

(b)

Value Added Tax (VAT) Distribution

For the month of June, 2023, the gross revenue available from the Value Added Tax (VAT) was =N=293.411 billion as against =N=270.197 billion distributed in the preceeding month, resulting in an increase of =N=23.214 billion. The distribution is as follows:

	Budget 2023	June.	Variance	May.	Diff. June & May
	Billion(N)	Billion(N)	Billion(N)	Billion(N)	Billion(N)
Amount for distribution					
VAT (Gross)	246.148	293.411	47.263	270.197	23.214
Less: Alloc. to NEDC Project (3% of N281.675)	7.089	8.450	-1.361	7.782	0.668
Less: 4% Cost of collection-FIRS & NCS (VAT) (4% of N293.411)	9.846	11.736	1.890	10.808	0.928
	229.213	273.225	44.012	251.607	21.618
Distributed as follows:					
Federal Govt.(15%)	34.382	40.984	6.602	37.741	3.243
State Governments (50%)	114.607	136.613	22.006	125.804	10.809
Local Government Councils (35%)	80.225	95.629	15.404	88.062	7.566
Total	229.213	273.225	44.012	251.607	21.618

Summary of Distribution to the three tiers of Govt. (Inclusive of Cost of Collection to NCS, NUPRC, FIRS and Refunds)

	Statutory Revenue	VAT	EMTL	Exchange Difference	Total
	Billion(N)	Billion(N)	Billion(N)	Billion(N)	Billion(N)
Federal Government	146.710	40.984	1.715	156.155	345.564
State Governments	74.413	136.613	5.718	79.204	295.948
Local Government Councils	57.370	95.629	4.003	61.063	218.064
Derivation (13% of Mineral Revenue)	23.008	0.000	0.000	24.470	47.478
Total Distributable Revenue	301.501	273.225	11.436	320.892	907.054
Add back: Costs of Collection	61.022	11.736	0.477	0.000	73.235
Add back: Savings, Transfers and Refunds	790.397	8.450	0.000	180.231	979.078
Total Gross Revenue	1152.920	293.411	11.913	501.123	1959.367

4. Comment

The gross statutory revenue of =N=1152.921 billion received for the month was higher than the sum of =N=701.787 billion received in the previous month by =N=451.134 billion. Companies Income Tax (CIT) recorded tremendous increase. Import and Excise Duties, Value Added Tax (VAT) and Oil and Gas Royalties increased significantly, while Petroleum Profit Tax (PPT) and Electronic Money Transfer Levy (EMTL) decreased considerably. The Distributable Statutory Revenue for the month is =N=301.501 billion, VAT is =N=273.225 billion, EMTL is =N=11.436 billion and Exchange Difference is =N=320.892 billion bringing the total to =N=907.054 billion.

5. Dates and Venue of Next Meeting

The next Federation Account Allocation Committee (FAAC) Meeting is proposed for Tuesday 15th and Wednesday 16th of August, 2023

6. Conclusion

The Accounts along with the supporting statements are hereby submitted for your consideration and approval.
(Signed)

Oluwatoyin S. Madein PhD, FCCA, FCA
Accountant General of the Federation
20th July, 2023

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