

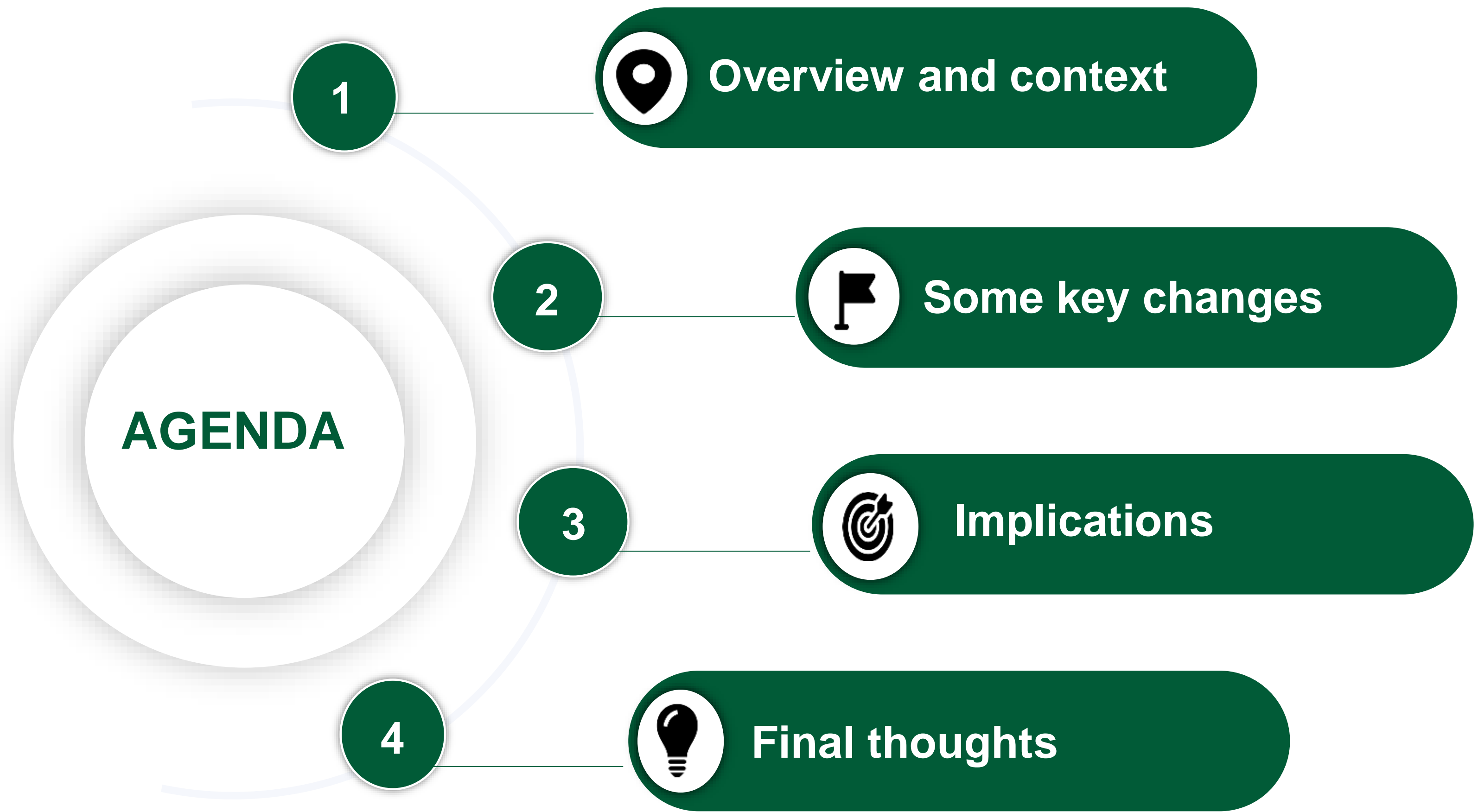


Nigeria's Tax Reform Laws

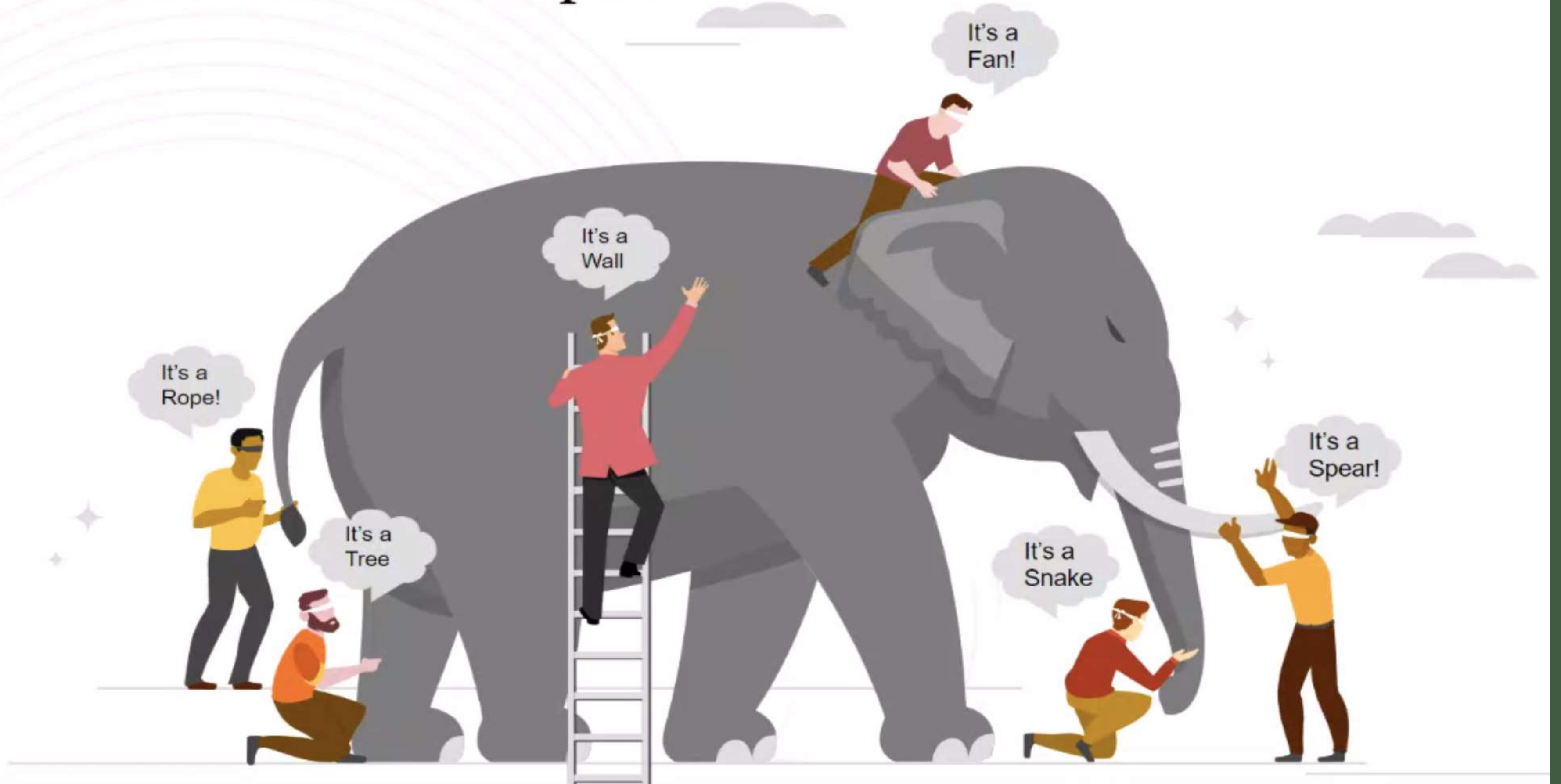
Implications for Stakeholders



Taiwo Oyedele
Chairman, Presidential Fiscal Policy and Tax Reforms Committee
26 September 2025



Blind men and an elephant



If the global tax systems were cars in a race ...

