



Nigeria's Fiscal Policy and Tax Reforms

Exposure and Impact
Assessment Session

The Presidential Fiscal Policy and Tax Reforms Committee
May 2024



Nigeria's National Anthem (1)

Nigeria, we hail thee,
Our own dear native land,
Though tribe and tongue may differ,
In brotherhood, we stand,
Nigerians all, and proud to serve,

Our sovereign Motherland.
Our flag shall be a symbol,
That truth and justice reign,
In peace or battle honour'd,
And this we count as gain,
To hand on to our children,
A banner without stain.

O God of all creation,
Grant this our one request,
Help us to build a nation,
Where no man is oppressed,
And so with peace and plenty,
Nigeria may be blessed.



**Presidential Committee on
Fiscal Policy & Tax Reforms**

Nigeria's National Anthem (2)

O God of creation
Direct our noble cause
Guide our Leaders right
Help our Youth the truth to know
In love and honesty to grow
And living just and true
Great lofty heights attain
To build a nation where peace and justice shall reign



**Presidential Committee on
Fiscal Policy & Tax Reforms**

Overview of programme

Exposure and Impact Assessment Session

Agenda

S/N	AGENDA ITEMS	TIME
1	Welcome and national anthem	9.00 AM - 9.10 AM
2	Introductions and overview of events for the day	9.10 AM - 9.15 AM
3	Update on the work of the committee	9.15 AM - 9.45 AM
4	Proposed changes to the National Tax Policy	9.45 AM - 10.30 AM
5	Tea break and snacks	10.30 AM - 11.00 AM
6	Proposed changes to tax legislation	11.00 AM - 12.30 PM
7	Other issues under consideration	12.30 PM - 1.00 PM
8	Discussions, Q&A	1.00 PM - 1.45 PM
9	Closing and next steps	1.45 PM - 2.00 PM
10	Lunch and departure	2.00 PM

AGENDA





For the records

The Presidential Fiscal Policy and Tax Reforms Committee

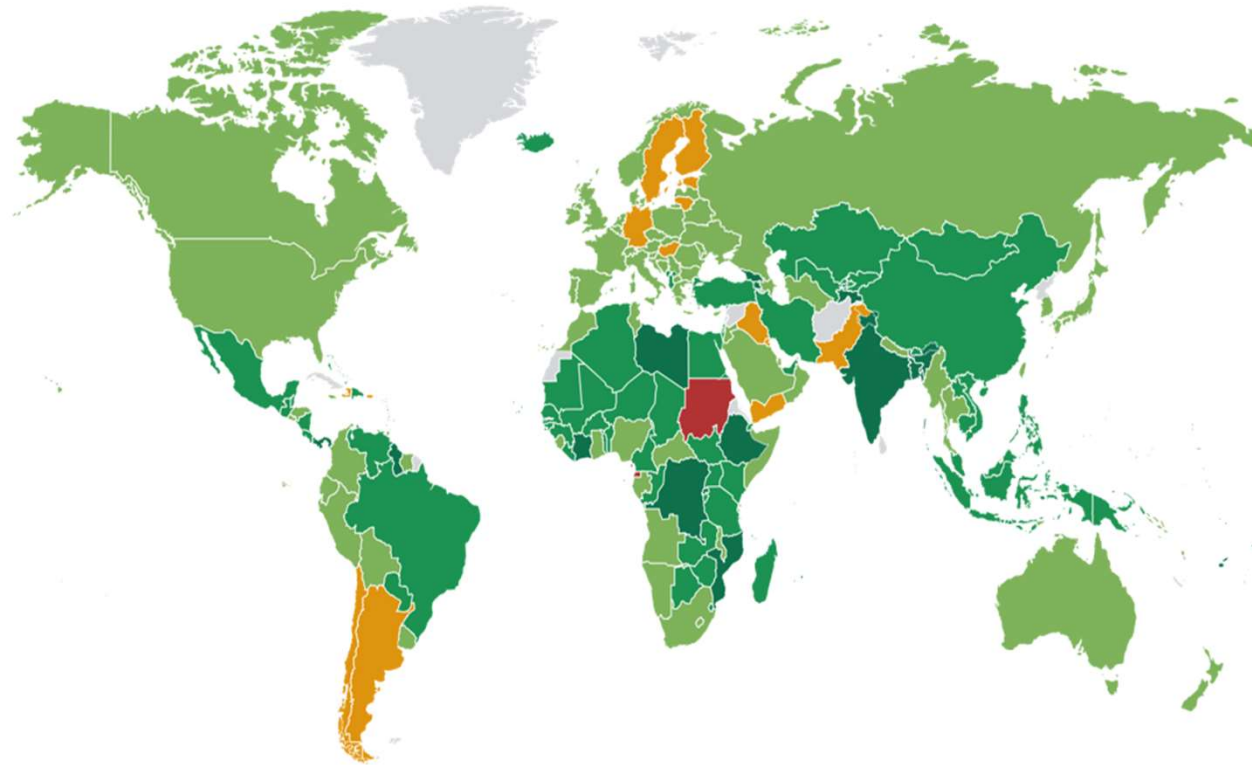
1. We are an advisory body, we do not have executive powers
2. Discussions at this event do not represent the position of the government but proposals of the committee
3. We have no room for errors, we prioritise getting things right and doing so with the required sense of urgency - direction first, then speed!
4. We have good news and difficult news, no bad news!
5. We prioritise long term over short and medium term benefits in the event of a conflict
6. No one is likely to get everything they want, but everyone will benefit ultimately
7. Nothing proposed at this stage is cast in stone, we are open to re-considering our proposals based on superior arguments and compelling evidence
8. We are bold in our proposals, we do not hold back on the basis that a proposal may be difficult to implement, may be controversial or perceived negatively
9. Implementation of the proposed reforms will require diligence and sequencing
10. Don't sensationalise your account of issues discussed at this event, ensure proper context and balance

