

GEMS 3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES



June 2016





Foreword from GEMS3 Team Leader

GEMS3 has sought to reduce the burden of multiple taxation through a four pillar strategy: Legislation; Payment Incentives; Payment Systems; and Taxpayer Awareness.

GEMS3 has tangible experience of continuing to deliver reforms in each of these areas within 8 states (Cross River, Jigawa, Kaduna, Kano, Katsina, Kogi, Lagos and Zamfara), and around 100 LGAs within those states. GEMS3 has also collaborated with GIZ in 3 states (Niger, Ogun and Plateau) to implement these reforms through a semi-autonomous expansion programme and has reached agreement to support these reforms on a light touch basis in 3 other states (Delta, Ebonyi and Edo).

For efficiency of roll-out, GEMS3 developed a toolkit in 2014 that spanned these four pillars and this has now been updated to reflect later developments (e.g. the presumptive tax regulations) and further experience, and to respond to comments received on the earlier version. The toolkit contains a series of modules that can be applied to States and LGAs.

The toolkit is flexible meaning that modules need not be rolled out to new areas if the risk or chance of success is not deemed acceptable. An example is that Point of Sale payment technology may not be a viable solution for all LGAs and in this case, alternative payment system modules from the toolkit can be pursued.

Table of tax toolkit modules:

Legislation	Payment Incentives	Payment Systems	Taxpayer Awareness
State-level LGA Law or LGA bye-laws	Tax for Service	Payment Systems Assessment	State-level Awareness
State-level MDA Law	Complaints Process Assessment	Direct Lodgement	LGA-level Awareness
Presumptive Tax Regulations implementation	Revenue Officer Training	Point of Sale (PoS)	Market-level Engagement

For these toolkit modules, Activity Guides have been developed that identify the steps that need to be taken in order to deliver the reforms covered by each module. Each Activity Guide has three broad parts:

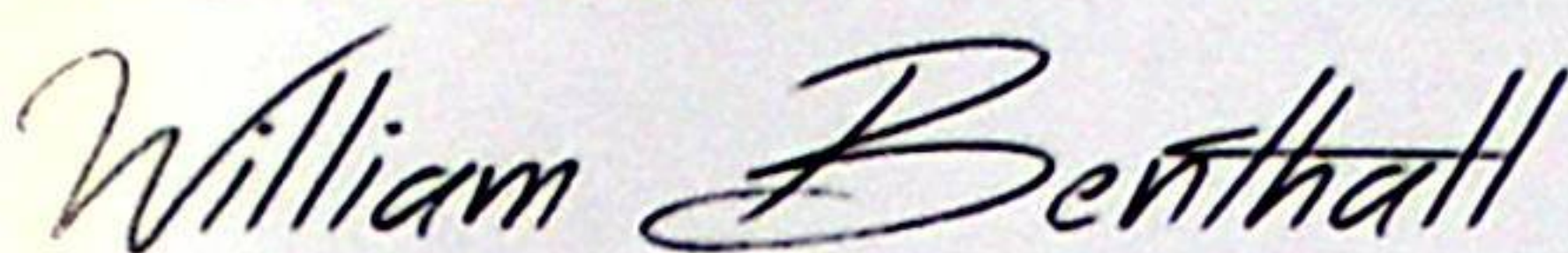
- » A narrative section that provides background information relating to the tax toolkit item and outlines the general GEMS3 approach
- » A list of the "activities" that need to be completed in order to complete work on the tax toolkit item
- » Appendices containing examples of relevant tailored tools. For example, for the state-level LGA law there is a 'Model Law', and for Tax for Service and PoS there are sample MoUs.

GEMS3 considers that its tax toolkit information will be of particular benefit to states where GEMS3 is not currently working (some of whom have previously requested assistance) to enable those states to, for example, enact harmonised tax laws, introduce tax for service agreements, and/or introduce improved payment or complaint processes by themselves with GEMS3 involvement limited only to "oversight".

Accordingly, this document presents an "information pack" containing the 8 Activity Guides that cover the 12 tax toolkit modules mentioned in the chart above. This information is also available in soft copy form on a flash drive (obtainable from GEMS3 by using the contacts listed on the back cover) and on the GEMS3 website, www.gemsnigeria.com/gems-3

We encourage States and LGAs to review this information and to commence implementation of those reforms which they feel will best assist.

William Benthall



GEMS3 Team Leader

LIST OF ABBREVIATIONS

AGM	Annual General Meeting
BIR	Board of Internal Revenue
BMO	Business Membership Organisation
CATU	Council and Traders Union
CBN	Central Bank of Nigeria
CRSG	Cross River State Government
CSO	Civil Society Organisation
DFID	UK Department for International Development
DPM	Director of Personnel Management
ENABLE2	Enhancing Nigerian Advocacy for a Better Business
EXCO	Executive Council
FIRS	Federal Inland Revenue Service
GBP	Great British Pounds
GEMS3	Growth and Employment in States 3
GIZ	Gesellschaft für Internationale Zusammenarbeit
IGR	Internally Generated Revenue
IMO	Interim Management Officer
JTB	Joint Tax Board
KACCIMA	Kano Chamber of Commerce, Industry, Mines and Agriculture
KASTU	Kano State Traders Union
LASAA	Lagos State Signage & Advertisement Agency
LCDA	Local Council Development Areas
LG	Local Government
LG&CA	Local Government and Chieftaincy Affairs
LGA	Local Government Area
LGC	Local Government Councils
LIRS	Lagos State Internal Revenue Service
LRC	Land Records Company, Lagos
M&E	Monitoring and Evaluation
MAN	Manufacturers' Association of Nigeria
MDA	Ministries, Departments and Agencies
MOA	Memorandum of Agreement
MoJ	Ministry of Justice
MoLG	Ministry of Local Government
MOU/MoU	Memorandum of Understanding
NASSI	Nigerian Association of Small Scale Industrialists
NGN	Nigerian Naira
NGO	Non-Governmental Organisation
NIBSS	Nigerian Inter-Bank Settlement System
NURTW	National Union of Road Transport Workers
OPS	Organised Private Sector
PAYE	Pay-As-You-Earn
PIN	Personal Identification Number
PIT	Personal Income Tax
POS	Point of Sales/Point of Service
PPD	Public Private Dialogue
PPEM	Public Private Engagement Mechanism
PT	Presumptive Tax

RCIU	Revenue Complaints and Information Unit
SAVI	State Accountability and Voice Initiative
SHoA	State House of Assembly
SME	Small and Medium Enterprise
SMS	Short Message Service
SOP	Standard Operating Procedures
SPARC	State Partnership for Accountability, Responsiveness and Capability
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAT	Tax Appeal Tribunal
TIN	Taxpayer Identification Number
TNA	Training Needs Analysis
ToT	Training of Trainers
UK	United Kingdom
WEE	Women Economic Empowerment

**KNOW YOUR LG RATES
BEFORE YOU PAY!
ASK ME ABOUT
OBUBRA LG RATES**

HOME BOY



Contents

Harmonised Tax Laws	11
Presumptive Tax Regulations Implementation	41
Tax for Service	59
Complaints Processes	69
Training	109
Improved Payment Systems	143
Point of Sale (PoS) Payments	161
Sensitisation	187

GEMS3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Harmonised Tax Laws
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It gives a detailed step-by-step guide to assisting with the enactment of harmonized tax laws at state and local government levels.



CONTENT

1. HARMONISED TAX LAWS - INTRODUCTION	14
1.1. What are tax laws?	14
1.2. Reasons for tax laws	14
1.3. Enactment of tax laws	15
2. HARMONISED TAX LAW ACTIVITIES	16
2.1. Enactment of LGA/MDA Law	16
2.2. Approval of tax laws by the State House of Assembly	16
2.3. Drafting of law	16
2.4. Approval of tax laws by the State House of Assembly	17
2.5. Publication of law	17
2.6. Publication of tax laws by the State House of Assembly	17
2.7. Approval of tax laws by the State House of Assembly	17
2.8. Publication of tax laws	17
APPENDIX 1: SCHEDULE FROM TAXES AND LEVIES (APPROVED LIST FOR COLLECTION)	20
APPENDIX 2: MODEL STATE-LEVEL LGA LAW	22
APPENDIX 3: MODEL STATE-LEVEL LGA LAW EXPLANATORY NOTE	30
APPENDIX 4: KANO STATE MDA LAW	32

HARMONISED TAX LAWS - INTRODUCTION

1.1. What are harmonised tax laws?

The Nigerian Constitution specifies three levels of government in Nigeria (federal, state and local government level) and outlines their rights to set and collect taxes, levies and charges. These constitutional provisions are supported by a 1998 federal law (the Taxes and Levies (Approved List for Collection) Decree No 21 of 1998) which lists the types of taxes, duties, levies, fees and charges able to be collected by each level of government. This law was amended in 2015. Details are contained in the Schedule to that law which, as amended, is repeated in Appendix 1.

Despite the existence of these provisions, which clearly delineate revenue collection responsibilities between the various government levels, revenue collection practices by various agencies at state/MDA level and by LGAs (including LCDAs in Lagos) had extended beyond those provisions and meant that Nigerian taxpayers have been facing "multiple taxation" (taxes/fees/charges on the same or similar income/transactions/assets by different levels of government and by differing agencies at the same level of government).

The GEMS3 approach has been to support the drafting and enactment of the following types of harmonised tax laws:

- State-level harmonised rates and levies laws covering LGAs, which outline the rates and levies collectable by all LGAs within a State – these "State-level LGA laws" have not only provided legal authority for LGAs that have not passed bye-laws covering the rates of revenues they are able to collect but also repealed any LGA bye-laws that are inconsistent with the state-level law. Such laws have also ensured that the types of revenue collected at LGA level are consistent with the Nigerian Constitution and 1998 law (as amended) referred to above
- LGA-level bye-laws, which outline the rates and levies collectable in specific LGAs – these bye-laws have also ensured that the types of revenue collected at LGA level are consistent with the Constitution and the 1998 law (as amended)
- State-level harmonised taxes, fees and charges laws covering state BIRs/MDAs, which outline the taxes, fees and charges collectable by state-level revenue collecting agencies in each state - these "State-level MDA laws" clearly delineate the revenue collecting responsibility of State BIRs alongside other MDAs in each state to not only ensure that multiple taxation across state-level agencies is eliminated but also to ensure that the types of revenue collected by such agencies are consistent with the Constitution and the 1998 law (as amended)

1.2. Reasons for harmonised tax laws

The purposes of harmonised tax laws are to:

- Ensure that the types of revenue collected by different levels of government are consistent with the Nigerian Constitution and a 1998 federal law (as amended) that supports it. GEMS3 believes that compliance with these provisions provides "vertical" harmonisation between the different levels of government.
- Remove instances of "multiple taxation" particularly across State government level but also across local governments. This provides for "horizontal" harmonisation across the different levels of government

Together the results of such harmonisation have typically been to reduce the number of types of revenue collected at local government level by between 150 and 200 to a harmonised list of between 15 and 20 different revenue heads that matches the listing in the 1998 law (as amended). As such the tax system at state/local government levels has been considerably simplified which benefits both taxpayers (once they have been sensitised on the changes) and the revenue administration agencies.

These simplifications have at the same time provided the vehicle for the removal of:

- Illegal taxes, where revenues were being collected without legal authority and/or outside the mandate of the government level
- Nuisance taxes, where the expense required to collect such revenues has exceeded or exhausted the revenue collected from such revenue types

1.3. Enactment of harmonised tax laws

Of the 3 different types of harmonised tax laws mentioned above, GEMS3 has initially supported the development of "State-level LGA laws" and assistance with the development of such laws has been given in each state it has worked in (except Lagos which passed a harmonised law in 2010). Given the extra work involved in bye-law development for each LGA supported, GEMS3 preference has been to develop state-level LGA laws and only work on bye-laws for each LGA (the second type of harmonised law) where there have been difficulties in getting support for a state-level LGA law process – the development of bye-laws had only been necessary in the Cross River state, but the situation changed and a state-level LGA law has now been passed there.

Given the experience GEMS3 has gained in the development of these state-level LGA laws, a "model tax law" has been developed which can be used as a base for work on developing such laws in states where such a law has not yet been drafted. The "model law" not only allows for the standardisation of good practice across states, but more importantly it contains options allowing for each state to modify it to meet the specific and unique circumstances of each state (rather than it being a "one size fits all" law). The "model law" is included as Appendix 2 and an explanatory note covering its development is included as Appendix 3.

"State-level MDA laws", the third type of harmonised law, have been developed in Kaduna state (where there was a focus on the autonomy of the state BIR) and in Kano state (where there was a focus on strengthening of MDA operations and streamlining of rates and charges) and are being developed in other states. As these laws develop, it is expected that a "model" for this type of harmonised tax law can also be developed. In the meantime, a copy of Kano's MDA law is attached as Appendix 4.

One area addressed in the development of state-level MDA laws is the issue of the level of autonomy provided to State BIRs. In some states where separate laws covering this have been passed this is not an issue; but it has been raised as an issue in other states that GEMS3 is working with, where a law has been passed but not implemented or where no such law covering this issue is in place.

Where a State MDA law makes provision for the BIR to collect LGA levies/rates on behalf of the local government (as is the case in the Kaduna MDA law), obtaining the buy-in of the LGAs is very important, and if possible a memorandum of understanding (MoU) on mode of operation and revenue sharing ratio should be signed between the State and the LGAs.

TAX

While it is preferable to follow the full legislative process in getting government/executive approval before referring draft state-level laws to the SHoA (and this guide assumes this), in situations where there are undue delays or resistance being experienced, consideration could be given to engaging a supportive member of the House of Assembly to see whether they are prepared to sponsor the harmonised tax law as a "private member's bill". In such case, while most of the detailed steps in this guide relating to government/executive approval will not be necessary, government and other key stakeholders should be consulted and kept up to date with developments to minimise the risk of creating rifts between the executive and the SHoA which could later threaten implementation of the law. (For different reasons, this process was followed with the Kaduna and Cross River state-level LGA laws).

Although there are 3 different harmonised tax law types, the process for drafting and enacting such laws is sufficiently similar that the activities and the steps to achieve them are outlined below in this guide, rather than there being 3 separate activity guides.

HARMONISED TAX LAW ACTIVITIES

2.1. Establishment of LGA (or MDA) level working committee

- a. Concept of harmonised tax laws mentioned during initial GEMS3 introductory meetings with Governor and State Government stakeholders and during initial PPEM meeting
- b. Make a case for the need for a law that will harmonise rates and levies that will be uniform across the LGAs in the state/ a law that will harmonise taxes, fees and charges across the BIR/MDA level in the state
- c. Establish LGA (or MDA) level working committee

2.2. Agreement reached re-harmonised and consolidated taxes, levies and charges

- a. Assemble legislation and bye-laws from all LGAs and key state revenue MDAs
- b. Review legislation and compile summary report
- c. Table report for discussion with state level committee
- d. Produce recommendations for amendments/new law
- e. Table recommendations for discussion with state level committee
- f. Obtain endorsement by state level committee of recommended amendments
- g. Engage with state revenue MDAs on areas of conflict with LG taxes
- h. Record "agreement reached regarding harmonised and consolidated taxes, levies and charges" milestone as having been met

2.3. Drafting of law

- a. Engage with all stakeholders on inputs to the harmonised law. Get the buy-ins of relevant stakeholders which includes but is not limited to:
 - Chairpersons/Treasurers and Revenue Officers of LGAs
 - Ministries for Local Government, Justice and Board of Internal Revenue
 - Private sector organizations, NGO'S, BMO'S, Market Unions, NURTW etc.
 - Women Development Associations
 - Sister organisations such as SAVI, ENABLE2, SPARC
- b. Meet with SAVI/CSO to discuss strategy for passage of law
- c. Draft the harmonised tax law amendments

- d. Workshop with state Ministries and LGAs to sign off on harmonised laws
- e. Complete sensitisation as deemed necessary regarding draft amendments
- f. Finalise drafted amendments
- g. Have a detailed discussion of the law with the state level committee
- h. Send the law to the Ministry for Local Government for onward passage to the Ministry of Justice for vetting
- i. Obtain Ministry of Justice sign-off comments
- j. Final draft sent to Commissioner for LG & CA for presentation to EXCO
- k. Ensure the law gets to the Governor for onward presentation to the SHoA as an executive bill
- l. Discuss publicity campaign for signing of bill into law with MoLG
- m. Create budget proposal for sensitisation activities
- n. Agree strategy and budget for sensitisation activities

(note: the above steps will need to be modified if the bill is being promoted by a SHoA private member as a "private member's bill" rather than being introduced through the normal MoJ/EXCO process)

2.4 Confirmed support from SHoA (retreat)(or LGA chairperson for bye-law)

- a. Meet with MoLG and SAVI to agree on lobbying responsibilities and target timelines
- b. Approach the State House of Assembly for their support
- c. Organise a retreat for the State House of Assembly members in collaboration with other sister agencies
- d. Confirm support from SHoA ready for when bill arrives from the executive

2.5 Public hearing held

- a. Submission of draft law to SHoA
- b. Propose date of second reading to accompany first reading
- c. Monitor the proceedings in the SHoA to ensure the law has accelerated hearing
- d. First reading held
- e. Second reading held with bill debated in Chamber and referred to committee stages
- f. Support public hearing
- g. Organise stakeholder input on bill
- h. Organise civil society pressure for public hearing
- i. Organise civil society input
- j. Push/assist on meeting on bill and report writing
- k. Committee published report to SHoA

2.6 Passage of state-wide bill by SHoA (3rd reading)/bye-law by LGA

- a. Bill debated
- b. Sent to the Governor for approval
- c. Confirm publicity campaign regarding signing off the bill into law with MoLG



2.7 Sign-off of bill into law by Governor/bye-law by LGA chairperson (or explicit support gained from LGAs for state defined rates)

- a. Governor receives bill from SHoA/LGA chairperson receives bye-law for signing
- b. Support MDA in prioritising signing
- c. Governor signs the bill/LGA chairperson signs the bye-law
- d. Record "sign-off of bill into law by Governor/bye-law by LGA chairperson (or explicit support gained from LGAs for state defined rates)" milestone as having been met

2.8 Gazetting of state law/bye-law

- a. Monitor progress on gazetting of law including checking on printed drafts of the law and advising of any mistakes noted before final printing
- b. Obtain printed copies when available and provide copies or details of where to get them to key stakeholders
- c. Proceed to assist with law implementation including full sensitisation





APPENDIX 1: SCHEDULE FROM TAXES AND LEVIES (APPROVED LIST FOR COLLECTION) DECREE OF 1998 (as amended in 2015)

PART I

Taxes to be collected by the Federal Government

1. Companies income tax.
2. Withholding tax on companies, residents of the Federal Capital Territory, Abuja and non-resident individuals.
3. Petroleum profits tax.
4. Value added tax.
5. Education tax.
6. Capital gains tax on residents of the Federal Capital Territory, Abuja, bodies corporate and non-resident individuals.
7. Stamp duties on bodies corporate and residents of the Federal Capital Territory, Abuja.
8. Personal income tax in respect of-
 - a. members of the armed forces of the Federation;
 - b. members of the Nigeria Police Force;
 - c. residents of the Federal Capital Territory, Abuja; and
 - d. staff of the Ministry of Foreign Affairs and non-resident individuals.
9. National information technology development levy.

PART II

Taxes and levies to be collected by the State Government

1. Personal income tax in respect of-
 - a. Pay-As-You-Earn (PAYE); and
 - b. Direct taxation (self-assessment).
2. Withholding tax (individuals only).
3. Capital gains tax (individuals only).
4. Stamp duties on instruments executed by individuals.
5. Pools betting and lotteries, gaming and casino taxes.
6. Road taxes.
7. Business premises registration fees in respect of urban and rural areas which includes registration fees and per annum renewals as fixed by each State.
8. Development levy (individuals only) not more than N100 per annum on all taxable individuals.
9. Naming of street registration fees in the State Capital.
10. Right of Occupancy fees on lands owned by the State Government in urban areas of the State.
11. Market taxes and levies where State finance is involved.
12. Land use charge, where applicable.
13. Hotel, restaurant or event centre consumption tax, where applicable.
14. Entertainment tax, where applicable.
15. Environmental (ecological) fee or levy.
16. Mining, milling and quarrying fee, where applicable.
17. Animal trade tax, where applicable.
18. Produce sales tax, where applicable.
19. Slaughter or abattoir fees, where state finance is involved.
20. Infrastructure maintenance charge or levy, where applicable.
21. Fire service charge.

22. Property tax, where applicable.
23. Economic development levy, where applicable.
24. Social services contribution levy, where applicable.
25. Signages and mobile advertisement, jointly collected by States and Local Governments.

PART III

Taxes and levies to be collected by the local government

1. Shops and, kiosks rates.
2. Tenement rates.
3. On and off liquor licence fees.
4. Slaughter slab fees.
5. Marriage, birth and death registration fees.
6. Naming of street registration fee, excluding any street in the State Capital.
7. Right of Occupancy fees on lands in rural areas, excluding those collectable by the Federal and State Governments.
8. Market taxes and levies excluding any market where State finance is involved.
9. Motor park levies.
10. Domestic animal licence fees.
11. Bicycle, truck, canoe, wheelbarrow and cart fees, other than a mechanically propelled truck.
12. Cattle tax payable by cattle farmers only.
13. Merriment and road closure levy.
14. Radio and television licence fees (other than radio and television transmitter).
15. Vehicle radio licence fees (to be imposed by the local government of the State in which the car is registered).
16. Wrong parking charges.
17. Public convenience, sewage and refuse disposal fees.
18. Customary burial ground permit fees.
19. Religious places establishment permit fees.
20. Signboard and advertisement permit fees.
21. Wharf landing charge, where applicable

APPENDIX 2: MODEL STATE-LEVEL LGA LAW

XXXXXX STATE OF NIGERIA

XXXXXX STATE LOCAL GOVERNMENTS HARMONIZED RATES AND LEVIES LAW 201X

A Law to harmonize Rates and Levies collectible by Local Government Councils in XXXXXX State and for matters connected thereto.

BE IT ENACTED by the XXXXXX State House of Assembly as follows:

1.	This Law may be cited as the XXXXXX State Harmonized Rates and Levies Law 201X and shall come into operation on the xxth day of XXXXXX, 201X.	Short Title and Commencement
2.	<p>In this Law, unless the context otherwise requires:</p> <p>"Levy" means an authorized charge and includes any fee and charge.</p> <p>"Permanent stalls" means solid structures built and owned by persons.</p> <p>"Person" includes an individual or body of individuals, family, corporation sole, trustee or executor or a person who carries on an economic activity, or who exploits tangible or intangible property for the purpose of obtaining income therefrom within a Local Government Area in the State.</p> <p>"Rates" means an amount payable to a Local Government Council as provided in the First Schedule hereto.</p> <p>"Revenue Collector" means a staff member of a Local Government Council and any other person or group of persons duly appointed to collect revenue for a Local Government Council.</p> <p>"Revenue Court" means a Magistrate Court, Customary Court or Shari'a Court, or any other competent Court within the Local Governments in the State.</p> <p>"Rural Local Government" means(Option 1 only)</p> <p>"Semi Urban Local Government" means(Option 1 only)</p> <p>"State" means XXXXXX State of Nigeria.</p> <p>"Urban Local Government" means(Option 1 only)</p> <p>"Ward category" means the category A, B or C as shown in the Second Schedule to this Law. (Option 2 only)</p>	Interpretation
3.	<ol style="list-style-type: none"> 1. From the commencement of this Law, no rate or levy shall be payable to a Local Government Council in the State except those contained in the First Schedule hereto. 2. Subject to the powers of the State House of Assembly to make laws for the finance and functions of Local Government Councils in the State, the State Joint Revenue Committee may amend the Schedules to this Law from time to time by Order published in the Gazette. 3. Each Local Government Council shall display at a conspicuous place in all the revenue offices of the Local Government Council a chart showing the approved collectible rates and levies and their expected time of payment. 	Rates and Levies Payable

4.	<ol style="list-style-type: none"> 1. There is hereby established for each Local Government Area of the State a committee herein referred to as "The Local Government Revenue Committee". 2. The Local Government Revenue Committee shall be comprised of the following members: <ol style="list-style-type: none"> a. Head of Finance as Chairperson; b. Three Local Government councilors; and c. Two other persons experienced in revenue matters to be appointed by the Chairperson of the Local Government Council on their personal merits. 	Establishment of Local Government Revenue Committee
5.	<ol style="list-style-type: none"> 1. The Local Government Revenue Committee shall be responsible for the assessment and collection of all the levies, taxes, fines and rates under its jurisdiction and shall account for all revenue so collected in a manner to be prescribed by the Chairperson of the Local Government Council. 2. The Local Government Revenue Committee shall be autonomous from the Local Government Council treasury and shall be responsible for the day to day activities of the department which forms its operational arm. 	Functions of the Local Government Revenue Committee
6.	<ol style="list-style-type: none"> 1. There is hereby established in the State a committee herein referred to as "The State Joint Revenue Committee" which shall be comprised of the following members: <ol style="list-style-type: none"> a. The Chairperson of the State Board of Internal Revenue as Chairperson; b. Chairpersons of the Local Government Revenue Committees; c. A representative of the Ministry for Local Government who shall be not below the rank of a Director; d. A representative of the Revenue Mobilization Allocation and Fiscal Commission as an observer; e. The State Sector Commander of the Federal Road Safety Commission as an ob server; f. The Legal Adviser of the State Board of Internal Revenue; and g. A staff member of the State Board of Internal Revenue who shall be the Secretary of the Committee. 	Establishment and Composition of State Joint Revenue Committee
7.	<p>The functions of the State Joint Revenue Committee shall be to:</p> <ol style="list-style-type: none"> a. Implement decisions of the Joint Tax Board; b. Advise the Joint Tax Board and the State and Local Governments on revenue matters; c. Harmonize revenue administration in the State; d. Enlighten members of the public, generally on State and Local Government revenue matters; and e. Carry out such functions as may be assigned by the Joint Tax Board. 	Functions of the State Joint Revenue Committee
8.	<ol style="list-style-type: none"> 1. Each Local Government Council shall between the months of January and March each year issue and serve a harmonized demand notice in respect of rates and levies listed in the First Schedule to this Law to the persons liable to pay such rates and levies. 2. Where a person is liable to two or more of the scheduled rates and levies at the same time in any year of assessment, the relevant Local Government Council may issue and serve a single demand notice indicating the amount due on each of the levies. 3. For the purpose of the tenement rate, Local Government Councils may employ the services of an estate surveyor/valuer to determine the value of the property for the purpose of assessment. 	Demand Notice

9.	<ol style="list-style-type: none"> 1. If any person wishes to dispute an assessment, he or she may apply to designated persons within the relevant Local Government Council, who shall be independent of Revenue Collectors and their managers, by notice of objection in writing to review and to revise the assessment and such application shall state precisely the grounds of objection to the assessment and shall be made within 14 days from the date of service of the notice of assessment/demand notice. 2. On receipt of a notice of objection the Local Government Council may require the person giving the notice to furnish such particulars and to produce documents as may be deemed necessary and may summon any person who may be able to give information which is material to the determination of the objection to attend for examination by an officer of the Local Government Council. 3. In the event of any person who has objected to an assessment agreeing with the Local Government Council as to the correct amount chargeable, the assessment shall as the case may be, stand unamended or be amended accordingly. 4. In the event over payment or incorrect payment has been made to the Local Government Council, a refund shall be made to the payer within one month of application to the Local Government Council. 	Review of Assessment
10.	<p>All persons to whom this Law applies shall pay to the Local Government Council all rates and levies as prescribed in the First Schedule hereto:</p> <ol style="list-style-type: none"> a. within sixty (60) days after the service of an assessment/ demand notice on him or her, in respect of rates and levies due to be paid annually; b. within five (5) days from the beginning of every month, in respect of rates and levies due to be paid monthly; c. immediately, in any other case. 	Payment
11.	<ol style="list-style-type: none"> 1. Local Government Councils shall have the exclusive power to appoint Revenue Collectors. 2. The Revenue Collectors shall wear identification badges with clear inscriptions of their names and official capacity. 3. The production by a Revenue Collector of an identity card and certificate or warrant- <ol style="list-style-type: none"> a. Issued by a Local Government Council; b. Setting out his or her full names, and stating that he or she is authorized to exercise the functions of a Revenue Collector, shall be sufficient evidence that the Revenue Collector is duly authorized for the purpose of this Law. 4. No Local Government Council shall employ a consultant(s) for the purpose of assessment and collection of any rates and levies contained in the First Schedule to this Law. 	Appointment of Revenue Collectors
12.	Revenue Collectors shall have the power to enter into any premises between the hours of 8.00 a.m. and 6.00 p.m. for the purpose of demanding and collecting rates and levies on behalf of the Local Government Council.	Powers of Revenue Collectors
13.	Upon request by a Revenue Collector, it shall be the duty of every person who has paid a rate/levy to show evidence of such payment to the Revenue Collector.	Payer to show Evidence of Payment
14.	Upon payment of a rate/levy, Revenue Collectors shall issue a receipt or any other instrument in the form authorized by the Local Government Council.	Issuance of Receipt for Revenue.
15.	Local Government Councils may institute recovery action through their legal departments or by employing the services of legal practitioners against any defaulter at the Revenue Court or any competent Court for the purpose of enforcing the collection of rates and levies.	Recovery of Rates

