

## **NIGERIA'S 2025 TAX REFORMS: BUILDING A BROADER BASE FOR ACCOUNTABILITY AND GROWTH**

In June 2025, Nigeria introduced a landmark set of fiscal reforms, consolidating decades of fragmented tax laws into a unified framework. The Nigeria Revenue Service (Establishment) Act, the Joint Revenue Board (Establishment) Act, and the Nigeria Tax Act 2025 together represent the most comprehensive overhaul of the country's tax system in recent history.

The objectives are clear: broaden the tax net, harmonise administration across federal, state, and local levels, and strengthen enforcement against evasion. By centralising investigative and compliance powers in the Nigeria Revenue Service, the government has effectively equipped it with tools previously reserved for anti-corruption agencies — including powers to trace, freeze, and confiscate assets linked to tax offences.

### **Broadening the Net**

The Nigeria Tax Act expands the scope of taxation to include emerging sectors such as digital commerce, fintech, and cross-border transactions. With harmonised taxpayer identification numbers and better collaboration between agencies, Nigeria could reasonably expect to grow its tax base by 15–25% within five years.

### **Fostering Fiscal Citizenship**

Beyond revenue, taxation creates a civic relationship. As more Nigerians contribute visibly to the treasury, demand for accountability in government spending will rise. The establishment of a Tax Ombud and stronger reporting obligations are mechanisms designed to encourage transparency and build trust.

### **Reducing Enforcement Overlap**

For years, the EFCC has carried part of the tax enforcement burden. The new regime shifts much of this responsibility to the Nigeria Revenue Service, reducing EFCC's tax-related caseload by an estimated 50–60%. This allows EFCC to concentrate on procurement fraud, political corruption, and illicit financial flows.

### **Looking Ahead**

If faithfully implemented, these reforms could stabilise government revenues, create stronger accountability channels, and reduce corruption risks. While challenges remain in implementation and political will, the framework provides Nigeria with a credible path to sustainable fiscal governance.

Source: **TDMedia Company**