



CROSS RIVER STATE INVESTMENT PROMOTION BUREAU FEDERAL AND STATE INVESTMENT INCENTIVES

CROSS RIVER STATE INVESTMENT INCENTIVES INVENTORY (FEDERAL AND STATE)

SN	The name or title of the incentive measure	Description of Incentive Benefits	Year Incentive Introduced	The name of the legal document / legal reference instrument	Incentive Duration or Mode	Sector	Federal level / State Level	Implementing Agency or Competent Authority	Eligibility or Qualification criteria (description)	Awarding Agency or Authority in charge of allocation (title)
1	Pioneer status incentive	Under IDITRA, companies engaged in industries/products approved as 'pioneer industries/products' shall be (a) granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of two years (Section 10(2)(a)(b) IDITRA); (b) exempted from paying tax on dividends paid by the pioneer company during the pioneer period to the extent that they are paid out of income exempted from tax (Section 17(3) IDITRA); and (c) the loss incurred during the tax relief period is also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax-exempt period.	2011	Section 10 and 17 of the Supplement to Official Gazette No. 5, Vol. 51, 9th January, 1964—Part B. LN.2 of, 1964” ee 4 oo Lg INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT J (CAP. 87) Industrial Development (Income. Tax Relief) (Yeast) Order, 1964	Tax Holiday for 3years	Industrial Development	Federal	Nigerian Investment Promotion Commission -Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment Federal Inland Revenue Service	i. applications must be made within the first year of operational activities. ii. applicant must be engaged in activities listed as pioneer industry or product. Kindly refer to the qualified list of industries and products on NIPC’s website. iii. a noncurrent tangible asset of over one hundred million naira (N100 million) shall be deemed as satisfiable. iv. applicant must demonstrate the tangible impact its activity (project) will have on Nigeria’s economic diversity and growth, industrial and sectoral	- Nigerian Investment Promotion Commission - Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment - Federal Inland Revenue Service

									development, employment, skills and technology transfer, export development and import substitution. v. applicant must provide evidence of all required legal and regulatory compliance documentation vi. applicant must make full payment of fees promptly, when due. vii. during the pioneer period, a performance report must be submitted to NIPC annually for monitoring and evaluation purposes. Application guidelines available on NIPC website	
2	Rural investment allowance	Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the appropriate rate as follows: No facilities at all 100% No water 30% No electricity 50% No tarred road 15%	2007	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Relief	N/A	Federal	Federal Inland Revenue Service	i. the company must be located at least 20 kilometres away from such facilities provided by the government; ii. cannot be enjoyed if already enjoyed provision of Section 32: Reconstruction investment allowance; iii. allowance can only be applied against the profit of the year in which such investment (facility) was completed.	Federal Inland Revenue Service

3	Gas utilization: Investment allowance	For companies in gas utilization (downstream operations), an additional investment allowance of 35% (which shall not reduce the value of the asset) is allowed, as an alternative to the initial tax-free period granted	2007	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Exemption	Natural Gas	Federal	Federal Inland Revenue Service	A company which claims the incentive shall not also claim the tax-free dividend during the tax-free period	Federal Inland Revenue Service
4	Value Added Tax Exempt on Unprocessed Food items	Outright exemption from VAT for any unprocessed staple food item, whether or not it is packaged. This, to FIRS, means that for a food item to be exempted from VAT, it must be a staple food item, and it must be unprocessed. Staple food is food that can be easily stored, and eaten throughout the year by a dominant part of a population. They include carbohydrates, wheat, barley, rice, potatoes, tinned food, milk, and things that do not need to be refrigerated.	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Tax Exemption with no time limit	Food production	Federal	Federal Inland Revenue Service	To be eligible, <ul style="list-style-type: none"> i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria 	Federal Inland Revenue Service

			1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Tax Exemption with no time limit	Medical and Pharmaceutical	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or	Federal Inland Revenue Service
5	Value Added Tax Exempt on all medical and pharmaceutical products.	Outright exemption from VAT for all medical and pharmaceutical products							ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	
6	Value Added Tax Exempt on all Baby Products	Outright exemption from VAT for all Baby Products	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Tax Exemption with no time limit	Baby products	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Federal Inland Revenue Service