16.	<p>1. Any person who:</p> <p>a. Fails to comply with the requirements of a notice served upon him or her under this Law; or</p> <p>b. Without sufficient cause, fails to attend in answer to a notice or summons served on him or her under this Law, or having attended fails to answer any question lawfully put to him or her, commits an offence under this Law.</p> <p>2. Where an offence has been committed under this Law by an incorporated or unincorporated organization, every director, manager or other employee of the organization who is responsible for the default also commits an offence.</p> <p>3. Notwithstanding the provisions of the Criminal Procedure Code, a Court may dispense with the personal attendance of the defendant if he or she pleads guilty in writing or so pleads through a legal practitioner.</p>	Offences and Penalties
17.	<p>1. Any person who contravenes the provisions of this Law as aforesaid shall be liable on conviction:</p> <p>a. For the first time, to a fine not exceeding five thousand naira (NGN 5,000) or to imprisonment for a term not exceeding one (1) month or both;</p> <p>b. And for each subsequent time, to a fine not exceeding ten thousand naira (NGN 10,000) or to imprisonment for a term not exceeding three (3) months or both.</p> <p>2. In addition to the penalties imposed above, rates/levies shall be regarded as a debt due to the Local Government Council and shall be recoverable as such.</p>	Fines
18.	<p>Any person who:</p> <p>a. Collects or attempts to collect any rate/levy that is not listed in the First Schedule to this Law; or</p> <p>b. Collects or attempts to collect any rate/levy or penalty without due authority and identification; or</p> <p>c. Mounts a roadblock or causes a road or street to be closed for the purpose of collecting any rate/levy, commits an offence and shall be liable on conviction to a fine of fifty thousand naira (NGN 50,000) or imprisonment for three (3) months or both.</p>	Unauthorized Collection
19.	<p>1. Any person or agency appointed for the administration of this Law or employed in connection with the assessment and collection of rates/levies who:</p> <p>a. Demands from anyone an amount in excess of the authorized assessment of the rate/levy; or</p> <p>b. Fails to remit revenue collected as and when due; or</p> <p>c. Withholds for his or her own use the whole or any portion of the revenue collected; or</p> <p>d. Renders a false return, whether orally or in writing of the amount of revenue collected or received; or</p> <p>e. Defrauds any person, embezzles any money, or otherwise uses his or her position to deal wrongfully with the Local Government Council or any member of the public; or</p> <p>f. Steals or misuses Local Government Council documents; or</p> <p>g. Compromises the assessment or collection of any rate/levy, commits an offence and shall be liable on conviction to a fine equivalent to 500 percent (500%) of the sum in question and imprisonment for a term of three (3) years.</p> <p>2. Any person who, while committing any offence under the provision of this Law, is armed with any offensive weapon commits an offence and shall be liable on conviction to imprisonment for a term of three (3) years.</p> <p>3. Any person who obstructs, or threatens to or causes injury to, any officer or authorized agent of a Local Government Council in the discharge of their functions under this Law, commits an offence and shall be liable on conviction to imprisonment for a term of five (5) years.</p> <p>4. Any person who aids or abets one or more persons for the purpose of contravening any of the provisions of this Law commits an offence and shall be liable on conviction to a fine equivalent to 400% of the sum in question or to imprisonment for term of two (2) years.</p> <p>5. Any person who impersonates a Revenue Collector or appointed agent shall in addition to any other punishment be liable on conviction to a fine of two hundred and fifty thousand naira (NGN 250,000) or to imprisonment for a term of three (3) years or both.</p>	Contravention representation

20.	<p>1. The State Joint Revenue Committee shall carry out a periodic review of the rates and levies charged and the categorization of the Local Government Areas into urban, semi urban and rural or ward categories every three (3) years and ensure that the differences in amounts chargeable by Local Government Councils in respect of any scheduled rate/levy are minimized.</p> <p>2. This review shall be made in consultation with relevant stakeholders.</p>	Review of Rates and Levies
21.	<p>1. Without prejudice to the provisions of any law on jurisdiction of courts, the Revenue Court shall have jurisdiction to entertain all cases under this Law. The Chief Judge may establish mobile Revenue Courts for the purpose of enforcing the provisions of this Law where requested to do so by a Local Government Council.</p> <p>2. In entertaining a case of default, the Revenue Court shall have power to order the sealing off of any premises, impounding, seizure or confiscation of any moveable property from a defaulter for the purposes of recovering a defaulted rate/levy.</p> <p>3. Local Government Councils may employ the services of law enforcement agencies to enforce this Law.</p> <p>4. Nothing in this Law shall be construed as prohibiting a Local Government Council from enforcing penalties stipulated for breach of its Bye Laws or charging fees as may be approved by the State Joint Revenue Committee for the use of Local Government Council properties, public utilities established and maintained by the Local Government Council, or services rendered by the Local Government Council or its officials to particular persons.</p>	Enforcement
22.	Local Government Councils shall provide an amount not less than 3% and not more than 5% of all revenue collected in the preceding year as incentives to their Revenue Collectors.	Funding of Revenue Collection
23.	Each Local Government Council shall establish a Tax-for-Service scheme under which the Council shall set aside at least ten percent (10%) of its Internally Generated Revenue (IGR) to provide basic services and amenities to the citizenry within its Local Government Area including its market or business environment. The modalities for this scheme shall be agreed upon by the Local Government Revenue Committee in conjunction with such other market, community and traditional leaders as shall be appointed by the Chairperson of the Council and their decisions shall be ratified by the Chairperson of the Council	Tax-for-Service scheme
24.	All Bye Laws prescribing rates and levies for Local Government Councils in the State are hereby repealed.	Repeal

FIRST SCHEDULE			
Revenue Heads	Urban (or Category A - Option 2)	Semi-Urban (or Category B - Option 2)	Rural (or Category C - Option 2)
(1) Shops and Kiosk rates:	NGN (per annum)	NGN	NGN
a) Shop Permit	Small xxx Medium xxx Large xxx Ex Large xxx	Xxx	Xxx
b) Kiosk permit	xxx	Xxx	Xxx
Container /Temporary shop	Small xxx Large xxx	Xxx	Xxx
Workshop permits for Artisans (Carpenters, Mechanics, Vulcanisers) etc.	Small xxx Large xxx	Xxx	Xxx

(2) Tenement Rates/ (private and commercial property).			
Based on value of the property	Commercial Property To charge x.xx% on total Value of the property as Tenement Rate. Residential To charge x.xx% on the Value as Tenement Rate.	Xxx	Communication mast for all GSM operators to charge NGN xxx,xxx per mast in any Local Government area. Charge of NGN xx per metre on pavers for cable laid by GSM operators in any Local Government area.
(3) Slaughter Slab Fees:			
Abattoir Licence Fees (per annum)	Xxx	Xxx	Xxx
Cow/Camel slaughter per head	Xxx	Xxx	Xxx
Goat/Sheep slaughter per head	Xxx	Xxx	Xxx
(4) Merriment and Road Closure Levies:			
Entertainment Fees (per activity)	Xxx	Xxx	Xxx
Noise Control Fees (per activity)	Xxx	Xxx	Xxx
(5) Food and On and Off Liquor Fees:			
Food Licence Permit (for restaurants, bakeries and other places where food is sold) – once only	Xxx	Xxx	Xxx
Annual dues			
On licence	Xxx	Xxx	Xxx
Off licence			
Liquor fees (native liquor/palm wine)			
(6) Radio and TV Licence Fees (other than radio and television transmitter) (per annum)			
Radio & TV fees	Xxx	Xxx	Xxx
Vehicle Radio fees (where the vehicle is registered)	Xxx	Xxx	Xxx
(7) Marriage, Birth and Death Registration Fees			
Customary Burial ground permit fees	Xxx	Xxx	Xxx
Marriage Registration (Act) fee	Xxx	Xxx	Xxx
Customary Marriage fee.	Xxx	Xxx	Xxx
Marriage Certificate fees	Xxx	Xxx	Xxx
Birth Registration fees	Xxx	Xxx	Xxx
Death Registration Certificate fees	Xxx	Xxx	Xxx
Indigene certificate	Xxx	Xxx	Xxx
(8) Naming of street Registration fee			
Renewal annual	Xxx	Xxx	Xxx
(9) Right of Occupancy fees in local areas			
(one off)	Xxx	Xxx	Xxx

(10) Market Rates & Levies:			
Permanent Stalls (per-annum)	Xxx	Xxx	Xxx
Market Stalls (per-market day)	Xxx	Xxx	Xxx
Seasonal Markets (per bag/heap)	Xxx	Xxx	Xxx
Market Hawkers (daily)	Xxx	Xxx	Xxx
Market Hawkers (weekly)	Xxx	Xxx	Xxx
(11) Motor Park Levies:			
Entrance fees (Gate): -Trucks, Lorries, Tankers - Canters, Buses, Pick up vans,	Xxx	Xxx	Xxx
Loading and off-loading fees (per trip) Trailers Lorry Canter	Xxx	Xxx	Xxx
Motorcycle Parking Fees (per day)	Xxx	Xxx	Xxx
(12) Domestic Animal Licence Fees:			
Dog licence (one off)	Xxx	Xxx	Xxx
(13) Bicycle, Truck, Canoe, Wheelbarrow and Cart Fees: (per annum)			
Bicycle licence fee	Xxx	Xxx	Xxx
Canoe licence fee	Xxx	Xxx	Xxx
Wheelbarrow/Cart fee	Xxx	Xxx	Xxx
(14) Cattle Tax: (per head)			
Cow/ cattle	Xxx	Xxx	Xxx
Goat/Sheep	Xxx	Xxx	Xxx
Other livestock	Xxx	Xxx	Xxx
(15) Religious Places Establishment Permit Fees:			
Open air preaching permit fee (per activity)	Xxx	Xxx	Xxx
Establishment of religious centres fee (one off)	Xxx	Xxx	Xxx
(16) Sign Board (Signage) and Advert Permit Fees:			
Mobile Sales (per activity)	Xxx	Xxx	Xxx
Promotion fees (per activity)	Xxx	Xxx	Xxx
Directional Signboard fee (per annum)	Xxx	Xxx	Xxx
Electric Design Advert per face fee (per annum)	Xxx	Xxx	Xxx
Wall Print Advertisement per side fee (per annum)	Xxx	Xxx	Xxx
Billboards, Unipoles and Eye-catchers (per annum)	Xxx	Xxx	Xxx
Market Road Show permit (per activity)	Xxx	Xxx	Xxx

Digitalised Boards (per annum)	Xxx	Xxx	Xxx
(17) Public Convenience, Sewage and Refuse Disposal fees			
Dislodgement of Septic Tanks (per activity)	Xxx	Xxx	Xxx
Sanitation fees per annum (Residential)	Xxx	Xxx	Xxx
Sanitation fees per annum (Commercial)	Xxx	Xxx	Xxx
(18) Wrong Parking Charges			
Wrong parking charge (per activity)	Xxx	Xxx	Xxx
(19) Other levies & fees:			
Contract Registration fees (per annum)	Xxx	Xxx	Xxx
Contract Processing fees (per contract)	x.x% of the value of the contract	x.x% of the value of the contract	x.x% of the value of the contract
	SECOND SCHEDULE (Option 2 only)		
	WARD CATEGORIES		

Government x.x% of the value of the contract

Ward Name	Category
xxxxx	x
xxxxx	x
xxxxx	x
etc	etc

(repeated for each LGA)

APPENDIX 3: MODEL STATE-LEVEL LGA LAW EXPLANATORY NOTE

“Model” State Harmonized Tax Law

Introduction:

With the increasing interest in State-level harmonised tax laws from not only GEMS3 assisted states but also other states, we consider the timing is appropriate to develop a “model” state harmonized tax law based on the experiences to date which can be used as a starting base for future state-level harmonized tax law development, and modification to suit the particular needs of each state.

Developing a “Model” Law:

In commencing this exercise, the Centre tax team has reviewed the Lagos 2010 law, the Kano 2014 law, and the drafts being used in other states. Of these, the Kano 2014 law was judged as the best base for a model law, but it was acknowledged that certain improvements could also be made to that law. Thus rather than everyone simply “copying and adapting” the Kano law, it was decided to develop a “model” law based on GEMS3 intervention work that could be adapted for other states.

The “model” law has provided the opportunity to improve the Kano law by:

- Including a definition of “rural local government” that was inadvertently omit from the printed law
- Deleting irrelevant definitions (e.g. there were definitions of “block stalls” and “general contractor” but neither of those terms was referred to in the law)
- Extending the “person” definition to include persons who exploit resources
- Placing the definitions in alphabetical order
- Standardising the different terminology for “fees, levies, rates, charges and taxes”; references have been changed to “rates and levies” to match the “rates and levies” references in the title to the law
- Make the law gender-neutral (references to Chairman have been changed to Chairperson, references to “he” changed to “he or she” and references to “him” changed to “him or her”)
- Incorporating provisions from the Lagos harmonised law that relate to:
 - » Providing more detail on how the Schedule to the law can be changed
 - » Allowing for single demand notices where persons are subject to multiple rates and levies
 - » Specifying the persons within organisations who commit offences when an offence has been committed by an organisation
 - » Ensuring that the law does not conflict with local government revenues from rents and other fees for services charged
- Providing greater detail on payment dates to reflect the different time periods for rates and levies (annual, monthly, daily/per activity)
- Enhancing the enforcement provisions to allow local governments to get assistance from law enforcement agencies and for the Chief Judge to set up mobile Revenue Courts
- Providing that the penalties for offences included in the law are the “highest” of those included in the Lagos or Kano laws (realising that these will be discussed with each State but using the higher amount as a starting base given the likelihood of reductions) – the exception to this is the penalty for mounting roadblocks where the penalty shown is that included in the 1998 law
- Providing that tax dispute objections referred to local governments need to go to persons independent of revenue collectors and their managers
- Allowing demand notices/assessments to be amended where both parties agree after an objection has been considered

- Removing the requirement for receipts to have security features – given the ability of persons to fake receipts, even those with security features, such a requirement imposes costs on LGAs which often outweigh the benefits
- Making a small number of technical corrections (e.g. the word “Allocation” had been inadvertently missed from the reference to the “Revenue Mobilization Allocation and Fiscal Commission)
- Making a number of editorial changes to correct grammar and use less capitalisation of terms
- In terms of the Schedule to the law, a comprehensive listing of potential revenue heads has been included in the “model” law, allowing each state to modify, including removing revenue heads where decided. For example, in the Kano law, the revenue heads were deleted for:
 - On and off liquor license fees (this recognised that sale of liquor is illegal in that state so to include it as a revenue head would be to acknowledge such sales)
 - Religious places establishment permit fees
 - Customary burial ground permit fees
 - Cattle tax

The Schedule in the Kano law was also amended to include a category for “commercial” sanitation fees that was inadvertently missed from the printed law.

It was also noted that the Kano law includes two revenue heads that are not included in the Taxes and Levies (Approved List for Collection) Decree no 21 of 1998 which specifies the types of taxes and levies able to be collected by Local Governments, namely:

- Food license permits (these have been left in the “model” law, and merged with the liquor license fees revenue head, as the ability to “regulate” the food industry by local governments is included in the Nigeria Constitution)
- Other levies and fees, namely contract registration fees and contract processing fees (these have also been left in the “model” law)

For most revenue heads in the Schedule, additional information was also included regarding when the rate/levy should be paid.

Variation to the “Model”

It should be noted that the Kano law was based on different rates and levies being applied to different LGAs within their states based on whether those LGAs are regarded as “urban” (pay the highest), “semi urban” or “rural” (pay the lowest). The approach taken with the Kaduna law and Kogi draft law has however been to allow these LGA categorisations to be further broken down into wards within the LGAs (e.g. some wards could be urban, some semi urban and some rural within the same LGA). This development while fairer also means that the “model” law will need to be more complex with an additional Schedule listing the categorisations for each ward and replacing references to urban, semi urban and rural throughout the law with references to categories A, B and C. These changes have been shown in the “model” law as being Option 2 (compared with Option 1 for the Kano law LGA categorisations).

While Option 2 is likely to be fairer and thus more politically acceptable, it does add a level of complexity in terms of the actual administration and collection of rates and levies and hence the model law shows both variations allowing each State to decide which option it wants to run with.

APPENDIX 4: KANO STATE MDA LAW

Kano State MDA Revenue Harmonization
Law 2016 (1437 A.H)

No. 2 of 2016

A13

Assented to this 11th day of February, 2016 (1437 A.H.).

DR. ABDULLAHI UMAR GANDUJE OFR.
Governor,
Kano State of Nigeria

KANO STATE MDA REVENUE HARMONIZATION LAW 2016 (1437 A.H.).



No.2

Kano State of Nigeria

2016

A Law to make provision for the Harmonization of Revenue collectible by Kano State Ministries, Departments, Agencies, Institutions and Extra Ministerial Departments and for matters connected therewith.

BE IT ENACTED by Kano State House of Assembly as follows:-

- | | |
|--|-------------------------------------|
| <p>1. This Law may be cited as Kano State MDA Revenue Harmonization Law 2016 (1437A.H) and shall come into operation on 11th day of February, 2016 (1437A.H.).</p> | <p>Short title and Commencement</p> |
| <p>2. In this Law unless where the context otherwise requires:-</p> <p>"Accountant General" means the Accountant General of the State;</p> <p>"Executive Council" means Executive Council of the State;</p> <p>"Excess Revenue" means the total Revenue collected above the approved estimated revenue in a fiscal year;</p> <p>"Government" means Government of Kano State;</p> | <p>Interpretation</p> |

"MDA" means Ministries, Departments, Agencies, Institutions and Extra Ministerial Departments duly established by a Law of the State or any other relevant Law;

"Social Sector" means Health and Educational Sector;

"Lead Bank" means the Bank appointed by the State Government as the main Bank collecting Revenue on behalf of the State;

"Revenue" means any form of revenue payable to the State through any of the MDA's which includes Taxes, Fees, Levies, Fines, Charges, Rates, Receipts, Dividend, Penalties and Interests on Penalty;

"Revenue Collector" means a government official duly appointed to collect revenue;

"State" means Kano State;

"Executive Chairman" means Executive Chairman of the State Board of Internal Revenue;

"Governor" Means the Executive Governor of Kano State.

Establishment
of Single
Central
Revenue
Account

3. (1) There is hereby established for the State a single central revenue account (herein after called "the Account") for all the internally generated revenue of the State.

(2) The account shall be utilized for the purpose of capturing the total revenue collection of the State.

(3) The account shall be maintained and operated with IGR reporting Bank, which shall account for all revenues collected by lead bank through designated collecting banks as may from time to time be authorized by the Governor or any other person authorized by him.

4. (1) From the commencement of this Law, all revenue account of the MDAs in the State shall be integrated into the pay direct platform of the reporting Bank for the purpose stated under the provision of section 3(2) of this Law;

Integration of
pay direct
platform

(2) Notwithstanding the provisions of section 7 of this Law, all MDAs shall remit generated revenue to the office of the Executive Chairman at the end of each month through the designated bank.

5. (1) Where an MDA is authorized by this or any other Law to collect any form of revenue the MDA shall within 5 working days remit its revenue collection to a designate collecting bank;

Time within
which to remit
collections into
the Account

(2) The designated collecting bank shall transfer such remitted revenue to the Account with the lead bank within five (5) working days after collection.

6. No MDA shall utilize revenue or any part thereof it collected for the State save in the manner authorized by this or any other relevant Law.

Non Utilization
of Revenue

7. (1) where, however, it appears that an MDA cannot effectively discharge its functions without sufficient fund, the Executive Council may declare such MDA as "Authorized MDA"

The State may
Authorize MDA

(2) For the purposes of sub-section (1) of this section, the MDA's mentioned in the first schedule to this Law are hereby declared as Authorized MDAs.

8. Wherever the State declares an MDA as authorized MDA, the collecting Bank shall within 48 hours of remittances of revenue by the declared MDA transfer such remitted revenue into the expenditure account of the MDA provided that the Authorized MDA shall not utilize any amount in excess of its approved budgetary provisions without the approval of the Executive Council.

Permission to
Transfer Funds
to Specific
MDAs

Reporting
Revenue
Collection

9. Notwithstanding the provisions of this or any other Law, all MDAs shall report revenue collected to the office of the Executive Chairman at the end of each month for comparison with what the collecting Bank reports.

Establishmen
t
and
Functions
of Revenue
Unit

10. (1) There is hereby established for each of the MDAs a revenue unit which shall be headed by a senior officer who shall be appointed and answerable to the office of the Executive Chairman.

(2) The revenue unit shall be responsible for:

(a) collection of all payments due to the State;

(b) issuance of official receipts;

(c) remitting all revenue collections to the account of the MDA; and

(d) maintaining records of all revenue collections and remission.

Monthly
reports
by
MDAs

11. In compliance with the provision of this Law, all MDAs shall within 10 working days of the succeeding months report their monthly collections to the office of the Executive Chairman, who reports to the Ministry of Finance and Ministry of Planning and Budget in addition to any statutory requirement.

Service of
Demand
Notice

12. (1) Where it appears that a person liable to pay rate, fee or charge defaults to pay the relevant MDA may demand in writing from such person payment of the rate, fee or charge by serving an assessment thereof in a demand notice on such person requesting the payment of the total amount due within 30 days from the service of the demand notice.

(2) The demand notice shall be in a form stipulated in the third schedule to this Law.

13. A person or organization who disputes any part or all of the contents of the demand notice served on him may apply to the relevant MDA by a notice of objection in writing stating the ground of objection within 14 days from the date of service of the demand notice.

Notice of
Objection

14. The relevant MDA shall respond to such notice of objection within five working days from the receipt thereof and may require the person making the objection to furnish it with such particulars or to produce such relevant documents as may be deemed necessary in the determination of the notice of objection.

Response
to
Objection

15. In the event of an objection being resolved in favour of the person making the objection the MDA shall issue a revised assessment in a new demand notice in accordance with section 13 of this Law. However, if the objection is resolved in favour of the MDA the first assessment shall stand.

Revised
Assessment

16. An MDA shall have powers to recover any rate, fee or charge by means of instituting recovery action at the Kano State Revenue Court through the Ministry of Justice against the person who, after being served with a demand notice defaults to pay the assessed rate, fee or charge within the time provided by the demand notice.

Power to
Institute
Recovery
Action in Court

17. Any person who:

(a) collects or attempts to collect any rate, fee, levy or charge that is not authorized by any Law in the State;

Offences

(b) being a revenue collector fails to remit revenue collected in accordance with this or any other Law;

(c) withholds for his own use or otherwise any portion of the revenue collected;

(d) renders false return, whether orally or in writing the amount revenue collected or received;

(e) defrauds any other person or embezzles any

revenue or otherwise uses his position to deal wrongfully with any member of the public in the discharge of his duty under this Law;

- (f) steals or misuses any Government documents for the purposes of administration of any form of revenue and;
 - (g) compromises on the assessment or collection of any levy, rate or charges;
- commits an offence and is liable upon conviction to a term of not less than 6 months imprisonment or a fine of not less than 50 percent of the sum in question. In addition, the convict shall refund whatever amount collected or benefitted in contravention of this Law.

Aid and
Abetment

18. Any person who aids or abets any person in contravening any of the provisions of this law commits an offence and is liable upon conviction to a term not less than 4 months imprisonment or a fine of not less than 50 percent of the sum in question.

MISCELLANEOUS

Provisions of
Rates, Fees
and Charges

19. Except the social sector services, fees, rates and charges which shall be reviewable when ever appropriate, all other rates, fees and charges to which this Law applies shall be reviewed subject to the approval of the Governor by the relevant MDA every four years.

Provision of
an Incentive

20. Where an MDA exceeds its targeted revenue collection for a particular period of time, the MDA shall with the approval of the executive council, be entitled to an amount not below 5 percent of the amount collected above the target as incentive to its staff.

21. The provisions of this Law shall not apply to funds managed by an MDA as a result of a special arrangement, trust or savings by organizations or individuals for the purposes of undertaking some specified projects by the MDA.

Non Applicability
of this Law on
Some Funds

22. The Commissioner of Finance subject to the approval of the Governor may make or whenever appropriate direct an MDA to make regulations on the category of rates, fees and charges collectible by the MDAs in the State.

Power to
Make
Regulations

SCHEDULES

First Schedule

Section 7

The following Government Agencies are hereby declared as authorized MDAs

1. Hospital Management Board
2. Fire Service
3. All Tertiary Educational Institutions and
4. Kano State Water Board

Second Schedule

Section 9

1. Name of MDA
2. Reporting Month and Year
3. Total amount collected in figures..and words
4. The Bank in which the revenue was remitted
5. Copy of statement of account for the month and
6. Signature of Head of MDA or other authorized person.

Third Schedule

Section 12 (2)

1. Name of MDA
2. Date of Issue
3. Name and address of person or authority required to make payment
4. Amount involved in figures and in words
5. Period involved
6. Name of Bank(s) where payment is to be made and
7. Signature of authorized officer.

AUTHENTICATION BY THE CLERK

This Printed impression has been carefully compared by me with the said Bill (Kano State MDAs Revenue Harmonization Law 2016 (1437A.H.)), which was passed by the State House of Assembly and found by me to be a true and correctly Printed copy of the said Law.

LAWAN BADAMASI
*Clerk/Permanent Secretary,
Kano State House of Assembly*

GEMS3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:

Presumptive Tax Regulations
Implementation
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It gives a detailed step-by-step guide to assisting with the implementation at State government level of the Presumptive Tax Regulations that were promulgated by the Federal Government in 2015.



CONTENTS

1. PRESUMPTIVE TAX - INTRODUCTION	44
1.1 What is Presumptive Tax?	44
1.2 Reasons for the Presumptive Tax	44
1.3 Implementation of the Presumptive Tax at State government level	45
2 PRESUMPTIVE TAX ACTIVITIES	46
2.1 Establishment of Technical Working Committee at BIR	46
2.2 Agreement reached on Presumptive Tax rates in the State	46
2.3 Training of BIR staff	46
2.4 Presumptive Tax registration and database development	46
2.5 Presumptive tax sensitisation	46
2.6 Completion of presumptive tax activities	46
APPENDIX 1: THE PRESUMPTIVE TAX POLICY FRAMEWORK 2015	47
APPENDIX 2: PRESUMPTIVE TAX REGISTRATION FORM	48
APPENDIX 3: PRESUMPTIVE TAX RETURNS FORM	49
APPENDIX 4: PRESUMPTIVE TAX RATE TABLE	50
APPENDIX 5: PRESUMPTIVE TAX REGULATIONS 2015	52

1. PRESUMPTIVE TAX - INTRODUCTION

1.1 What is Presumptive Tax?

Presumptive Tax is personal income tax on individuals who are in business that is chargeable under the Personal Income Tax Act. Presumptive Tax is not another type of tax but a method of assessment of Personal Income Tax (PIT) supported by section 36(6) of the Personal Income Tax (Amendment) Act 2011 which states as follows:

“Notwithstanding any of the provisions of this Act, where for all practical purposes the income of the taxpayer cannot be ascertained or records are not kept in such a manner as would enable proper assessment of income, then such a taxpayer shall be assessed on such terms and conditions as would be prescribed by the Minister in regulations by order of gazette under a presumptive tax regime.”

It is a tax regime/system of assessing taxpayers to tax where, for all practical reasons/ purposes, their income cannot be ascertained or records are not kept in such manner as would enable proper assessment of their income.

1.2 Reasons for the Presumptive Tax

Presumptive taxes are a way of taxing income in the absence of an accurate way to assess income.

The benefits of presumptive tax are envisaged to be as follows:

To the Government

1. Reduced assessment objections that free-up resources/time to other functional areas of revenue management.
2. Reduces the tendency and ability of BIRs to make multiple, subjective and inaccurate assessments; fraud is minimised/eliminated.
3. Reduces the possibility of leakages as the BIRs have a centralised database of taxpayers and therefore have a more accurate idea of the tax that should be collected
4. Better understanding between the BIRs and the taxpayers increases voluntary compliance.
5. It expands the tax net by widening the tax base and hence increases IGR.
6. It allows the government to tax its citizens in a more equitable fashion.

To Taxpayers

1. It provides taxpayers with a simplified option for tax compliance and removes the administrative burden otherwise required for compliance.
2. The tax burden is more evenly spread among the taxpayers.
3. Discourages tax evasion and tax avoidance; increases financial transparency.
4. Recognises record-keeping limitations that exist in practice.
5. It gives a sense of patriotism and responsibility.
6. Incentive: bonus of 1% on tax payable for prompt filling of tax returns.

