



IMO STATE OF NIGERIA
2016, LAW NO. 9

A Law to impose a tax to be called General Sales Tax on Specified Commodities and Services rendered for monetary gains or consideration in Imo State and for other related matters.

Long Title

BE IT ENACTED by the Imo State House of Assembly of Nigeria as follows:-

Enactment

1. This Law may be cited as the Imo State General Sales Tax Law, 2016.

Citation

2. In this law, unless the context otherwise requires –

Interpretation

“Board” means the Imo State Board of Internal Revenue;

“chargeable commodity” includes any of those commodities or services specified in the schedule to this law on which tax shall be imposed;

“Governor” means the Governor of Imo State of Nigeria;

“purchase of service” means purchase or acceptance of services rendered by any company or individual in respect of professional or skilled services as stated in sub section (1) of Section 3 of this law;

“State” means Imo State of Nigeria,

“State Government” means Imo State Government; and

“Tax” means the General Sales Tax imposed under Section 3 of this law;

- 3.(1) There shall be imposed in the State, a tax to be known as General Sales Tax on some commodities and services rendered as specified in the Schedule to this Law.
- (2) The tax shall be due from the purchaser or the consumer of the commodities and services referred to in subsection (1) of this Section and shall be collected, accounted for and remitted to the State's designated revenue account by a Company, Partnership or Individual within such time and in such manner as shall be prescribed in this Law.
- (3) The Tax shall be a debt due to the Government of the State and recoverable as such by the Head of the Board of Internal Revenue from any Company, Partnership or Individual whose duty shall be to collect, account for and remit the tax to the Government.
- (4) Daily records of the tax shall be kept and remitted monthly by the Company, Partnership or Individual to the State's designated revenue account on or before the tenth day of the month next following the month for which the tax is due.
- (5) The rate of tax imposed by this law shall be 5% of the total bill issued to the consumer or purchaser of a "Chargeable Commodity".
4. Any Company, Partnership or Individual carrying on or operating any of the professions or businesses specified in part 1 and part 2 of the Schedule to this Law shall register the business or profession with the Board of Internal Revenue within thirty days of the commencement of this Law by obtaining and completing an application form for Registration as shall be prescribed by the Board.
- 5.(1) On or before the tenth day of the month for which tax is due, the Company, Partnership or Individual shall deliver to the Head of the Board of Internal Revenue in such form as the Head of the Board of Internal Revenue may prescribe, a summary showing the

Impositional
General
Sales Tax

Records
kept

Rate

Registration
of profession
or business

Registration

Monthly
returns of
purchase

Due
Rate
J. Alor

General Sales Tax collected day by day with monthly summary of the total General Sales Tax collected for the previous month.

(2) Where a Company, Partnership or Individual engaged in the sale of the commodities or services specified in the schedule to this Law fails to deliver a statement or return as required within the period specified under sub-section (1) of this Section, the Head of the Board of Internal Revenue shall assess the total income of such Company, Partnership or Individual to the best of his judgment and determine the amount of tax payable by such defaulting Company, Partnership or Individual accordingly.

BOS

6. The Tax collectable at any time by any Company, Partnership or Individual under this Law shall be deemed to be an amount held in trust by the Company, Partnership or Individual for the State Government. The payment of the tax collected in the manner and at the time prescribed under this Law and the amount due shall, until paid, form a lien to be charged on the entire assets of the Company, Partnership or Individual within the State and shall have priority over all other claims of any person.

Liability of
payment of
Tax collected

7.(1) A Company, Partnership or Individual shall keep and maintain proper records, books and accounts in respect of sales and services rendered which attract General Sales Tax in the form and manner to be prescribed by the Board of Internal Revenue

Records to
be kept

(2) The Company, Partnership or Individual, if required to by the Board of Internal Revenue by notice in writing, shall produce for examination within such time as may be specified in the notice, the records, books and accounts referred to in sub-section (1) of this Section and any other documents relating to the sales and services rendered and tax collected thereon and shall at all reasonable times give all necessary facilities to any person authorized in that behalf by the Board of Internal Revenue to inspect, audit or to take copies of such records, books and accounts.

