necessary to bring evidence of filing or payment to the tax office after filing on the solution?</td>
</tr>
<tr>
<td>Answer</td>
<td>No</td>
</tr>
<tr>
<td>Question 14</td>
<td>When I file nil return, will the transaction be concluded without any payment?</td>
</tr>
<tr>
<td>Answer</td>
<td>Yes</td>
</tr>
<tr>
<td>Question 15</td>
<td>What will I have as proof of online filing or payment?</td>
</tr>
<tr>
<td>Answer</td>
<td>Your return is automatically saved on the system and can be found in “Concluded Assessment” on your portal</td>
</tr>
<tr>
<td>Question 16</td>
<td>In case of error in figures, is there any room for refiling?</td>
</tr>
<tr>
<td>Answer</td>
<td>All mistakes can be corrected before submission. However, if the taxpayer has submitted and realized a mistake in figure before making payment, then contact your tax office for resolution</td>
</tr>
<tr>
<td>Question 17</td>
<td>Does nil return attract late filing penalties?</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Answer</td>
<td>Yes, as stipulated by law</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 18</th>
<th>What if the platform malfunctions, and this leads to late filing of returns, will late returns penalty apply?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>We can guaranty that the platform will not malfunction. However, in the unlikely events when this occurs, taxpayers will be notified and steps taken to compensate for the time lag or loss.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 19</th>
<th>When there is network issue and payment code is generated twice, which payment code should I use to pay?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>The most recent Payment Reference Number.</td>
</tr>
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<table>
<thead>
<tr>
<th>Question 20</th>
<th>What is group taxes?</th>
</tr>
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<tbody>
<tr>
<td>Answer</td>
<td>It contains non-regular taxes such as WHT, VAT, STD etc.</td>
</tr>
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<table>
<thead>
<tr>
<th>Question 21</th>
<th>Is there provision made for instalments payment of taxes?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Yes, if returns are submitted before due date. However, there is no instalment payment for self-assessed VAT Returns.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 22</th>
<th>If my company only trades in exempted items, how should the form be filled?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>The solution made provision for exempted items as provided by law</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 23</th>
<th>What happens if the product my company deals in is not listed in the product category?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Select “others” then type the product name</td>
</tr>
<tr>
<td>Question 24</td>
<td>Where on the VAT form can I enter figures for VAT deducted at source?</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Answer</td>
<td>Line 190 withheld VAT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 25</th>
<th>There aren't any forms for filing WHT. How can I file WHT?</th>
</tr>
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<tbody>
<tr>
<td>Answer</td>
<td>The form can be found in “group taxes”</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Question 26</th>
<th>Why does the solution compute multiple penalties after filing a late return?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>It calculates LRP for late filing, penalty and interest is on payment</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Question 27</th>
<th>Is there any option of saving your work in case of power failure?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>The solution has an auto-save capability</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 28</th>
<th>How can I verify that payment made via this platform has reflected?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>The system updates your ledger and sends the taxpayer the payment receipt to the taxpayer.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 29</th>
<th>Can a company that is yet to commence business be enrolled on TaxPro max?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 30</th>
<th>Is it possible to file two different vat returns for the same month on the solution?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question 31</th>
<th>If I file my returns before 21st of the following month, but fail to make payment, will there still be penalty?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer</td>
<td>Yes, there will be penalty and interest on the payment</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
</tr>
<tr>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>Question 32</strong> What are the login details for TaxPro Max and tcc.firs.gov.ng?</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Question 33</strong> Is there a specific format for uploading documents on this solution?</td>
<td>Some of your documents must be in PDF while some will be in Microsoft Excel and must not be more than 200kb. The formats are clearly stated where necessary.</td>
</tr>
<tr>
<td><strong>Question 34</strong> After payment reference is generated for an assessment, can the taxpayer pay part online or at the bank?</td>
<td>Taxpayer can pay part online or at the bank if the return is submitted before the due date.</td>
</tr>
<tr>
<td><strong>Question 35</strong> Is there an option to pay CIT liability with WHT Credit Notes on this solution?</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Question 36</strong> Can I file VAT self-charged on the solution, and how?</td>
<td>Yes, by using the WVAT form in group taxes.</td>
</tr>
<tr>
<td><strong>Question 37</strong> What is the procedure for filing withheld VAT on the solution?</td>
<td>Go to group taxes, then click on withholding VAT select period, upload the schedule then proceed to payment.</td>
</tr>
<tr>
<td><strong>Question 38</strong> How can I file VAT in foreign currency transaction?</td>
<td>Same way as local currency but you select the returning currency (that is, currency type). However, currently on Naira denominated transactions, taxes are filed and paid electronically while foreign currency transactions are filed and paid manually.</td>
</tr>
</tbody>
</table>
Question 39  How can I pay VAT in other currencies on TaxPro Max?
Answer  When filing select currency of transaction

Question 40  How can I reflect capital allowance brought forward from previous years into the solution?
Answer  This will be done from the tax office

Question 41  When additional assessment is raised, can I object on the solution or do I need to visit the tax office?
Answer  No. The objection is as currently obtained

Question 42  If I have filed some VAT returns manually and those months still appear on the list of returns to be filed, do I refile the returns?
Answer  No. However, contact your tax office for resolution

Question 43  Once a return is submitted, can I go back to review and adjust an information entered earlier?
Answer  No

Question 44  Operating cost of interest on loan from lender, you must be aware that banks charge other fee apart from interest on loan, where will you charge the fee to?
Answer  There is a provision to fill bank charges under “operating expenses”
Question 45   Where do one charge Investment Allowance?
Answer   At where the Capital Allowance is computed, there is a provision to fill Investment Allowance and Rural Investment Allowance

Question 46   How will the TWDV of the assets be brought into TaxPro Max for the purpose of total computed Capital Allowance?
Answer   When an asset is registered under “non-current asset” with the date of purchase and depreciation rate the solution calculates the depreciation for the period, accumulated depreciation and Tax Written Down Value (TWDV)

Question 47   Is Annual/Initial Allowances imputed by the tax payer or system generated. How do we ascertain the opening balance that is TWDV?
Answer   The system calculates both Initial Allowance (if applicable) and Annual Allowance

Question 48   Where there is no income, how do I file for VAT for that month?
Answer   File Nil
A Publication of
Federal Inland Revenue Service

For all enquiries & Complaints, please contact
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or
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15 Sokode Crescent, Wuse Zone 5, Abuja
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+234(0)9072111111, +234(0)9073777777
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www.firs.gov.ng

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