1.3 Implementation of the Presumptive Tax at State government level

GEMS3 is supporting the domestication and implementation of the Federal Government Presumptive Tax Policy 2015 in three selected states – Kano, Kaduna and Cross River. This is to assist tax compliance by taxpayers (individuals including any corporation sole, trustees or executors with income chargeable to tax) in a hassle-free manner while helping states expand their tax net.

In domesticating and implementing the presumptive tax regime, GEMS3's approach has been through the implementation of the following suite of activities:

Establishment of Technical Working Committee at BIR

The Ministry of Finance in conjunction with the State Board of Internal Revenue Service set up a Technical Working Committee at the BIRs to champion and facilitate the implementation of the Presumptive Tax system in the state. Its functions included:

- a. Producing tax rates in consultation with all relevant stakeholders;
- b. Organising PPDs with the various trade unions, associations, and professions to sensitise, agree on the rates and secure their cooperation;
- c. Building and/or improving the database of taxpayers in the informal sector including administering presumptive tax registration forms and assisting taxpayers with their completion.

Public Private Dialogue

Several PPD workshops were conducted in order to bring together public and private sectors to:

- a. Agree precise rates and application of rules in a state;
- b. Get buy-in and sensitise organised private sector;
- c. Agree state level "tax for service" activities that will benefit informal sector; and execute MOU (where possible) on application of presumptive tax in state;
- d. Introduce better payment techniques: customised teller, POS.

Training of BIR Staff

GEMS3 conducted training for staff of BIRs to understand the provisions of the Presumptive Tax regulations and to enhance their capacity to implement presumptive tax.

Developing Data Base of Taxpayers Through Registration

The effectiveness of the implementation of presumptive tax substantially depends on the quality of a state's data on the informal sector; hence the need to undertake comprehensive registration of all businesses in the informal sector. This is achieved through identification of all the various trades, vocations and professions and registering them accordingly. GEMS3 has supported selected state revenue agencies to improve their taxpayers' database.

Sensitisation

An intensive campaign awareness was carried out to sensitise and educate the general public on the new presumptive tax system especially the agreed rates so that taxpayers are aware of what, how, when and where to pay.

GEMS3 has prepared a report on its implementation activities in the three states and has shared this with FIRs/JTB to help improve the rules and to aid other states with presumptive tax implementation.



2 PRESUMPTIVE TAX ACTIVITIES

2.1 Establishment of Technical Working Committee at BIR

- a. Discuss need to implement Presumptive Tax Regulations with relevant State Government stakeholders and make a case for a technical working committee and outline its role
- b. Establish Technical Working Committee

2.2 Agreement reached on Presumptive Tax rates in the State

- a. Produce first draft of potential rates with Technical Working Committee
- b. Facilitate presentation and discussion on draft with relevant stakeholders via meetings and PPDs
- c. Document agreement on rates for the State
- d. Obtain endorsement by working committee and relevant stakeholder management
- e. Record "agreement reached on presumptive tax rates" milestone as having been met

2.3 Training of BIR staff

- a. Agree plans with BIR management for training of staff on presumptive tax regime
- b. Conduct training

2.4 Presumptive Tax registration and database development

- a. Review state of existing database at BIR
- b. Identify best approach for presumptive tax registration
- c. Oversee issue and initial completion of presumptive tax registration forms
- d. Ensure registration information recorded in database

2.5 Presumptive tax sensitisation

- a. Plan presumptive tax sensitisation with working committee
- b. Agree resourcing and financing responsibilities
- c. Conduct sensitisation activities

2.6 Completion of presumptive tax activities

- a. Prepare report on presumptive tax activities conducted
- b. Agree report with working committee and obtain approval to share with FIRS/JTB
- c. Share report with FIRS/JTB
- d. Record "presumptive tax activities completed" milestone as having been met

APPENDIX 1: THE PRESUMPTIVE TAX POLICY FRAMEWORK 2015

The Federal Government in 2015 through the Federal Ministry of Finance introduced a policy on Presumptive Tax (PT) to facilitate tax compliance by taxpayers whose income for all practical purposes cannot be ascertained or where records are not readily available for proper assessment of income. The Minister of Finance signed the "Presumptive Tax Regulations 2015" in June 2015 (see Appendix 5). The regulations set out as follows:

1.1 Categories of Taxpayers under the Presumptive Tax Regime

Taxpayers are to be categorised into Micro, Small and Medium business, based on their levels of business activities for the purpose of determining the rate band for each category.

1.2 Process/Procedures

1. Registration

PT is to be administered by tax authority (Federal Inland Revenue Service (FIRS) or State Boards of Internal Revenue (BIRs) using Tax Registration Form (Appendix 2) and Tax Returns Forms (Appendix 3)

Taxpayers are expected to file returns on or before 90 days from the commencement of every year.

2. Payment

Payments would be made in accordance with the category of business, vocation, and profession contained in the Administrative Tax Table (Appendix 4). The rates payable by taxpayers under the PT system would largely depend on the details of their businesses. However, the mode and procedures for payment shall be as prescribed by the relevant tax authority.

3. Tax Clearance Certificate

The taxpayer is entitled to and shall be issued with Tax Clearance Certificate by the relevant tax authority.

4. Exit Rule

A taxpayer under the presumptive tax regulations may voluntarily exit and file the requisite tax returns and be assessed under the Personal Income Tax Act in any tax year. On the other hand, the relevant tax authority can opt to assess a taxpayer under the Personal Income Tax Act where it is discovered that a taxpayer has valid records or information.

1.3 Rate Guides

The regulations provide rate bands in the administrative document (see Appendix 4) for all categories of the informal sector (trades, vocation or profession) as a guide for states. The rates are classified into minimum, medium and maximum based on which tax rate can be determined for the taxpayer. The states are however allowed to negotiate and agree rates with trade associations.

APPENDIX 2: PRESUMPTIVE TAX REGISTRATION FORM

62

SCHEDULE 1

FEDERAL REPUBLIC OF NIGERIA

Federal Inland Revenue Service (FIRS), State Boards of Internal Revenue (SBIRs)

PRESUMPTIVE TAX REGISTRATION FORM

Made Pursuant to Section 6 of the Personal Income Tax (Amendment) Act, 2011

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) Nationality _____
- 3) Residential Address _____
- 4) GSM Number _____
- 5) Business Type _____
- 6) Business Name _____
- 7) Registered Business Name _____
- 8) Commencement Date _____
- 9) Means of Identification _____
- 10) Business Registration No. _____
- 11) Taxpayer Identification No. (TIN) _____

Signature/Thumbprint

Date of Registration

APPENDIX 3: PRESUMPTIVE TAX RETURNS FORM

63

SCHEDULE 2

FEDERAL REPUBLIC OF NIGERIA

Federal Inland Revenue Service (FIRS), State Boards of Internal Revenue (SBIRs)

PRESUMPTIVE TAX RETURNS FORM

Made Pursuant to Section 6 of the Personal Income Tax (Amendment) Act, 2011

For self-employed individuals, Enterprises and those engaged in trades (To be submitted at the relevant tax authority)

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. Nationality -----
- 3. Residential Address -----
- 4. GSM Number -----
- 5. Assessment Year -----
- 6. Presumptive Tax Payable -----
- 7. Presumptive Tax Paid -----
- 8. Taxpayer Identification Number (TIN) -----
- 9. Nature of Business -----

Signature/Thumbprint

Date

FOR OFFICE USE

PERIOD OF FILING	DUE DATE	DATE FILED	REMARKS

TAX AUTHORITY: ----- SIGNATURE: ----- DATE: -----

APPENDIX 4: PRESUMPTIVE TAX RATE TABLE

ADMINISTRATIVE DOCUMENT FOR THE GUIDANCE OF PRESUMPTIVE TAX ADMINISTRATORS PRESUMPTIVE TAX TABLE

S/NO	TRADE/BUSINESS	Micro Business	Small Business	Medium Business
1	Boutiques and other cloth sellers – Adult and Children wear.	2,500.00	32,500.00	100,000.00
2	Fabricating, Welding, Bench Milling, Black Smith, Gold Smith.	2,500.00	27,500.00	100,000.00
3	Confectioneries and Bakeries.	2,500.00	67,500.00	150,000.00
4	Barbers and Hair Dressing Saloon.	2,500.00	37,500.00	100,000.00
5	Service Providers – Business Centres and Typing Studio, Printers, Thrift Collector, Video Clubs, Car Wash and Owners, Casino Operators, Cyber Café Operators, Drama Group, Laundries, Dry Cleaners, Cinemas, Commercial Mobile Calls, Photographers/Photo Developers, Recreational Centre, Refuse Collections, Rentals, Travel Agency.	2,500.00	60,000.00	150,000.00
6	Artisans – Masons, Vulcanizes, Iron Benders, Carpenters, Cobblers, Painters and Decorators, Plumbers.	2,500.00	45,000.00	100,000.00
7	Petrol, Kerosene and Lubricant Sellers.	2,500.00	32,500.00	120,000.00
9	Tailoring, Interior Decoration, Fashion Designers and Garment Makers, Curtain Makers, Seamstress.	2,500.00	82,500.00	150,000.00
10	Transport Workers – Taxi, Bus, Lorry, etc.	2,500.00	45,000.00	120,000.00
11	General Trading/Enterprises - Retail and Wholesale, Land Speculators, Raw Food, Bookshops/Stationery Stores, Building Materials, Cement, Cooking Gas, Air-conditioners, Mattress/Foams, Doors, Electrical Parts and Fittings, Furniture/Furnishing Material, Gas Refilling, General Contractor, General Merchants and Distributors, Gift Shop, Entrepreneurs, Imitation Jewel, Jewel, Land Speculators, Leather Carpets, Licensed Merchants, Mobile Phone, Motor Cycle, Spare Parts, Patent Medicine, Photographic Materials, Plank, Plastic Rubbers, Plumbing Materials, Poultry Feeds, Raw Food, Rugs and Carpets, Sewing Machine, Timber Dealers, Tire, Wine and Beer License Operators, Yoghurt.	2,500.00	60,000.00	140,000.00

65

66

12	Financial Services – Bureau De Change, Pool Agents and Promoters, Money Lenders.	2,500.00	50,000.00	140,000.00
13	Furniture and Cabinet Makers.	2,500.00	50,000.00	150,000.00
14	Restaurant and Food Sellers.	2,500.00	60,000.00	130,000.00
15	Property – Guest House, Lodging, Face to Face Building.	2,500.00	50,000.00	140,000.00
16	Mechanics, Technicians, Electricians, Panel Beaters, Motorcycle, Bicycle, Keke NAPEP, Clock and Watch Repairers, and other Machine Repairers, Re-wires, Battery Chargers.	2,500.00	43,500.00	100,000.00
17	Artisans, Design and Sign Writers, Hand Craft Makers Graphic Arts.	2,500.00	65,000.00	140,000.00
18	Professional Services – Opticians, Photo lab, Auctioneers. Draughtsman, Maternity Owners, Medicine Store Patent.	2,500.00	55,000.00	120,000.00
19	Entertainment Service, Musicians.	2,500.00	53,500.00	120,000.00
20	Agriculture, Forestry, Fishing, Hunting, Butchers/Meat Sellers, Horticulture/Florist, Farm Settlers, Poultry, Piggery.	2,500.00	40,000.00	130,000.00
21	Aluminum Fabrication and Products.	2,500.00	38,750.00	100,000.00
22	Processors, Producers and Manufacturers – Blocks, Culvert. Well Ring, Pure Water, Welders, Shoe Makers, Cold Rooms, Palm Oil Miller, Grind Mills, Sawmill Proprietors.	2,500.00	60,000.00	150,000.00
23	Transport Owners.	2,500.00	50,000.00	150,000.00
24	All other trades/services covered by the regulation but not listed above.	2,500.00	50,000.00	150,000.00

MICRO BUSINESSES: The tax levied on traders at the lowest rung of the ladder in a particular presumptive tax trade/business.

SMALL BUSINESSES: The tax levied on traders that will not ordinarily be regarded as very small and very big, and not formally registered, in a particular presumptive tax/business.

MEDIUM BUSINESSES: The tax levied on traders that are very big but not formally registered, in a particular presumptive tax trade/business.

APPENDIX 5: PRESUMPTIVE TAX REGULATIONS 2015

PRESUMPTIVE TAX REGULATIONS, 2015

57

ARRANGEMENT OF REGULATIONS

Regulation:

PART I	OBJECTIVE AND SCOPE
1.	Objective
2.	Scope
PART II	THOSE TO BE ADMINISTERED UNDER THE PRESUMPTIVE TAX REGIME
3.	Those to be administered under the presumptive tax regime
PART III	TAX REGISTRATION AND TAX RETURNS
4.	Tax registration
5.	Tax returns
PART IV	TAX PAYMENT UNDER PRESUMPTIVE TAX REGIME
6.	Tax Payment
7.	Tax Clearance Certificate
PART V	ADMINISTRATION OF PRESUMPTIVE TAX REGIME
8.	Administration of Presumptive Tax Regime
9.	Administrative settlement
10.	Objection And Appeal
11.	Bonus for prompt filing
PART VI	EXIT RULE
12.	Exit rules
PART VII	SANCTIONS AND PENALTIES
13.	Penalty for Non-Payment
PART VIII	INTERPRETATION AND CITATION
14.	Interpretation
15.	Citation

LIST OF SCHEDULES

1. PRESUMPTIVE TAX REGISTRATION FORM	Schedule 1
2. PRESUMPTIVE TAX RETURNS FORM	Schedule 2

58

PRESUMPTIVE TAX REGULATIONS, 2015

[.....] Commencement

In exercise of the powers conferred on me, Dr (Mrs) Okonjo Iweala, Hon. Coordinating Minister of the Economy and Minister of Finance by Section 36 (6) of Personal Income Tax (Amendment) Act, 2011 and all other powers enabling me in that behalf, hereby make the following Regulations-

PART I - OBJECTIVE AND SCOPE

1. Objective

The objective of these Regulations is to set out processes and procedures and provide standard guidelines for the implementation of the Presumptive Tax Regime in Nigeria.

2. Scope

These Regulations shall apply to taxpayers where for all practical purposes their income cannot be ascertained or records are not kept in such manner as would enable proper assessment of income.

PART II - THOSE TO BE ADMINISTERED UNDER THE PRESUMPTIVE TAX REGIME

3. Those to be administered under the presumptive tax regime

Categories of Taxpayers to be administered under these Regulations shall include taxpayers, where for all practical purposes their income cannot be ascertained or records are not kept in such manner as would enable proper assessment of income. These taxpayers are to be categorised according to the following bands; Micro, Small, and Medium Businesses based on their level of activities

PART III - TAX REGISTRATION AND TAX RETURNS

4. Tax registration

The presumptive tax regime shall be administered by the tax authority using Tax Registration Form in Schedule 1 and Tax Returns Form in Schedule 2 of these Regulations on respective taxpayers within their jurisdiction on annual basis.

§ 51

5. Tax returns

Tax payer operating under the Presumptive Tax Regime are to file returns on or before 90 days from the commencement of every year.

PART IV - TAX PAYMENT UNDER PRESUMPTIVE TAX REGIME

6. PAYMENT

(1) The Tax payable shall be in accordance with the category of Trade, Businesses, Vocation and Professions as contained in an administrative tax table to be administered by the relevant tax authority.

(2) The mode and the procedures for payment of the tax shall be in the manner prescribed by the relevant Tax Authorities.

7. TAX CLEARANCE CERTIFICATE

Upon payment of all tax assessments, the tax payer shall be entitled to be issued a tax clearance certificate.

PART V - ADMINISTRATION OF PRESUMPTIVE TAX REGIME

8. Administration of Presumptive Tax Regime

(1) It shall be the duty of the tax payer to file his returns annually, but the tax authorities shall engage the taxpayer with a view to obtaining relevant information on the nature and level of business carried out.

(2) Pursuant to the outcome of (1) above, the tax authority shall determine the band the taxpayer should belong to.

(3) Taxpayers shall be encouraged to keep records of their transactions.

9. Administrative Settlement

Any taxpayer that contends the band/assessment arrived at in Regulation 8(2) may file an objection to the tax authority stating clearly the grounds of Claim within 15 days of the receipt of the assessment.

10. Judicial Review

Where the taxpayer is not satisfied with the decision of the relevant tax Authority, such person may appeal to the Tax Appeal Tribunal (TAT) or a Court of Competent Jurisdiction within 30 days of the receipt of the decision of the tax authority.

61

- (d) "Presumptive Tax" means personal income tax on individuals, chargeable under the Personal Income Tax Act where it is not possible or impracticable to keep accounting records.
- (e) "Tax Authority" means Federal Inland Revenue Service and States Internal Revenue Service.
- (f) "Returns" means documents used for purpose of assessing a taxpayer under these Regulation by the relevant tax authority for an assessment period;
- (g) "Taxpayer" means any individual or body of individuals (including any corporation sole, trustee or executors) having any income which is chargeable to tax under the presumptive tax regime.

15. Citation

These Regulations may be cited as the "Nigeria Presumptive Tax Regulations, 2015"

Made at Abuja thisday of2015

Minister of Finance

EXPLANATORY MEMORANDUM

*(This note does not form part of the above Regulations
but is intended to explain its purport)*

These Regulations seek to administer persons under the presumptive tax regime in such terms and conditions as prescribed in these Regulations, where for all practical purposes the income of the taxpayer cannot be ascertained or records are not kept in such manner as would enable proper assessment of income.

11. Bonus for prompt filing

A taxpayer who keeps up to date records and files a return under these Regulations within the specified period shall be granted a bonus of 1% of the tax payable.

PART VI - EXIT RULE

12. Exit rules

- (1) Except where it is almost impossible, tax payers are to be encouraged to keep some form of records in order to exit from the Presumptive Tax Regime and be assessed on Pay-As-You-Earn/Direct Assessment Principle.
- (2) A taxpayer under these Regulations may voluntarily exit and file the requisite tax returns and be assessed under the Personal Income Tax Act in any tax year.
- (3) Where the tax authority discovers, based on available taxpayer record or any other valid record or information that the taxpayer ought to be assessed under the Personal Income Tax Act, such taxpayer shall be assessed as appropriate under the Act.

PART VII - SANCTIONS AND PENALTIES

13. Sanctions and Penalties.

(1) Failure for non-payment of Presumptive Tax

A taxpayers under these Regulations who fails or neglects to make payment of the tax due shall be liable pursuant to section 76 of the Personal Income Tax Act (as amended)

PART VIII - INTERPRETATION AND CITATION

14. Interpretation

For the purpose of these regulations:

- (a) "Assessment Period" means a period of one calendar year.
- (b) "Informal Sector businesses" means 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.
- (c) "Person" means individuals engaged in businesses, trades, vocation and professional services that are taxable under these Regulations



Passing of the Tax harmonisation bill into law, Kano

GEMS3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Tax for Service
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It gives a detailed step-by-step guide to implementing "tax for service" agreements between state or local governments and markets/motor parks within their territorial areas.



NO SMOKING

TAX FOR SERVICE CHIK

NO SMOKING

CONTENTS

1. "TAX FOR SERVICE" AGREEMENTS - INTRODUCTION	62
1.1 What are "tax for service" agreements?	62
1.2 Reasons for "tax for service" agreements	62
1.3 Implementation of "tax for service" agreements	62
2 "TAX FOR SERVICE" AGREEMENT ACTIVITIES	63
2.1 Obtain state/LGA agreement to launch "tax for service"	63
2.2 Agreement with stakeholders on "tax for service" projects	63
2.3 Consider holding public forum initiating "tax for service"	63
2.4. Ensure "tax for service" projects being implemented	64
APPENDIX 1 - "TAX FOR SERVICE" MOU EXAMPLE - FAGGE LGA, KANO	65

1. "TAX FOR SERVICE" AGREEMENTS - INTRODUCTION

1.1 What are "tax for service" agreements?

To overcome reluctance of market traders and motor park operators/users to pay local government taxes, levies and charges, where they have seen no direct result from such payments, local governments are being encouraged to enter into "tax for service" agreements with market and motor park owners (e.g. unions). Under these agreements, commitments are made by state or local governments to allocate a certain percentage of the taxes paid by market traders and motor park operators/users to agreed needed infrastructural improvements (e.g. building toilet blocks, providing overhead water tanks or boreholes, removing refuse, constructing drainage/road networks or providing security lighting) in their specific business areas.

1.2 Reasons for "tax for service" agreements

A tax for service agreement is an incentive for market traders and motor park operators/users to pay state or local government taxes, levies and charges legally and properly payable by them. A certain percentage, typically between 20% and 30%, of such payments are dedicated to be spent on infrastructural improvements in the markets/motor park and business areas of those who pay, with the balance of such payments going into the general LGA revenue "pool".

The obligations on states/LGAs under tax for service agreements are to collect only legally authorised harmonised rates and levies (which can be specified in a schedule to the MoU) in specific markets/motor parks and to commit to carrying out any such developmental projects or services to be agreed by both parties in the market/motor park that match a specified % of the total rates and levies collected from the market/motor park annually.

The obligations of stakeholders under tax for service agreements are to support the state or local government in making assessment for the collection of the presumptive tax or harmonised rates and levies by encouraging their members to pay their correct obligations and to appropriately sanction any of their members that default in paying his/her due after he/she has received the required assessment/demand notice.

They are a very visible sign of a direct benefit to market traders and motor park operators/users from the state or local government taxes, levies and charges they are required to pay. As such, tax for service agreements are an important element of market sensitisation efforts relating to the introduction of presumptive tax at state level and harmonised rates and levies at LGA level. The benefits not only directly impact on market traders and motor park operators, but also the buyers in the markets and the users of the motor parks due to the improved facilities that result. In both cases they are a highly visible sign of states and LGAs demonstrating accountability to, and reinforcing their social contract with, tax/levy/charge payers for the monies payable by them.

1.3 Implementation of "tax for service" agreements

A tax for service agreement is generally enshrined in a MoU between the public sector (the state or LGA) and the private sector (representatives of the market traders or motor park owners). It usually arises from a process of the private sector identifying and prioritising their infrastructural needs. It is potentially possible to have a separate MoU for each market and motor park in a state (especially in the state capital) or LGA territorial area.

While formal MoUs between states/LGAs and representatives of markets/motor parks to give effect to such agreements are encouraged (and are included as steps in this Activity Guide), there have been instances of LGAs implementing the tax for service agreement concept in the absence of formal written agreements and/or in advance of receiving payments of taxes, levies and charges from payers in order to fund infrastructural improvements. This is of course acceptable as the "tax for service" concept should be introduced as soon as possible; enshrining this in a MoU is however highly desirable.

Completion of implementation of the "tax for service" tax toolkit item does not require that agreements (whether documented in MoUs or not) have been entered into by all markets and motor parks within a LGA territorial area or by a state where state funding is involved. All that is needed is for confirmation that some agreements have been implemented and that there is an active process under way by a state or LGAs to explore further agreements in markets and motor parks where such agreements have not yet been implemented.

2 "TAX FOR SERVICE" AGREEMENT ACTIVITIES

2.1 Obtain state/LGA agreement to launch "tax for service"

- a. Concept of "tax for service" mentioned during initial GEMS3 introductory meetings with Governor and State Government stakeholders and during initial PPEM meeting
- b. Tax for Service trial shortlist & priority order determined through PPD process for state / LGAs
- c. Negotiate with state or LGAs and relevant stakeholders for at least one trial

2.2 Agreement with stakeholders on "tax for service" projects

- a. Facilitate discussion between private and public sector stakeholders on concept of tax for service and on agreeing priority projects. Where this is to be formalised in a written agreement, take following steps:
 - b. Propose and prepare draft mou between lga and stakeholder (refer to example attached as appendix 1)
 - c. Distribute draft mou to an mda or lga for their consideration
 - d. Answer any mda or lga questions about the mou and amend mou as necessary
 - e. Obtain mda or lga approval that draft can be forwarded to stakeholder
 - f. Forward mou to stakeholder for consideration
 - g. Answer any stakeholder questions about the mou and amend as necessary
 - h. Co-ordinate as necessary between mda or lga and stakeholder until a version of the MoU is acceptable to both parties

2.3 Consider holding public forum initiating "tax for service"

- a. Decide with stakeholders if appropriate to hold public forum initiating tax for service. Where it is decided to do so, take following steps:
 - b. Design publicity campaign for announcing tax for service and/or signing of tax for service MoU
 - c. Discuss publicity campaign with MDA or LGA and identify date(s) for public forum
 - d. Confirm details and date with stakeholder
 - e. If a written agreement such as a MoU, confirm signatories for MDA (e.g. Commissioner, Permanent Secretary, Executive Secretary) or LGA (e.g. LGA Chairperson, IMO and / or DPM) and stakeholder



- f. Make arrangements for public forum
 - Confirm venue for public forum
 - Ensure invitations are issued to key stakeholders, including women's groups
 - Conduct publicity for general public
 - Arrange media attendance
 - Design and prepare publicity materials (e.g. banners, hand-outs)
 - Prepare GEMS3 presentation and where appropriate final copies of MoU for signing
- g. GEMS3 presentation and where appropriate formal signing of MoU at public forum
- h. Post public forum publicity

2.4. Ensure "tax for service" projects being implemented

- a. Follow up with LGA or the relevant MDA to ensure work on "tax for service" implementation has commenced
- b. Monitor progress on implementation of initial "tax for service" project(s)
- c. Record (photograph) results of initial "tax for service" projects
- d. Follow up with LGA or the relevant MDA to ensure additional "tax for service" projects (either additional projects in the same market/motor park and/or projects in different markets/motor parks) have been identified and initial work on their implementation has commenced
- e. If satisfied "tax for service" process can continue without further GEMS3 involvement, record milestone (ensure "tax for service" projects being implemented) as having been met

APPENDIX 1 – “TAX FOR SERVICE” MOU EXAMPLE – FAGGE LGA, KANO

**MEMORANDUM OF UNDERSTANDING
BETWEEN
FAGGE LOCAL GOVERNMENT COUNCIL
AND
KANO STATE TRADERS UNION (KASTU)**

THIS MOU is made day of 2013 between FAGGE LOCAL GOVERNMENT COUNCIL OF KANO STATE OF NIGERIA (hereinafter referred to as “the Local Government” which expression shall where the context so admits include its successors in title and assigns), having its principal place of business at Muhammad Vice Adamu Secretariat Fagge Local Government of Kano State of Nigeria of the first part;

AND

Kano State Traders Union (hereinafter referred to as “the traders union” which expression shall where the context so admits include its successors in title and assigns), having its principal place of business at No.Gidan Bature Abdulazeez opposite Gidan Ibrahimawa Kwari Market Fagge Local Government Area of Kano State of Nigeria of the second part.

The Local government and the traders union shall be collectively referred to as the “Parties” and individually called “Party”.

WHEREAS:

1. The Local Government is established for the administration of business activities within its territorial jurisdiction.
2. The local government is responsible for the collection of rates and taxes from businesses and markets within its territorial jurisdiction
3. The Kano State Traders Union (KASTU) is the umbrella organization of all traders carrying out businesses in Kwari market in particular and Kano State in general.
4. All members of the Kano State Traders Union (KASTU) are liable to pay taxes and rates to Fagge local government as contained in the Bye Law of the local government.

In consideration of the covenants, terms and conditions set forth herein, the Parties agree as follows:

1. OBLIGATIONS OF FAGGE LOCAL GOVERNMENT:

- 1.1. The local government hereby agrees to concentrate on the collection the taxes and rates stipulated in the schedule to this MoU within its area of operations in Kwari market pending the passage of the Kano State Local Governments Harmonized Taxes and Rates Law 2013
- 1.2. The local government shall be responsible the collection of refuse at the refuse dumping sites of the market at mini motor park popularly known as “Filin parking” along Ibrahim Taiwo Road Kano and also beside Sheikh Ahmadu Tijjani Mosque by IBB Way Kano
- 1.3. The local government agrees to carry out any such developmental project or service to be agreed by both parties in Kwari market that does not exceed 20% of the total income received from the market per annum.

- 1.4. The local government would adhere to the procedure of collection of taxes and rates from the market operators in accordance with its bye law.
- 1.5. The local government shall carryout such other duties as they may be necessary in the discharge of its obligations in this MOU.

2. OBLIGATIONS OF KASTU:

- 2.1. The officials of KASTU would support the local government in making assessment for the collection of the agreed taxes and rates contained in the schedule to this MoU.
- 2.2. The officials of KASTU shall support the local government in the collection the agreed taxes and rates contained in the schedule to this MoU.
- 2.3. The officials of KASTU shall on their part appropriately sanction any of their members that default in paying his/her due after he/she has received the required demand notice
- 2.4. The officials of KASTU shall carryout such other duties as they may be necessary in the discharge of its obligations in this MOU.

3. EFFECTIVE DATE:

The term of this MOU shall begin on the effective date which is the date of the execution of this MOU and continue until terminated by either Party subject to the provision of Paragraph of this MOU.