Examination
of records
and Audit

- (3) Any Company, Partnership or Individual liable to deduct General Sales Tax at source for all sales or services rendered shall issue a bill to the client to reflect the nature and amount charged for sales or services rendered and tax eligible.
- (4) Any Company, Partnership or Individual required by this Law to operate the General Sale Tax System in respect of his business or transactions shall maintain daily records with monthly summary as shall be in a form to be prescribed by the Board of Internal Revenue.
8. Any return, summary, statement or form purporting to be furnished under this Law by or on behalf of a Company, Partnership or Individual shall, for all purposes be deemed to have been furnished by the authority of the Company, Partnership or Individual unless the contrary is proved, and any person signing any such return, summary, statement or form shall be deemed to be cognizant of all matters therein.
9. (1) Where a Company, Partnership or Individual has failed to collect or remit tax or to make returns, summaries or statements, or any of its returns, summaries or statements are not substantiated by records, the Head of the Board of Internal Revenue may make an estimate of the amount of the tax the Company, Partnership or Individual failed to collect, or which the Company, Partnership or Individual collected but did not account for, and such estimated amount shall thereupon become due from the Company, Partnership or Individual to the State Government.
- (2) The Board of Internal Revenue shall give notice in writing either by registered post or personal service to the Company, Partnership or Individual, its successors or assigns, requiring that such estimated amount be paid to the Board of Internal Revenue or otherwise accounted for within twenty-one days from the date the notice is served and the Head of the Board of Internal Revenue shall further inform the Company, Partnership or Individual of its right under sub-section (4) of this Section.

Returns etc
deemed to
be furnished
with due
authorization

assessment based on estimate
The Board to
assess Tax
payable
where
company
etc., fails to
collect tax
from
customers or
client.

assessment based on estimate

time limit
for payment
of estimate
(21 days)
notice of
estimate

- (3) Proof that notice under subsection (2) of this Section has been given shall constitute Prima facie evidence that the amount stated therein is due and owed and the onus of proving otherwise shall rest on the Company, Partnership or Individual accountable for tax.
- (4) If the Company, Partnership or Individual disputes any such estimated amount, the Company, Partnership or Individual may inform the Board of Internal Revenue of its objection by notice to be served personally upon or sent by registered post to the Head of the Board of Internal Revenue within one month from the date of the service of the notice of the*estimated amount by the Board of Internal Revenue.
- (5) The Head of the Board of Internal Revenue after receiving the notice of objection referred to in subsection (4) of this section, may require the Company, Partnership or Individual to furnish such particulars as he considers necessary in respect to the estimated amount and to produce for inspection and examination all records, books, accounts documents or other materials in the custody of the Company, Partnership or Individual relating to the sales and services rendered in respect of which the estimated amount was made and may, by notice, summon any person who in the opinion of the Head of the Board of Internal Revenue is able to give evidence in respect of such services rendered, to appear before the Head of the Board of Internal Revenue.
- (6) If the Company, Partnership or Individual that had earlier objected to an estimated amount by the Board eventually agrees with the Board of Internal Revenue as to the amount of tax to be remitted, the estimated amount shall be amended accordingly to reflect the mutually agreed amount of tax remittable and notice of such amount shall be served on the Company, Partnership or Individual and that amount shall be paid to the Board of Internal Revenue within ten days of the said notice.
- (7) Where a Company, Partnership or Individual that objected to an estimated amount made under the subsection (1) of this Section fails to reach an agreement with the Head of the Board of Internal

letter of objection
30 days

Amended
Assessment
should be pd
within 10 days

1
of estimated

met
to
note
(5)
leaf

the Com

Revenue as to the amount of tax remittable, the Head of the Board of Internal Revenue shall -

- (a) give the Company, Partnership or Individual, notice of refusal to amend the estimated amount; or
- (b) revise the estimated amount according to his best of judgment and give the Company, Partnership or Individual notice of the tax remittable by reason of the revision.

*Notice
of refusal
to amend*

(8) The amount due as tax remittable to the State Government shall be paid to the State designated revenue account within ten days after the service of either of the notices specified under subsection (7) of this Section.