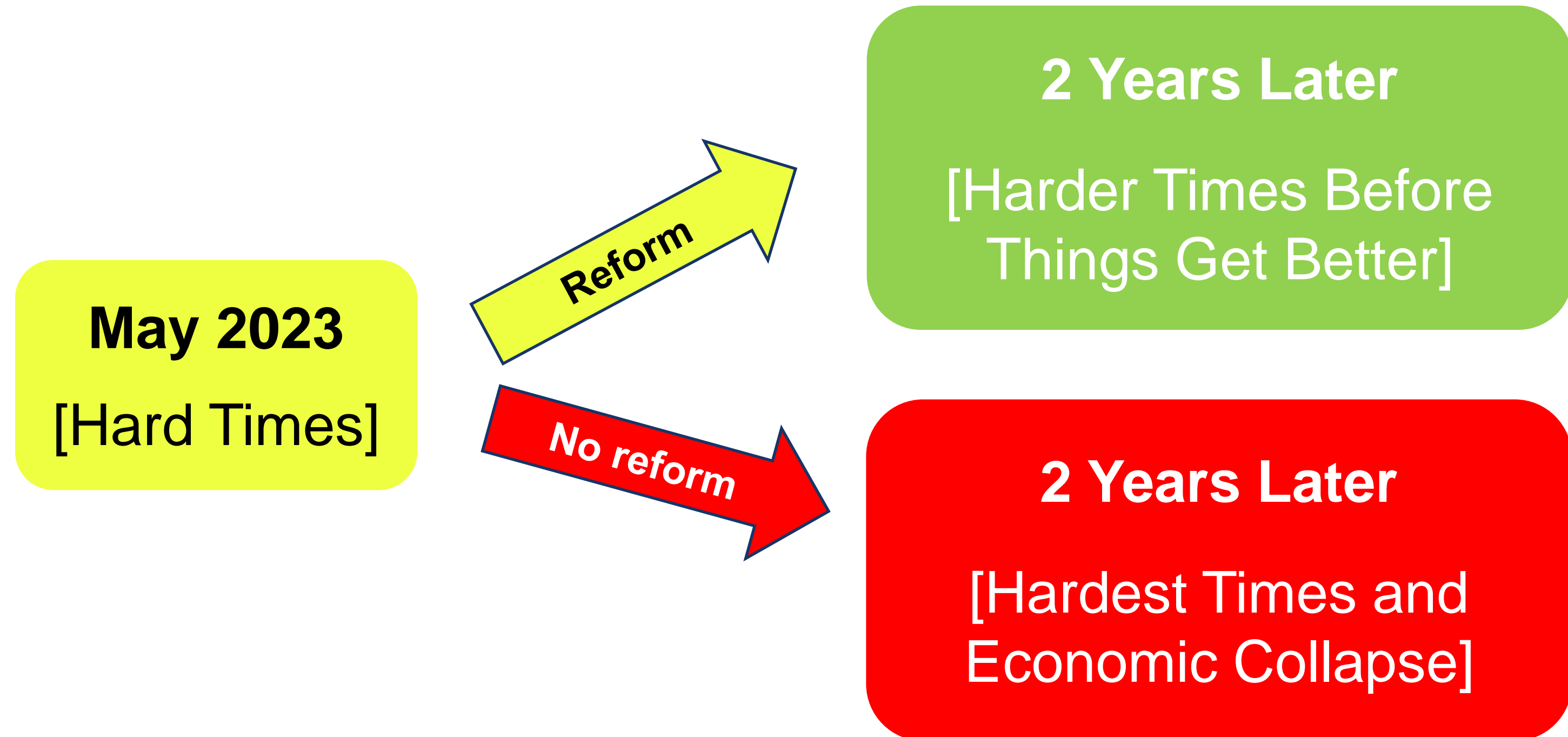


- Nigeria's tax system is uncondusive for growth
- With multiplicity of taxes and taxing agencies
- And high corporate tax burden on businesses
- Taxing poverty, capital and investments
- Using archaic laws and ambiguous provisions
- ...



We are no longer where we used to be

Nigeria today with reforms vs Nigeria today without reforms





How we are reforming

People-Centric, Growth Focussed, Efficiency Driven

What we have done

- Exemption or reduction of WHT rates
- Higher exemption threshold for small businesses
- Progressive tax regime
- Eliminate tax on investment and capital
- Incentives rationalisation
- Harmonisation of federation taxes and levies
- Reduction of VAT burden

What we are doing

- National Fiscal Policy Framework
- Tariffs review and redesign
- Harmonisation of federally collectible taxes and levies
- National policy on excise tax on harmful consumptions
- Regulations & guidelines
- Promote business formalisation
- Fiscalisation and e-invoicing

What we plan to do

- Harmonisation of subnational taxes and levies
- Presumptive tax regime for hard to tax persons
- Address other structural and fiscal constraints
- Reduction of corporate tax rate
- Budget & spending reforms
- Constitutional amendments
- Voluntary disclosure program



Some contentious and misunderstood provisions

*You are **NOT** entitled to your opinion; you're entitled to your **INFORMED** opinion - Harlan Ellison*

01 Personal income tax

The poor is exempted, the middle class pays less, the rich pays more. Taxation of incorporated partnerships.



Banking and Tax ID 04

Tax ID required to open or operate a bank account. Quarterly reporting of certain transactions.



02 Value added tax

Input credit for businesses to reduce cost, exemption for small businesses, zero-rate & exemption on essentials.



Informal sector 05

Attractive tax regime to encourage formalisation. Presumptive tax system to address informality.