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**Background
and terms of
reference**

Global Economic Context

The Presidential Committee on Fiscal Policy and Tax Reforms



Covid-19 induced expansionary policy

High inflation and biting policy tightening

Rising debt and high cost of living

Geoeconomic fragmentation and conflicts

De-globalisation

● 6% or more ● 3% - 6% ● 0% - 3% ● -3% - 0 ● less than -3% ● no data

IMF World Economic Outlook

Our present socio-economic reality



1. **Slow economic growth:** GDP circa 2% in the past 10 years, below population growth rate.
2. **High inflation & unemployment:** Inflation at 33.7% at the end of April 2024 (5x global average), unemployment at 5% (working poor).
3. **Widespread poverty:** People living in monetary poverty (over 95m), multidimensional poverty (133m).
4. **Low revenue, high public debt:** Debt (+ Ways & Means, domestic arrears) is growing faster than GDP and debt service much faster than revenue (96% of revenue in 2022, 74% in 2023).
5. **Declining investments:** Low forex inflow (less than \$500m FDI in 2022), dwindling domestic capital formation.
6. **Increase in the rate of emigration:** Brain drain due to emigration, and corporate divestments and delisting.

How multidimensional poverty is calculated

Based on 4 dimensions and 15 indicators

[0% means no poverty, 100% means extreme multidimensional poverty]

Dimensions	Indicators	Weight
Education (25%)	• School attendance	9%
	• Years of schooling	13%
	• School lag	3%
Health (25%)	• Nutrition	8.3%
	• Food insecurity	8.3%
	• Time to healthcare	8.3%
Living Standard (25%)	• Safe drinking water	4.2%
	• Water reliability	4.2%
	• Sanitation	4.2%
	• Housing materials	4.2%
	• Cooking fuel	4.2%
	• Assets	4.2%
Work & Security Shocks (25%)	• Unemployment	10%
	• Underemployment	5%
	• Security shock	10%



Nigeria's economic landscape

2024 FGN Approved Budget	2024 N'Trillion	2023 N'Trillion	Change %
Expenditure:			
Recurrent expenditure	8.77	9.32	-6%
Capital expenditure	9.99	7.96	26%
Debt service	8.05	6.31	28%
Statutory transfers	1.74	0.99	76%
Sinking fund	0.22	0.25	-12%
Total	28.77	24.83	16%
Revenue:			
Oil revenues	7.71	2.29	237%
Non-oil taxes	3.52	2.43	45%
GOEs revenue (net of operating surplus)	3.65	2.42	51%
Independent & other revenues	4.71	3.91	21%
Total	19.59	11.05	77%
Budget Deficit	-9.18	-13.78	33%
Key Assumptions:			
Oil production (bpd)	1.78m	1.69m	5%
Oil price benchmark (per barrel)	\$78	\$70	11%
Exchange rate (US\$)	N800	N436	46%
Target inflation	21.4%	17.16%	25%
GDP Growth rate	3.76%	3.75%	0.3%