4. FORCE MAJEURE:

The obligations of either of the Parties prevented from, or delayed in, complying with its obligations, in whole or in part, by Force Majeure shall to the extent that such obligations are affected by such Force Majeure, be suspended during the continuance of any inability so caused. The Party so affected shall use all reasonable diligence to remove or remedy the Force Majeure situation with all reasonable dispatch in an economic manner; provided, however, that the settlement of labour disputes, including strikes or lockouts, shall, subject to the other terms of this MOU, be entirely within the discretion of the Party having the difficulty.

5. AMENDMENT:

This MOU contains the entire understanding of the Parties and may not be amended, modified, superseded or canceled except in writing signed by both parties. This provision is without prejudice to any rights, which may have already accrued under prior understandings or written or oral agreements.

6. SEVERABILITY:

Each provision of this MOU constitutes a separate and distinct undertaking, covenant and/or provision hereof. If any provision(s) of this MOU shall be adjudged by any court or arbitration panel of any competent jurisdiction to be unenforceable or invalid, such provision(s) shall be limited or eliminated to the minimum extent necessary so that this MOU shall otherwise remain in full force and effect and enforceable.

7. GOVERNING LAW:

This MOU and all the rights and duties of the Parties arising from or relating in any way to the subject matter of this MOU or the transactions contemplated by it shall be governed by and construed and enforced in accordance with the laws of Nigeria.

8. DISPUTE RESOLUTION:

- 8.1. Any dispute or differences arising in connection with this MOU, which the Parties have not been able to resolve by dialogue, shall be referred to an arbitrator jointly appointed by the Parties who shall act in accordance with the provisions of the Arbitration and Conciliation Act, Cap. A18, Laws of the Federation of Nigeria 2004.
- 8.2. Any claim, action, dispute or controversy of any kind arising out of or relating to this MOU or concerning any aspect of performance by any Party under the terms of this MOU (a 'Dispute') shall be resolved by final and binding arbitration administered pursuant to the provisions of the Arbitration and Conciliation Act, Cap. A18, Laws of the Federation of Nigeria, 2004. The fact that arbitration is or may be allowed will not impair the exercise of any termination rights under this MOU or rights to seek injunctive or other equitable relief.

IN WITNESS WHEREOF the parties have caused their seals to be hereto affixed the day aforementioned.

The Common Seal of the within named
FAGGE LOCAL GOVERNMENT COUNCIL

was hereto affixed in the presence of:
DIRECTOR PERSONNEL MANAGEMENT

TREASURER

The Common Seal of the within named

INCORPORATED TRUSTEES OF KANO STATE TRADERS UNION,
was hereto affixed in the presence of:

CHAIRMAN

SECRETARY

SCHEDULE

	Description	Amount
1	Tenement rate	
2	Loading and unloading	
3	Shop/Kiosk rates	
4	Sanitation charges	

GEMS3

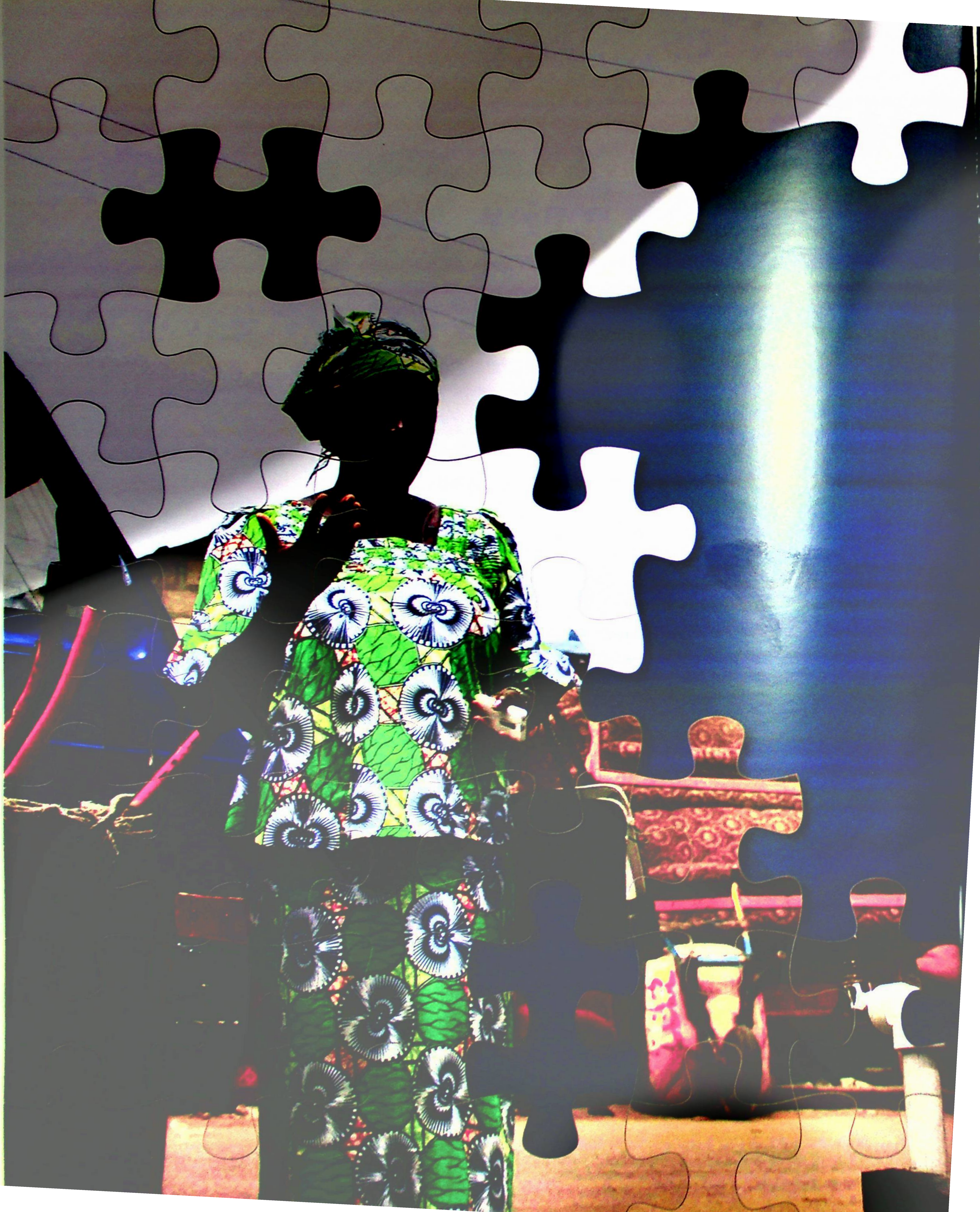
TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Complaints Processes
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It gives a detailed step-by-step guide to reviewing and implementing improved complaint processes for taxpayers who wish to object to assessments and decisions made by tax officials.



CONTENTS

1. COMPLAINTS PROCESSES - INTRODUCTION	72
1.1 What are complaint processes?	72
1.2 Reasons for complaint processes	72
1.3 Review and implementation of improved complaint processes	73
2. COMPLAINTS PROCESS ACTIVITIES	74
2.1 Establishment of complaints resolution mechanism	74
2.2 Complaints resolution mechanism active	74
3. APPENDICES	76
3.1 APPENDIX 1 – Lagos RCIU Mission	76
3.2 APPENDIX 2 – Lagos RCIU Service Standards	77
3.3 APPENDIX 3 – Sample of Complaint Register	78
3.4 APPENDIX 4 - Making a Complaint & Reviewing Complaints	79
3.5 APPENDIX 5 – Complaints Form	91
3.6 APPENDIX 6 – Training Needs Assessment Questionnaire	94
3.7 APPENDIX 7 – Communications Strategy	98
3.8 APPENDIX 8 - Complaints Work Reporting and Quality Review	105

1. COMPLAINTS PROCESSES - INTRODUCTION

1.1 What are complaint processes?

The tax system in Nigeria, as in other countries, requires constant interaction between tax officials and taxpayers designed at confirming the correct amounts of tax payable. Tax officials have the ultimate decision-making authority on the correct amount of tax payable, including in those situations where taxpayers "self-assess" the amount they are due to pay (which can still be amended by tax officials). A complaint process describes the situation where a taxpayer disagrees with an assessment or a decision by a tax official regarding the amount of tax required to be paid and wants to challenge that assessment/decision.

1.2 Reasons for complaint processes

An important element of a tax system is that it needs to be seen to be fair. Recognising that tax officials make the ultimate decisions on how much tax is required to be paid by taxpayers, there needs to be a process which allows taxpayers to challenge assessments or decisions made by tax officials where they believe a mistake has been made (e.g. through a wrong interpretation of the tax law, through a misunderstanding of the circumstances, or through a basic arithmetical error) or where they consider the tax official is deliberately making an adverse decision by harassing the taxpayer and trying to obtain an inappropriate benefit such as a bribe.

While tax laws usually allow challenges to tax official decisions to be appealed to the Courts (e.g. as contained in the Personal Income Tax Act for state taxes), this is usually not an effective process due to the cost and time involved in pursuing that option. Instead there need to be administrative complaint processes in place that can be pursued and that could allow disputes to be resolved prior to having to consider the legal option of taking the case to the Courts.

With the current GEMS3 emphasis on ensuring the enactment of harmonised tax laws and publicising the harmonised rates legally payable by taxpayers, complaint processes are also important where a taxpayer is asked to pay a different amount or a different type of tax than the harmonised rates. As such complaint processes are an integral part of the tax toolkit rather than an "add on" to it.

To be effective, administrative complaint processes should recognise four important principles:

- Complaints should be considered by persons independent of the tax officials (and their immediate managers) that have made the tax assessments or decisions affecting the taxpayer this minimises the chance of complaints not being given proper consideration or simply being forgotten about.
- The processes for dealing with complaints should be at little or no cost to taxpayers otherwise taxpayers will be discouraged from exercising their right to object to assessments and decisions of tax officials to minimise such costs, consideration should be given to allowing complaints to be made by telephone or SMS as well as in writing/by e-mail.
- Complaints should be considered in a timely manner undue delays in considering complaints add to the stress and potentially financial impact (where part of all of the tax needs to be paid up front before the complaint is considered) on taxpayers - thus having

a process where taxpayer complaints are initially heard by a committee (such as a State Revenue Committee) which meets infrequently is not effective.

- Complaints should initially be heard by officials authorised to receive them and be capable of escalation to higher levels in the tax administration before consideration is needed for referral to the Courts.

1.3 Review and implementation of improved complaint processes

A starting point in ensuring an effective complaints process is in place is to review the current processes available to taxpayers who wish to challenge assessments and decisions made by tax officials, taking into account the principles mentioned above. In most LGAs, "information" officers have been seen as the officials who are best equipped to be the initial contact point for taxpayer complaints. In such cases, GEMS3 intervention has focused on confirming their role in dealing with complaints and in providing training to them not only on what that role entails but also on the harmonised laws and the amounts of tax properly payable. (As much of the training need for information officers overlaps with the training need for revenue officers, consideration should be given to combining training for LGA revenue and information officers where feasible).

Where complaints are not satisfactorily resolved at "information" officer level, there also needs to be a clear process for escalating the complaints to higher/different levels in the LGA (e.g. the legal officer, the head of administration in the local government, the Treasurer's office, the LGA Deputy Chairperson, the LGA Chairperson, or perhaps State-level Revenue Committees). It is up to each LGA to decide an appropriate process based on its organisation structure and the nature of the tax complaints. It is also recognised that some taxpayers may decide to take their complaints to some of these higher levels in the first instance; in such cases, it will be up to the LGA officials to decide whether to hear those complaints directly or whether to refer them to the information officers for initial consideration.

It is also recognised that some states have a separate state-level structure mandated with the rights to hear tax complaints, which operates in addition to complaint processes at revenue agency level. In Lagos state, there is a formal state-level Lagos Tax Complaints Unit which is a unit in the state ministry of finance headed by a senior staff of director level and is mandated with the responsibility of hearing tax complaints relating to LGAs/LCDAs and other revenue generating MDAs (e.g. for land use charge).

In general GEMS3 should work with whichever complaint structures are already in place. It may be more efficient to have one state-wide tax complaints body (and GEMS3 would encourage this); but in view of the resource implications, it is up to each State to decide which complaint structures it wants GEMS3 to support. Our emphasis should be on ensuring that whichever structures are used, that the complaint processes are effective (i.e. independent, little or no cost to taxpayers, timely, and capable of escalation).

Where separate complaints "units" have been established (as in Lagos), such units need to have a clear legal mandate and mission. The mission for the Lagos Revenue Complaints and Information Unit is attached as Appendix 1. Service standards developed for that Unit are also attached as Appendix 2.

GEMS3 also encourages the use of complaint registers at both state and LGA level to document and track complaints and their resolution. A sample of a complaint register is attached as Appendix 3 and this can be adopted by state BIRs and LGAs.



It is also important to ensure that appropriate gender considerations have been made in both the process and set-up of complaints structures (for example, that the environment is welcoming to women; that information materials target and address their needs; and that there are female officers to attend to women especially in contexts where it is considered inappropriate for men to interact with women).

Once an improved or new complaint process has been identified and implemented, there is a need to publicise the complaint process for taxpayers and the public at large. There is a need to ensure adequate publicity materials are prepared not only covering the complaint process itself but also integrated with other tax processes (e.g. demand notices should include references to the right of taxpayers to complain about assessments/decisions by tax officials and outline how they can commence complaint processes if they wish).

GEMS3 should also play an initial role in ensuring that publicised complaint processes have been implemented and are functioning as intended. Such initial monitoring should however focus on ensuring processes (e.g. for the recording of complaints and the results of their consideration (broken down between decisions made in favour of the taxpayer, decisions made in the favour of the revenue officials, or decisions partly in the favour of both) are in place rather than on the detail of individual complaints.

Completion of the "complaints process" tax toolkit item will be achieved when it is confirmed that improved or new complaint processes have been implemented and are being actively followed in practice.

2. COMPLAINTS PROCESS ACTIVITIES

2.1 Establishment of complaints resolution mechanism

- a. Sensitise LGAs on need for independent complaints process, and obtain their buy in
- b. Design procedures and guidelines for complaints function, including gender input
- c. During the GEMS3 intervention with the Lagos Tax Complaints Unit, a "Manual of Procedures" was developed. Relevant simplified extracts from that Manual covering "making a complaint" and "reviewing complaints" are attached as Appendix 4. A copy of the Complaint Form used by the Lagos Tax Complaints Unit is also attached as Appendix 5
- d. Identify complaints handling officers, ensuring that women are included
- e. Agree on contents/design of complaint register
- f. Train complaints handling officers on how to handle complaints and the use of the register

Note: Training for complaints handling officers should cover not only the technical aspects of applicable taxes and levies but also the interpersonal skills involved in dealing with people making complaints. To better target this training consideration could be given to complaints handling officers completing a "training needs assessment questionnaire" before training material is developed. A copy of the questionnaire used in the Lagos Tax Complaints Unit is attached as Appendix 6

- g. Implement complaints handling procedures

2.2 Complaints resolution mechanism active

- a. Design publicity campaign related to complaints handling procedures in conjunction with LGA Attached as Appendix 7 is simplified information taken from the Lagos Tax Complaints Unit communication strategy which may assist States with their publicity efforts
- b. Create publicity campaign products, ensuring that they target both men and women
- c. Implement publicity campaign
- d. Monitor progress on implementation of complaint handling procedures. This includes not only checking that procedures have been implemented, but also covers ensuring appropriate reporting of the results of complaints review work. Consideration could also be given to setting up quality review checks of complaints work by LGA management, internal auditors or other appropriate staff. Relevant information covering these aspects taken from the Lagos Tax Complaints Unit procedures manual is attached as Appendix 8
- e. If satisfied complaint handling procedures can continue without further GEMS3 involvement, record milestone (complaints resolution mechanism active) as having been met

3. APPENDICES

3.1 Appendix 1 – Lagos RCIU Mission

1. Mission of RCIU

Our mission is to investigate and resolve complaints, without litigation, on a basis which is fair and impartial to both the Government and the complainant, and to promote voluntary compliance and public confidence in the integrity and efficiency of the revenue generating agencies. This mission is accomplished by resolving disputed cases.

2. Our strategic objectives

We have the following strategic objectives to deliver our mission:

- To provide a complaints handling service to the public which is accessible, responsive, consistent and cost-effective;
- To ensure sound decisions and appropriate redress based on timely, impartial, rigorous and proportionate investigations;
- To draw on our knowledge and insight from individual complaints, to identify best practice and issues of wider public benefit and share them with stakeholders;
- To promote good public administration and service improvement.

3. Our values

In the provision of our services we will treat people with courtesy, consideration, openness and honesty, and respect their privacy. This means we will:

- Be independent, fair and consistent;
- Take full account of what people say to us;
- Establish the facts and communicate accurately, promptly and in plain language;
- Recommend appropriate remedial actions;
- Ensure the reasons for decisions are fully explained to complainants;
- Treat people with respect and without discrimination; and
- Learn from our experience of dealing with complaints and model good practice for the benefit of the public.

4. Commitment of RCIU towards the complainant's right to dispute

In performing its duties and commitments, RCIU operates on the fundamental principle that persons liable to pay taxes, levies, fees and charges will act in accordance with the law. On the other hand, they will be treated with respect and fairness and provided with all the information, advice, assistance and other services they need to comply with their obligations. In respect of the complainant's right to dispute the commitment of RCIU is:

- to fully explain the complainant's rights to dispute the assessment, demand notice or other decision served, if the complainant is unsure of them or needs clarification;
- to review complainant's case where the complainant believes that the revenue generating agency has misinterpreted the facts, applied the law incorrectly or has not handled the complainant's affairs properly in view of the applicable procedures;
- to ensure that the complaints review is completed in a comprehensive, professional and impartial

manner;

- to resolve the complainant's case as quickly as possible unless RCIU requires more information to do so, or the issues are unusually complex;
- to request further information from the complainant only where it is necessary to resolve the issues in dispute;
- to provide reasoning if the complainant's case has been completely or partially disallowed.

3.2 Appendix 2 – Lagos RCIU Service Standards

Service Standards

We strive for the highest standards of administration in our dealings with the complainants. In our daily work we endeavour to ensure that complainants are dealt with properly, fairly, openly and impartially.

Dealing "properly" with complainants means dealing with them –

- Promptly, without undue delay and in accordance with established time limits;
- Correctly, in accordance with the law and internal quality standards;
- Sensitively and by giving reasonable assistance, having regard to their age, gender, their capacity to understand often complex rules, any disability they may have and to their feelings, privacy and convenience;
- Helpfully, by providing forms and information on services;
- Carefully, where more than one revenue agency or local government authority is concerned, by ensuring proper communications between them to prevent a complainant's needs being overlooked;
- Courteously;
- Responsibly, by being prepared to explain why an adverse response has been given.

Dealing "fairly" with complainants means –

- Informing complainants of how they can appeal;
- Treating complainants in similar circumstances in like manner;
- Having an internal review system so that decisions taken can be looked at again and reviewed by competent supervisors;
- Making appropriate interventions which put the complainant back into the position s/he would have been in if the revenue agency or local government authority had acted properly in the first place;
- Being prepared to review rules and procedures and change them if necessary;
- Adopting a policy for dealing with the small number of complainants who act in a vexatious manner or in bad faith, which strikes a balance between the public interest and the person concerned.

Dealing "openly" with complainants means –

- ensuring complainants know what information is available, where to get it and know of their right to access it;
- assisting complainants, where necessary, to prepare their complaints or requests for access to information;
- putting complainants in contact with the officials of the revenue agency or local government authority with responsibility for dealing with them and, if appropriate, referring them to alternative sources of assistance;
- giving complainants full information on the reasons for a decision which adversely affects them including details of any findings of fact made in the course of the review.

Dealing "impartially" with complainants means –

- making decisions based on the relevant legislation and ignoring what is irrelevant;
- avoiding bias because of a person's gender, marital status, family status, religious belief, age, disability,

3.4 Appendix 4 - Making a Complaint & Reviewing Complaints

Making A Complaint

Why a complaint is filed

The first and most important characteristic of the assessment, demand notice or other revenue collection bill is that this is a decision of the respective revenue generating agency, LGA or other body competent to collect revenue within the State which produces legal consequences (rights and/or liabilities) per individual case (the complainant's case). Where the liable person is in disagreement with this document s/he has the right to dispute. The legal route to dispute is by way of complaint. A complaint is filed because there is a difference of opinion on either:

- interpretation of fact (e.g. nature of the property or the amount of tax to be assessed); or
- interpretation of law (e.g. how the law is to be applied, whether or not an exemption may be granted, etc.); or both.

What is considered a complaint

A complaint is defined as an expression of dissatisfaction by the public with the policy or services of the revenue generating agencies, LGAs and other bodies competent to collect revenue within the State, the way in which a policy is implemented or service is delivered, including staff attitude, regardless of the complaint channel used. It excludes statutory appeals and petitions to the Federal Government or the Courts, State and Local Government's staff complaints and complaints subject to other statutory provisions. In addition, information requests where no issues of dispute are identified are not considered a complaint.

Who can complain?

Any liable person who believes that the assessment, demand notice bill or other decision issued by a revenue generating agency, LGA or other body competent to collect revenue within the State is incorrect may initiate a dispute procedure by filing a complaint. If still dissatisfied with the decision on the complaint the complainant can pursue further actions by approaching the Courts. The complainant can object on any one or more of the following grounds:

- That procedural violations were made, e.G. An official assessment, demand notice or other decision is not issued by the competent revenue generating agency, lga or other competent body);
- That the assessment, demand notice or other decision issued involved an error of fact or law (e.G. An error of fact may be the improper qualification of the property, whereas an error of law may relate to improper interpretation of the law) or both;
- That there is no evidence or other material to justify the assessment, demand notice or other decision issued (e.G. Despite of the fact that access to the property has been provided the local government official disregarded the information that there are no radio/tvs and issued a demand notice for radio and tv licence permit fee presuming such exist);
- That the assessment, demand notice or other decision issued is contrary to law.

Form of the complaint

A complaint can be filed in several ways, namely:

- by personal visit to the office at and filing of a letter of complaint or completed complaint form;
- by e-mail at
- by post or courier;
- by SMS message at
- by phone at

Complaints submitted in writing will usually follow the form provided or may be in another format (eg. a letter or e-mail). In order for the complaint to be properly processed the following information has to be collected as a minimum:

1. Full identification of the complainant (name, address, contact details and complainant's identification number);
2. The objected document (an assessment, demand notice or other decision or part of it) that is subject to complaint;
3. A description of the matter subject to complaint (including type of tax, years concerned, and amount of tax for which the complaint is being submitted);
4. The reasons of disagreement (a description of the reasons why the assessment, demand notice or other decision is considered to be incorrect or inappropriate);

Any complaint that does not meet the above-mentioned requirements may be rejected. Nevertheless, this may not be done without giving the complainant the right to remedy his/her complaint within say 10 working days of serving notification letter for the deficiencies.

Letters treated as complaints

Most complaints are instantly recognizable as such. Many are made in accordance with the sample complaint form provided or in a commonly used complaint form. Others, particularly from unrepresented complainants, may not so obviously be complaints. They are contained in letters in which the complainant specifically states that s/he wishes to dispute an assessment, demand notice or other decision. The complainant may simply say the assessment, demand notice or other decision is wrong or that s/he does not agree with it or that s/he does not owe the amount of tax, levy or charge assessed. The recipient of such letters therefore needs to be able to identify these complaints rapidly and to ensure that they are correctly dealt with.

The complainant may provide enough information in his/her letter to enable the complaint to be handled. If not, it may be necessary to request the complaint to be remedied. All such cases should be reviewed by an appropriately qualified officer.

In any event, it is important that the assessment, demand notice or decision against which the complaint is made is correctly identified. If there is confusion as to what is subject to complaint further communication with the complainant is absolutely necessary.

How the complaint is made

The complaint can be made by the complainant personally or through the complainant's representative. The following guidance may be considered in this respect.

Complainant's representative is any person that acts as a proxy and represents a complainant in the course of a

complaint procedure within the terms of a written or oral authorization. This may include:

- for an organisation - the proprietor of the business activity, the president, director, manager, or secretary of the organisation; the trustee in case of bankruptcy and any other person (e.g. an officer or an employee, an attorney, chartered accountant, tax practitioner) with written authorization to represent the organisation;
- for individuals - an attorney, tax practitioner or other person (e.g. a family member, a tenant, etc.), with written or oral authorization to represent the individual.

The participation through complainant's representative in any step of the complaint proceeding does not deprive the complainant of his/her personal right to participate in such proceedings and does not limit the complaint officer's right of access to the complainant.

The written authorization may be in the form of an explicit letter of authority (e.g. power of attorney) or may be given with the documents of establishment of the organisation (e.g. a company may be represented by its directors in accordance with its Memorandum and Articles of Association; respectively an unincorporated partnership by one of the partners as stated in the partnership deed for its establishment, etc.).

In certain cases, the powers of the complainant's representative may be limited. Such are, for example, cases where:

- the powers given with the letter of authority are only for limited actions (e.g. filing a tax return or other explicitly specified document but not for representing the complainant in further dispute resolution proceedings; receiving documents but not signing on behalf of the complainant, etc.); or
- where the company representatives are required to sign in pairs and a co-signature may be needed for validity of the action.

In addition, complaint officers have to be cautious not to disclose confidential complainant information to unauthorized persons during the complaint review process. In cases where additional information or clarifications are requested and this information is provided through persons different from the complainant or complainant's authorized representative, as a rule confidential complainant information must not be discussed with them.

Enclosures to the complaint

There are no limitations on what information may be enclosed with the complaint. However, this information has to be relevant to the issues in dispute.

As a minimum the following documents have to be enclosed with the complaint:

1. Written evidence;
2. Letter of authority, if relevant.

The complainant is free to enclose any other document that supports his/her position in the dispute.

As there are no fees and charges payable for resolving complaints, no evidence of payment of any fee has to be required.

Validity of the complaint

The following documents are not considered to be valid complaints:

- a complaint against any tax, levy or charge imposed by the Federal Government;

- a complaint falling outside the mandate of the complaints office (e.g. where it relates to matters different from collection of taxes, levies or charges by the State, LGAs or other bodies competent to collect revenue within the State);
- a complaint against "something" which has not happened (e.g. a verbal answer to a hypothetical query; request for information, etc.); general correspondence relating to an issue where no formal assessment, demand notice or other document creating obligation has actually been issued (e.g. any interim decisions made during a review of the person's tax affairs or any other document which does not impose liability to pay taxes, levies or charges);
- a complaint lodged to the complaints officer after the expiry of the legal deadline determined by law for filing an objection or appeal to the revenue generating agency, LGA that has issued the assessment, demand notice or other document creating liability to pay taxes, levies and charges;
- a complaint submitted by an unauthorized person, if not remedied after being notified.

Registration of the complaint

Regardless of how the complaint is filed it should be registered with a sequential number in order of receipt. This registration number is the unique case number for its identification.

All complaints lodged should be registered in a Complaints Register kept by complaints officers for tracking and monitoring purposes where their unique case number is assigned. The numbering system of the register should run on an annual basis. The register can be kept in handwritten or spread sheet (e.g. Excel) format. The register should contain information for the complaints handled and for management reporting purposes (e.g. for compiling of monthly and annual reports, for monitoring the back log of cases, delays, etc.).