03 Tax harmonisation

Reduce number of taxes, integrate IDs, rationalise tax admin, audits and reporting.



Fuel surcharge 06

5% on fossil fuel (mostly PMS and diesel) to be triggered by an order issued by finance minister



Tax Reform





What we expect from the reforms

Facilitate economic growth and shared prosperity!

Businesses	Households	Government
<p>1. Reduced business risks</p> <ul style="list-style-type: none"> • Elimination of min tax on capital • Certainty of tax treatment • Tax ruling, statute of limitation <p>2. Lower tax burden</p> <ul style="list-style-type: none"> • Reduced tax rates • Harmonisation of taxes • Lower WHT & faster tax refunds <p>3. Competitive tax regime</p> <ul style="list-style-type: none"> • Input VAT credits & tax reliefs • Economic devtpt incentive • Reorganisation regime, R&D 	<p>1. Economic reliefs</p> <ul style="list-style-type: none"> • Wage awards, transport subsidy • Tax waivers on food import, etc • Tax suspension on fuel products <p>2. Lower tax burden</p> <ul style="list-style-type: none"> • Low-income earners exemption • Reduced rate for middle class • VAT zero rate & exemptions <p>3. Opportunities</p> <ul style="list-style-type: none"> • Small biz regime & start-ups • Remote jobs facilitation • Tax breaks for investment income 	<p>1. Economic growth</p> <ul style="list-style-type: none"> • Economic stability and growth • Improved credit rating • Lower deficit & cost of debt <p>2. Revenue mobilisation</p> <ul style="list-style-type: none"> • Improved Tax to GDP ratio • Non-oil revenue performance • Efficiency and optimisation <p>3. Fiscal sustainability</p> <ul style="list-style-type: none"> • Healthy fiscal balance • Addressing distortions • Revenue harmonisation

Personal income tax

Analysis of old vs new



SN	Annual Gross Pay	Deductions (say 10%)	Old PAYE Tax	New PAYE Tax	Difference	Impact
1	840,000	42,000	32,528	0	(32,528)	Less tax
2	1,200,000	60,000	63,600	42,000	(21,600)	Less tax
3	1,800,000	90,000	128,400	123,000	(5,400)	Less tax
4	2,400,000	120,000	210,320	204,000	(6,320)	Less tax
5	3,000,000	150,000	299,600	285,000	(14,600)	Less tax
6	6,000,000	300,000	780,800	762,000	(18,800)	Less tax
7	12,000,000	600,000	1,817,600	1,734,000	(83,600)	Less tax
8	18,000,000	1,200,000	2,854,400	2,832,000	(22,400)	Less tax
9	30,000,000	3,000,000	4,904,000	5,140,000	236,000	More tax
10	60,000,000	6,000,000	10,016,000	11,430,000	1,414,000	More tax

Calculate Your Tax



Tax harmonisation & presumptive tax regime

Presidential Fiscal Policy and Tax Reforms Committee



Current List of Approved Taxes and Levies

SN	Federal Government	State Government	Local Government
1	Companies' income tax.	Personal Income Tax	Shops and kiosks rates.
2	Withholding tax	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 (individuals)	Slaughter slab fees.
5	Tertiary Education tax.	Pools betting, lotteries, gaming & casino taxes	Marriage, birth and death registration fees.
6	Capital gains tax	Road Taxes	Naming of street registration fee
7	Stamp duties	Business premises registration fee	Right of Occupancy fees
8	Personal income tax (ex-States)	Development Levy	Market taxes and levies
9	NITDA Levy	Naming of street registration fees	Motor park levies.
10	Police Trust Fund Levy	Right of Occupancy fees	Domestic animal license fees.
11	NASENI Levy	Market taxes and levies	Bicycle, truck, canoe, wheelbarrow & cart fees
12	Industrial Training Levy	Land use charge, where applicable	Cattle tax payable by cattle farmers only.
13	NSITF / ECA contribution	Consumption Tax	Merriment and road closure levy.
14	Local Content Levy	Entertainment Tax	Radio and television license fees
15	FRCN, ARCON etc	Environmental (Ecological) Fee or Levy	Vehicle radio license fees
16	Customs duties	Mining, Milling and Quarrying Fee	Wrong parking charges.
17	Excise tax	Animal Trade Tax	Public convenience, sewage & refuse fees.
18		Produce Sales Tax	Customary burial ground permit fees.
19		Slaughter or Abattoir Fees	Religious places establishment permit fees.
20		Infrastructure Maintenance Charge or Levy	Signboard & Advertisement permit fees
21		Fire Service Charge;	Wharf landing charge, where applicable
22		Property Tax	
23		Economic Development Levy	
24		Social Services Contribution Levy	
25		Signages and Mobile Advertisement	



