

QUESTIONNAIRE FOR COMPLETING INFORMATION SHEETS FOR QUARTER 1 (JANUARY-MARCH 2016) THAT FEED INTO THE NGF IGR DASHBOARD

Background

You will recall in November 2015 your State participated in the NGR IGR Peer learning event. At that event you will recall that the delegates from your State completed an IGR Matrix, showing your State's Status at that time with the colours representing whether you felt you were; Weak (Red), Fair (Amber/Yellow) or Good (Green) under a number of headings.

The main headings were:

- I. TAX ADMINISTRATION
 - A. Organisation and Industrial Arrangements
 - B. Tax Procedures (Registration, filing, assessment and payment)
 - C. Tax Enforcement
- II. TAX POLICY
 - A. Tax Base
 - B. Double Taxation between States and LGAs
- III. USER CHARGES FOR PUBLIC SERVICES
(E.g. water, sewage, education, health)

You also completed an action plan to drive IGR reforms in your State.

The following Questionnaire is intended to follow-up on that event in November 2015 and highlight at the end of Quarter 1 of 2016 what progress has been made, issues encountered and the current state of your action plan. (Actions completed, in progress, abandoned, or introduced).

Any particular success should also be shared.

On the IGR statistics if you have not already sent your State's data to the Joint Tax Board, please complete Annex A.

On the following pages you will find questions under each of the headings you reviewed and used to show your status. Please consider and answer these heading while using the information to make an assessment of your current status to update your rating. (Red; Amber/Yellow and Green)

1. State's IGR Data

Please complete Annex 1 where data for Quarter 1 2016 has not already been supplied to Joint Tax Board. It is important that this is broken down under each heading of tax as the analysis of your collections in each category will help understand your performance and the improvements/gaps that need to be addressed.

2: Innovative Measures by and Experience of State on IGR:

Where you have introduced any innovative measures or had any experiences that were not previously highlighted or which you embarked upon following exchanges at the NGF Peer learning Event in November 2015. If you please respond to the guidance questions in Annex 2.

I. TAX ADMINISTRATION

A. Organisational and Institutional Arrangements

1	Is there an Executive Body responsible for formulating IGR policy and outcomes on a regular basis? - if yes what is the name of the Executive Body?
2	How often does this Executive Body meet and who chairs it? (<i>This aims to understand the level of executive commitment to IGR policy repositioning</i>)
3	Any new policy pronouncements from the body in the last six months?
4	Is there a body that oversees the SBIR and to whom it reports?
5	How regularly does the BIR submit written report to such supervisory agency?

1. Availability and sufficiency of IRS budget

1	Is there a law recognising SBIR as an Autonomous Revenue Service in the State
2	How is the BIR funded? Please specify whether the BIR is self-accounting (i.e. takes its expenses off whatever it collects first and remits the rest to government) or it is included in the State Appropriation budget? If none of the above two applies, please describe how the BIR is funded.
3	If the BIR is funded as part of budget, is it a first line charge item?
4	How adequate is funding to the BIR? Adequacy is defined in terms of continuous growth in the funds available to the BIR, not only to take care of recurrent expenditures, but also to provide capital equipment (including housing) for its (expanding) operations. In answering this question, give indicators like what the BIR

	has been able to achieve in the last 3 years with its own funds).
5	Is the BIR Head Office rented or built by the government?
6	Are all offices in the headquarters of the BIR equipped with computers?
7	Are all such computers networked?
8	New measures: Describe any proposed funding arrangement that you think might begin to yield fruits in the near future?
9	Specific Outcomes: Is there any outcome that might have come on account of the improved funding to BIR? E.g. increased capacity to generate revenue or increased efficiency in the work of the agency? <ul style="list-style-type: none"> • • •
10	Were any of these Institutional Framework issues in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.

2. Salary incentive, IRS staffs' skilled and Training

1	What is the staff strength of the BIR disaggregated by gender and location (HQ or Local Office)
2	What proportion of BIR employees are tax professionals (Only certified tax specialists with accounting, economics or legal background are counted in this group)?
3	Has the SBIR undertaken any on-the-job capacity building programme by tax experts in the last 6 months?
4	In what form was the capacity building carried out (e.g. workshops, specialized trainings, etc)?
5	Are there clear mandates for the SBIR? Is the institution fit for the purpose in terms of the number and qualification of staff?
6	Are there Salary incentives/a different pay scale from the general civil service?

