



CROSS RIVER STATE OF NIGERIA

LAW NO. 8 (2023)

A Law to provide for the levying, collection, and administration of presumptive tax in cross river state and for connected purposes.

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CROSS RIVER STATE OF NIGERIA

LAW NO.8 (2023)

A Law to provide for the levying, collection, and administration of presumptive tax in Cross River State and for connected purposes. Long Title.

() Commencement.

The Cross River State House of Assembly enacts as follows - Enactment.

PART 1
IMPOSITION OF PRESUMPTIVE TAX, OBJECTIVES AND SCOPE

1. From the commencement of this Law and subject to the provision of Section 24(f) of the 1999 Constitution of the Federal Republic of Nigeria and Section 36(6) of the Personal Income Tax Act 2004 (as altered), there is hereby established a presumptive tax regime, to be called "The Cross River State Presumptive Tax Regime", which shall be used and applied for the assessment of tax payable annually by persons who cannot ascertain their income or keep their financial records in a proper manner that will enable accurate assessment of their annual income. Imposition of presumptive tax.

2. To encourage all taxable adults who undertake diverse forms of business in the informal sector to be captured in the State tax net for purpose of streamlining and monitoring their businesses, and to assist them to keep and maintain basic financial records towards identifying what taxes are applicable to them, thereby reducing the burden of multiple taxation. Objectives.

3. This Law shall apply to taxable persons in the informal sector who do not keep proper records of their business transactions or where such records are not kept in a manner that the taxable income could be ascertained. Scope.

PART II
PERSONS TO WHOM THIS LAW IS APPLICABLE, EXIT FROM PRESUMPTIVE TAX AND DISQUALIFIED PERSONS

4. Taxable persons under Presumptive Tax Regime include - Persons to whom the law is applicable
(a) Persons taxable under the Personal Income Tax Act

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2.

who do not keep proper records or whose taxable income cannot be ascertained;

(b) the personal income tax of Business categories in the informal sector to be administered under this Law shall be as listed in the Third schedule to this Law, though not limited to the items on the schedule; or

(c) the list in the Third Schedule referred to in paragraph (b) of this section may be reviewed by a resolution of the Cross River State House of Assembly upon recommendation of the Executive Chairman of the Internal Revenue Service.

Exit from presumptive tax.

5. (1) The Service shall encourage taxable persons to keep some form of records for the purpose of determining their income, in order to exit from the presumptive income tax regime and be assessed under the Personal Income Tax Act.

(2) A taxable person under the presumptive income tax regime may voluntarily exit and file the requisite tax returns and be assessed accordingly under the relevant revenue laws.

(3) Where the Service discovers based on available records or any other valid record or information that the taxable person ought to have been assessed other than under the presumptive income tax regime, such taxable person shall be assessed as appropriate.

Persons not eligible under this Tax Regime.

6. All persons providing Professional, Technical, Consultancy or Management Services as defined under the interpretation Section of this law are not eligible to be assessed under the presumptive tax regime.

PART III

MODE OF FILING TAX RETURNS, PAYMENT OF TAX

Mode of filing tax returns.

7. (1) The Taxpayer shall complete a tax return form on or before the 30th of March every year with the relevant Tax Authority.

(2) The tax return shall be rendered in the form prescribed by the relevant Tax Authority and where necessary, a Tax Official shall



assist the taxpayer in filling the form.

(3) The taxpayer who does not earn income shall be expected to file a NIL return for that period.

(4) Taxpayer shall be encouraged by relevant Tax Authority to keep records of his (daily) transactions.

(5) The taxpayer who keeps records and files Returns at the due date under this Law shall be granted a bonus deduction of 1% of the tax payable.

8. (1) Payment shall be made on or before 31st March every year into a designated revenue account of government as shall be advised by the Cross River State Internal Revenue Service. Mode of payment of tax.

(2) The mode and the procedures for payment shall be in the manner prescribed by the Internal Revenue Service.

(3) The Tax due shall be in accordance with the category of Businesses contained in the table attached as Schedule 3 to this Law.


PART 1V

ADMINISTRATION OF THE TAX REGIME, ADMINISTRATIVE SETTLEMENT, JUDICIAL REVIEW AND POWER TO ADJUDICATE

9. (1) The administration of the Tax shall be the responsibility of the Cross River State Internal Revenue Service. Tax Administration.

(2) The Internal Revenue Service (IRS) shall design forms for the purpose of administration of the Tax Regime, using the forms in Schedule 1 (registration forms) and Schedule 2 (returns Forms) as appropriate.

(3) The Internal Revenue Service may verify/monitor the activities of a taxpayer for the purpose of charging such person to the tax.



4.

(4) The Internal Revenue Service may carry out investigation or audit in respect of a person for the purpose of charging such person an appropriate amount of tax based on the level of business activities established.