Work-in-progress:

- Exchange rates convergence and stability
- High inflation and cost of doing business
- Rising poverty and need for decent jobs
- High interest rate environment
- Insecurity and social tension
- Efficient public financial management
- Policy coordination and public communication

Positive indicators:

- Balance of trade / current account surplus
- Slowing inflation in developed markets and prospects of rate cuts
- Declining budget deficit by FG and states
- Rising revenue, more spending on capex and repayment of Ways & Means financing
- Rising crude oil and gas price and volume
- Commencement of local crude oil refining
- Positive outlooks by rating agencies
- Capital market performance



Nigeria's fiscal system and the social contract

Nigerians have low tax morale - most people don't pay tax

... and they do not think that evasion is wrong

One of the critical challenges facing the tax system in Nigeria is the shockingly high level of non-compliance as a result of low tax morale.

Tax Morale is the willingness to comply with taxes and the belief that tax evasion is wrong.

Different factors influence tax morale, including:

- Knowledge and Complexity
- Fiscal Exchange/Social Contract
- Social and Individual Norms
- Legitimacy, Trust and Fairness
- Participation and Voice

Perception of Tax Evasion	Individuals (%)	SMEs (%)
Not wrong at all	22	14
Wrong but understandable	54	50
Wrong and punishable	17	31
Don't know	6	4
No Response	1	1

Individuals/Households

- Only 17% believe evasion is wrong & punishable
- Lack of trust in govt & tax officials
- Dissatisfaction with social services
- Complex tax process
- Education & Health

Small & Large Firms

- Only 31% consider evasion as wrong & punishable
- Multiplicity of taxes and taxing agencies
- High frequency of tax audit
- Top priorities – electricity and security

Mandate and critical areas for reform

The Presidential Committee on Fiscal Policy and Tax Reforms



Presidential Fiscal Policy and Tax Reforms Committee - Terms of Reference

Pillars	Philosophy & fiscal direction	Guiding principles
<ol style="list-style-type: none">1. Fiscal Governance2. Revenue Transformation3. Economic Growth and Competitiveness	<ol style="list-style-type: none">1. Modern, simple and adaptive2. Growth enabling and competitive3. No taxing of investment, capital, production, poverty or seed	<ol style="list-style-type: none">1. National interest2. Data driven3. Outcome driven and impact assessment4. Harmonisation and simplification5. Optimal and sustainable revenue6. Facilitate inclusive growth7. Equity and fairness8. Diversity of views9. Partnership and co-creation10. Prioritisation

The outcomes we expect



- 1. Collect better** - Eliminate informal & implicit taxes, harmonise tax administration, rationalise tax incentives, leverage technology and big data, modernise customs administration, simplify compliance, optimise resources and government assets.
- 2. Budget better** – Restructure the budget (classify items under infrastructure; human capital investment; personnel cost, headcount & productivity; administrative overheads; debt service & sinking funds), fully implemented zero based budgeting, and introduce long term appropriation.
- 3. Spend better** - Tackle systemic corruption, prioritise spending on basic needs to address multidimensional poverty, restrict borrowing to productive spending and self-financing projects, leverage PPP and equity financing for viable projects, enhance public procurement effectiveness.
- 4. Manage better** - Leverage technology for revenue, debt, and expenditure management. Adhere to fiscal rules and benchmark with strict penalties for violations. Establish a national fiscal risk framework and processes to prevent, detect, and correct financial infractions.
- 5. Report better** – Harmonise and standardise reporting, provide transparent and timely information, enhance audit & internal control, administer consequences.