3. IRS Outreach in districts (no. of tax offices)

1	How many offices does the SBIR have in the State?
2	What is the spread of these offices in LGAs
3	New Measures: Are there any new institutional procedures enacted or instituted

	within the last one year to propel IGR Growth across the state?
4	Which bodies/agencies are involved in the new measure?
5	Please list all such procedures <ul style="list-style-type: none"> • •
6	Specific Outcomes: Is there any observed outcome from any of these measures? Please link each outcome to a measure taken. <ul style="list-style-type: none"> • • • <p><i>E.g. total collection of a specific tax item or group of tax items went up by % over the last one year on account of this move by the legislature or executive; or a specific change in procedures that occurred because of such pronouncements. Please be specific.</i></p>
7	How often do the zonal offices send written reports on their IGR-related activities to the BIR Headquarters in the State?

B. Tax Procedures (Registration, Filing, Assessment and Payment)

This area reviews the procedures in place for effective administration.

1. Tax procedures and tax forms for taxpayers to file and pay taxes

1	Are there standardised form clearly legible?
2	Are these freely and publicly available?
3	Is there clear guidance to completing these?
4	Are they available on-line?

2. Efficiency of tax assessment method (one-to-one by tax officers versus self-assessment) and withholding

1	Is this exclusively done by the BIR or is the taxpayer part of the process?
2	If the taxpayer is part of the process, how does he/she participate?

3	How does self-assessment operate in practice in the State?
4	Are there provisions in practice for objections where a taxpayer feels he is unfairly assessed?
5	Please describe such provisions?
6	Does the state operate e-filing system?
7	If yes, when was it instituted and who manages it?
8	Describe other new processes on assessment procedures instituted within the last one year, especially post Nov 2015, to propel IGR Growth?
9	Which bodies/agencies are involved in the new measure?
10	Is there any observed specific outcome from any of these measures? Please link each outcome to a measure taken. <ul style="list-style-type: none"> • • •
11	Were any of these procedures for assessment in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.

3. Tax Processing (manual versus mechanization)

Please make a short statement about the level of automation/mechanisation in case management as distinct from collection. For example, are assessment issued automatically and cases brought up for review by tax officers when reminders and other actions are due?

4. Tax payments (cash paid to tax officers versus bank and electronic payments)

1	Is there a central payment platform for taxes in the State?
2	If yes, describe how it works
3	Is the platform automated and online/real time?
4	Does the BIR use agents/tax consultants different from BIR employees to collect taxes? Specify: either exclusively or in addition to BIR employees
5	If yes, give details of the agents and the taxes they collect

C. Tax Enforcement

Where taxpayers refuse to engage or pay it becomes necessary to take enforcement action. Please score your status under the following headings:

1. Taxpayer registration using Unified Tax Identification Number (TIN)

1	Is there a tax database used for IGR collection in states?
2	How was this developed?
3	How recently was this developed/updated? Are there mechanisms for updating and what is the frequency of updating?
4	Does the database capture the informal sector?
5	Has the State adopted the National UTIN number system? If yes, what proportion of the taxpaying public has been issued with this TIN Number? If No what issues are mitigating against the adoption of TIN?
6	Were any of these IGR processes in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.

2. Capacity of taxpayer audits

1	Is there a revenue accounting department in the BIR?
2	Is this revenue accounting department different from the assessment and tax collection departments?
3	Does the revenue accounting department conduct monthly reconciliation with the

	assessment and collection departments?
4	Does the accounting department conduct regular (monthly) reconciliation of what was collected relative to what was remitted to the state?
5	Does the accounting department publish reports of its activities to relevant State agencies e.g. Ministry of Finance?
6	Is there an audit and monitoring department in the BIR?
7	Has the Department conducted any audit of corporate entities (e.g. on PAYE, direct assessment and withholding tax) in the last one year?
8	Were any of these accounting and auditing issues in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.

3. Availability and exercise measures to liable taxpayers to pay tax (liens, levies, and seizure and sale of taxpayers' property)

1	Please describe if (and by how long) demand notices precede enforcement measures
2	Who is used for enforcement? (e.g. BIR/MDA Officials, external agents, others) Do you have documented enforcement procedures?
3	New measures: Describe any new measures instituted on enforcement procedures within the last one year to propel IGR Growth?
4	Which bodies/agencies are involved in the new measures?
5	Specific Outcomes: Is there any observed outcome from any of these measures? Please link each outcome to a measure taken and the MDA responsible <ul style="list-style-type: none"> • • •
	Were any of these Enforcement issues in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.