(5) Any taxpayer that disagrees with an assessment may make an objection to the Internal Revenue Service within 30 days of the assessment; The taxpayer shall clearly state reasons for the objection and provide relevant documents to support any claim to enable the relevant Tax Authority to review and reach a decision.

(6) Where the Internal Revenue Service affirms the assessment or reviews same, the decision shall be conveyed to the taxpayer and shall be given a minimum of 30 days to pay the assessed tax.

(7) Where the taxpayer is not satisfied with the decision of the Internal Revenue Service, such a person may appeal to the Magistrate Court or any other Court charged with Revenue matters within 30 days of receipt of the letter of notification referred to in subsection (6) of this Section.

Power to
adjudicate.

10. A Magistrate Court or any Court designated by the Chief Judge to hear and determine revenue matters shall have jurisdiction to hear and determine matters under this Law or matters connected to issues related to this Law.

Demand
Notice.

11. (1) The Internal Revenue Service shall, through any of its officers or authorized agents issue and serve a Demand Notice in respect of any tax on any taxable person assessed under the Regime on a yearly basis.

(2) Demand Notice issued under subsection (1) of this section, shall be served by physical delivery or via electronic means to the taxable person involved or a member of his household, an occupier of the building in which the taxable person carries on his business or its Head Office or any of its affiliates, and such service shall be deemed good, effective and proper.



5.

(3) The Demand Notice shall specify the period within which the tax should be paid as well as contain other necessary information.

(4) The Demand Notice may be requested by any person liable to pay the tax.

12. (1) A taxable person under this Law, who fails to comply with the provisions of this Law, shall be assessed under Personal Income Tax Act (PITA) or other relevant tax laws as may be applicable.

Offences
and
Penalties for
Non-
Compliance

(2) A taxable person who fails or neglects to file tax returns after the due date as specified in Part III of this Law shall be liable to a penalty as prescribed under PITA 2004 (as amended).

(3) A taxable person under this Law who fails or neglects to make payment of the tax due, commits an offence and shall be liable upon conviction to a fine equivalent to the amount specified in the Demand Notice in addition to payment of the outstanding liability representing the assessed sum.

(4) Any taxable person who exhibits obstructive conducts or fails to cooperate with any official of the Tax Authority in the course of the discharge of his duties under this law commits an offence under this Law.

(5) A person convicted of obstruction under subsection (4) of this Section shall be assessed based on Best of Judgment as prescribed under the Personal Income Tax Act, 2004 (as amended) and the Cross River State Revenue Administration Law 2011 as (as amended).

13. Once a taxpayer makes payment under the Presumptive Tax Regime, he cannot be made to pay any other Tax because the Presumptive Tax is a once and for all annual Tax.

Once and
for all annual
taxation.

PART V MISCELLANEOUS PROVISIONS

14. The Commissioner for the Ministry of Finance shall in conjunction with the Internal Revenue Service make Regulations for the proper and effective carrying out of the provisions of this

Power to
make
Regulations.



6.

Law and without prejudice to the generality of the foregoing, make Regulations with respect to all but not limited to the following –

- (a) fixing of and review of Rates subject to a resolution of the Cross River State House of Assembly;
- (b) for the purposes of carrying out or giving full effect to the provisions of this Law; and
- (c) for other incidental matters.

Repeal of Tax
Exemption
Law.

15. The Cross River State Tax Exemption Law No. 13 of 2015 and any Bye-law made by any Local Government Council that exempts any category or group of persons from payment of tax or matters incidental thereto are hereby repealed.

Interpretation. 16. In this Law:

“Activity for profit” means any activity that is entered into for gain or income excluding those activities registered as not for profit with the relevant tax authority.

“Assessment Period” means the period of twelve months commencing on the first day of January and ending on the 31st day of December in a relevant year;

“Due Date of Filing” means the date that the filing of tax returns and the payment of tax falls due as stated under Part III of this Law;

“Informal Sector Businesses” means businesses carried out in an unstructured manner, where for all practical purposes, the income of a taxpayer cannot be ascertained or records are not kept in such manner as would enable proper assessment of income;

“Internal Revenue Service” means the Cross River State Internal Revenue Service;

“NIL Returns” means returns filed when the taxpayer has not earned income for an assessment period;



"Person" means individuals that are taxable under this Law;

"Presumptive Tax" means personal income tax on individuals, as specified under the Personal Income Tax Act where it is not possible or practicable to ascertain the income of the taxpayer, and records are not kept in such a manner as would enable proper assessment of income;

"Professional, Technical, Consultancy or Management Services" for the purpose of this Law, means services requiring specialized knowledge and skills usually of a mental or intellectual nature and usually requiring a licence, certification or registration. This include but not limited to Legal Services, Medical Services, Accountants, Tax Practitioners, Engineers, Architects, ICT Services, Surveyors, Educationist;