Key measures and specific targets

We have bold ambitions to transform the system – We should no longer celebrate incremental progress

Fiscal Policy	Legal framework	Governance	Revenue optimisation	Fiscal structures
<ul style="list-style-type: none"> • New National Fiscal Policy - Tax, spending, borrowing and reporting framework • Office of Tax Ombudsman and National Fiscal policy • Monetary, trade and fiscal policy coordination 	<ul style="list-style-type: none"> • Harmonised new laws (single digit), • Bills for constitutional amendments on fiscal matters • Model tax codes and templates for states 	<ul style="list-style-type: none"> • National fiscal risk framework including benchmarks and thresholds • Integrated revenue administration and platform • Modernised admin, digital economy, self-service 	<ul style="list-style-type: none"> • Target Tax/Revenue to GDP ratio of 18%/30% • Non-tax revenue optimisation (assets, investments and natural resources) • Reduced tax gap – VDP, D4T, fiscalisation 	<ul style="list-style-type: none"> • Informal sector taxation framework • Competitive tax regime and exemption thresholds • Intelligent tax ecosystem - tax agents', customs single window, whistleblowing etc



2

**Public
consultation
and stakeholder
engagements**



Public consultations and stakeholder engagements

People first, people always!

Membership	Public engagements	Government engagements	International community	Others
<ul style="list-style-type: none"> • Private sector • Government institutions • Trade associations • Professional bodies • Civil society • Others 	<ul style="list-style-type: none"> • Submission of memoranda • Public consultations • Sectoral engagements • Investors' meetings • Publications • Press and social media 	<ul style="list-style-type: none"> • Lawmakers – Senate, HoR • Subnational government – NEC, NGF • Ministers • FIRS, JTB, NCS • Other Agencies and GOEs • Joint committees 	<ul style="list-style-type: none"> • Bretton Woods institutions • UNDP • AfDB • UK, EU, U.S. and other governments • Portfolio managers • Rating agencies 	<ul style="list-style-type: none"> • Surveys • Enquiries • Volunteers • Social media comments • Publicly available information e.g. news

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3

**Quick wins
proposed
measures**



Quick wins proposed measures

Key recommendations

1. Measures to ensure prudent public financial management and improve public sector efficiency
2. Optimise value from non-tax revenue sources e.g. government assets and natural resources
3. Develop a tax intelligence system “Data4Tax” to expand the tax net
4. Increase personal relief allowance for employees and tax deductions for employers in respect of salary increases, transport subsidy and net increase in employment
5. Option for Nigerian businesses (other than those in the oil and gas sector) to pay all their taxes and levies in Naira
6. Address impediments to global employment opportunities for Nigerians based in Nigeria
7. Suspend VAT on diesel, give tax waivers on CNG, CNG conversion, and renewable energy items
8. Suspend multiple taxes which place burdens on the poor and small businesses and compensate with windfalls revenue of certain agencies
9. Promote export of goods, services and intellectual property
10. Modify Tax ProMax to allow part payment and waive penalty and interests on tax liabilities

4

**Draft National
Fiscal Policy**

2024 National Fiscal Policy

Sustainable taxation, borrowing and spending



Taxation principles	Spending principles	Borrowing principles	Other changes
<ul style="list-style-type: none"> • Equity and fairness • Simplicity and clarity • Certainty • Convenience • Efficiency • Flexibility • Sustainability • Accountability and transparency 	<ul style="list-style-type: none"> • Needs assessment & prioritisation • Productive spending and efficiency • Public Good • Comparative advantage • Impact assessment • Equity, Transparency and Accountability • Sustainability • Fiscal Responsibility • Risk Management • Citizens' participation 	<ul style="list-style-type: none"> • Prudent Debt management • Infrastructure and Productivity • Sustainability • Risk Management • Transparency and Accountability • Legal and Regulatory Compliance • Coordination and Collaboration 	<ul style="list-style-type: none"> • Inclusion of SDGs and ESG tax policy guidelines • Tax expenditure better captured • Evidence based policy measures and changes • Protection of the poor and vulnerable • Informal sector taxation approach • Revenue administration autonomy and capacity

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**Critical reforms
proposals**