7	VAT exempted on the other goods	<p>VAT Act list the following goods exempted from VAT; (a) Books and educational materials, (b) Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment; (c) All exports; (d) Plants and machinery imported for use in Export Processing Zones; (e) Plants, machinery and equipment purchased for utilization in gas downstream petroleum operations; and (f) Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.</p>	1993	<p>VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]</p>	Tax Exemption with no time limit	N/A	Federal	Federal Inland Revenue Service	<p>To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria</p>	Federal Inland Revenue Service
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8	VAT exempted on the specific services	VAT Act list the following services exempted from VAT; 1.	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Tax Exemption with no time limit	N/A	Federal	Federal Inland Revenue Service	To be eligible, i. If the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service, ii. Irrespective of the jurisdiction of origin of the service, where the services is rendered to a person physically present in Nigeria at the time the service is rendered, or the service is consumed in Nigeria or whether or not the legal or contractual obligation	Federal Inland Revenue Service
									to render such service rests on a person within or outside Nigeria, or iii. The service is connected with existing immovable property (including the services of agents, experts, engineers, architects, valuers, etc.); where the property is located in Nigeria. iv. it can be inferred from information provided that the consumers usual place of residence is Nigeria;	

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9	Enhanced capital allowance (tax depreciation) regime	(a) 95% capital allowance is enjoyed in the year a qualifying expenditure is incurred pursuant to Paragraph 24 Table 1 & 2 Second Schedule of CITA (b) Companies engaged in wholly agricultural activities are entitled to unrestricted capital allowances pursuant to Paragraph 24 (7) CITA (c) Companies engaged in wholly agricultural activities are entitled to carry forward unutilized capital allowances indefinitely.	2007	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Year of qualifying expenditure	Agriculture	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on Agriculture	Ministry of Agriculture and Rural Development

10	Exemption from minimum Corporate Tax	Section 33(3) a CITA, exempts the income of a company carrying on agricultural trade from payment of minimum tax	2007	COMP NI S INCOME TAX ACT An Act to on solidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Tax Exemption with no time limit	Agriculture	Federal	Federal Inland Revenue Service	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT Section 33(3) and explained in Section 11(4)[Substituted by Finance Act, 2020 s. 6(b)(ii)] Explaining agricultural products to include (a) primary crop production comprising the production of raw crops of all kinds, but excluding any intermediate or final processing of crops or any other associated manufactured or derivative crop product; (b) primary livestock production comprising the production of live animals and their direct produce such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other associated manufactured or derivative livestock product; (c) primary forestry production comprising the production of timbers of various kinds such as firewood, charcoal, uncultivated materials gathered and other forestry products of all kinds, including seeds and saplings, but	ed a Ministry of Agriculture and Rural Development
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									excluding the intermediate and final processing of timber and any other manufactured or derivative timber product; and ^(d) primary fishing production comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any other manufactured or derivative fish product.”	
11	Company Income Tax exemption for Solid Mineral mining	Section 36 Company Income Tax Act provides that a new company going into the mining of solid minerals shall be exempt from tax for the first three years of its operation.	2004	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Tax exemption for first 3years	Solid Minerals	Federal	Federal Inland Revenue Service	The law specifies in which cases investors are exempted	Federal Inland Revenue Service

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95% accelerated capital allowance	Second Schedule CITA provides accelerated capital allowance at 95% of qualified capital expenditure on Mining in the first year of use of the asset.		COMP NI S INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of	First year of use of asset	Solid Minerals	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on mining	ede al Inland Revenue Service
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			commencement: 1st April, 1977]						
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13	25% of income in convertible currencies exempted from tax	Section 37 CITA allows twenty five percent of incomes in convertible currencies derived from tourists by a hotel shall be exempt from tax,.	2004	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Tax Exemption with no time limit	Tourism/ Hospitality	Federal	Federal Inland Revenue Service	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT states that such income is put in a reserved fund to be utilized within five years for the building expansion of new hotels, conference centers and new facilities for the purpose of tourism development.	Federal Ministry of Information and Culture (Nigerian Tourism Development Corporation)
14	Investment Land Incentive	Part V No. 17 of the Cross River State Investment Promotion Bureau Law empowers the Bureau in consultation with other Government Ministries, Departments and Agencies to negotiate specific incentive packages for the promotion of such investment	2007	Part V No. 17 of the Cross River State Investment Promotion Bureau Law 2007	i. Allocation of free land for Large Investors (N5 Billion and Above Investment) Investment)	All Sectors	State	Cross River Investment Promotion Bureau Cross River State Ministry of Lands	-i. Applicants must submit a comprehensive investment project plan detailing the benefits to state government especially in the area of employment ii. Location of the project mostly in the less develop area of the state iii. Positive impact of the project in the state overall economy iv. Investment must be in tune of N5,000,000,000 (Five Billion Naira and above) v. Applicant must be willing to express above promise through signing a binding Agreement with State Government	Cross River Investment Promotion Bureau - Cross River State Ministry of Lands
15	Waiver on Annual Ground Rent	Waiver is granted on annual ground rent to new Investors at the beginning of the business (for one year)	2022	Land Use Act	After one year of payment of Land Statutory fees	All Sectors	State	Cross River State Ministry of Lands	Conditions, manner and procedure of exercising this exemption is covered by the Land Use Act	Cross River State Ministry of Lands

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