4. Extent of leakages and corruption at collection

1	List the MDAs responsible for other non-tax revenues, the specific revenues they collect and who collects them (whether they collect directly or engage agents to collect for them) <p>1. MDA</p>
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	<p>Revenue Item Collected: Group Responsible for Collection (Tick as appropriate) Ministry Staff [] External Agent [] Other [] 2. MDA.....</p> <p>Revenue Item Collected Group Responsible for Collection (Tick as appropriate) Ministry Staff [] External Agent [] Other [] 3. MDA.....</p> <p>Revenue Item Collected, Group Responsible for Collection (Tick as appropriate) Ministry Staff [] External Agent [] Other []</p> <p><i>(Please use extra sheet if the space is not enough for the enumeration of all MDAs involved in revenue collection)</i></p>
2	New measures: Describe any new measures instituted on tax collection within the last one year to propel IGR Growth?
3	Which bodies/agencies are involved in the new measures?
4	Specific Outcomes: Is there any observed outcome from any of these measures? Please link each outcome to a measure taken. <ul style="list-style-type: none"> • • •
5	Were any collection issues in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.
6	Is there any revenue generating MDA that has an arrangement where the consultant collects revenues to its own account first before remitting to the MDA? Is there a revenue remittance procedure?
7	If yes, in which sector e.g. education, health, agriculture, water etc
8	Is there a central account to which both BIR and other revenue generating MDAs remit all revenues due to government?
9	Describe the revenue remittance procedure for <p>A: The BIR</p> <p>B: At least two other Revenue Generating MDAs</p>
10	New measures: Describe any new measures instituted on tax remittance within the last one year to propel IGR Growth?
11	Which bodies/agencies are involved in the new measures?

12	<p>Specific Outcomes: Is there any observed outcome from any of these measures? Please link each outcome to a measure taken.</p> <ul style="list-style-type: none"> • • •
13	<p>Were any of these tax remittance issues in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.</p>

5. Extent of tax avoidance and evasion

1	Is there any revenue generating MDA that has an arrangement where the consultant collects revenues to its own account first before remitting to the MDA? Is there a revenue remittance procedure?
2	If yes, in which sector e.g. education, health, agriculture, water etc
3	Is there a central account to which both BIR and other revenue generating MDAs remit all revenues due to government?
4	Also consider your answers to the Tax registration and other questions in reaching an assessment here.

6. Tax awareness campaign

1	Is the taxpayer aware of the taxes, rates and procedures for assessment?
2	Describe any public enlightenment programme that has been embarked on by the State in the last one year.
3	How would you rate the cooperation of the public towards tax payment?
4	If the rating is not too good, do you think it may be associated with poor public perception of utilization of tax revenues?
5	New measures: Describe any new measures instituted on enforcement procedures within the last one year to propel IGR Growth?
6	Which bodies/agencies are involved in the new measures?
7	<p>Specific Outcomes: Is there any observed outcome from any of these measures? Please link each outcome to a measure taken.</p> <ul style="list-style-type: none"> •

	<ul style="list-style-type: none"> • •
8	Where any of these stakeholder engagement issues in your Action plan. If yes have these been actioned. Please explain more on the ACTION PLAN UPDATE PAPER.

II. TAX POLICY

1	Is there a legal framework for IGR? When was it formulated?
2	What was the last time the State IGR law was reviewed, updated or re-enacted? <i>Note: Response to this should be limited to the State HoA review and not executive review. If there is a bill before the State HoA, this should be stated</i>
3	Any other new tax item that has been added to the list of taxes in the last two years? <i>(Discuss all such taxes and why they were introduced)</i>
	<i>Note: For each of the above, discuss any bills that may be in the State HoA and challenges facing their enactment and/or implementation</i>
4	Any new law enacted or amendment made to existing laws by the State House of Assembly or specific pronouncements by the Executive Governor in the area of IGR?
5	<p>Please list all such laws and pronouncements</p> <ul style="list-style-type: none"> • •
10	<p>Specific Outcomes: Is there any observed outcome from any of these measures? Please link each outcome to a measure taken.</p> <ul style="list-style-type: none"> • • • <p><i>E.g. total collection of a specific tax item or group of tax items went up by ?% over the last one year on account of this move by the legislature or executive; or a specific change in procedures that occurred because of such pronouncements. Please be specific.</i></p>

1	Were any of these legal issues in your Action plan. If yes have these been actioned.
1	Please explain more on the ACTION PLAN UPDATE PAPER.

A. Tax Base

Questions here try to get a feel of the size of your tax net and your plans to increase this. Spreading the net makes collection easier as more comply and increases overall IGR.

1. No of exemptions and loopholes under existing tax laws

1	Has the state put any new mechanism / innovation in place to continue improving the tax database?
	Is there any observed specific outcome from the innovation? <ul style="list-style-type: none"> • •
2	Does the BIR use the database for locating firms for tax payment?
3	What proportion of the taxable population pays tax?
4	What proportion of the total tax revenue is generated from civil servants PAYE, the formal private sector and informal private sector?

