

TAXATION

Summary of Federal Taxes

Lists (and brief description) of all Federal Taxes / duties applicable to individuals and Businesses operating in the Oyo state:

Tax Type	Brief Description	Applicable to	Rate/Percentage
CUSTOM DUTIES	-Imported Cars -Spirits -Non-Agricultural Raw Materials	Companies and Individuals	The rate varies
PETROLEUM PROFIT TAX	Companies that operates under production sharing contract between NNPC and other companies holding oil prospecting licenses or oil mining licenses.	Upstream petroleum companies.	85% of Chargeable Profit for the 1 st five (5) years and 65.7% of chargeable profit after 5 years.
CAPITAL GAIN TAX	Tax imposed on the excess of the consideration accruing to a person or body corporate upon the sale of a chargeable asset over and above the cost of asset plus other plus other incidental allowable expenses to acquisition and disposition.	Applicable to residents of The Federal Capital Territory, Abuja and non – resident individuals.	10% of profit after deduction of allowable expenses.
STAMP DUTY	Stamp duty are taxes on documents which are also called instruments.	Stamp duties on bodies corporate and residents of the Federal Capital Territory, Abuja.	The rates varied with the instruments.
PERSONAL INCOME TAX	The taxation of individuals, communities, trustees and an enterprise as well as other such legal personalities other than a corporate entity.	(a) Members of the Armed Forces of the Federation (b) Members of The Nigerian Police Force (c) residents of the Federal Capital Territory, Abuja, and (d) the staff of the Ministry of	First N300,000@7% Next N300,000@11% Next N500,000 @15% Next N500,00@19%

Tax Type	Brief Description	Applicable to	Rate/Percentage
		foreign Affairs and non- resident individuals.	Next N500,000@21% Above 3,200,000 @24%

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List (and brief description) of all Federal Taxes / duties applicable to individuals and Businesses operating in the State:

Tax Type	Brief Description	Applicable to	Rate/Percentage
COMPANY INCOME TAX: SMALL COMPANIES	The tax amount charged on the profit of qualifying small business in the country. The rate is payable annually and assessed on prior prior year profits.	These are specifically companies with income less than N1m.	20%
COMPANY INCOME TAX	The tax amount charged on the profit of a business in the country.	Companies with annual income of N1m and above.	30%
EDUCATION TAX	The tax charged by the Federal Government in support of the effort aimed at promoting education	All Companies	2% of assessable profits
VALUE ADDED TAX	Is a consumption tax charged on qualifying items	All companies and individuals	5%
WITHHOLDING TAX	Withholding tax(WHT) is deducted at a specific rate applicable (depending on the transaction involved) at source from the income/ayment to any corporate body, individual and or enterprises.	Companies and Individuals	Trans Coy% Individ% -Royalty 10% 5% -Contract 5% 5% -Supply 5% 5% -Dividend 10% 10% -Tech Serv. 10% 5% -Prof Serv. 10%

Tax Type	Brief Description	Applicable to	Rate/Percentage
			5% -Consultancy 10% 5% -Mgt. Fees 10% 5% -Commission 10% 5% -Rent 10% 10% -Interest 10% 10% -Hire/Lease 10% 10% -Directors Fees 10% 10%
NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (NITDA)	Charge on Company that are into ICT, Telecommunications and related services.	Telecom, ICT and Banks	1%

Summary of State Taxes

List and brief description of State Taxes / duties applicable to individuals and Businesses operating in the State

Tax Type	Brief Description	Applicable to	Percentage
Withholding Tax	Taxes on unearned/investment income such as bank interest, dividends, rent and other varied incomes such as Professional fees, Consultancy fees, Contract payments etc.	Individuals only-according to their places/territory of residence	a)Rent-10% b)Bank Interest-5% c)Royalty-15% d)Professional fees, Management Fees, Consultancy Fees, Contract etc-5% e)Dividend-10%
Personal Income Tax	Taxes on earned income of individuals through a) Pay-As-You-Earn (PAYE) deductible by all employers of labor from current year salaries/emoluments of the employees and payable to relevant tax authority within 10 days of the end of every month. b) Direct Assessment of self-employed individuals who are duty bound to furnish tax authority with information about their income from all sources in the preceeding year within the first 90 days of the year with a view to ensuring equitable tax assessment.	This is applicable to all people that reside in Oyo State.	Progressive tax rate in line with Personal Tax (Amendment) Act 2011 1 st -300,000@7% Next-300,000@11% Next-500,000@15% Next500,000@19% Above 3,200,000@24% Subject to minimum tax payment of 1% where tax due after granting of relief/ allowance is less than 1%
Stamp duty	Stamp duty of transaction documents/receipts/instruments of individuals only.	Individuals only	3% of consideration or government prevailing templates value whichever is higher. While power of attorney and Certificate of Occupancy (C of O) have fixed rate of N1,000