Implementation roadmap

Operationalising the tax reforms for result

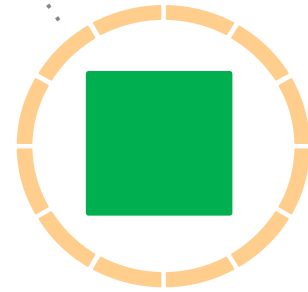
Foundation phase	Capacity & systems phase	Implementation & monitoring
<p>Objective: Ensure legal, institutional, and operational readiness for the reforms.</p> <p>Key Actions</p> <ul style="list-style-type: none"> • Gazette and Publish all new Acts and make them available online and in print. • Transitional Guidelines: Draft and issue regulations, commencement orders, and other subsidiary legislation. • Institutional Setup: Formally establish the Nigeria Revenue Service (NRS), the Joint Revenue Board, and the Office of the Tax Ombud etc. • Stakeholder Input: Engage with key stakeholders to seek inputs for the implementation of the tax reform laws including relevant agencies, professional bodies, and sector associations etc. 	<p>Objective: Create awareness and equip institutions, taxpayers, and professionals for smooth implementation.</p> <p>Key Actions</p> <ul style="list-style-type: none"> • Training & Capacity Building: NRS, State IRS, new audit methods, and digital tools. Judges, TAT members, and tax practitioners on dispute resolution under the new laws. • Technology Upgrade: Integrate a unified taxpayer database linked to NIN and CAC. Deploy improved e-filing & payment platforms. • Operational Manuals: Develop service charters and standard operating procedures for all taxpayer touchpoints. Design a voluntary disclosure programme to ensure self remediation and facilitate culture of voluntary compliance. 	<p>Objective: Drive reform delivery, track results and institutionalise reforms</p> <p>Key Actions</p> <ul style="list-style-type: none"> • National Awareness Campaign: Multi-language campaigns via TV, radio, print, and social media. Sector-specific webinars (manufacturing, energy, etc). • Tax Clinics & Roadshows: In all six geopolitical zones targeting MSMEs, informal sector, and individual taxpayers. • Feedback Channels: Establish channels for inputs and public enquiries. • Rollout Tracking: Launch a Tax Reform Results & Accountability Tracker (TRRAT) with KPIs like revenue growth, compliance rates, and taxpayer satisfaction.



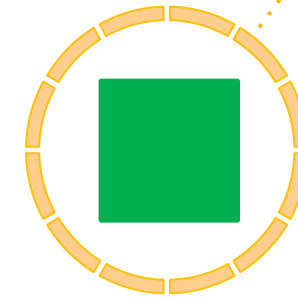
Conclusion and call to action

We can build a prosperous Nigeria, together!

Better days ahead -
We are on track & the worst is behind us

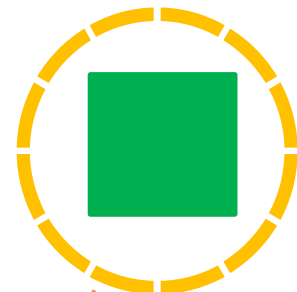


Staying the course -
We are not complacent, more work still needed

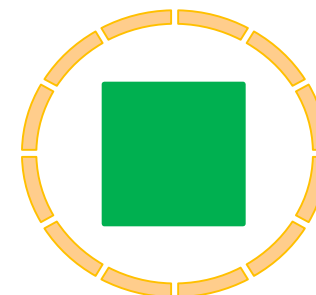


Connecting the dots

Position yourself -
Get onboard or you'll miss the train



Seek to understand -
Stakeholders need to be well informed & context



A rising tide lifts all boats





Please share your thoughts

Your input will guide our implementation strategy

- To establish a baseline for key fiscal and tax indicators.
- Understand your awareness, concerns, and expectations.
- Identify priority areas for capacity-building, sensitisation, and policy guidance.
- Together, we will ensure that the new tax laws are implemented fairly to benefit all.

We are seeking stakeholder input to guide the smooth implementation of Nigeria's new Tax Reform Laws.

Your input will help us:

- Establish a baseline for key fiscal & tax indicators
- Understand your awareness, concerns & expectations
- Identify priority areas for capacity-building, sensitisation & policy guidance

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Survey link: bit.ly/TaxLawSurvey

All responses are Confidential and Used Solely for Tax Reform and Policy Planning.

Tax Reform Laws



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