2. Property tax base

1	Has the State enacted and/or implemented any law to support property taxes?
2	When was the law enacted and/or implemented?

3. Consumption tax base

1	Has the State enacted and/or implemented Consumption and/or sales tax law?
2	When was the law enacted and/or implemented?

4. Taxing the informal sector

1	Does the database capture the informal sector?
2	Have you adopted the Presumptive Tax regime?
3	If yes with what success?

B. Double Taxation Between States And LGA

1	What are the conflicts?
2	What harmonisation, if any is taking place
3	Have you had any success?

1. Multiple taxing of the same item across states and LGs

1	What are the conflicts?
2	What harmonisation, if any is taking place
3	Have you had any success?

2. Usurpation of taxing authority of LGAs by state governments

1	What are the conflicts?
2	What harmonisation, if any is taking place
3	Have you had any success?

IV. USER CHARGES FOR PUBLIC SERVICES

These are not taxes or levies but charges for the use of services. Many states may not charge this but if there is a clear and compulsory link to the presentation of Tax Clearance Certificates before access to these services please indicate this clearly.

1. Utilities (water, electricity, etc.)

1	Which of these is charged for
2	Is there legal backing for the charge?
3	How much does it bring in?
4	Linked to presentation of TCC?

2. Sanitation (sewer, garbage)

1	Which of these is charged for
2	Is there legal backing for the charge?
3	How much does it bring in?
4	Linked to presentation of TCC?

3. Transportation (roads, bridges, public transport)

1	Which of these is charged for
2	Is there legal backing for the charge?
3	How much does it bring in?
4	Linked to presentation of TCC?

4. Education

1	Which of these is charged for
2	Is there legal backing for the charge?
3	How much does it bring in?
4	Linked to presentation of TCC?

5. Health

1	Which of these is charged for
2	Is there legal backing for the charge?
3	How much does it bring in?
4	Linked to presentation of TCC?

Any other relevant information:

Annex 1: State's IGR Data

(This should be completed with data from State's documents, preferably from audit reports where data has not already been supplied to Joint Tax Board)

	Quarter 1 2016	Quarter 2 2016	Quarter 3 2016	Quarter 4 2016	Total 2016 (To date data is provided)
1 Total IGR					
2 Tax Revenue					
2.1 Pay as You Earn					
2.2 Withholding Tax					
2.3 Sales/Consumption Tax					
2.4 Property Tax					
2.5 Capital Gains Tax					
2.6 Stamp Duty					
Other Taxes					
3 Non-Tax IGR					
3.1 Earnings and Sales					
3.2 Fines and Fees and Levies					
3.3 Interest Repayments & Dividends					

15

3.4 Licences					
3.5 Rent on Government Property					
4 Miscellaneous IGR					
4.1 Miscellaneous (Recurrent Revenue)					
4.2 Internal Sources					
5 Any Other (Please Specify)					

16

Annex 2: Innovative Measures by and Experience of State on IGR

1	<p>In your view, what factor(s) distinguish(es) your State's approach to IGR mobilization from other States in the country</p> <ul style="list-style-type: none"> • Note that such distinguishing factor must be unique to the State's circumstances and peculiarities; • The factor could be institutional or procedural. Example: Institutional – High level strategies, priority setting; Procedural: Stakeholder Engagement, HR/Staffing/Workforce Gaps & Improvements/Peer learning/Improved ICT
2	<p>Please describe any measures for tax reform embarked upon by the State in the last 5 years which is noteworthy and which other States can share lessons from.</p> <ul style="list-style-type: none"> • Please take time to document how these measures were actually implemented, the success factors, the challenges and how these were overcome • Note that such measures must be unique either to the State's history or among measures taken by other states • It must have also led to measurable increases in IGR • Such a measure must be institutionalized and not just a one-off event that led to a momentary surge in IGR values
3	<p>Share any unique outcomes and results that the State has obtained on account of measures put in place recently (including those by the current administration)</p> <ul style="list-style-type: none"> • Such outcomes may be such as have never been the case in the State in the past or such as are not the case in other States
4	<p>Share any major challenges facing the State in IGR mobilization and management which you think can be useful for lesson learning among other states</p> <ul style="list-style-type: none"> • Such experience must be unique to the State either because other states do not have such challenges or the State has not envisaged such problem in drawing up measures • The experience must have specific lessons that other states would learn from so as to avoid pitfalls associated with the challenge • If there are cost implications associated with the challenge, these should be shared here • State should share measures being taken to overcome the challenge and what constraints they face in the implementation of the measures.