Tax Harmonisation

Current list of approved taxes and levies

The Presidential Committee on Fiscal Policy and Tax Reforms



SN	Federal Government	State Government	Local Government
1	Companies' income tax.	Personal Income Tax (PAYE and Direct Assessment)	Shops and kiosks rates.
2	Withholding tax on companies, residents of the Federal Capital Territory, Abuja and non-resident individuals.	Withholding tax (individuals only)	Tenement rates.
3	Petroleum profits tax.	Capital gains tax (individuals only)	On and Off Liquor License fees.
4	Value added tax.	Stamp duties on instruments executed by individuals	Slaughter slab fees.
5	Tertiary Education tax.	Pools betting and lotteries, gaming and casino taxes	Marriage, birth and death registration fees.
6	Capital gains tax on residents of the Federal Capital Territory, Abuja, bodies corporate and non-resident individuals.	Road Taxes	Naming of street registration fee, excluding any street in the State Capital.
7	Stamp duties on bodies corporate and residents of the Federal Capital Territory, Abuja.	Business premises registration fee (urban areas and rural areas)	Right of Occupancy fees on lands in rural areas, excluding those collectable by the Federal and State Governments.
	Personal income tax in respect of -	Development Levy (not more than ₦100 per taxable individual)	Market taxes and levies excluding any market where State finance is involved.
	a) members of the Armed Forces of the Federation;	Naming of street registration fees in the State Capital	Motor park levies.
8	b) members of the Nigeria Police Force;	Right of Occupancy fees on lands owned by the State Government in urban areas of the State.	Domestic animal license fees.
	c) residents of the Federal Capital Territory, Abuja; and	Market taxes and levies where State finance is involved	Bicycle, truck, canoe, wheelbarrow and cart fees, other than a mechanically propelled truck.
	d) staff of the Ministry of Foreign Affairs and non-resident individuals	Land use charge, where applicable	Cattle tax payable by cattle farmers only.
9	National Information Technology Development Levy	Hotel, Restaurant or Event Centre Consumption Tax, where applicable	Merriment and road closure levy.
10	Police Trust Fund Levy	Entertainment Tax, where applicable;	Radio and television license fees (other than radio and television transmitter).
11	NASENI Levy	Environmental (Ecological) Fee or Levy;	Vehicle radio license fees (to be imposed by the Local Government of the State in which the car is registered).
12	Industrial Training Levy	Mining, Milling and Quarrying Fee, where applicable;	Wrong parking charges.
13	NSITF / ECA	Animal Trade Tax, where applicable;	Public convenience, sewage and refuse disposal fees.
14	Local Content Levy	Produce Sales Tax, where applicable;	Customary burial ground permit fees.
15	FRCN, ARCON etc	Slaughter or Abattoir Fees, where State Finance is involved;	Religious places establishment permit fees.
16	Customs duties	Infrastructure Maintenance Charge or Levy, where applicable	Signboard and Advertisement permit fees
17	Excise tax	Fire Service Charge;	Wharf landing charge, where applicable
18		Property Tax, where applicable;	
19		Economic Development Levy, where applicable;	
20		Social Services Contribution Levy, where applicable; and	
21		Signages and Mobile Advertisement, Jointly collected by States and Local Governments.	



Tax Harmonisation

Reform framework

Principles

1. Do away with nuisance taxes with very low revenue yield, high cost of collection and ultimate burden on the poor and small businesses.
2. Focus on high revenue yielding taxes, that are broad-based and relatively ease to collect.
3. Merge taxes and levies that are imposed on the same or substantially similar tax base.
4. Keep the total number of taxes across all level of government to a single digit.
5. Institutionalise the tax harmonisation reform to ensure sustainability.

Proposed single digit number of taxes:

1. Income Tax
2. Value Added Tax
3. Property tax
4. Customs duties
5. Excise tax
6. Stamp duties
7. Special levy
8. Harmonised levy
9. *Social Security Contribution (*not a tax*)

Tax Harmonisation

Proposed list of taxes and levies

The Presidential Committee on Fiscal Policy and Tax Reforms



Harmonised List of Taxes and Levies					On behalf of (Beneficiaries)		
#	Taxes and levies	Merged items	Payable by	Collected by	Federal Govt	States	Local Govt
1	Income Tax	CIT, WHT, PPT/PIA, CGT	Companies, Individuals	FIRS, States IRS	52.68%	26.72% / 100%	20.60%
2	Value Added Tax	VAT, Consumption Tax, Entert. Tax	Consumers	FIRS	10%	55%	35%
3	Property tax	RoO, LUC, Tenement Rate, Ground rent etc	Property owners	States IRS	0%	70%	30%
4	Customs duties	Import & export duties & levies	Importers	NCS	52.68%	26.72%	20.60%
5	Excise tax	Excise tax, gaming, Liquor license, telcom tax	Manufacturers / consumers	FIRS	52.68%	26.72%	20.60%
6	Stamp duties	Stamp duties, EMT	Companies, Individuals	FIRS, States IRS	0%	100%	0%
7	Special levy	TET, NITDA, NASENI, ITF, LCL, NDDC	Companies	FIRS	100%	0%	0%
8	Harmonised levy	Road, market taxes etc	Transporters, Traders	States IRS	0%	30%	70%



2024 Withholding Tax Regulations

Key changes

Objectives

- Simplify the tax deduction at source system
- Reduce the burden on businesses including SMEs
- Promote competitiveness, equity and ease of compliance
- Prevent tax avoidance and detect tax evasion to close the tax gap
- Reflect emerging issues and adopt global best practices.