Proof of filing

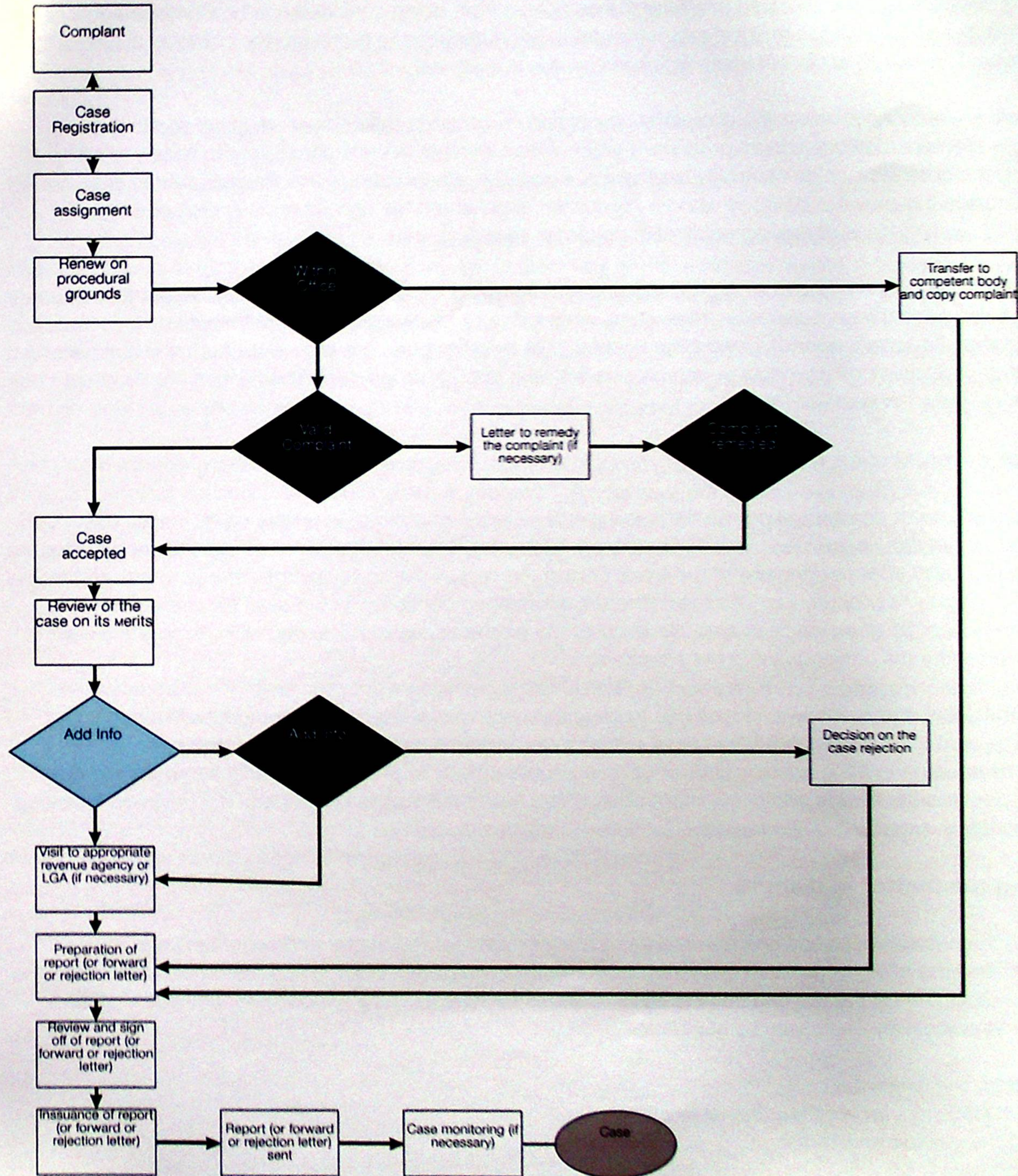
The complainant should retain proof of filing the complaint for the purposes of its tracking.

REVIEWING COMPLAINTS

Complaints review process flow

Each complaint received has to be reviewed for procedural accuracy (first review) and, where accepted, on its merits.

Below diagram maps the process flow of complaints review.



Review of complaint on procedural grounds

Within a short period of filing the complaint the first review has to commence. It is recommended it be completed by the complaint officer within say 1 day after assignment of the case. The aim of this review is to determine whether this is a valid complaint that can be accepted for processing. During this stage the complaint officer has to check whether the complaint is acceptable from a procedural point of view. The complaint officer should, for instance, verify whether:

- a. The office has the mandate to review the complaint (issues of competence);
- b. There is anything else which could preclude the complaint from being considered (e.g. Complainant is not identified, the person who submitted the complaint is not authorized to represent the complainant in complaint proceedings, disputed act is not identified, complaint is not signed).

Where there are reasons to reject the complaint on procedural grounds the complaints office has to prepare its response (decision on its rejection) or forward letter (where another body is competent to review it) without considering the complaint on its merits. Nevertheless, where the complaint is within the mandate of the complaints office this may not be done without giving the complainant the right to remedy his/her complaint within say 10 working days of serving notification letter for its deficiencies.

If no reasons to reject the complaint on procedural grounds exist or where the complainant has remedied the complaint it becomes the responsibility of the complaints office to resolve the matter in dispute or to forward the case to the competent revenue generating agency, LGA or other competent body for further investigation and issuance of decision on its merits in compliance with the applicable legislation and within the scope of competences vested in them.

Review of complaint on its merits

The next, usually more complex and time-consuming review of the complaint, is review on its merits. It is recommended that this review be initiated immediately after acceptance of complaint on procedural grounds but not later than 2 days after assignment of the case. During this review the complaint officer has to ensure that the matter in dispute is properly identified and that the information contained in the case file is evaluated and appraised in view of its completeness and relevance to the matter in dispute. The matter in dispute is limited to the issues raised by the complainant in the complaint.

As part of the second review any evidence has to be analysed and evaluated considering its relevance and reliability. The complaint officer should, where it is considered necessary to do so, request the complainant, the respective revenue generating agency, LGA or other competent body to provide additional information and/or supporting documents. If such additional information is requested this has to be properly documented in writing and the necessary extension of the deadline for review considered.

Identifying the matter in dispute

In dealing with contentious issues and complaints, it is important that the matter in dispute between the complainant and the revenue generating agency, LGA or other competent body is adequately established by the complaints officer. This is the starting point to seek to settle the dispute. As a general rule, complaint officers should handle objectively each case by always:

- » Considering the evidence;
- » From that evidence, establishing the facts of the case;
- » Applying the law to those facts.

Establishing the facts and review of the evidence

Facts: A fact is that which is known to be true. The importance of having all the facts and all the evidence attached to them is the same for every complaint. Establishing all the relevant facts is perhaps the most important point in preparing a case for resolution. Only when this has been done can the law be applied and the proper decision can be taken.

Evidence: Evidence is that which tends to prove a fact. It is that which would satisfy a reasonable enquirer of the fact's existence. Each type of evidence may be either:

- Documentary (e.G. License, accounting ledgers, invoices, contracts, bank account extracts, etc.);
- Oral (e.G. A statement given verbally in a meeting with the revenue generating agency or the complaint officer);
- Real (something tangible, for example, premises, money, goods, vehicle, etc.)

Evidence must be relevant, i.e. such that makes the fact more or less provable.

It is necessary to establish the facts before a position can be taken by the complaints office on the complainant's case. In order to establish the facts, the complaint officer has to make himself/herself thoroughly familiar with all the aspects of the case by reviewing (i) the complaint; (ii) any evidence presented by the complainant; (iii) the data collected by the revenue generating agency, LGA or other competent body that issued the disputed act; and (iv) the other documents contained in the complainant's file (such as print-outs from the payment monitoring system, additionally exchanged correspondence, etc.). The complaint officer might also have to consider whether facts from other persons should be obtained (e.g. from other authorities) if relevant to the issue in dispute.

Apart from reviewing the evidence the complaint officer also needs to evaluate its quality. Where, for example, there is a conflict between the evidence presented and the quality of the evidence differs, differing weight may be attached to the evidence put forward. In such a case the complaint officer should decide whether there is enough evidence in favour of one conclusion or the other to estimate which future action on the complaint case is more likely.

If there are reasons for this, the complaint officer may exclude certain evidence, where:

1. The evidence is not relevant to the matter in dispute (e.G. Evidence about complainant's inability to pay the disputed tax due to outstanding debts from prior years);
2. The evidence is recognized as potentially unreliable (e.G. The document is substantially damaged due to a flood or a fire).

When the complaints office declares evidence irrelevant or unreliable, it should be prepared to make a succinct reasoning for the disallowance of the evidence.

Fact versus Law

The following is a useful tool that may help with identifying the matter in dispute in complaint cases.

<p>Step 1</p>	<p>Establish if the matter in dispute relates to:</p> <ul style="list-style-type: none"> ▪ Charging of something (property, activity, income, etc.) to tax, levy or charge; or ▪ Excluding something from tax, levy or charge (e.g. by way of exemption); or ▪ Some other issue.
<p>Step 2</p> <p>2.1 Regarding chargeability to tax, levy or charge</p> <p>2.2 Regarding entitlement to exemption or deduction</p> <p>2.3 Regarding other issues</p>	<p>Establish all the facts pertaining to the matter in dispute</p> <p>Review all relevant documents and identify:</p> <ul style="list-style-type: none"> ▪ What is the nature of the property, activity, income, etc. to be charged to tax, levy or charge? (Fact) ▪ Who is the person liable to tax, levy or charge? (Fact) ▪ What is the status of the liable person? (relevant in some instances, e.g. company or individual) (Fact & Law) ▪ Is the income, property, activity, etc. either <ul style="list-style-type: none"> › chargeable and what are the law provisions? (Law); or › exempt and what is the legal provision for exemption? (Law); or › generally chargeable but exempt in certain cases (and what is the relieving provision)? (Fact & Law) <p>Review all relevant documents and identify:</p> <ul style="list-style-type: none"> ▪ The criteria for entitlement to exemption (Law) ▪ Does the complainant fulfil the criteria for entitlement? (Fact) <p>Generally, these may relate to Facts and/or Law. Apply the above described approach.</p>
<p>Step 3</p>	<ul style="list-style-type: none"> ▪ Establish the matter in dispute (i.e. what is the exact reason for the dispute?) ▪ Establish whether the matter in dispute is one of fact (and what is the evidence or lack of evidence) or of interpretation of relevant law (and what are the corresponding legal provisions) or both

Once the matter in dispute has been established, the next step is to develop the legal and technical arguments and identify how to resolve the case.

Review of the legal and technical arguments

Before taking a firm stand on the application of the law to the circumstances of the disputed case, the complaint officer must have evaluated the facts and the evidence available as discussed above. It is essential not to make premature judgments on the merits of a case until the relevant evidence is reviewed and appropriately considered. The point to bear in mind at all stages is that legal and technical arguments can neither be advanced nor countered until the facts have been established.

After the facts have been established, respectively the evidence reviewed and evaluated, the complaint officer has to think out clearly the arguments that s/he will propose to be followed in deciding the case. Arguments are not facts, and cannot be put forward without the facts which support them. Essential to the proper resolution of the case in complaint is for the complaint officer to:

1. Consider the legal and technical arguments already listed by the complainant and by the revenue generating agency, lga or other competent body;
2. Form his/her own position towards the arguments presented by both sides;
3. Look for any weak points in his/her own arguments as well as in the arguments of the complainant and the revenue generating agency, lga or other competent body;
4. Consider whether the complainant or the revenue generating agency, lga or other competent body could develop any further arguments and, if so, how they might influence the case resolution.

Therefore, the complaint officer should make a careful study of the available evidence and consider whether it is sufficient to uphold the complaint office's position. A review of any complaint in which similar points have been dealt with in the past will often help in resolving the case or suggest the kind of facts which must be considered in order to establish a particular conclusion of law.

INFORMATION COLLECTION

Written requests for additional information

Requests for additional information have to be issued after the case file has been thoroughly reviewed and the need of additional information assessed. It is recommended, as far as possible, to avoid issuance of multiple requests for additional information. The request for additional information has to specify the information that is necessary for the case conclusion in a clear and understandable way.

In addition, the complaints office has to specify a reasonable timeframe for provision of the requested information (e.g. say within 10 working days of receipt of the request for additional information). Where the complainant is unable to provide the requested information within the timeframe specified, a request for resetting of the deadline may be filed by the complainant. Any such request has to be justified. The deadline for provision of additional information may be extended where there are reasons outside the complainant's control that impede the provision of the information. If there is no request for resetting the deadline and the information is not received within the specified timeframe (e.g. in cases of unjustified delay or negligence of the complainant) the complaints office can take its decision on the case based on the information available with the argument that the burden of proof is not satisfied.

Meetings

In certain cases, upfront meetings with complainants may be the easiest way to obtain clarifications or additional information for deciding the case. There are no specific provisions in the law regulating the right to a meeting. Thus, holding a meeting remains at the discretion of the complaint officer. However, a meeting may also be organized at the request of the complainant in which case such meeting should be held without delay and, to the extent practicable, within say 10 days after the request has been submitted.

At the meeting the complainant will usually give his/her statements orally but may also give them in writing. Statements in writing may only be required if the matter is complex and more elaborate details are needed or where the written statements are decisive for the case resolution.

Even though meetings with complainants are intended to be an informal administrative proceeding, complaint officers attending such meetings should conduct themselves in a professional and courteous manner to promote respect for the integrity of the complaints office. Where meetings are scheduled and important details discussed, meeting notes should be prepared by the complaint officer and retained in the case file. Material facts furnished orally at a meeting or by telephone must be confirmed by the complainant by submitting a letter to the complaints office.

Preliminary preparation: It will normally be necessary for the complaint officer to put together a list of relevant questions for the meeting. On some occasions this may involve the complaints office in further consultations with the revenue generating agency, LGA or other competent body rather than proceeding immediately to a meeting with the complainant. It is also possible that the complaints office may require the respective revenue generating agency, LGA or other competent body that issued the contested act to provide further information before scheduling a meeting.

Practices/behavioural requirements for complaint officers communicating with complainants: While performing their duties complaint officers have to comply with the requirements set by the law and other internal documents of the complaints office (e.g. officer's job description, procedural manuals, etc.). In addition, they have to consider the below recommended behavioural norms when scheduling or attending meetings:

- always be punctual to attend meetings agreed and make sure that they are able to fulfil their time commitments for the day;
- to promptly advise of vacation plans, unplanned absence or other time conflicts which would impact on their availability to attend;
- at all times to maintain professional relationships with the staff of revenue generating agencies, LGA or other competent body;
- to address all participants of the meeting as Mr. or Ms. and not refer to them on a first name basis;
- to base their position on the facts presented;
- not to express personal comments during the meeting;
- to allow complainants to present their position;
- not to unnecessarily interrupt the parties of the meeting while they are presenting their case;
- to ask questions for clarification when appropriate;
- to apply note-taking, listening and questioning techniques during the meeting;
- to ensure that complainants are afforded ample time to present their position without unreasonable time constraints;
- to allow frank discussion and mutual understanding;
- not to comment with the complainant (his/her representative) on the potential decision before the written response is issued;
- to ensure that their activity is not affected or influenced by private or personal interests;
- to advise of any potential conflict of interest on a particular case and ensure that they do not review a complaint and do not participate in meetings where a conflict of interest might exist.

Other sources of information

It is often useful to research the public domain for any readily available information relevant to the case resolution (for example, legislative acts, circulars, executive orders, print-outs from public registers, corporate websites, etc.). Any such documents should be included in the document folder.

Written responses to complainants

As soon as possible but after the necessary reviews are completed, additional information collected and, where necessary meetings held with the complainant or with the organisation under complaint, the complaint officer has to prepare the written response to the complainant.

Responses should be in plain language, avoiding jargon, and as far as possible in the same language in which the complaint was lodged. Providing a quality response to the complainant is a crucial part of the complaints process. The guidance below is aimed at complaint officers drafting substantive written responses to complainants. However, these general principles are also useful to help them provide a verbal response.

The response should	
Demonstrate understanding of the reason for complaint	
Important: When drafting negative responses, it is particularly important to consider phrasing and tone carefully in order to demonstrate that the complaints office respects the complainant's reason for complaint.	
Demonstrate the complaint has been thoroughly reviewed	
Important: When drafting negative responses, it is particularly important to provide a detailed, factual commentary on the steps that have been taken to review and fully consider the complainant's case.	
Explain the outcome of the review	<p>When explaining the outcome of a review, complaint officers should consider what the complainant hoped to achieve in the first place. Inform the complainant about:</p> <ul style="list-style-type: none"> ▪ the steps that have been taken during the review or to prevent or minimise the likelihood of a similar situation occurring again in the future; or ▪ any improvements to service delivery that have been made as a result of the complaint (where this is the case).
Important: If the outcome of the review is negative for the complainant, it is important to acknowledge that the complaints office is aware that this response will be disappointing to the complainant and to clearly explain why the office is unable to uphold the complaint. A poorly drafted reply, which does not adequately explain the reason for the negative nature of the response, can cause the complainant to complain again.	

Complaint officers can use the below checklist in the complaints processing and drafting of responses. It will help with the preparation of logical and comprehensive response regardless of the complexity of the case:

1. Does the complaint fall under the jurisdiction of the complaints office (competency issues)? Is the complaint acceptable?
2. Check whether a valid complaint exists?
3. Have you carefully read the complaint and identified the issue(s) in dispute?
4. Do you understand the background information relevant to the issue(s) in dispute?
5. Is the evidence presented sufficient? Do you need to request additional information from either the complainant or the organisation under dispute? Is there any information from third parties you can rely upon?
6. Have you performed analysis of the facts and their influence on the issues in dispute?
7. Have you considered the complainant's answers given at the meeting or other written/oral explanations from the complainant?
8. Have you reviewed and analysed the applicable law?
9. Is the law in connection with the complaint uncertain? Does the complainant refer to any law, byelaws, circular, guidance, court decision or procedures that support his position and have you reviewed them?
10. Have you identified other law provisions or determined facts contrary to the complainant's position? Is your standpoint sustainable?
11. Are any consultations with other organisations necessary? If yes, have you consulted the right officials?
12. Have you developed the technical arguments on how the law and procedures apply to the facts identified? Is your position different from the one taken by the organisation under complaint? Is the complaint office's position legally sound and defensible?
13. Is there any court practice relevant to similar cases? If yes, how is the issue resolved by the court?
14. Is the case related to complex technical complaint? If so, do you need to involve your superiors in solving the particular case?

Replies to e-mails

Particular attention should be paid to the contents of replies by e-mail. E-mails can be forwarded to other people easily and quickly. A reply that displays incompetence, impoliteness or spelling mistakes may quickly become public and can expose the complaints office to negative publicity. Complaint officers communicating by e-mail should ask themselves whether they would be embarrassed to see their reply published in the media. If the answer is yes, then it needs to be amended.

Internal review of the draft complaint response or other document

Complaint officer's supervisor will review and sign the complaint responses or other document if in agreement with the position taken, or return it to the complaint officer, if additional work or consideration is needed. Where the complaint officer's supervisor and the complaint officer share different opinions on the proper resolution of the case they have to escalate the issue to the next level of management and take his/her opinion as well.

Escalating complaints

Complaint officers should take responsibility for complaints escalation very seriously. Examples of occasions where escalation may occur include when:

- Similar complaints are received on a new topic, as this may highlight recently emerged issues and concerns;
- The complaint involves sensitive issues, even if these are made anonymously;
- Intervention from senior management is needed for the complaint resolution;
- The complaint highlights a grey area in terms of the complaint office's mandate, which is likely to arise again;
- The complaint highlights the need for policy change.

Confidentiality

Complaints should be handled in accordance with strictest confidentiality. Information should be available to staff outside the complaints office on a need-to-know basis. Only the staff that needs the information to review and respond to a complaint should have access to the particulars of the complainant.

Information gathered during a complaint review should only be used for internal purposes to resolve/respond to the complaint and to implement any service delivery improvement arising from it. Personal or confidential information about individual cases should not be made public.

Case completion

The complaint case is closed when:

1. The complainant receives response on his/her case resolution;
2. The complaint, if identified as misdirected, is referred to another competent body for its resolution and the complainant is properly notified about the referral;
3. The complainant receives decision from the complaints office rejecting the complaint as:
 - Submitted by an unauthorized person, if not remedied after being notified;
 - Not allowed for other reasons (see section validity of the complaint).
4. Withdrawn by the complainant.

3.5 APPENDIX 5 – COMPLAINTS FORM

Note – the complaints form below is tailored to the Lagos State tax system – thus, for example, references to the “land use charge” and “tax on goods and services consumed in hotels” in section 7 will not be applicable in other states

**Lagos State Government
Revenue Complaints and Information Unit
COMPLAINT FORM**

1.	Information for Complainants
----	------------------------------

The complainant must be the aggrieved person or, if the aggrieved person is unable to act, his /her representative. Complainants may be contacted and asked to provide additional information to support their complaint. If you lodge an anonymous complaint, we may be unable to investigate it. Please also carefully read the notes under different sections and on the last page of the document.

2.	Identification of complainant(s)		
Individual(s) Please fill in name as in identity document			
Title	Gender: M/F	Title:	
Surname		Middle name	
First Name			
Phone		E-mail:	
Address for correspondence			
Tax Clearance Certificate No		Complainant's Local Government	
Body corporate making the complaint Please fill in the full legal name as per document of incorporation			
Tax Clearance Certificate No		Body Corporate's Local Government	

3.	Name of authorised representative Please fill in name as in identity document		
Title	Gender: M/F	Title:	
Surname		Middle Name	
First Name			
Phone		E-Mail	
Address for correspondence			

4. How would you, the representative, like to be contacted?
 Telephone E-mail Post/Courier

5. Organisation(s) under complaint: _____
 (e.g .Land Records Company, LIRS, LASAA, LGC/LCDA, etc.)

6. Organisation(s) with which your complaint has previously been lodged or is currently pending for decision:

7. My complaint is about: (please tick the relevant area your complaint is about)

- Land Use Charge
- Local Government Levy
- Traffic Management Issues
- Motor Vehicle Administration Fee
- Personal Income Tax
- Lands Bureau Transaction
- Advert and Signage Charge
- Environmental Issues
- Physical Planning and Urban Development Matters
- Other (please be specific. e.g. stamp duty; business premises registration fee for rural areas; tax on goods and services consumed in hotels, etc.):

Complaint Summary: (Please describe the event (including a chronology of events, dates, etc.) and the grievance sustained, namely: When did the action you are now complaining about take place? What happened? Where did it happen? Who was involved? How were you affected? What other steps you have taken to resolve the issue?)

Use additional sheets of paper, if necessary, and attach copies of relevant documents and correspondence exchanged with the organisation(s) under complaint.)

Action required: (What do you want us to do to put the things right?) _____

I/We, _____, being the complainant(s), acknowledge the content of the Notes below and confirm that the information presented above is true and correct.

Date : _____ Signature: _____

Office Use only				
Received by		Date		
Complaint lodged	In person	Post	E-mail	Phone
Date action taken				
Action taken				

Notes :

1. The complainant consents to:
 - Revenue Complaints and Information Unit copying this complaint form and any other information from the complainant, including his/her personal data, to any party concerned for the purpose of processing this complaint (please see Note 2 below); and
 - any party concerned providing the complainant's personal and other relevant information to facilitate Revenue Complaints and Information Unit's processing of this complaint.
2. Notwithstanding Note 1(a) above, the complainant may, by stating his/her wish clearly in this complaint form, withhold consent to the disclosure of his/her identity to the party complained against. However, in this circumstance Revenue Complaints and Information Unit may not be able to process the complaint satisfactorily or at all.
3. All personal and other data submitted will only be used for the purposes which are directly related to the carrying out of the functions of Revenue Complaints and Information Unit. The complainant has the right to request access to and correction of personal data.
4. The original of this complaint form and any material provided will be at the disposal of Revenue Complaints and Information Unit office and normally will not be returned to the complainant.
5. Under its current mandate Revenue Complaints and Information Unit may investigate complaints against revenue generating agencies within Lagos State, LGCs/LCDAs and other bodies authorised to collect revenue.
6. Revenue Complaints and Information Unit may, if necessary, ask the organisation(s) under complaint to respond to the office and the complainant in parallel. Revenue Complaints and Information Unit will examine such response, the complainant's view on the response (if any) as well as any other relevant information/evidence, before concluding its inquiry into the case.
7. This Office has a Complainants Charter setting out our commitments as well as complainants' responsibilities. Please visit the website of the Lagos State Government at <http://www.lagosstate.gov.ng> for the details.

Please send the completed form to:

Revenue Complaints and Information Unit

by email: satax@lagosstate.gov.ng; or revcomplaint@yahoo.com

by post or courier:

You can also call or send text messages to: 08066650688; or 07087715593

3.6 Appendix 6 – Training Needs Assessment Questionnaire

Training Needs Assessment Questionnaire

Purpose

The purpose of this questionnaire is to find out your views with respect to your job performance and the knowledge and skills required so as to gather information about the training needed for effective performance of your current and future responsibilities. Please take a few minutes to complete this training needs assessment questionnaire. Your answers will be handled in the strictest confidence.

Thank you for your valuable input.

Instructions

Please respond to all questions.

Give your views honestly and frankly as possible as you can without consulting others.

Personal data

- 1. Your name: _____
- 2. Institution _____
- 3. Department _____
- 4. Position held _____
- 5. Sex
 - male female
- 6. On what basis are you employed?
 - Permanent full time contract
 - Full time contract with trial period
 - Temporary replacement
 - Other (please be specific) _____
- 7. Please indicate how long you have worked for the institution:
 - Less than one year
 - 1-2 years
 - 3-4 years
 - 5-10 years
 - more

8. Please indicate how long you have been involved with complains handling or resolution:

- Less than one year
- 1-2 years
- 3-4 years
- more

9. What are you involved with while performing your job as an officer of the institution/department (mark only the relevant ones from the list)?

- Receipt of written complaints (by letter, complaint form or e-mail)
- Receipt of complaints by SMS message
- Receipt of complaints by phone (telephone calls)
- Conducting meetings with complainants visiting the office
- Preparing cover letters (forwarding letters) to the relevant Agency
- Visiting relevant Agencies
- Investigation of complaints
- Resolving complaints
- Drafting positions on complaints
- Recording complaints (register keeping)
- Filing and/or storing complaint documents
- Compiling reports (statistical reports based on complaint-source and/or Agency-source, other reports)

- Collection and/or provision of information (please explain what you are assigned to do, e.g. processing of information queries not related to complaints):

Other (please be specific, e.g. supervision of lottery, casino and pools betting operations in Lagos State, etc.):

10. How important are the following training topics for your job performance:

Topic	Very Important	Somewhat Important	Not Sure	Not Now	Not Important
Office Skills –Filing/ Record Keeping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Report writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IT Suite - Word, Excel & Email	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Time Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Client Service Delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Complaints review procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Revenue Laws and Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Negotiation Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge transfer/management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coaching and mentoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conflict management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management and decision making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interview and questioning techniques	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance appraisal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. From the areas listed above select your top five priorities (may be areas related to your current job requirements or such you feel you need more training on):

1. _____
2. _____
3. _____
4. _____
5. _____

12. Is there other training you consider relevant for your job performance that is not listed above but you would like to see it covered in your future training program? (please be specific)

13. Please select the most convenient time for you to attend training programs:

- 10:00am - 12:00pm
 3:00pm - 5:00pm
 Other (from - to) _____

14. Please select the most desirable day for you to attend training programs:

- Monday
 Tuesday
 Wednesday
 Thursday
 Friday

15. Which method of training do you feel would be most effective:

Method of training	Not Very Effective	Somewhat Effective	Very Effective
Classroom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Workshop	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Seminar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. Have you attended any training/conferences/workshops during the last 2 years?

- No
 Yes
 If yes, please complete the table below

(extend the list if necessary):

Year	Type of training event (training course, seminar, workshop, on the job training, etc.)	Delivered by (e.g. LIRS, GEMS3, etc.)	Financed by (e.g. by RCIU, by you, etc.)	Subject matter/ topics covered

17. Please provide any suggestions on how we can better support your individual training needs.

Thank you for your participation in this questionnaire. Your candid input and time are appreciated.

3.7 APPENDIX 7 – COMMUNICATIONS STRATEGY

Objectives

The communications strategy has been developed with the intent to enhance the reputation of the RCIU as an independent, committed, responsible, public service-oriented intervention agency striving for delivery of better quality public services through the use of appropriate advocacy and outreach instruments. More specifically, it proposes to:

- Further strengthen the credibility of the RCIU by highlighting efforts being made to redress public grievances
- Reach out to stakeholders and solicit their active support in helping the RCIU achieve its targets and objectives for improving services
- Identify key instruments and channels for regular, effective communication with target audiences
- Consistently interact with stakeholders on performance of the RCIU as well as on new initiatives undertaken

The Process

In order to achieve the stated objectives, a five-stage process is proposed, involving:

- Situation review and identification and segmentation of audiences
- Developing an effective mix of communication instruments and media
- Preparation of appropriate content
- Mobilizing stakeholders and creating capacity for implementation
- Designing mechanisms for supervision and evaluation

1. Situation Analysis

The RCIU operates within an environment that provides a unique context to its activities. This environment provides opportunities to the RCIU while posing some threats to it. A Communications Strategy, like any other functional strategy, should be formulated with due regard for the environment in which the organization operates. We have therefore identified the dimensions of the environment mentioned below as those impinging the most on the activities of the RCIU. The aspects of the environment considered are as follows:

- Political environment
- Economic environment
- Socio-cultural environment
- Technological environment
- Legal environment
- Public landscape environment

2. SWOT Analysis

A review of the internal capabilities and resources of the RCIU as well as the analysis of its external environment revealed the RCIU's strengths and weaknesses, the opportunities available to it and threats confronting it.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong political leadership and support • Committed Staff • Reputation for pushing for results • Established work procedures 	<ul style="list-style-type: none"> • No Standard Operating Procedure (SOP) manual • Understaffed • Established procedures not comprehensive • No induction programme • Staff not trained • Inadequate resources • Organisation structure inappropriate • Personnel lack media experience
Opportunities	Threats
<ul style="list-style-type: none"> • Increasing sophistication of citizens • Growing Need for its services • Donor partners support • Stakeholder Goodwill • Trainable staff 	<ul style="list-style-type: none"> • Potential conflict with revenue agencies • Nigerian culture of "let sleeping dogs lie" • Location can be inaccessible to illiterates/poor • Unfair competition for resources • Ability of revenue agencies to frustrate the Unit • Inadequate legal backing • Huge demographic jurisdiction

3. Goals and Objectives

The overall goal of the communications strategy is "promote taxpayers' awareness of their right to fair hearing of their complaints about revenue administration, without litigation and at no cost, and educate them on revenue law, procedures and processes in order to enhance voluntary compliance with revenue obligations"

3.1. Partnership objectives

1. Within 1 year, revenue agencies to codify and make available to the RCIU their enforceable complaints resolution mechanism and timeline
2. Within 2 years to secure sponsorship support from donor partners for annual training of the staff of the RCIU
3. Within 2 years to secure donor support for the annual stakeholder workshop as a forum for information and experience sharing designed to continuously improve the performance of the RCIU
4. Within 2 years, evolve a peer review mechanism to upgrade the service standards of the RCIU through a partnership with reputable international ombudsman offices
5. Within 3 years develop the skills of the RCIU to enable it offer technical assistance to other complaints agencies locally

3.2. Communication objectives

The communication objectives are:

Short Term

- To achieve within 1 year a 10% awareness level amongst the taxpaying population of the rights to complain and the role of the Revenue Complaints & Information Unit in the process.
- To increase by 100% within 1 year the number of complaints handled and concluded.
- Partner with all revenue generating agencies and local government authorities within a year in order to

improve their operational policies, processes and procedures and prevent, reduce, anticipate and proactively resolve tax/levy payer's challenges and complaints as part of an overall strategy of voluntary taxes and charges compliance

- Achieve a 300% increase in the number of people within a year to whom specific information is provided on existing and prospective laws, regulations, processes, procedures including redress mechanisms relating to fees, levies, charges, taxes
- To conduct an annual week-long enlightenment campaigns on tax/levy/fee laws, procedures and processes.