"Relevant Tax Authority" or "Tax Authority" means Cross River State Internal Revenue Service and Local Government Revenue Committee that have authority to assess a taxpayer within the taxpayer's place of residence;

"Returns" means tax computation by a taxable person filed with the relevant tax authority for an assessment period;

"Taxable Person" means any individual or body of individuals (including any corporation, sole trustee or executors) having any income which is chargeable to tax under this Law;

"Maximum" in relation to tax table in the Third Schedule means persons carrying on high economic activities as will be determined by the Cross River Internal Revenue Service;

"Medium" in relation to tax table in the Third Schedule means persons carrying on medium economic activities as will be determined by the Cross River Internal Revenue Service;

"Minimum" in relation to tax table in the Third Schedule means persons carrying on low economic activities as will be determined by the Cross River Internal Revenue Service.

17. This Law may be cited as the Cross River State Presumptive Tax Law, 2023 and shall come into force on the.....day of....., 2023.

Short Title/
Commencement



8.

FIRST SCHEDULE

PRESUMPTIVE TAX REGISTRATION FORM

Made pursuant to Section 9 (2) of the Cross River State Presumptive Tax Law, 2023

Instructions: All information should be filled in ink and capital letters; no abbreviation is allowed.

1. Name of Taxpayer/Registered Name:.....
2. Nationality:.....
3. Residential Address:.....
4. Phone No.....
5. Business Name (if any).....
6. Business Type:.....
7. Registered Business Name/Business Name Registration Number:
.....
8. BVN Number:.....
9. Means of Identification:.....
10. Taxpayer Identification No. (TIN):.....

11.

Signature/Thumbprint & Date of Registration



SECOND SCHEDULE

PRESUMPTIVE TAX RETURNS FORM

Made pursuant to Section 9(2) of the Cross River State Presumptive Tax law, 2003.

For self Employed individuals, Enterprises and those engaged in trades (To be submitted at the Cross River Internal Revenue Service).

Instructions: All information should be filled in ink and capital letters; no abbreviation is allowed. Entries should not spill to neighbouring block.

- 1. Name of Taxpayer/Registered Name:.....
- 2.
- 3. Tax Number (TIN):.....
- 4. Residential Address:.....
.....
- 5. Business/Trade Address:.....
.....
- 6. Nature of Business:.....
- 7. Phone No:.....
- 8. NIN or BVN Number:.....
- 9. Assessment Year:.....
- 10. Sales for the Period:.....
- 11. Tax Rate:.....
- 12. Tax Due:.....

Signature/Thumbprint & Date of Registration



10.

THIRD SCHEDULE

FOR OFFICE USE

PERIOD OF FILING	DUE DATE	DATE FILED
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PRESUMPTIVE TAX TABLE

S/N	TRADE/BUSINESS	CATEGORY OF TRADE/ BUSINESS		
		MINIMUM	MEDIUM	MAXIMUM
1.	Auctioneers	10,000.00	30,000.00	50,000.00
2.	Bakeries with mud/firewood oven	2,500.00	5,000.00	8,000.00
3.	Bicycle Repairers	1,500.00	3,250.00	5,000.00
4.	Black/Gold Smiths	1,500.00	3,250.00	5,000.00
5.	Block making Industries	3,500.00	14,250.00	25,000.00
6.	Block making Industries with Electric Machine	10,000.00	42,500.00	75,000.00
7.	Block making Industries with small Machine	5,000.00	32,500.00	60,000.00
8.	Bookshops' staff	1,500.00	3,250.00	5,000.00
9.	Bricklayers	1,500.00	3,250.00	5,000.00
10.	Butchers	3,000.00	9,000.00	15,000.00
11.	Car Wash	3,000.00	11,500.00	20,000.00
12.	Casino Operators	15,000.00	32,500.00	50,000.00
13.	Clock and Watch Repairers	1,000.00	2,000.00	5,000.00
14.	Clock and Watch Sellers	3,000.00	11,500.00	20,000.00
15.	Clothing Materials	1,500.00	5,750.00	10,000.00
16.	Cobblers	1,000.00	1,500.00	2,000.00
17.	Commercial Lorry, Bus, Mini bus Owners(per Lorry/mini bus)	5,000.00	8,000.00	10,000.00
18.	Culvert/Well Ring Maker	5,000.00	17,500.00	30,000.00