Key proposed changes

The proposed changes seek to address the identified challenges while promoting the stated objectives. They include:

- Exemption of small businesses from Withholding Tax Obligations
- Lower rates for businesses with low margins
- Exemptions for manufacturers and producers such as farmers
- Measures to curb tax evasion and avoidance

Executive Orders

Stop-gap measures to accelerate reforms



Inflation Reduction & Price Stability	Employment Generation Relief	Non-oil Export Promotion & Intl Trade	Prudent Financial Management & F. Sust	Tax Information Consolidation & Collab
<ul style="list-style-type: none"> • Import duty & VAT suspension on specified items • Importation of paddy rice by millers • Import duty exch rate peg at N800 • Prioritise productive spending • Enforce EO on default approval • Pay down W&M • Concessional low interest rate 	<ul style="list-style-type: none"> • Relief for wage awards, transport subsidy etc to low-income staff • Deduction for salary of incremental staff • Additional 50% uplift on eligible deduction • Enable foreign employment for Nigerians as remote workers 	<ul style="list-style-type: none"> • Tax exemption for repatriated export proceeds of services & IP • Zero rated VAT for all non-oil exports • Relaxation of restriction on the use of export proceeds • Remove TCC as a condition for forex application • Discontinue CoCI 	<ul style="list-style-type: none"> • MDAs to remit operating surplus above N5B • No foreign trips for events targeted at Nigerians • Electronic payment of estacode • Direct payment to MDAs' contractors • Access to funds subject to accounts • Payment of fees in Naira & MDAs fx banked with CBN 	<ul style="list-style-type: none"> • Tax Information Consolidation & Collaboration Initiative (TICC) • Create TICC Data Bank to be managed by JTB • Mandatory use of NIN and RC numbers • One government directive on data generated by MDAs • National tax data governance framework



Proposed changes to tax legislation

Overall policy direction and structure

Policy direction

- Simplicity
- Harmonisation
- Alignment with economic objectives
- Tax neutrality
- Competitiveness
- Tax certainty
- Taxpayer focused
- Modernisation
- Efficiency of compliance and administration
- Evidence and data driven
- Global best practice

Structure

1. Nigeria Tax Bill
 - Companies Income Tax
 - Petroleum Profit Tax
 - Personal Income Tax
 - Capital Gains Tax
 - Stamp Duties
2. Tax Administration Bill
 - Nigeria Revenue Service
 - Internal Revenue Services
 - Tax Appeal Tribunal
3. Nigeria Revenue Service
4. Revenue Commission Bill (JTB)



Income and capital gains taxes

Key changes

- Change of (WREN) rule to wholly and exclusively (WE)
- Removal of restriction on deduction of rent relating to employees
- Restriction of interest deductible to be limited to intra group loans
- Pre-commencement revenue expenditure to be deductible for income tax determination (maximum of 5 years)
- Change of accounting date requiring only a notification to the tax authority
- Reduction of CIT rate and consolidation of earmarked taxes
- CGT taxable at comparable CIT rate
- Revised employment income criteria for taxation in Nigeria
- Increase in small business exemption thresholds



Income and capital gains taxes

Key changes

- BIK accommodation tax to be restricted to 20% of gross income
- Reform of pre-merger relationship as a condition for carry forward of tax benefits
- Capital allowance classifications, simplified rates and memorandum retention value
- Increase in compensation for loss of employment exempt threshold
- Deletion of minimum tax except min tax rules under BEPS
- Adjustment to PIT bands and rates and increase in personal relief allowance
- The importation of fiscal provisions of PIA, PPTA and DOIBA into the NTB
- Removal of commonwealth relief and replacement with unilateral relief of double taxation by granting credit for foreign tax paid
- Changes to the pioneer status rules and other incentives