Medium Term (Years 2 -3)

- To achieve within 1 year a 25% awareness level amongst the taxpaying population of the rights to complain and the role of the Revenue Complaints & Information Unit in accomplishing this.
- To increase the phase 1 (short term) number of complaints handled and concluded by 100%
- To achieve a half-yearly interface with all revenue generating agencies and local government authorities in order to improve their operational policies, processes and procedures
- To increase the phase 1 (short term) figure of the citizens provided specific information by 200%
- To increase to two, the frequency of the week-long revenue administration enlightenment campaigns

Long Term (more than 3 years)

- To achieve at least 50% awareness level amongst the taxpaying population of the rights to complain and the role of the Revenue Complaints & Information Unit in accomplishing this.
- To increase the phase 2 (medium term) figure of complaints handled and concluded by 50%
- To achieve a quarterly interface with all revenue generating agencies and local government authorities in order to improve their operational policies, processes and procedures
- To increase the phase 2 (medium term) figure of the citizens provided specific information by 67%
- To continue the bi-annual week-long revenue administration enlightenment campaign

4. Target audience

The target audience can be broadly classified into two categories: primary and secondary audiences. The classification can also be approached from the perspective of closeness to the RCIU in which case we would have both external audiences and internal audiences. Each of these segments would require communication messages, approaches, instruments and channels that are appropriately aligned with their respective information and communication needs.

Primary Audiences

1. General public
2. Revenue Agencies and Local Governments
3. Civil society organizations, including private sector organizations and professional bodies
4. Employees

Secondary Audiences

1. Media
2. International donor partners

The audience can also be classified into

External Audience

- Small and Medium scale enterprises
- Market women and men
- Artisans and Tradesmen
- Professionals
- Large scale businesses
- Civil Society
- Media
- State level revenue generating agencies- LIRS, LASAA, LRC
- Individuals and groups
- Loose associations and registered/incorporated entities
- Uneducated masses
- Sophisticated elites and their organizations

Internal Audience

A few of the instruments planned for external audience will also be relevant for the internal audiences. However, there are some other instruments which are especially suitable for communication with this segment: These are:

- Quarterly meetings with all staff to enable mutual sharing of information and discussion on progress, issues and status of implementation of various activities and initiatives.
- Publishing of a Monthly newsletter for electronic distribution which would contain data on RCIU's performance, acknowledge star performers, provide information on events, meetings in offices and provide summaries of important findings

5. Strategies, Tactics and Key Messages

The strategies will involve engagement of gatekeepers to open doors, partnership with civil societies for advocacy and sensitization support, and endorsement/testimonies by credible public figures. The tactics/ platforms will span television and radio, text messages, email, websites, stickers etc.

"To be heard on tax or levy matters, fairly and at no cost – your right!"

"Is a tax or levy unlawful or inflated? Don't pay, complain!"

"Know your tax and levy rights and wrongs"

"Every tax or levy has its appeal procedures. Talk to us"

"No Taxation or levying without complaints rights"

"Why should you pay that tax or levy? Ask!"

"The Revenue Complaints and Information Unit cares and listens to your tax and levy issues"

"Coercion is not tax or levy enforcement"

6. Budget

The budget for the communications strategy spanning the short to long term is It is highly likely that only a part of the budget is obtained through donor support. The limitations on the support are likely to be related to specific application and choice of tactics as well as compliance with gender and cultural sensitivity considerations.

7. Risks and Issues

Communication activities including the strategies, tactics and messages can expose the RCIU to risks

of various kinds, from diverse sources and with different stakeholders. It is necessary to be alert to this possibility and therefore to prudently anticipate these risks and take proactive mitigating measures.

Some of the potential risks identified include:

Political risks: the RCIU operates in a politically sensitive environment. Hence its actions can be easily misconstrued as being politically calculated to impair the political interests of some groups especially the political heads of any revenue agency or local government authority.

Reputation risk: every organization is always in danger of damage to its reputation. The RCIU is no exception. It must therefore conduct itself and also communicate its activities with adequate regard for the preservation of its reputation. It should therefore not raise undue expectations and/or lay claim to false achievements.

Stakeholder risk: This is the risk of damage to the reputation and profile of any of the revenue generating agencies and local governments. This can stem from statements that are construed to cast aspersion on the competence, objectives and good faith of any of these agencies or authorities.

Socio-cultural risk: Nigeria, of which Lagos is a microcosm, is a very diverse entity. Consequently, public policies must reflect the diversity of culture, economic opportunities, tribe and so on. Gender is also another factor that merits consideration. Hence messages from the RCIU should respect the sensibilities of various groups within the state. It is crucial that the RCIU's messages, including the audio-visual representations, should not portray poorly any tribe, social or occupational group, economic class etc.

The risks identified can be mitigated by diligently making genuine consultation and obtaining comments on proposed promotional materials to afford a thorough assessment of their possible perception by various stakeholders.

8. Implementation

The implementation of the communication strategy will be spread over three phases as described below.

Short Term (Aug - Dec 2014)				
Tactic	Target Audience	Short Term	Cost (=N=)	Responsibility
Bulk SMS	Market Women/Artisans	Aug-2014	xxx,000.00	SATR
Email/Telephone helpline	Professionals	Sep-2014	xxx,000.00	=
Car stickers	General Public	Nov-2014	xxx,000.00	=
Handbills/Flyers	Market Women/Artisans	Nov-2014	xxx,000.00	=
PPDs (endorsers and influencers)	Prof Advisers, OPS, BMO	Aug-2014	xxx,000.00	=
			xxx,000.00	

Medium Term (Jan 2015 - Dec 2016)				
Tactic	Target Audience	Medium Term	Cost (=N=)	Responsibility
Bulk SMS	General Public	Jan-2015	xxx,000.00	SATR
Email/Telephone helpline	General Public	Jan-2015	xxx,000.00	=
Car stickers	General Public	Jan-2015	xxx,000.00	=
PPDs (endorsers and influencers)	Prof Advisers, OPS, BMO	Jan-2015	xxx,000.00	=
PPDs (with potential complainants eg SMEs)	General Public	Mar-2015	xxx,000.00	=
Email marketing	Professionals	Mar-2015	xxx,000.00	=
Handbills/Flyers	Market Women/Artisans	Mar-2015	xxx,000.00	=
Website Ad	General Public	Mar-2015	xxx,000.00	=
			xxx,000.00	

Long Term (From Jan 2017)				
Tactic	Target Audience	Long Term	Cost (=N=)	Responsibility
Bulk SMS	General Public	Jan-2017	xxx,000.00	SATR
Email/Telephone helpline	General Public	Jan-2017	xxx,000.00	=
Car stickers	General Public	Jul-2017	xxx,000.00	=
PPDs (endorsers and influencers)	Prof Advisers, OPS, BMO	Feb-2017	xxx,000.00	=
PPDs (with potential complainants eg SMEs)	General Public	Mar-2017	xxx,000.00	=
Email marketing	Professionals	Jan-2017	xxx,000.00	=
Handbills/Flyers	Market Women/Artisans	Mar-2017	xxx,000.00	=
Press Briefings (Quarterly?)	General Public	Jan-2017	xxx,000.00	=
Radio/Tv jingles	General Public	Jan-2017	xxx,000.00	=
Newspaper Ads	General Public	Jan-2017	xxx,000.00	=
Website Ad	General Public	Jan-2017	xxx,000.00	=
			xxx,000.00	

9. Evaluation

The following will be evaluated:

Target audience. We need to monitor how effective we are in persuading our target audience to file complaints with the RCIU. We also need to identify the segments that readily accept our messages and even refer people to the RCIU.

Messages. It is crucial to know the messages that resonate with certain audiences and those that don't seem to have so much effect on them. We need to go further and understand why each message has that impact on them.

Strategies and Tactics. The relative success of each strategy eg Gatekeepers versus Civil Societies need to be evaluated. It is equally important to note the audience that best receive messages from civil societies. The reasons why certain audience take to certain strategies will enrich the information content of our evaluation activities to inform the design of future programmes.

Tactics Effectiveness

Target Audience	Awareness of message (eg sticker, radio, TV, SMS, website etc)	No of complaints, given exposure to message	Referrals, given exposure to message	Don't believe the message/trust the RCIU
Market women/men				
Artisans				
Professionals				
SMEs				
Large entities				

Message Effectiveness

	Very favourable opinion	Favourable opinion	Indifferent	Negative opinion	Very negative opinion
Message 1					
Message 2					
Message 3					
Message 4					
Message 5					

Strategy Effectiveness

	Very effective	Effective	Satisfactory	Not effective	Highly ineffective
Gatekeepers					
Civil Societies					
Profiling/ Testimonies					
Content Release					

Gatekeepers are organisations or individuals that open doors to some target audience (eg Association of Artisans).

Profiling/Testimonies focuses on an individual or an organization with desirable attributes (eg business success or leadership achievement) who then proceeds to speak in favour of the RCIU.

Content Release is a study of a relevant idea (eg in revenue administration in another jurisdiction), the discussion of its benefits as an effective solution mechanism for some social issues. The study then endorses the activities of the RCIU as a local example of the successful mechanism practiced abroad.

3.8 Appendix 8 - Complaints Work Reporting and Quality Review

Reports and statistics

Monthly reports: Monthly reports have to be compiled by the RCIU throughout the year. These reports provide means of controlling the work of RCIU on a monthly basis and summarize information on the complaints received, reports/forward letters/other decisions issued, outcomes in broad categories (e.g. resolved/not resolved) or any potential issues and problems faced during the respective month (e.g. overload, lack of processing capacity, unplanned leaves, etc.).

Annual report: This report has to summarize the yearly performance of the unit and has to be supported with statistical information for:

- Cases received and handled during the respective year;
- Types of complaints received (by organisation under complaint and by type of tax/levy/charge);
- Time taken to resolve, as measured against service standard;
- Outcomes in broad categories (e.G. Resolved/not resolved);
- Action taken/business improvement as a result of complaints;
- Pending cases transferred to the next year.

The RCIU reports and statistics are provided through the RCIU Head to the:

- The honourable commissioner for finance or the head of the reporting agency;
- Other parties as necessary (e.G. Governor, internal audit unit, organisations under complaint, etc.).

Quality review of complaint cases

Complaints quality review is needed as the issues decided by the Complaint Review Officers are usually complex and rest upon judgment and opinion, supported by the interpretation of the relevant legislation, on which reasonable people may hold different views. Position on such issues requires consideration of all relevant facts and law, timeliness of actions, and professional attitude in all actions taken ensuring respect of the complainant's rights throughout the whole process.

Complaints quality is evaluated by conducting reviews of closed cases. The selection of cases for review has to be done on random basis. These reviews provide significant benefits for the Special Adviser (Taxation and Revenue), the Head and all officers of the RCIU. Specific benefits include:

- Ensuring complainants' rights are protected;
- Improving quality of the decisions issued;
- Increasing consistency of the decisions;
- Allowing identification of training needs for complaint review officers;
- Identifying reasons for backlog of cases and lack of processing capacity;
- Providing feedback to management on areas requiring improvement in the complaint review process.

The quality standards for review include:

Quality Standard	Includes review of the following
<p>Respecting complainants' rights Measures whether the Complaint Review Officers timely communicated with the complainant in an appropriate and professional manner.</p>	<ul style="list-style-type: none"> • Whether the complainant was kept informed throughout the complaint review process; • How the complainant's rights were observed in the complaint review process; • Whether the confidentiality of the complainant's information is respected; • How the complainant's needs were addressed; and • How the complainant was advised of his rights and obligations.
<p>Analysis of Facts and Law Measures whether the Complaint Review Officer considered the case on procedural grounds and on its merits</p>	<ul style="list-style-type: none"> • Whether the decision is consistent with the legal authority given to rciu; • Is the decision supported by a well-reasoned analysis of facts and law; and • Whether the conclusions reached are expressed in a legally correct manner.
<p>Accuracy of conclusions Measures the accuracy of the conclusions reached by the Complaint Review Officers assigned to the case and whether sufficient information was collected for the case resolution.</p>	<ul style="list-style-type: none"> • Whether the information available was sufficient for the case resolution; • If not sufficient, whether the additionally requested data was relevant to the matter in dispute; • Whether the conclusions reached based on the information presented are correct, • Whether the citations of the legal provisions relevant, etc.
<p>Adequacy of decision Measures whether the report adequately explains and documents the reasons for the decision taken.</p>	<ul style="list-style-type: none"> • Whether the report is properly drafted; • Whether the report adequately addresses all issues in dispute in a clear, concise and professional manner with sufficient detail; • Whether statements that are part of the report are presented in a logical way; • If the approved procedures have been followed and the required standard documents have been used.
<p>Timeliness of actions Measures the timeliness of actions taken by the RCIU's officers involved with the case resolution and the use of time relative to the complexity of the issues involved.</p>	<ul style="list-style-type: none"> • Whether the timeframe for review of the complaint and issuance of report/forward letter or other document was met; • What were the actions taken during this time span and whether they are appropriate for the case resolution; • Where actions are not initiated timely who is the officer in default and why the delay occurred; • Whether the time applied is commensurate with the work performed; and • How the rciu head and complaint review officers keep the case moving throughout the whole review process.



Drama troop, Kaduna

GEMS3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Training
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It gives a detailed step-by-step guide to implementing training activities for state/local government officials related to other tax toolkit items (harmonized laws, improved payment systems, complaint processes, etc.).



2.3 Train the Trainers programme established	114
2.4 Training activities complete	115
APPENDIX 1	116
APPENDIX 2	117
APPENDIX 3	118
APPENDIX 4 – TRAINING MATERIAL - SLIDES	119
1. Nigerian Tax System and Policy	119
2. GEMS3 & WEE in Tax	123
3. Revenue Management Processes and Rights of Taxpayers	126
4. Revenue Complaints, Objections & Dispute Resolution	129
5. Record Keeping	132
6. Communication	135
7. Customer Service	139



1. TRAINING - INTRODUCTION

1.1 Scope of training

The focus of GEMS3 training is on training needed by state/local government officials in order that they can understand and implement the reforms that GEMS3 is encouraging.

State/local government employees have a wide range of training needs (e.g. induction training, management training, computer training, language training, technical training, refresher training) all of which would assist such employees to do their jobs. In this context, training is an endless ongoing need and it could therefore be tempting for government officials to ask GEMS3 to support a wide range of training activities.

The primary focus of GEMS3 is however to improve the business environment as compared with secondary objectives such as improving IGR through activities such as staff training. It follows that the primary focus of GEMS3 training activity is on those aspects related to GEMS3 reforms as covered by the tax toolkit. The training activities covered in this activity guide reflect this focus.

This focus also directly affects the content and the timing of the training. For example, GEMS3 tax intervention activity has to date focused more on the local government level (e.g. the enactment of harmonised laws affecting LGA rates and levies, improved payment systems at LGA level, improving tax complaints processes at LGA level, etc) and accordingly training activity has focused on LGA officers needing to be aware of these changes. The focus of GEMS3 also covers state/MDA level (e.g. harmonised tax laws affecting state government/MDAs and implementation of the presumptive tax system) for which training activities are also undertaken to cover BIR and other state-level revenue agency officials.

It should be noted that this Activity Guide does not cover the following GEMS3 training:

- » Training provided by external trainers (such as training on the operation of PoS devices by banks and/or switch companies, although it is noted that such training will often be included as part of a broader training programme for revenue officers, particularly where the timing of PoS launch / implementation allows this)
- » Training provided to enumerators as part of baseline survey work (as baseline surveys are not a tax toolkit item)
- » Internal GEMS3 training (e.g. induction and ongoing "on the job" training provided by centre tax team advisors to state tax teams, training provided through tax workshops)

1.2 Reasons for training

The GEMS3 project is amongst other things a tax reform project. There is a need to ensure that state/local government tax officials are trained on tax harmonisation reforms, in order for those reforms to be understood and implemented.

At the same time, it is recognised that training also improves the overall capacity of the officers being trained. This has particularly been the case with LGA revenue officers, many of whom have indicated that they have not received any training for over 10 years.

There is also a need to ensure that training activities conducted by GEMS3 are sustainably transferred to appropriate agencies (such as the Ministry of Local Government) to ensure the

continuance of such training activities for new government officials after GEMS3 concludes. GEMS3 training activities include the establishment of “training of trainer” (ToT) programmes to meet this sustainability need.

1.3 Implementation of training

The training activities covered in this Activity Guide include some common elements that are found in standard training methodologies, namely:

- » Conduct of a training needs analysis (TNA) to confirm training needs
- » Design of training packages to meet those needs
- » Development of training materials for the proposed trainees
- » Delivery of training to attendees
- » Evaluation of the training

In conducting these activities, remember to limit the focus to the key training needs related to the GEMS3 tax toolkit. For example, it is expected that the TNA will focus on training needs related to tax laws, payment systems, dispute processes, etc rather than the much wider training needs that individual officers may have. GEMS3 does not have the resources or time to become the primary deliverer of training for all the training needs of state/local government officers and needs to prioritise those training needs that most directly enable GEMS3 to meet its objectives before support with wider training needs can be considered.

Specific training needs for revenue officers and complaint handling officers related to the GEMS3 tax toolkit are covered in this Activity Guide. Such training should cover not only the specifics of the toolkit topics (e.g. laws, payment and complaint processes) but also the actions and behaviours that the officers should adopt when dealing with taxpayers.

While such training is focused directly on revenue officers and complaint handling officers (which will often be information officers), it is recognised that LGAs will often have other roles that work alongside those officers (e.g. legal officers, internal auditors) who should also receive the same training. Where feasible, these officers should also be trained along with the revenue officers and/or complaints handling officers as appropriate.

Typically, training for revenue officers will span 2 or 3 days. Appendix 1 is an example from Dekina LGA, Kogi of the topics that were covered in their 3-day training for revenue officers.

As the provision of training will require specific resources (e.g. training room hire, costs of printing training materials, provision of water, provision of meals/tea breaks and potentially travel and accommodation costs for attendees), there will also generally be a need to prepare a specific training budget covering proposed training activities. If there is insufficient funding in existing state tax team allocations, a specific budgetary approval will need to be submitted through the GEMS3 centre to DFID for approval at least 2 weeks before the training is planned to commence. **Appendix 2** is an example of a training budget in respect of Hadejia LGA, Jigawa.

At the conclusion of each training programme, a brief summary report of the training should be prepared supplemented with a list of attendees and photos. **Appendix 3** provides an example of the training report prepared in respect of the Dekina LGA training programme outlined in **Appendix 1**.

Appendix 4 provides a selection of Powerpoint slides that have been used in GEMS3 training courses for LGA revenue staff.

2 TRAINING ACTIVITIES

2.1 Training of Revenue Officers completed

- a. Proposal to conduct training for revenue officers mentioned during initial GEMS3 introductory meetings with Governor and State Government stakeholders and during initial PPEM meeting
- b. Conduct training needs analysis (TNA) for revenue officers
- c. Design training packages, including gender input
- d. Develop training materials and arrange training logistics (room, supplies)
- e. Prepare training agenda and distribute to participants
- f. Deliver training packages to revenue officers
- g. Participant evaluation of training and presentation of course completion certificates
- h. Record details of training conducted (list of attendees, photos)

2.2 Training of officers involved in complaints resolution mechanism

- a. Conduct training needs analysis (TNA) for complaint handling officers
- b. Design training packages, including gender input
- c. Develop training materials and arrange training logistics (room, supplies)
- d. Prepare training agenda and distribute to participants
- e. Deliver training packages to complaint handling officers
- f. Participant evaluation of training and presentation of course completion certificates
- g. Record details of training conducted (list of attendees, photos)

(Note consideration should be given to combining the training for revenue officers under 2.1 and for complaints handling officers under 2.2 where this is feasible).

2.3 Train the Trainers programme established

- a. To ensure sustainability of training, identify who is in the best position to take over responsibility for training for new revenue/complaints handling officers and refresher training for existing officers (this could be the Ministry of Local Government or nominated "experts" within particular LGAs – the former is preferred, although it is acknowledged that this may require establishment of a training function and/or designation or appointment of officers who will have training responsibility)
- b. Identify which officers will be the designated "trainers" who take on that responsibility
- c. Design "train the trainer" programme packages, including gender input
- d. Develop training materials and arrange training logistics (room, supplies)
- e. Prepare training agenda and distribute to participants
- f. Deliver training packages to designated officers
- g. Participant evaluation of training and presentation of course completion certificates
- h. Record details of training conducted (list of attendees, photos)
- i. GEMS3 supervise at least one or two step-down training sessions organised by the LGA/MDA and conducted by the trainees of the ToT programme

2.4 Training activities complete

- a. Ensure all revenue officers and complaint handling officers have received training (as per 2.1 and 2.2 above)
- b. Ensure "train the trainer" programme has been established (as per 2.3 above)
- c. If satisfied above training activities can continue without further GEMS3 involvement, record milestone (training activities complete) as having been met

APPENDIX 1

CAPACITY BUILDING FOR DEKINA LOCAL GOVERNMENT REVENUE STAFF

Venue: LG Conference Room

Date: 15-17 Jan 2014

Agenda- Day 1

Time	Activity
09.30am – 10.00am	Arrivals and Registration
10:00am – 10.05am	Introduction to the Training
10:05am – 10.20am	Personal introductions
10.20am – 10.30am	Ground rules
10.30am – 10.40am	About GEMS3
10:40am – 11.00am	Tea Break
11:00am – 12.00pm	Dekina LG TNA
12.00pm – 01.00pm	Lunch Break
01.00pm – 02:30pm	The Nigeria Tax system
02.30pm – 03.00pm	Recap & Feedback
03.00pm – 03.10pm	Closing Remark

Agenda- Day 2

Time	Activity
09.00am – 09.30am	Arrivals & Opening remarks
09:30am – 11.00am	Revenue Management Procedure
11.00am – 11.30am	Tea Break
11:30am – 12.30pm	Right of Tax Payers
12.30pm – 01.30pm	Lunch Break
01.30pm – 03.00pm	Objection and dispute Resolution
03.00pm – 03.30pm	Recap & Feedback
03.30pm – 03.40pm	Closing Remarks

Agenda- Day 3

Time	Activity
09.00am – 09.30am	Arrivals & Opening remarks
09:30am – 11.00am	Record Keeping
11.00am – 11.30am	Tea Break
11:30am – 12.30pm	Communication & Etiquette
12.30pm – 01.30pm	Lunch Break
01.30pm – 03.00pm	Customer Care
03.00pm – 03.30pm	Recap & Feedback
03.30pm – 03.40pm	Closing Remarks

APPENDIX 2

Budget for Training in Hadejia LGA

BUDGET FOR TRAINING IN HADEJIA LGA					
Item	unit cost	quantity	number of days	Total Naira	Total GBP
Venue Hire	xxx	1	3	xx,000	xx
Tea Break (3 days)	xxx	30	3	x,000	xxx
Lunch (3 Days)	xxx	30	3	xx,000	xx
Water	xxx	30	3	x,000	xx
Printing of Cert.of Attend. -DI	xxx	30	1	xx,000	x
Material (Handout)	xxx	30	1	x,000	xx
Material (notepad and Pen)	xxx	30	1	xx,000	x
Grand Total				xxx,000	xxx

APPENDIX 3

Dekina LGA Staff Training Report

Title	Capacity building programme for Treasury Staff Of Dekina Local Government Area
Date	15/01/14 – 17/01/2014
Venue	Dekina LGA Council Hall
Purpose of the training	The training is for Dekina LGA Staff was a part of capacity building programme towards effective revenue management for the LGA.
Objectives	<ul style="list-style-type: none"> • The training objectives were: • To ensure participants understand the legal framework for lga taxation system and to know exactly the taxes that the lgas can collect based on law • To discuss and educate the staff on the improved revenue management procedure and improved paperwork for the purpose of revenue administration • To provide participants with techniques to effectively communicate with their customers
Background	The GEMS3 team in Kogi State aims at improving the current revenue paper system in Dekina Local Government area and to also launch the POS eventually. The intervention aims to consolidate and harmonise the existing Local Government fees, levies and charges, making them fairer, more transparent and more predictable.
	Treasury staff will handle the implementation of the improved paper system and the POS in the Local Government Area. As such, capacity building through training, sharing of experience and peer learning is vital for its success.
Facilitators	GEMS3 tax advisors (Kogi and Abuja)
Participants	Revenue officer, revenue supervisors, revenue collectors, legal officers, information officers, audit staff, budget and planning staff. 51 Staff were trained (37 Males and 14 female) Attached is the attendance.
Certificates	51 participants were issued with Gems certificate of participation covering the scheme of training.
Methodology	<p>The training took place across three days, with multiple sessions on each day. Find attached the time table for the training.</p> <p>Lecture method was adopted to deliver the training. However, people participants were allowed to intercept at any point to ask questions. It was made as interactive as possible. Valuable experiences, document samples and photographs were shared and discussed during the 3 days training.</p>
Training assessment	We applied the training assessment form and forms were completed and returned by all participants except 3. The participants were of the unanimous opinion that the training was satisfactory and eye-opening

APPENDIX 4 – TRAINING MATERIAL - SLIDES

1. Nigerian Tax System and Policy



TRAINING WORKSHOP FOR REVENUE STAFF xxxxxxxxxxxxxxx

NIGERIAN TAX SYSTEM AND POLICY



Outline

- **Differences Between Different Forms Of Taxation**
 - Characteristics And Functions
- **Nigerian Tax Policy**
- **Nigerian Tax System**
- **Taxing Powers**
- **Approved List Of Collection Act**
- **Others**

Meaning of Taxation

What is taxation?

- ✓ A system by which compulsory non-refundable contributions are imposed by government on its people for public expenditure.
- ✓ Taxation may be defined as a system by which governments extract resources from individuals and institutions for provision of service.

Why taxation?

(Mainly) Raise Revenue for government to provide public goods e.g. Roads, Hospitals, etc



Differences between Tax, Duty, Levy and Fee.

Tax

Any payment to Government - Central, State or Local - to fund public spending, regardless of whether it is called a tax or not, which is:

- **Mandatory**-not voluntary and for which penalties can be imposed for non compliance;
- **Unrequited**-no direct return on value, not directly related to a service and it is not just income tax.

Duty

A tax commonly levied on imports or local industrial products; e.g. Import Duty and Excise Duty

Differences between Tax, Duty, Levy and Fee

Levy

A levy is a legal charge in any form payable to an authorised body, by law and without any direct benefit in return.

Fee or Charge

Fees and charges are imposed in exchange for direct benefit or service

Fine

Is the sum of money paid as a punishment for breaking the law



Purpose of taxation

- **Revenue** – it is generally believed, that the main purpose of taxes is to raise revenue for use by Government
- **Redistribution** – taxes may be used to transfer wealth from one section of the society to another;
- **Repricing** – taxes may be used to address externalities i.e. fiscal policies may be used to affect some area of the economy, which cannot otherwise be done; and
- **Representation** – this implies that taxes are imposed to assure citizens of representation in the Governance of the society. In this regard, rulers impose taxes and citizens demand accountability in return.

Characteristics of a good Tax System

Comprehensiveness

- All taxable persons pay tax without discrimination.

Productivity

- Revenue yield is, stable, predictable and measurable in time and quantity;
- Leads to increase in production of goods and services and community welfare.