10(1) Any Company, Partnership or Individual that has been assessed to pay an estimated amount or a revised estimated amount of tax under the provisions of this Law and has failed to agree with the Board of Internal revenue in the manner provided by subsection (6) of Section 9 of this Law, may appeal to the High Court of the State against the estimated amount or revised estimated amount.

*Appeal to
High Court*

(2) No appeal shall be brought after the expiration of thirty days from the date of service of the notice of the refusal of the Head of the Board of Internal Revenue to amend an estimated amount as desired or to amend a revised estimated amount.

(3) The onus of proving that the estimated amount or the revised estimated amount complained of is excessive shall be on the appellant.

(4) The court may confirm, reduce or annul the estimated amount or make such other orders thereon as it may deem fit.

11(1) An appellant shall, within seven days from the date of the filing of the notice of appeal in the appropriate registry as required by Section 10 of this law, pay into the court, by way of security, a sum of money equal to the estimated amount or the revised estimated amount, which sum shall upon the determination of the appeal by the court be payable to the Board of Internal Revenue to the extent of the reduction or annulment of the estimated amount or revised estimated amount.

*Appellant to
pay into
court
security
pending
appeal*

(2) Where the appellant fails to pay the estimated amount or the revised amount into the court within the time prescribed in subsection (1) of this Section, the appeal shall be dismissed and the tax together with costs if any shall become due and payable on the date of the order dismissing the appeal.

12(1) Any Company, Partnership or Individual that contravenes or fails to comply with any of the provisions of this Law, or the director, manager or employee or agent of the Company, Partnership or Individual who, without reasonable excuse, does or omits to do anything as a party to such contravention or failure to comply, shall be guilty of an offence and shall be liable on conviction:-

*Offences
and
penalties*

(a) in the case of a company, to a fine of fifty thousand naira (N50,000) only for a first offence and a fine of one hundred thousand naira (N100,000) only for any second or subsequent offence;

(b) in the case of any other person, to a fine of thirty thousand naira (N30,000) only or imprisonment for six months for a first offence and a fine of fifty thousand naira (N50,000) only or imprisonment for twelve months for any second or subsequent offence or to both such fine and imprisonment.

(2) Any Company, its Director, Manager or any Partnership or Individual and their Employee or Agent that fails to comply with any requirements made upon it or him under the provisions of this

Law shall, in addition to any punishment inflicted upon it or him under subsection (1) of this section, incur:-

- (a) in the case of a company, a penalty of thirty thousand naira or if in consequence of such failure, any tax has been unpaid, underpaid, or undercharged, to an amount double the amount of such tax, whichever is higher;
 - (b) in the case of any other person, a penalty of twenty thousand naira.
- (3) It shall be an offence for any person not authorized by the Board of Internal Revenue to collect tax from a purchaser or consumer of a chargeable commodity.
- (4) Any person who contravenes the provisions of subsection (3) of this Section shall be guilty of an offence and liable on conviction to a fine of one hundred thousand naira (N100,000) only or to imprisonment for eighteen (18) months or to both such fine and imprisonment.
- (5) Any person who willfully attempts in any manner to evade payment of the General Sales Tax shall be guilty of an offence and liable on conviction to a fine of fifty thousand naira or imprisonment for one year.
- 13.(1) A Magistrate may, at any time on being satisfied by information upon oath that there is a reasonable ground for believing that any Company, Partnership or Individual is engaged in any of the businesses or professions stated in the Schedule to this Law and in respect of which tax payable has not been paid, issue a warrant under his hand authorizing any person appointed by the Head of the Board of Internal Revenue named therein to enter and search any building or place where the business or profession is believed to be situate and to make such inquiries as are deemed necessary and such person shall produce for inspection by the person named under the warrant, the accounts, records or documents of the business or profession in his possession and answer any questions relating thereto.