Value Added Tax and Excise Duties

Key changes

- Full deduction of input VAT on all supplies including services and assets
- Zero rated list expanded to include agriculture, medical and educational and other basic consumptions
- Exports of services and intellectual property to be zero rates
- Compensating adjustment to VAT rate, and alignment with ECOWAS directive on VAT rate
- Faster refund process for VAT
- VAT fiscalisation and electronic invoicing
- Adjustment to VAT sharing formula and basis
- Inclusion in the Exclusive Legislative List
- Excise tax simplified and limited in scope with clarity as to rates, liable party and timing



Inflation

Key considerations for fiscal intervention

Goods and services	CPI Weight
Food & non-alcoholic beverages	52%
Housing, water, electricity, gas and other fuel	17%
Transportation	7%
Clothing and footwear	6%
Furnishing, household equipmt & maintenance	5%
Education	4%
Health	3%
Miscellaneous goods & services	2%
Restaurant and hotels	1%
Alcoholic beverage, tobacco & kola	1%
Recreation and culture	1%
Communication	1%
	100%

- The CPI basket is made up of 12 classifications of individual consumptions
- Food, housing, transportation, education and health account for about 82%
- The low income households spend nearly 100% of their income on these basic consumptions
- These include cereal & bread, tubers, meat and fish, rent, road transportation, pharmaceutical items and medical services, books and stationery
- To reduce inflation, key factors exerting upward pressure including pass through effect of exchange rate, interest rate, trade, tariffs and other fiscal policies must be designed and implemented to have countercyclical impacts.



Value Added Tax

Quoted out of context ...



thecable.ng
We need to increase VAT rate, says Taiwo Oyedele

Untrue ...



Naija News
We Didn't Propose Increase In VAT Rate ...



Tax Administration and Revenue Commission

Key changes

- Harmonisation of all administrative provisions in different tax laws into one
- Registration requirement with provision for deregistration and cancellation of TIN
- Clear filing and payment provisions
- Provision for mandatory disclosure of tax planning to curb abuse
- Introduction of estimated tax returns for gas producing companies and LNG companies
- Faster settlement of tax dispute provision
- Provision for joint audit and exchange of information among relevant tax authorities
- Alignment of time for payment provisions for all taxes
- Special provision for VAT refund without the need for audit
- Integration of all offences and penalties into one chapter for ease of reference
- Codification of Advanced Rulings into law to be administered by the relevant tax authority
- Removal of requirement of Tax Clearance Certificate as a condition for transactions



Proposed amendments to the Constitution

Key proposals

1. Implementation of treaties (section 12)
2. Qualification for election (sections 65, 135 & 177)
3. Authorisation of expenditure from Consolidated Revenue Fund (sections 81 & 121)
4. Ministers of the federal government (section 147)
5. Distributable pool account (section 162)
6. Allocation of other revenue (section 163)
7. Presidential pardon (section 175)
8. Jurisdiction (section 251) – Revenue Court, TAT
9. Legislative list (Second Schedule, Parts I & II)
10. Revenue Mobilisation and Fiscal Allocation Commission [Third Schedule, Part I(N)]

CONSTITUTION OF THE FEDERAL REPUBLIC OF NIGERIA





6

**Implementation
and impact
assessment**

Keep in view



1. Harmonisation of taxes, revenue agencies and collection functions to enable MDAs and regulators focus on their core mandates
2. Modernisation and automation, and response to challenges of the digital economy
3. Curbing corruption in revenue administration and measures to enhance taxpayers trust e.g. whistleblowing framework
4. Use of Data for Tax intelligence and economic planning including data points for a robust social register
5. Capacity building for revenue agencies and institutionalising professionalism
6. Improve efficiency of collection and target a 1% cost of collection within the next 4 years
7. Structures to enhance and sustain voluntary compliance including tax agents' accreditation, enhanced compliance framework (cooperative compliance), etc
8. Fiscal thresholds including the re-basing of Nigeria's Tax to GDP ratio
9. National Tax Policy Office and Ombudsman
10. Voluntary Tax Disclosure programme