Characteristics of a good Tax System

Efficiency/Effectiveness

- Revenue yield is optimal; high revenue, low cost of collection, low compliance cost.

Certainty

- Exact knowledge of what to pay (**tax type**), how much (**computation basis**), when (**timing**) and on what (**tax base**).

Fairness (Ability to pay)

- No excessive burden.
- Recognises ability to pay.



Characteristics of a good Tax System

Economy

- Tax collection should be comparatively cheap.
- Maximises revenue

Convenience

- Pay tax when money still available

Flexibility or Buoyancy

- System easily responds to changes in the economy.



Nigerian Tax Policy

Objectives of Nigerian tax policy:

- To achieve economic growth and development.
- allow for stimulation of the economy and not stifle growth,
- The tax system should therefore not discourage investment and the propensity to save.
- Taxes should not be a burden, but should be applied proactively with other policy measures to stimulate economic growth and development.



Levels of Tax System

- **Policy Level**- policy formulation and review (Executive function / MoF)
- **Legislative Level**- legislation/enactment of policies and laws (Political function of Legislative Assembly (Parliament, Senate, Congress, etc)
- **Administrative Level**- implementation/ administration of policies and laws (function of government or its agency).
- **The judicial Level**; arbitration to execute justice (often leads to tax law reforms).



Taxing Power

- Taxing power is the power of a government to raise revenue through taxes within the limits of its jurisdiction.
 - ✓ Exclusive legislative list (only Federal Government can legislate)
 - ✓ Concurrent legislative list (State Government can legislate)



Tax Administration

- The implementation of the legal provisions, tax policies to mobilise revenue.
- Concerned with assessment, collection, accountability for taxes through an organised, legitimate institution/system.
- Requires uniform interpretation/application of statutory provisions.
- Thus, knowledge of the laws and principles and their application are not mutually exclusive



Functions of tax Administration

- Registration and Education Function- taxpayer services and customer care;
- Assessment Function- audit, assessment, objections and appeals;
- Collection and Recovery Function- monitoring and enforcement;
- Accountability to Government/Taxpayers (collected/uncollected taxes) – payments/refunds.



Tiers of Tax Administration

- Federal Government Level (FIRS) collects some PIT, CIT and VAT and apply revenue to Federal budget
- State Governments Level (BIRs) collect (largely) PIT not collected by FIRs and apply the revenue to State Budgets
- Local Governments Level (LGRCs) charge and collect such rates and levies as authorized



Tiers of Tax Administration

- Tax Administration Tiers:
 - Federal Government Level (FIRS) collects some PIT, CIT and VAT and apply revenue to Federal budget
 - State Governments Level (BIRs) collect (largely) PIT not collected by FIRs and apply the revenue to State Budgets
 - Local Governments Level (LGRCs) charge and collect such rates and levies as authorized



Three Tiers Tax Schedule

Taxes to be collected by Federal Government

1. Companies income tax
2. Withholding tax on companies, residents of the Federal Capital Territory, Abuja and non-resident individuals
3. Petroleum profits tax
4. Value added tax
5. Education tax
6. Capital gains tax on residents of the FCT, bodies corporate and non-resident individuals
7. Stamp duties on bodies corporate and residents of the FCT
8. Personal income tax in respect of (a) members of the armed forces of the Federation, (b) members of the Nigeria Police Force, (c) residents of the FCT, (d) staff of the Ministry of Foreign Affairs and non-resident individuals
9. National information technology development levy



Three Tiers Tax Schedule

Taxes to be collected by the State Government

1. Personal income tax in respect of (a) Pay-As-You- Earn (PAYE) and (b) direct taxation (self-assessment)
2. Withholding tax (individuals only)
3. Capital gains tax (individuals only)
4. Stamp duties on instruments executed by individuals
5. Pools betting and lotteries, gaming and casino taxes
6. Road taxes
7. Business premises registration fees in respect of urban and rural areas which includes registration fees and per annum renewals as fixed by each State
8. Development levy (individuals only) not more than N100 per annum on all taxable individuals
9. Naming of street registration fees in the State Capital
10. Right of Occupancy fees on lands owned by the State Government in urban areas of the State
11. Market taxes and levies where State finance is involved



Why the Focus on WEE?

WOMEN'S ECONOMIC EMPOWERMENT – A CRITICAL PATHWAY TO POVERTY REDUCTION

- Women account for half of the population – nationally and in X State
- The exclusion of women from the mainstream of the economy is unjust and inefficient
- Evidence shows a focus on expanding opportunities for women to engage the in economy has a deeper, accelerated, more sustainable impact on poverty reduction
- Women have the potential to transform Nigeria

Why the Focus on WEE?

- Nigeria close to bottom of GEI (118/134) and EIU's Women's Economic Opportunity Index (99/113)
- Women only 6% of national elective positions
- Women account for X% of State Assembly members in X State
- 20% formal sector enterprises run by women – one of lowest rates in SSA
- Greatly under-represented in formal sector – both private and public sectors (32% and 27%)
- Only 15% of women have bank account
- Men twice as likely to secure finance (64%)
- Women's incomes estimated to be less than half men's
- 87 – 90% of land registered is in men's names

Policy Basis for WEE

- Nigerian Constitution (1999) Cap 4
- National Gender Policy (2006)- Objective 2.5.6
- CEDAW - (Convention on the Elimination of All Forms of Discrimination Against Women - 1979)
- MDGs – Millennium Development Goals (2000)
- Africa Union Protocol on Women Rights (2005)
- Beijing Declaration (1995)

Examples of WEE integration in Tax

Objective: Increase women's voice in local tax administration and increase the proportion of women to benefit from increased income gained from reduction in harassment and nuisance taxes

- Decision-making -Women included in Tax Committees in Kaduna, Cross River, Kogi
- Implementation- Women trained as Tax officials in Cross River
- Awareness – Women-only meeting to discuss tax issues – all states
- Access -Special information channels to reach business women with Tax advice and support – Lagos, Kogi
- Capacity building- on ways to plough back increased income and grow businesses –Kano, Cross River, Lagos, Kogi

Though Nigerian women constitute about half (48%) of the population of the country, there is still a preponderance of women below the poverty line.



Examples of WEE work in Lagos Tax

Thriving Business Women Business Meeting

Female CEO Program

Tax Forum for NECA NEW

Being WEE Compliant, 60% of canvassers are women.

Widows being sensitized

Sensitization with hairdressers (NASHCO)

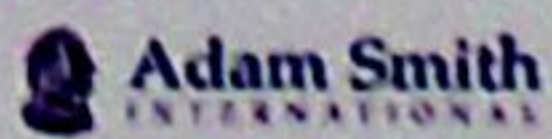
Empowering women through our various WEE Events

GEMS 3
Growth & Employment in Women (GEMW)
Support Improved Business Environment

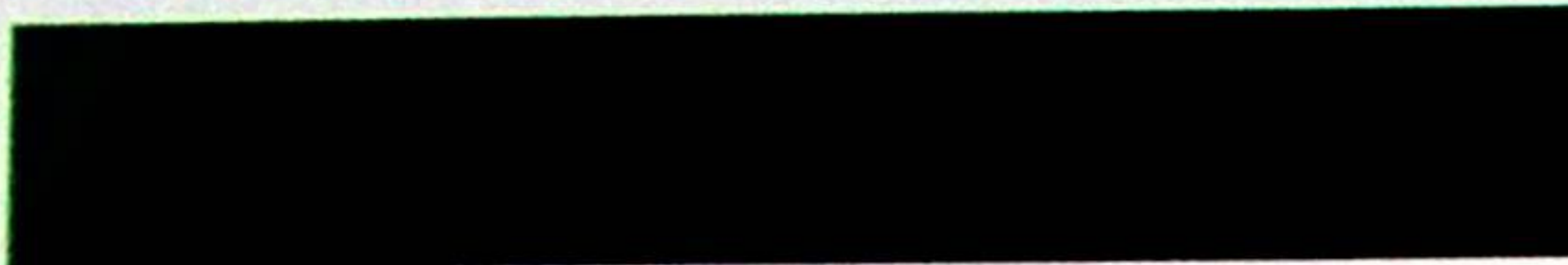
UKaid
from the British people



1. What are some of the challenges we may face in trying to make a case for WEE in our work?
2. What strategies will help us work through those challenges?



3. Revenue Management Processes and Rights of Taxpayers



TRAINING WORKSHOP FOR REVENUE STAFF OF xxxxxxxxxxxx LOCAL GOVERNMENT, xxxxxx

REVENUE MANAGEMENT PROCEDURES AND RIGHTS OF TAXPAYERS

xxxxxx, 2016



PILLARS OF EFFECTIVE REVENUE MANAGEMENT

- Taxpayer service (TPS)
 - Scope
 - procedures
- Service Level Agreement (SLA)
- Taxpayer Charter
 - Taxpayer rights
 - Taxpayer obligations



EFFECTIVE REVENUE MANAGEMENT PILLARS

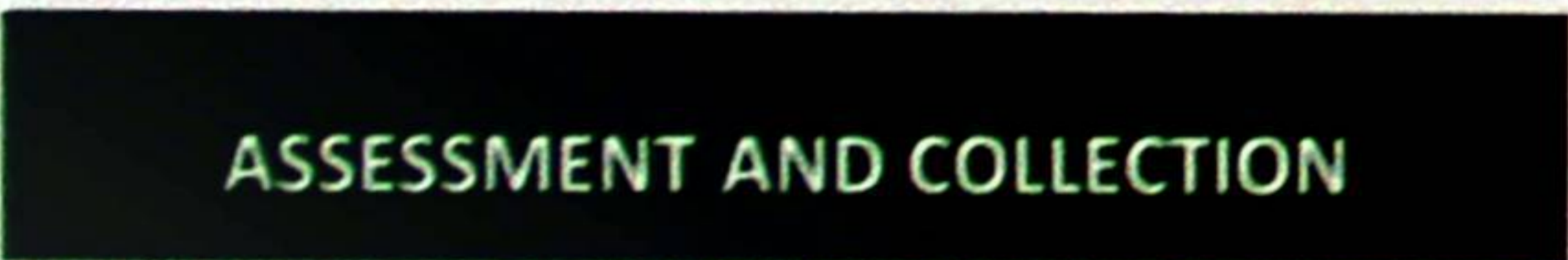
Effective revenue management process involves the following:-

- Existence of the taxing law and publicity thereof
- Taxpayer identification and registration
- Assessment/ notification/collection
- Accountability
- Dispute settlement
- Taxpayer education and care



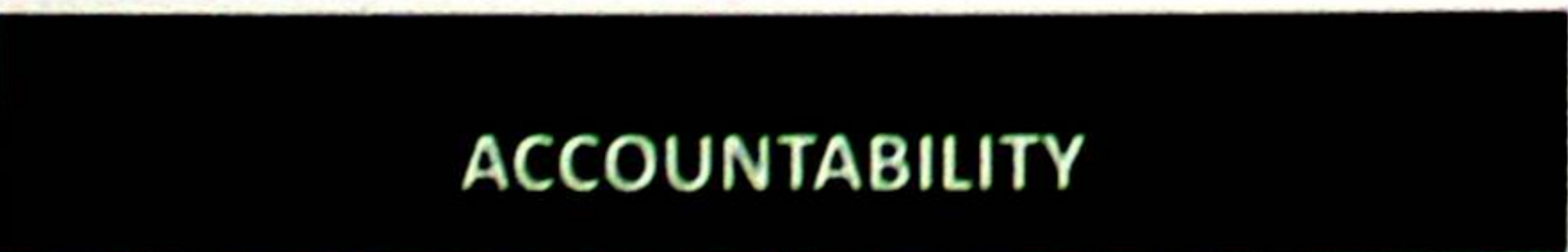
TAXPAYER IDENTIFICATION AND REGISTRATION

- Identify all liable taxpayers by considering:-
 - Goods
 - Premises
 - Services
 - Location
- Build a data base or register of taxpayers
- Update data base or register regularly
- This is the basis of LGA revenue estimate



ASSESSMENT AND COLLECTION

- The assessment should be derived from the law
- Notify the taxpayer by demand notice and* communicate well
- Apply the rates to all taxpayers without discrimination.
- Collect the tax by appropriate means*
 - Direct lodgement to bank
 - PoS
- Enforcement: see LGA Harmonized law*
- Maintain data on all this processes



ACCOUNTABILITY

- Daily collection report from every collector
- Checking of revenue receipt usage
- Reconciling bank accounts
- Weekly, monthly and annual revenue reports
- Periodic internal audit checks
- The public also needs accountability for revenue generated from them
- Taxpayers have the right to object any tax not due to them or which are wrongly demanded.



TAXPAYER EDUCATION AND CARE

- Taxpayers have the right to know all what, when, where and how to pay
- An informed taxpayer is easier to manage
- Supply information on billboards, notice boards, flyers, radio, TVs....
- Remember taxpayers rights
- Taxpayers are customers to be taken care of



MEANING OF TAX PAYER SERVICE (TPS)

- Taxpayer service is the process by which a tax authority caters for its Customers (Taxpayers) needs
- TPS describes the process of taking care of customers (taxpayers) in a positive manner
- Courtesy and helpfulness
- Willingness to resolve complaints
- Commitment to meet customers (taxpayers) needs
- Promotion of taxpayer awareness by various channels (advertisements, broadcasts, brochures, etc.

Customers are 80% of the time right and may be 20% of the time wrong



TPS PROCEDURES

LGAs must have procedures in place to ensure that

- Each tax officer always enough forms and guides of every sort
- Forms and guide are to be provided free of charge
- Establish website to provide all forms of information
- Establish information and complaint offices
- Dedicated hotlines for complaints and enquiries
- Social media
- The mas media
- LGAs should evaluate regularly if taxpayers are able to understand the forms and guides properly
- PPDs



TPS STANDARDS

- Some TPS standards are embedded in subsidiary legislations
- Others are set administratively in manuals/guidelines, built on mutual trust and respect with taxpayers in the day to day interactions.

Why TPS Standard

Improve quality of taxpayer service especially in operational areas



SCOPE OF TPS STANDARDS

- TPS cuts across all areas of operation especially those that directly affect tax compliance.
- A checklist of TPS standards should be fully documented in all functional areas:



KEY OPERATIONAL AREAS OF (TPS) STANDARDS

- Taxpayer registration
- Taxpayer education and enlightenment
- Tax returns and assessments management
- Tax collection and Enforcement
- Accountability for tax payments
- Management of taxpayer's mails
- Management of Objections and Appeals
- Management of tax audits
- Management of inquiries, complaints and disputes



SERVICE LEVEL AGREEMENT

- SLA is an agreement/contract between two or more parties, where one is the customer (Taxpayer) and the other is service provider (The LGA)
- This can be legally binding, formal or an informal contract

Example of SLAs:

- We will respond to your phone calls within
- Attend to Taxpayers visiting a tax office in at most 30 minutes
- Acknowledge receipt of letters in at most 7 days.



SERVICE LEVEL AGREEMENT

- Payment receipt shall be issued immediately you submit payment slip to the cashier.

TAXPAYER CHARTER

What is a Taxpayer Charter

- It is a document that sets out the rights and privileges to be enjoyed by a taxpayer and his obligations
- It outlines the standard of behaviour to be maintained by the tax collector and the tax office



TAXPAYER CHARTER

Rights of a taxpayer

The Taxpayer in his dealings withLGA has the right:

- To be informed, assisted and heard
- To object and appeal
- To pay no more than the right amount of tax
- To enjoy certainty
- To enjoy privacy
- To be presumed honest
- To be treated with courtesy and respect
- The right to make instalment payments
- The right to be represented

TAXPAYER CHARTER

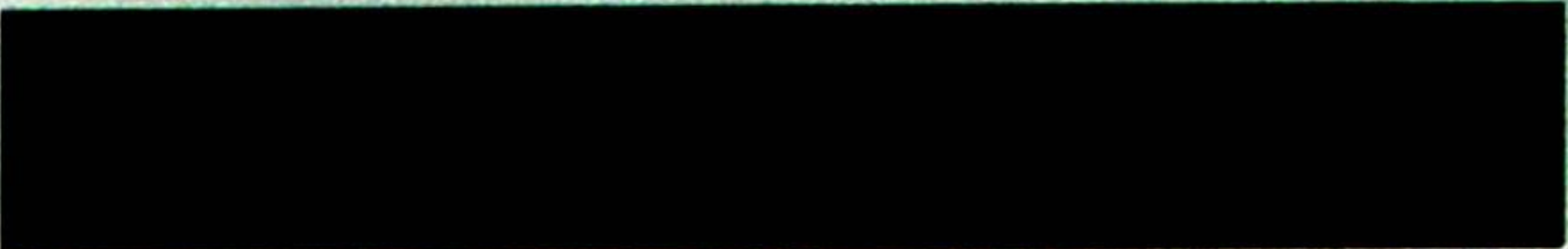
Taxpayer obligations

The Taxpayer in his dealings withLGA has the obligation to:

- Be honest
- Be cooperative provide accurate information and documents on time
- Keep records for the required retention period
- Pay taxes on time
- Transgression will be dealt with in accordance to the Law



4. Revenue Complaints, Objections & Dispute Resolution



TRAINING WORKSHOP FOR REVENUE STAFF OF xxxxxxxxxx

REVENUE COMPLAINTS, OBJECTIONS & DISPUTE RESOLUTION

xxxxxxx, 2016



INTRODUCTION

- Disagreement do arise between tax authorities and taxpayers
- These disagreements can be easily resolved between the two parties
- there has to be a proper information and transparent mechanism for doing so.
- The issues can be resolved instantly with the revenue collector or manager in the first instance or
- With a complaint officer who is independent of the revenue department



WHY A COMPLAINT MECHANISM

- Revenue Complaint Mechanism provides taxpayers with an open and transparent way for making a complaint against tax collector
- For seeking a review of any assessment/demand notice.
- For the public to offer suggestions and make comments on issues that affect them
- The focal point is the local government information and complaint office.



WHEN TO COMPLAIN

- If there is unreasonable delay in the issuance of official receipt for tax paid or a Licence applied for
- If there is a mistake in demand notice served or receipt issued for payment made.
- Mistakes in demand notice may include wrong category of revenue or demand for any revenue that you are not liable to pay etc.
- If amount paid is not properly indicated on receipt issued to you
- If harassed by a tax collector
- If there is incidence of extortion or any sharp practice by a revenue collector.

•Others



HOW TO COMPLAIN

- Before making complain, Taxpayer must have talked to the revenue collector or revenue manager that issued the demand notice or receipt and failed to mutually agree on the matter.
- Complaint can be made by phone, in writing, visit, and through a complaint Box.
- complaint procedures:
 - **By Phone** – Taxpayer can call the information and complaint officer or the Chairman of the Local Government and explain his/her grudges.



HOW TO COMPLAIN

In writing - Complaint can be lodged in Writing addressed to the information and complaint officer stating clearly grounds of the complaint



The Taxpayer must explained clearly what he expect the Local Government to do. Here he must include the following information:

- his/her name
- his/her place of business
- Nature of business



HOW TO COMPLAIN

- Details of demand notice issued to him (date, serial number, type and category of revenue demanded from you and amount demanded)
- Whether he have paid the revenue or not
- Name of the revenue collector that received the payment.
- Details of pay in slip (where payment was made through Direct Bank Lodgement).
- copy of demand notice, and if he have paid the revenue, attach copy of receipt issued to him



HOW TO COMPLAIN

- **Visit** – Taxpayer can visit the office of the complaint officer or the Chairman of the council during working hours on work days and lodge his/her complaint.
- **Through a representative** –taxpayer can send a representative to complain on his/her behalf.
- To do this, he/she must put his/her complaint in writing and attached all relevant documents.
- The representative may be a lawyer, accountant, friend, relative or any other person of your choice.



HOW TO COMPLAIN

- **Collective representation** – members of a union or trade association can lodge complaint collectively on similar issues that affect a good number of them.
- **Complaint Box** – the Local Government shall provide a complaint box which you can use to drop any suggestion, concern, advice or comments on the way and manner a particular aspect of its revenue collection or tax for service activities are being carried out.



WHO CAN COMPLAIN

- Any member of the public who has dealings with the Tax Office can make a Complaint. This/her will usually be a taxpayer.
- A complaint can also be made by someone acting on a person's behalf, provided his/her written consent is obtained and is presented to the complaint Office at the time a complaint is being lodged.



COMPLAINT RESOLUTIONS

- try to solve the problem and reply to the complainant as quickly as they can
- handle complaint confidentially and shall not disclose details of any information you supplied to a third party except where the law requires the LG to do so
- give name and contact details of any officer that may be assigned to handle any aspect of the complaint
- Where a mistake is made on demand notice or receipt or where wrong category of revenue was issued, the Local Government shall withdraw the wrong one and issue a new one.



COMPLAINT RESOLUTIONS

- Where amount on the receipt issued to you is short of the actual amount paid, the Local Government shall quickly withdraw the receipt and issue correct one.
- Where a Taxpayer is in the opinion that issues have not been resolved as expected and wish to take up the matter to higher levels he can complain to the followings:
 - a. The Kaduna State Joint Revenue Committee (as provided under section 7 of the Kaduna State Local Governments Revenue Harmonization Law, 2014)The KSJRC is headquartered in the Kaduna State Board of Internal Revenue and chaired by the Chairman of the Board.



COMPLAINT RESOLUTIONS

The Revenue Court
A taxpayer can also seek redress in the State Revenue Court.



MEANING OF OBJECTION

What is objection?

- A communication or notification in **writing** by a taxpayer expressing dissatisfaction with an assessment served on him/her.
- States precisely the grounds upon which it is made.

FEATURES OF A VALID OBJECTION

- To be lodged within a specified time after service of notice of assessment.
- Must be in writing, stating precisely the grounds of objection;
- Payment of (part of) tax not in dispute or tax assessed as the specified in law



SETTLEMENT OF OBJECTIONS

Settlement of objection

- An objection is settled when an objection decision is made and communicated in writing within a specified time either:
 - Allowing the objection to the satisfaction of the taxpayer or
 - Disallowing the objection in full or in part to the dissatisfaction of the taxpayer.
- Under some laws a taxpayer may deem the tax authority to have allowed the objection in absence of an objection decision.

Dispute Resolution

- Provide legal framework that is fully operational for resolving tax disputes
- Attend to objections in accordance with laws and procedures
- Facilitate taxpayer to exercise right of appeal through lawful arbitration procedure



Structure and Role of The Judiciary

- **Judicial Role;** Arbitration/dispute resolution. The principle attribute is independence.
- **Judicial Structure;**
 - Revenue Courts
 - Tax Appeals Tribunal, Appeal Commissioners or Local Council or Committee.
 - High Court.
 - Court of Appeal.
 - Supreme Court

Tax Appeal

General

- Appeal is made by a taxpayer dissatisfied with the objection decision.
- There are different appellant systems; (Local Committees, Tax Appeals Tribunals, Commissioner for Appeals.
- Rationale is the principle of independent arbitration/justice to resolve tax disputes.
- First level is a hearing on a point of fact.
- Subsequent levels are hearings on point of law.



Class exercise

- 1 How are Disputes or Objections Notified in the LGA.
- 2 Ways of Settlement of Disputes and /or Objections in the LGA
- 3 Recommendation for improvement

5. Record Keeping

Record Keeping

Outline:

- Definition of record and Record Keeping
- Benefits of Record Keeping
- Record Keeping Tools/Systems
- Tax Ledger/Register
- Record Analysis Tools

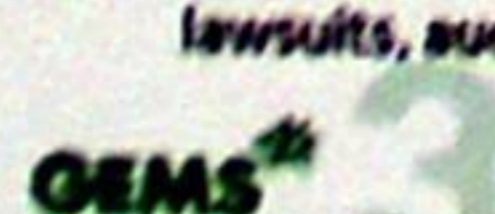


What is a Record

- Is a document regardless of form or medium created, received, maintained, and used by an organization (public or private) or an individual in pursuance of legal obligations or in the transaction of business, of which it forms a part or provides evidence.
- Is a 'snapshot' of an action or event. It offers a picture of something that happened.

What is Record Keeping

- Is the systematic procedure by which records of an organization are **created, captured, maintained, and disposed of**. The system ensures their preservation for evidential purposes, accurate and efficient updating, timely availability and control of access to them.



Benefits of Record Keeping

- Improved comprehensiveness and reliability of corporate memory
- Lend credibility - particularly if one is called to give evidence of a particular fact or matter
- It help you monitor the progress of tax collection and allows you to compare your progress from year to year, quarter to quarter, etc
- It protects the worker and the agency, particularly from later claims of negligence.
- It help track non-compliance, part payment, over/under tax payments
- Increased public confidence in the integrity of an organisation's activities
- the ability to deliver services in an efficient and consistent manner
- **Legal and compliance:** allow you to identify records that are needed for legal and compliance purposes and ensure they are assigned the appropriate retention periods. This benefits organizations in the event of lawsuits, audits, and governmental inquiries.

Record Keeping Tools/Systems

An organisation may choose to operate a manual or electronic record keeping system, or a combination of both (hybrid).

Manual/Paper (Traditional Method)

- ✓ Receipt Books
- ✓ Ledgers/Registers
- ✓ Cashbooks
- ✓ Files
- ✓ Weekly, Monthly, Quarterly Returns



Record Keeping Tools/Systems (Cont'd)

Electronic

- ✓ Computers
- ✓ Back-up Storage Facilities (e.g. Servers, flash Drives, CDs, DVDs, etc)
- ✓ Electronic Records Mgt Systems (e.g cloud, Dropbox, etc)

Automated/Electronic Record Keeping

- Tax authorities should partner with the relevant agencies to set up automated systems and also train tax officials in the use and maintenance of such systems. (e.g creation of specialised unit in the new Tax Policy)
- An electronically enabled system of record keeping would not only be in line with global best practices but greatly enhance the tax administration process and assist tax officials efficiently discharge their duties.

Advantages

- ✓ Ease of retrieval and movement of records
- ✓ It enhances integrity and durability of the record keeping system and increased taxpayer confidence in the system
- ✓ Allows you to back up records and keep them in a safe place in case of fire or theft.



Tax Ledger/Register

- A chronological detailed account of tax assessments/payments of a given taxpayer.
- A summary of tax position, reflecting cumulative opening/closing (debit/credit) balance for each year.
- A tool for monitoring/evaluating a taxpayer's compliance trend over years and ensuring no tax arrears remain uncollected

Tax Ledger/Register

- Tax Revenue Register/ledger should contain the following information:
 - The name of the tax-payer.
 - The address of the tax-payer.
 - The amount due to be paid.
 - The time the payment is due.
 - The time First Reminder is issued.
 - The Second and final Notice and intention to sue is issued.
 - The time the matter is referred to the legal department.



Simple Record Analysis

- The information obtained from the ledger and other instruments of collection can be further analyzed to serve other meaningful purposes. This includes and is not limited to the following:
 - Daily Returns.
 - Weekly Returns.
 - Quarterly Returns.
 - Half-Yearly Returns.

Simple Record Analysis(Cont'd)

- Yearly Returns.
- Revenue Collections by area offices.
- Comparison of revenue generated from prior and current years.
- Comparison of revenue generated from the major revenue heads.
- Trend Analysis.



Simple Record Analysis(Cont'd)

- A more fashionable way of record keeping and analysis is the use of statistical methods. The most commonly used statistical methods in most revenue offices are Histograms, Bar-charts and Pie-charts
- A Chart is a physical description of numerical information such as revenue generated monthly. Charts are particularly effective for showing relationship among different values.



Bar Chart

- A bar chart is a simple pictorial/graphical representation of data. The bar chart is similar to the histogram. The only difference between a bar-chart and a histogram is that while a histogram is closely-knitted, that is there is no gap between the various items that are represented, a bar chart is not closely-knitted.



Advantages of Bar Charts

1. Values can be seen at a glance.
2. Comparison of values can be done easily.

Example of a Bar-chart

The following is an hypothetical figures of revenues internally generated by Mai-adia Local Government for 2014.