*Magistrate
may issue
Search
Warrant*

(2) Any person who refuses to answer any questions put to him under subsection (1) of this Section in respect of the operations of the business or profession or who fails to produce for inspection any books of account, records or documents or anything under his control that he is required to produce for purposes of inspection shall be guilty of an offence and liable on conviction to a fine of fifty thousand naira or imprisonment for six months or both such fine and imprisonment.

failure to produce books, records & documents fine N50,000 or imprisonment for 6 months or both

14.(1) Hostels built by Government for students' accommodation or any other Institutional Hostel not in the nature of hotel business shall be exempted from the General Sales Tax.

Exemptions

(2) The Government may exempt any company, person or class of persons from the payment of the General Sales Tax under this Law.

15.(1) The board of Internal Revenue shall make Regulations providing for any matter for the purposes of giving effect to the provisions of this Law.

Power to make regulations

(2) The Board of Internal Revenue shall in addition to making Regulations as specified in Subsection (1) of this Section, prescribe acceptable specimen forms, bills and notices to be used as Application for Registration, Bill for General Sales Tax, General Sales Tax Demand Notice and any other form, bill or notice that may be required for the purpose of giving effect to the provisions of this Law.

16. The purchase Tax on Hotel and Catering Services Law No.6 of 1981 and the purchase Tax on Hotel and Catering Services (Amendment) Law No.7 of 1983 are hereby repealed.

Repeal of Law No.6 of 1981 and Law No.7 of 1983

*Magistrate
issue
warrant*

SCHEDULE

(SECTION 3(1) and SECTION 4)

PART I

TAXABLE GOODS AND RATES OF TAX THEREON

S/No.	Taxable Goods	Rate %
1.	Beer	5
2.	Wine, liquor and Spirits.....	5
3.	Cigarettes and Tobacco	5
4.	Jewels and Jewelries	5
5.	Perfumes and Cosmetics	5
6.	Electrical and Electronics equipment, including (compact disc, video recorders, home videos, cell phones, stereo sets, radio and television sets, video cassettes, cameras, air-conditioners, fans, toasters, sandwich makers, computers and other information technology devices, micro-waves, ovens, deep freezers, floppy disks, computer games, decoders, printers, scanners, consumables	5
7.	Carpets and rugs (excluding linoleum)	5
8.	Building materials such as fancy door knobs, including those made of brass, chrome and the gold plated ones; Acoustic ceilings; Granite including polished granite; Ceramics and marble,	5

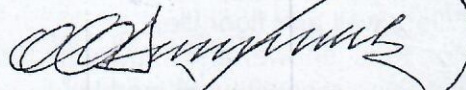
	Chandeliers, Bath tubs, wash hand basins, cornices and Jacuzzis; All glasses except louvers, Ceramic tiles, wall and floor tiles; Gold plated taps, shower and shower heads; Marble including reconstituted marble; Specialised flooring materials e.g. parquet timber flooring; Double glazed windows and reflective solar glass; Mosaic tiles including glazed and unglazed; Bullet proof doors and wall finishes, All types of false ceilings e.g. fissure boards and fibres; All types of fancy lights and lamps including external fancy lights; Doric/columns of woods, gypsum (P.O.P) and plastic mouldings.	
9.	Interior decoration items, including wall papers, etc.	5
10.	Furniture, furnishing accessories	5

PART II

TAXABLE SERVICES AND RATE OF TAX THEREON

S/No.	Taxable Services	Rate %
A.	Sales and Services in Hotels, Motels, Event Centres, Catering establishments, Restaurants, Guest houses, Inns and similar institutions providing lodging, catering, laundry and other ancillary services.	5

This printed impression has been carefully compared by me with the Bill which has been passed by the House of Assembly and found by me to be a true and correct printed copy of the said Bill.


BARR. CHRISTOPHER O. DURU
Clerk of the House of Assembly
Imo State of Nigeria

Assented to by me this 8th day of JUNE, 2016



~~OWELLE ANAYO ROCHAS OKOROCHA, OON
Governor
Imo State of Nigeria~~

Assent withheld by me this day of, 2016

OWELLE ANAYO ROCHAS OKOROCHA, OON
Governor
Imo State of Nigeria

Passed again by the Imo House of Assembly by two-thirds majority this
Day of, 2016.



RT. HON. IHIM IHEANACHO CELESTINE
Speaker
Imo State House of Assembly