Capital Gains	Taxes arising from the gains on disposal of assets by individuals and sole traders. The gain is the disposal value less cost of acquisition and incidental cost.	Individuals only	Tax rate is 10% on capital gains
Hotel Occupancy and Restaurant Consumption tax	Taxes levied on goods and services consumed in hotels, restaurants and event centers (Event center includes halls, auditorium, field and places designated for public use.)	Corporate/Non-Corporate individuals	5% of total bills issued in respect of facilities, consumable or personal services to a consumer(excluding VAT)
Road Tax	Taxes payable by all road users e.g. a) Vehicle registration with number plate; b) Learners' permit c) Issuance and renewal of Drivers' License etc. d) Vehicle License etc.	Individuals only-irrespective of their place/state of residence	Joint Tax Board (JTB) Approved Rates/Fees as amended to date.
Pool Betting & Lotteries, gaming and Casino Taxes	Taxes charged on gaming activities e.g. lotto, Pools & betting, slot gaming and on-line betting.	Individuals and corporate bodies.	Varied rates a) Lotto 5% on monthly sales b) Pools-N20,000 fixed weekly value c) Slot gaming-N10,000 fixed annual value per operating machine d) On-Line sport betting –N200,000 fixed monthly value
Development Levy (under construction)	Flat rate of N250 per head on monthly basis, this is yet to be implemented.	Individuals only	Flat rate of not more than N250 on monthly basis applicable on all taxable individuals in

			the state.
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Summary of Local Government Taxes

List and brief description of State Taxes / duties applicable to individuals and Businesses operating in each local government in the state.

Tax Type	Brief Description	Applicable to	Percentage
Shops and Kiosks rates	Charged on the operation of shops/kiosks monthly	Shop owners	
Tenement Rates	Charged on property situated in the Local Government Area	Property owners/residents	88.3%
On and off liquor license fees	Charged on selling of Alcohol & Beer drinks	Factory owners	
Slaughter slab fees	Charged on the slaughtering premises	Abattoir/Slaughter slab owners	
Marriage/Divorce fee	Charged on solemnized marriages at Local Government Registry.	Couples registered for marriage solemnization in the Local Government Registry.	28.7%
Death Registration/Burial fee	Charged on Death certificate issued and burial premises	The Next of kin to the deceased.	
Birth Registration fee	Charged on issued of Birth Certificate & maternity	The parent of the baby	
Contractor Registration fees	Charged on the contractors resides in the Local Government Area.	Contractors registered.	
Business/Trade operating fees	Charged on the Business operation in the Local Government Area.	The Business owners	
Street Naming	Charged on the name of the street within the Local Government coverage.	Street name owners	5.16%

Identification and Oath fees	Charged on Oaths and Identification certificates of Local Government Origin issued	A name of the Local Government applied for it	90%
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Summary of Tax Allowances granted by the Federal Government

Relief	Description	Purpose	Rate
Commonwealth Tax Relief	Tax granted to a Taxpayer to reduce the tax paid or payable in Nigeria on the part of his income which is liable to tax in Nigeria and any Country within Commonwealth	To encourage investment from commonwealth countries	Commonwealth tax rate is determined by dividing the commonwealth income
Pioneer Status Exemption	Privilege position conferred on Companies certain incentives available under the industrial development (income Tax Relief) Act	To encourage investment in cultivation, processing, preservation of crops, diary production, iron and steel, oil palm plantation and vehicle manufacturers.	-3 years in first instance, additional 2 years -10 years by statute e.g. manufacturers of gas LNG Limited
Export Processing Zones Relief (under construction)	Duty and Tax free import of raw materials for good and services destined for re-export	To encourage Companies in production and processing of good and services for exportation	100% for the first consecutive assessment year provided that: - is 100% export oriented - the produce and export articles during relevant years and proceed from 75% of its turnover -repatriates at least 75% of export earning to Nigeria and place in a domiciliary account in any registered & licensed Bank
Investment	(1) Allowance given to reduce taxable profit of	Plantation and vehicle	

Allowances	<p>those in agricultural business in respect of qualifying expenditure incurred in plant & machineries used in business.</p> <p>(2) Tax incentives granted by Tax authorities to taxpayers whose business is located in rural areas where certain facilities such as electricity, telephone are lacking.</p>	manufacturers.	
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Sources:

Federal Internal Revenue Services

Oyo State Internal Revenue Services

Ministry of Local Government and Chieftaincy Affairs