Other issues under consideration

Protecting the poor	Harmonisation	Digital economy	Fiscal federalism	Other measures
<ul style="list-style-type: none"> • Need for a national strategy for informal sector • Review of presumptive tax regime • Tax exemption thresholds • Adjustment to PIT bands and rates 	<ul style="list-style-type: none"> • Harmonise taxes and levies, and revenue administration • Cap on number of taxes • National single revenue platform • Harmonised tax codes for subnationals 	<ul style="list-style-type: none"> • Revenue optimisation enabled by technology e.g. Data4Tax • Fiscalisation and e-invoicing • Remote job opportunities and tax presence 	<ul style="list-style-type: none"> • Stamp duties reform • Constitution amendments (VAT, Revenue court, limit tax outsourcing etc) • VAT reforms and review sharing formular and basis 	<ul style="list-style-type: none"> • Tax agents regulation • Budget reforms, Spending and Borrowing Policy • Property tax reforms • New tax bills & Amendments to fiscal laws • Tax compliance as eligibility for public office

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7

**Next steps
and closing
thoughts**

Next steps

We need your support to succeed

The Presidential Committee on Fiscal Policy and Tax Reforms



Engagements -
Conclude engagements
and update reform
proposals

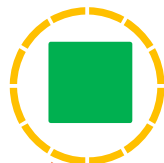


Legal drafting -
Finalise various legal
instruments

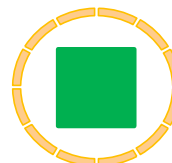


**Connecting
the dots**

Implementation -
Readiness, change
management, reviews



Enactments -
Signing of Orders, Regulations
and passage of bills into law





Key asks and next steps

How you can help

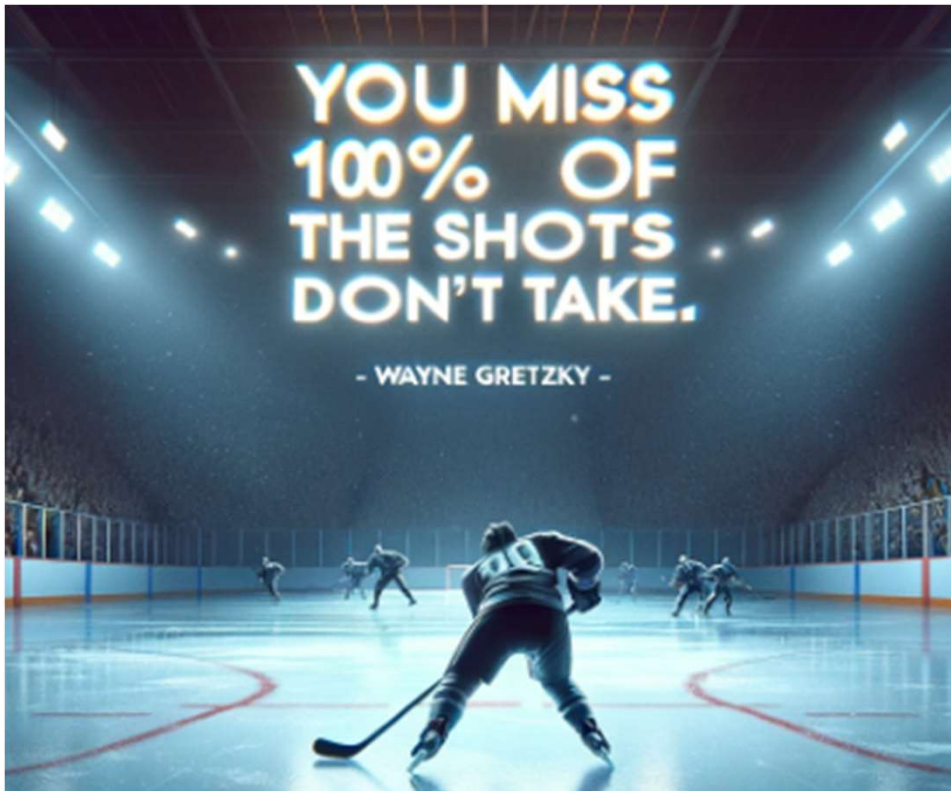
1. Follow and seek to understand the fiscal reforms work and engage
2. Give us feedback and share your perspectives and recommendations
3. Assist in public education and awareness
4. Objectively and accurately report the policy changes and implementation



The best way to predict the future is to create it – Abraham Lincoln



Closing thoughts



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**Thank
you!**



**The Presidential Fiscal Policy and
Tax Reforms Committee**