19.	Curtain & Interior Decorator	5,000.00	22,500.00	11 40,000.00
20.	Doors Sellers	5,000.00	12,500.00	20,000.00
21.	Draughtsman	10,000.00	25,000.00	40,000.00
22.	Drivers	3,000.00	5,500.00	8,000.00
23.	Dry Cleaners	2,000.00	13,500.00	25,000.00
24.	Electrical parts & fittings	3,000.00	21,500.00	40,000.00
25.	Electricians	1,000.00	3,000.00	5,000.00
26.	Entrepreneurs	3,000.00	5,000.00	50,000.00
27.	Fashion designers	1,500.00	3,000.00	5,000.00
28.	Films & Cinemas Centers	20,000.00	40,000.00	60,000.00
29.	Gas Refilling Sellers	3,000.00	5,000.00	8,000.00
30.	Second hand Cloth Seller	3,000.00	5,000.00	8,000.00
31.	General contractor	20,000.00	60,000.00	100,000.00
32.	Grinding Mills	1,000.00	2,500.00	5,000.00
33.	Imitation Jeweler sellers	500.00	2,000.00	3,000.00
34.	Interior Decorators	1,000.00	3,000.00	5,000.00
35.	Iron Benders/Welders	500.00	3,000.00	5,000.00
36.	Land Lord - Residential	500.00	2,500.00	5,000.00
37.	Licensed Merchant	5,000.00	8,500.00	10,000.00
38.	Maternity Private Proprietors	1,000.00	5,000.00	8,000.00
39.	Meat Sellers	1,500.00	2,000.00	5,000.00
40.	Mechanized Farms	5,000.00	8,500.00	10,000.00
41.	Mobile Phone Distributors	5,000.00	10,000.00	15,000.00
42.	Money Lenders	10,000.00	30,000.00	50,000.00
43.	Motor Cycle Dealers	5,000.00	8,000.00	10,000.00
44.	Motor Cycle Mechanics	500.00	2,000.00	5,000.00
45.	Motor Mechanics	500.00	3,000.00	5,000.00



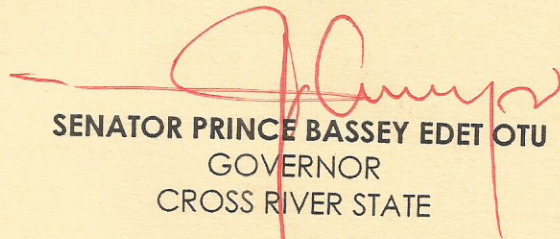
12	Panel Beaters & Sprayers			
46.	Motor/cooking Gas Refills	500.00	5,000.00	8,000.00
47.	Musicians	1,000.00	5,000.00	150,000.00
48.	Painters and Decorators	1,000.00	3,000.00	5,000.00
49.	Palm Oil Millers	1,000.00	5,000.00	10,000.00
50.	Petroleum Products (Kerosene)	1,000.00	3,000.00	5,000.00
51.	Photo Color Laboratories	1,000.00	2,500.00	5,000.00
52.	Photographers	500.00	1,500.00	3,000.00
53.	Plastic Rubbers	1,000.00	2,000.00	5,000.00
54.	Plumbers	1,000.00	5,000.00	10,000.00
55.	Piggery	1,000.00	3,000.00	5,000.00
56.	Produce Buyers	1,000.00	2,500.00	5,000.00
57.	Pure water Producers	3,000.00	8,500.00	10,000.00
58.	Raw Food Sellers	1,000.00	2,000.00	5,000.00
59.	Refuse Collection	2,000.00	3,000.00	5,000.00
60.	Rentals	2,000.00	3,000.00	5,000.00
61.	Re-wires & Battery Charger	1,500.00	3,250.00	5,000.00
62.	Rugs & Carpets	4,000.00	29,500.00	8,000.00
63.	Sawmill Proprietors	15,000.00	5,000.00	50,000.00
64.	Shoe Makers	2,000.00	3,000.00	5,000.00
65.	Spare Part Dealers (Motor Cycle)	3,500.00	9,250.00	15,000.00
66.	Spare Part Dealers (Bicycle)	500.00	1,000.00	2,000.00
67.	Taxi & Motor Drivers	1,000.00	2,000.00	3,000.00
68.	Taxi owner (per Taxi Club)	1,000.00	2,000.00	5,000.00
69.	Thrift Collectors	3,000.00	11,500.00	20,000.00
70.	Video Clubs	1,000.00	3,000.00	5,000.00
71.	Vulcanizer	500.00	1,000.00	3,000.00
72.	Yoghurt Sellers	500.00	1,000.00	5,000.00

This printed impression has been carefully compared by me with the Law which has been passed by the Cross River State House of Assembly and found by me to be a true and correctly printed copy of the said Law.



AKIBA, DOMINIC
CLERK OF THE HOUSE

I assent



SENATOR PRINCE BASSEY EDET OTU
GOVERNOR
CROSS RIVER STATE

MADE AT Calabar this 29th day of DECEMBER 2023.