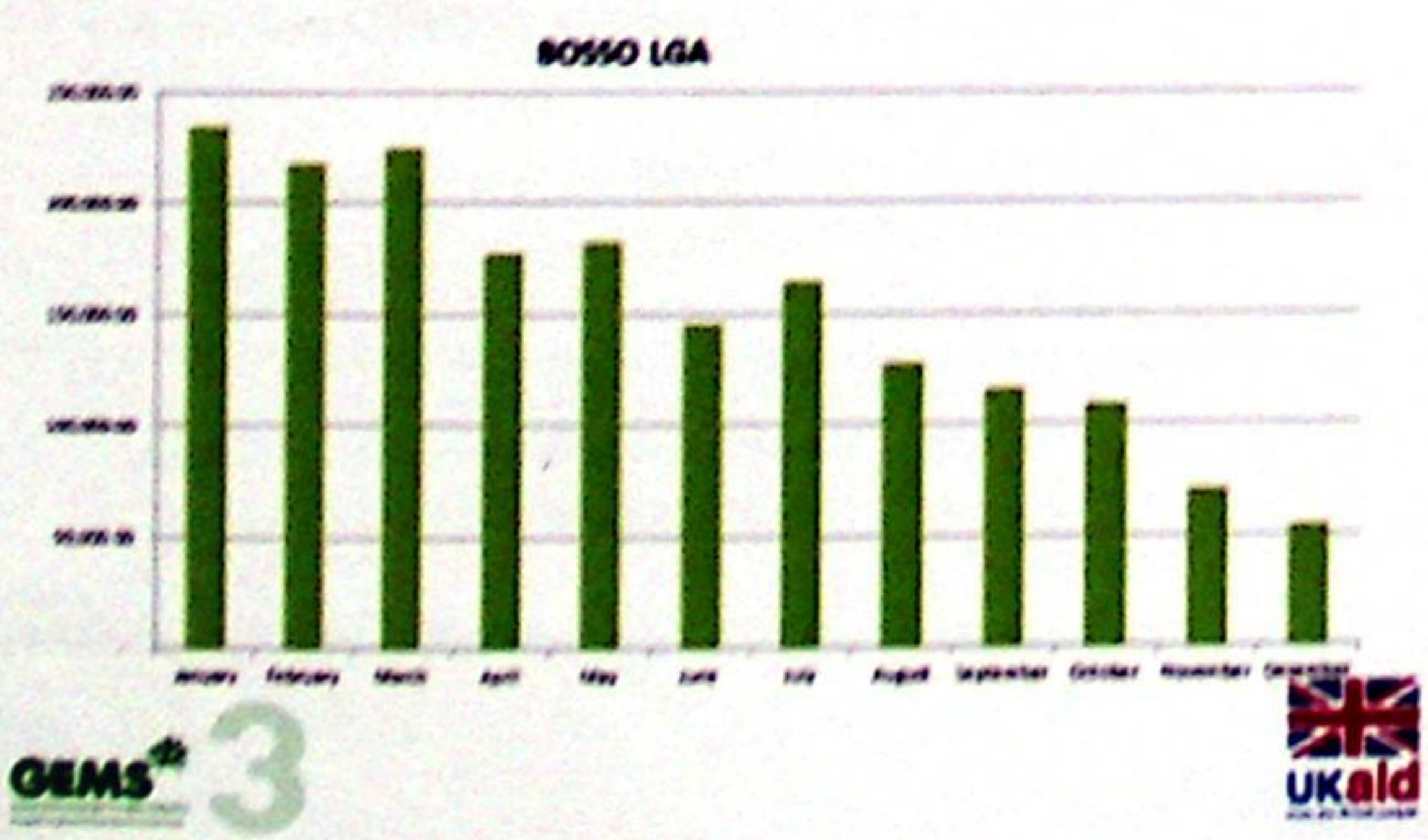
Example of a Bar Chart

MONTHS	AMOUNT GENERATED (-N-)
JANUARY	235,000
FEBRUARY	218,000
MARCH	225,000
APRIL	178,000
MAY	183,000
JUNE	146,000
JULY	165,000
AUGUST	128,000
SEPTEMBER	116,000
OCTOBER	109,500
NOVEMBER	71,000
DECEMBER	54,500

The data above can be represented by a bar chart drawn below.



Example of a Bar Chart (Cont'd)



Pie Chart

- A Pie-chart is also a pictorial representation of data. It is normally reflected in form of a circle and each part is shown as a percentage of the whole. Each item is represented by a degree. The whole circle is 360 degrees.

Example of a pie-chart.

The following are the hypothetical major sources of revenue of XYZ Local Government in 2014.

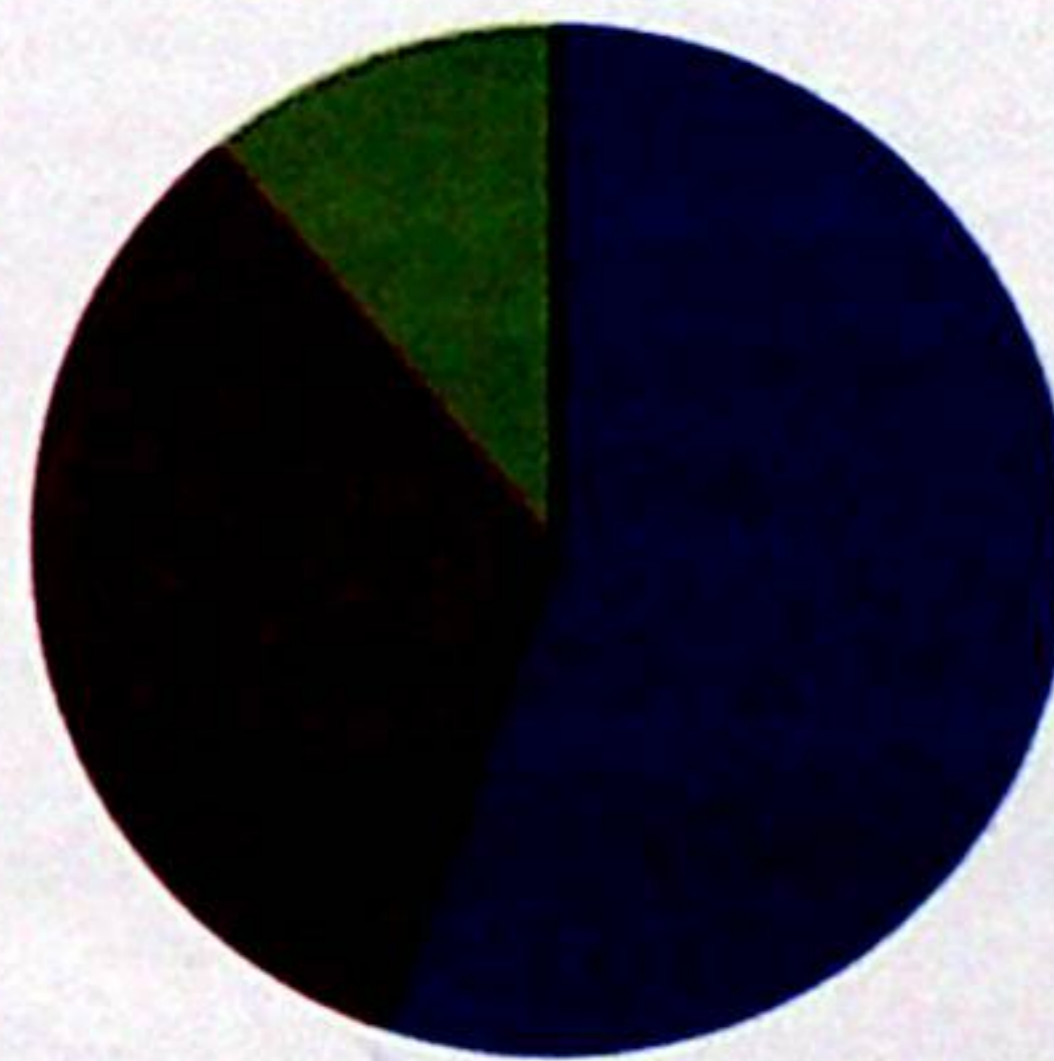
Example of a Pie Chart

SOURCE OF REVENUE	AMOUNT
FEDERAL GOVERNMENT ALLOCATION	500,000
STATE GOVERNMENT ALLOCATION	300,000
INTERNALLY GENERATED	<u>100,000</u>
TOTAL	<u>900,000</u>

• Federal Government =	$\frac{500,000}{900,000} \times 360 = 200$
• State Government =	$\frac{300,000}{900,000} \times 360 = 120$
• Internally Generated =	$\frac{100,000}{900,000} \times 360 = 40$



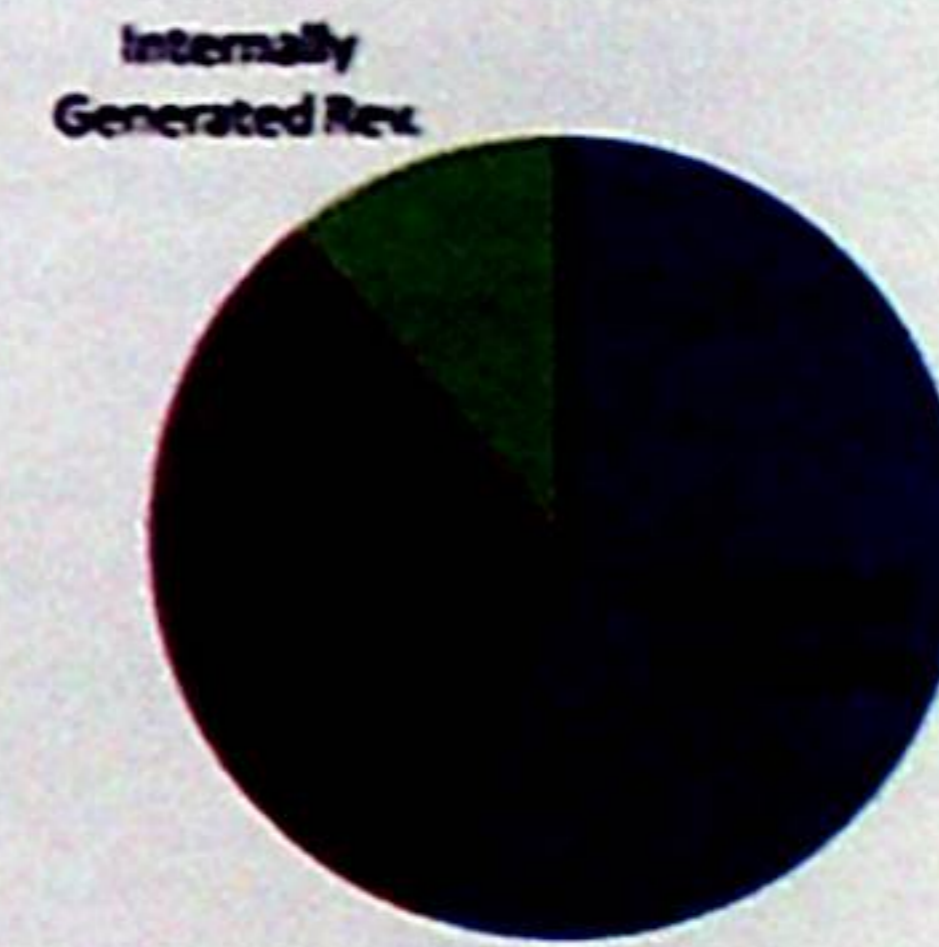
Example of a Pie Chart



- Fed Govt Allocation
- State Govt Allocation
- Inter Generated Rev



Example of a Pie Chart (Cont'd)



6. Communication

TAXPAYERS COMMUNICATION STRATEGIES FOR INCREASED REVENUE GENERATION

INTRODUCTION

- This paper is a twofold presentation which attempts to discuss the very important role of communication in revenue drive/ generation as well as examine the strategic role of interpersonal relationship in managing tax payers complains.



Communication

Outline:

- Definition of Communication
- Types of Communication
- Classification of Communication
- Communication Process/Flow
- Communication Barriers
- Communication Skills
- Strategic Role of Communication in Revenue Generation



Definition of Communication

✓ Communication is the act of transferring information from one person to another or from one place to another, whether this be verbally (using voice), written (using printed or digital media such as books, magazines, websites or emails), visually (using logos, maps, charts or graphs) or non-verbally (using body language, gestures and the tone and pitch of voice).



Types of Communication

- **Verbal:** Verbal communication is the act of transmitting information with words. In other words, verbal communication is the act of saying what's on your mind with words.
- **Non-Verbal:** This is the act of transmitting messages/ information or saying what's on your mind without speaking. Examples of this form of communication include Facial gestures (smiling, frowning, sober look), body language (nodding, wave, thumbs up, legs shaking; resembling nervousness, sitting upright giving someone full attention)
 - ✓ The impression you give to others with your appearance is a form of non verbal communication (Dress, body image and body odor)



Classification of Communication

Communication can be classified into intra-personal and interpersonal modes:

- **Intra-personal communication** refers to individual reflection, contemplation and meditation by talking to oneself and communicating with the divine in form of prayers.
- **Interpersonal communication** refers to direct, face-to-face communication that occurs between two persons. This is essentially a dialogue or a conversation between two or more people.



Communication Process/Flow

- **SENDER** – The person who initiates or begins the communication.
- **MESSAGE** – The idea or thought to be sent from the sender to the receiver.
- **CHANNEL** – The means of sending the message e.g. memo, letters, TV, newspapers, Phone etc.
- **RECEIVER** – The person who receives the message.
- **NOISE** – Anything that may distract the attention of the receiver.
- **FEEDBACK** – The response of the receiver which indicates that the message of the sender has been delivered and understood



The Communication Flow



Communication Barriers

- Lack of interest
- Shaming
- Moralizing
- Refusal to talk
- Distractions
- Lack of personal hygiene
- Avoiding eye contact
- Restlessness and many more.



Communication Skills

Meaning:

Is a set of skills that enables a person to convey information so that it is properly received and well understood. Communication skills refer to the repertoire of behaviors that serve to convey information for the individual

Sender's skills:

- ✓ Skill to compose the message
- ✓ Skill to send/transmit the message

Receiver's Skills:

The skill of receiving the message:-

- ✓ Without assumption
- ✓ Placing biases aside
- ✓ Actively listening (Key element of effective communication)



Improving Your Communication Skills

The following steps are fundamentals to improving your communication skills:

- ✓ Think before you speak/ Have a general idea.
- ✓ Be an active listener/Don't be distracted
- ✓ Make good eye contact/ avoid shifty eyes (seems dishonest)
- ✓ Take it slow/Don't speak too fast so as not to lose your audience
- ✓ Use appropriate volume and tone /Avoid monotone
- ✓ Practice/the more you do it, the easier it will get



Method of Communication with Taxpayers

Communication with taxpayers is a two-way process and it involves listening to them as well as giving information. To ensure taxpayers receive the best service, information can be passed through:

- ✓ Written material - Tax forms and documents must be clear, in plain language and available at all times.
- ✓ Telephones calls - Calls must be answered promptly and efficiently.
- ✓ Interviews - Interviews should be documented and authenticated.
- ✓ Reception facilities - Taxpayers visiting the tax stations must see the image of the surroundings as positive and impressing.



Method of Communication with Taxpayers (Cont'd)

- ✓ Publications - Providing an understanding of taxation and tax administration.
- ✓ Audio visual materials.
- ✓ Press release and Reports.
- ✓ Bulk Mail.
- ✓ Leaflets.
- ✓ Adverts (Signs and Billboards)
- ✓ Use of TV Programmes (Tax Talk)
- ✓ Newspapers
- ✓ Questionnaire-Seeking the views of the taxpayers.



Important Issues to Note in Communicating

- There is no communication if the receiver does not understand the message of the sender.
- A person does not communicate only a word, but a whole man (the sender) comes with the word, that is who send it, how he said it and when he said it.
- Communication should take the receivers experience into consideration (context in situation).
- No organization can continue to succeed without a free flow of information.



Things to Consider in Communicating

- ✓ Always speak or write with the audience in mind, taking into consideration their level of understanding, education and knowledge.
- ✓ Do not be too fast when giving out instructions or explanations
- ✓ Always edit or cross check whatever you write before sending it out.
- ✓ Buy and make use of a good dictionary.
- ✓ Maintain good eye contact when talking to people to improve level of impact.
- ✓ Seek for feedback to determine whether your message is understood or not.
- ✓ Do not jump into conclusions, always inquire for accurate information before reaction.



Importance of Communication

- ✓ The success of any revenue drive by an agency relies on shared skill, experience and knowledge of the members of the team or task force.
- ✓ Hostile communication could create bad blood even among the best of friends.
- ✓ Communication involves marketing, advertising, public relations, event management, and interpersonal relationship etc.



Strategic Role of Communication in Revenue Generation

The following are some basic communication strategies that could be employed by revenue agencies to bring about a change of attitude or the negative perception attached to revenue collectors by tax payers:

1. Interactional Communication: This can be achieved through a coordinated synergy among the different units of the agency such as meeting with unit heads, management staff with members of staff of council, task force, group committees, traditional rulers, opinion leaders, market women, etc.



Strategic Role of Communication in Revenue Generation (Cont'd)

2. **The Use of Mass Media:** The mass media at the local government level serve little or no purpose because the rural people will want their interest served at a more personal level through the use of alternative medium (ORAL MEDIA) like gong man, village town crier, theatre, town hall meeting, town hall meetings and interpersonal mode among others
3. **Community Relationship:** Regularized activities like support and sponsorship of village/community based development projects, monitoring of opinion leaders and responding to their challenges will attract lasting good will of the community which will make compliance easier.



Strategic Role of Communication in Revenue Generation (Cont'd)

4. **Motivate and Mobilise** the tax payer to create good will/ reputation about the MDA's activities. Let the tax payers know that the agency's vision is 'excellent service delivery'. Agree that taxes are heavy and constitute a burden on tax payers but emphasize the benefits which are provision of social services by government for them.
5. **Strategic Engagement:** The significant strategies of consultations, meetings, briefings, making speeches, demonstration of projects, and the motivation of taxpaying public will enable a change of attitude.



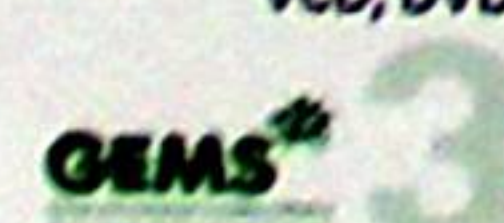
Strategic Role of Communication in Revenue Generation (Cont'd)

5. **Employee Relationship:** There should be a regular publication of employee newsletters and bulletins as well as periodic and well programmed face to face interactions between employee and management.
6. **Press/Media Relationship:** Involve the support of the press / media in the promotion of events and activities in the council, ownership of community newspapers would consider the sensibility of the council.
 - ✓ Engage capable and competent public relations personnel with the necessary experience to handle sensitive public functions of the council



Strategic Role of Communication in Revenue Generation (Cont'd)

7. **Others:**
 - ✓ Display and exhibition of photographs of the agency's activities and other materials that will propagate the socio-cultural, political and enhance the resources of the agency.
 - ✓ Use of traditional / alternative media: e.g. town criers, cultural festivals and local theatre will form part of a comprehensive communication programme for tax education.
 - ✓ Notice boards and suggestion boxes should be strategically placed in the MDA office and town halls to serve the public.
 - ✓ Branded gift items like pens, calendars, exercise books, season cards and almanacs should be distributed freely as incentives
 - ✓ Use of specialized medium such as the viewing centers, mobile cinema, VCD, DVD to showcase activities and achievements – tax at work!



Food for Thought

ARGUMENT REMAINS THE WORST
FORM OF COMMUNICATION,
AVOID IT!!!!!!



7. Customer Service

Customer Care/Service

Outline

- ✓ Who is a customer
- ✓ What is Customer Care?
- ✓ Why Customer Care?
- ✓ Practical Customer Care Tips
- ✓ Customer Behaviour and Concern
- ✓ Customer need
- ✓ Derivation of Customer satisfaction
- ✓ Emotions and Customer Care
- ✓ Benefits of Good Customer Service



Who is a Customer

- ✓ A Customer is an individual or a group who have business relationship with the organisation. A customer receives and uses, or are directly affected by the product and services of the organisation. In relation to Tax Administration, "A Customer is a Taxpayer who is a service user to the Revenue Authority".

What is Customer Care

- Tax authorities are characterised by poor corporate image: highhanded, unprofessional & sharp practises
- Tax payers be treated as customers & should not be directly or indirectly exploited.
- Tax payers entitled to (1) high quality service/public relations; (2) audience (3) information
- Customer care is the principle of managing and controlling attitudes, mindset & values one places on his business & its relationship with the customer in order to reposition one's organisation in the market place & in the mind of its customers.



Why Customer Care

- The world is an arena for competition and choice.
- Tax Administration has competitors/customers.
- Business and Tax Administration scramble for a share on the same resources from the customer.
- The customer is considering available options /choices for spending resources *optimally* (for maximum satisfaction)
- Tax Administration must win and make customers believe in the product offered in the market.

Customer Care Tips

'The Customer is always right – you are wrong – even if you are right!'

- ✓ Change the environment to suit customer demands (be fully constantly aware of customer needs).
- ✓ Study customer behaviours and link it with customer satisfaction.
- ✓ Make compliance to your business convenient (Customers want to spend less for more).
- ✓ Attain, Retain and Develop (ARD) (retain and use old customers as a platform for winning new ones).
- ✓ Publicly associate with your big customers in promotions. Rejoice in affluence, credibility and masses.



Customer Behaviours and Concerns

In satisfying and providing tax services, it is of utmost importance to understand the different behaviour demonstrated by taxpayers as this will create a means of identifying each taxpayer uniquely.

- ✓ **Customer Behaviour** - The types of behaviour that could be expected from a taxpayer includes:
 - honest, frank, dishonest, rude, violent, deceitful, timid, inquisitive, suspicious, sensitive, emotional, knowledgeable, ignorant, crafty, evasive, etc.
- ✓ **Customer Concerns** - Expectations of taxpayers from Tax Authority:



Customer's Concerns

- **Recognition**
Personally known and respected (e.g remembering birthdays)
- **Appreciation**
Enjoying a beneficial/rewarding business relationship.
- **Responsiveness**
Promptly cared about whenever and wherever in need.
- **Satisfaction**
Providing/servicing sufficiently the needs all the time.



Derivation of Customer Satisfaction

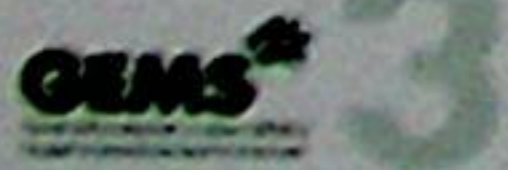
Deliver six products:

- High quality product - goods/services
- Fair (just the right) cost or price of product
- Timely/correct supply of product (just in time)
- Reliable/consistent availability of product
- Accurate/timely information about product
- Acceptance/apology (*humility costs less than arrogance*)



Emotions and Customer Care

- Man and emotions are inseparable partners (psychology).
- Emotions are 'waves' that drive man.
- Man's concern is basically safety and satisfaction.
- Change is initially perceived negatively or pessimistically and resisted. Acceptance is a gradual process.
- **Note:** No one speaks to you more than yourself. Spend more time reasoning with yourself to control your emotions.
- Think of alternative ways of doing things to minimize loss or maximise gain.



Benefits of Good Customer Care

Good customer care results in the following benefits:

- ✓ Retention of customers (no customer, no business).
- ✓ Acquisition of new customers (no new customers, no growth).
- ✓ Resolving customers complaints (increasing complaints, diminishing market).
- ✓ Growing customer relationship.
- ✓ Efficiency in service delivery.
- ✓ Growth in business and gains (expansion).





Drama troop, Kaduna

1. Improved Payment Systems – Introduction

1.1 Scope of improved payment systems

The “payment systems” covered by this Activity Guide are the revenue payment (from a taxpayer viewpoint) and revenue receipt (from a LGA viewpoint) processes that relate to LGA collection of revenue from taxpayers.

GEMS3 intervention work in this area starts with an initial review of the following elements of the payment systems:

- the specific details shown on demand notices (if used) and receipt forms (both pre-printed details and those completed by revenue collectors)
- the efficiency of the receipting process (e.g. printing of receipts, number of copies, receipt completion method (by hand, carbon paper insertion, carbonised paper))
- the identification of “authorised” revenue collectors
- the internal control/check aspects of the receipt process, particularly those after payment has been made
- supporting issues (e.g. training of revenue collectors, publicity given to taxpayers about the receipting process)

Such reviews also take into account “memoranda” issued by the Ministry of Local Government on the processes that should be in place (a summary of relevant points from the current “memoranda” is attached as Appendix 1. Following the reviews, GEMS3 makes recommendations on potential improvements to the above areas based on best practices operating elsewhere in Nigeria and worldwide.

GEMS3 payment system work also envisages the introduction of additional payment methods, particularly:

- The ability to make payments by direct bank lodgement, a method which is supported by the use of customised tellers (bank deposit slips with pre-printed LGA bank account details)
- The ability to make cash or card payments through Point of Sale (PoS) devices

This Activity Guide covers the first of these methods. PoS payments are covered in a separate Activity Guide.

1.2 Reasons for improved payment systems

Obvious beneficiaries of improved payment systems are the LGAs themselves. Potential benefits include increased amounts of IGR (internally generated revenue) through both more efficient processes and less leakages, as well as from reduced payment system costs. These benefits indirectly accrue to all LGA constituents.

Taxpayers themselves also benefit through more efficient processes, from having a greater range of payment options, and from processes which give them more assurance that their payments will end up with the LGA.

GEMS3 interaction with LGA officials involved in this potentially sensitive area of revenue collections also enables GEMS3 to test and confirm levels of political will for payment

system reform before a decision is made to embark on the relatively more resource intensive process of establishing the PoS payment process in that LGA.

1.3 Implementation of improved payment systems

GEMS3 reviews of different payment systems have shown that options which mean that payments get to LGAs without interaction with a LGA revenue collector are preferred. By nature, these options reduce the opportunities for leakages and give taxpayers greater confidence that their payments will end up in LGA bank accounts.

Of the options available, payment direct to banks is the most preferred option and hence GEMS3 is ensuring that this option (direct bank lodgements) is not only available but also facilitated through the use of customised tellers and publicised.

It is however recognised that paying at the bank is not so appropriate for charges of low value that are payable regularly. Similarly paying at the bank is not practical where the nearest bank branch is not handy and/or the taxpayer does not have a bank account. There is therefore a need to continue to allow taxpayers to make payment in cash and to make payment direct to LGA revenue collectors.

GEMS3's initial analysis of payment systems indicated that the best way of managing cash payments to revenue collectors would be using Point of Sale (PoS) devices. Accordingly, the focus of tax intervention work in the payments area was on working towards the introduction of such systems. Subsequent experience resulted in limited uptake of the new process for a range of reasons from the different stakeholders involved (LGAs banks, switch companies) despite the dedication of a significant amount of GEMS3 resources. As a result, the GEMS3 approach to payment systems was reviewed.

In general, the PoS approach has been much easier to implement in "southern" compared with "northern" Nigeria. While it was confirmed that the PoS system was the best for Nigeria, it was decided to separate the payment system process into two parts; a first part dealing with all aspects of reviewing and improving payment systems, other than PoS (which is the subject of this Activity Guide) and a second part covering PoS (a separate Activity Guide). This enables a decision to be made while/after working on the first part on the likelihood of PoS implementation being accepted and whether GEMS3 resources should be dedicated to PoS in each LGA.

The GEMS3 focus is now on:

- reviewing and improving the existing payment systems in place; and
- introducing additional payment options, namely direct bank lodgement using customised tellers (detailed in the next section of this Activity Guide) and potentially Point of Sale (PoS).

In reviewing existing systems, reference is made to best practices in Nigeria and worldwide. A sample list of information that should be obtained is detailed in Appendix 2.

1.4 Direct Bank Lodgement and Customised Tellers

It is good practice that all annualised IGR collection should be by Direct Bank Lodgement into the LGA Revenue Account (and/or PoS) which discourage direct cash payment to any

cashier or revenue collector because these provide easy administration, monitoring and coordination of all revenue activities.

Direct Lodgement is the payment option that allows a taxpayer to pay his/her rates and levies directly into the LGA Revenue account (on the basis of a harmonised demand notice issued by the LGA – sample attached at Appendix 3) at a designated or specified preferred bank of the LGA. This is more so with the payment of larger amounts or annual payable rates/levies such as tenement rate, billboard fees, etc.

A Customised Teller is a bank teller (or bank deposit slip) that contains pre-printed LGA Name, and Account Number used to aid/facilitate direct lodgement of rates/levies by taxpayers into the Revenue Account of an LGA with a specified bank. A sample copy of the request letter to a bank to introduce a customised teller is shown at Appendix 4 and a sample of a customised teller is shown at Appendix 5.

The reasons for introducing the direct lodgement/customised teller payment option are:

- a. To provide taxpayers with a transparent, convenient and easy way of paying their rates/levies
- b. To build taxpayers' confidence that all monies paid as LGA rates and levies will rightly go to government coffers
- c. To reduce the cost of compliance of taxpayers
- d. To help reduce harassment of taxpayers by revenue collectors (usually a consequence of un-authenticated evidence of payment)
- e. To provide taxpayers with more revenue payment options/alternatives

The introduction of direct lodgement together with other payment systems such as point of sale (POS) gives taxpayers payment options that will ultimately save their time and cost of complying with the LGA rates/levies law. Public launching of customised teller is left at the discretion of state tax teams. A public launching of customised tellers is optional.

2. Improved Payment Systems Activities

2.1 Review of current system completed and changes recommended

Where there are cash collections using fixed fee printed receipts in motor parks, markets, wrong parking, animal fees etc, and during the course of information-gathering using Appendix 2, the following should apply:

- a. Check that receipts include details of name of payer, address of payer, contact telephone number of payer, name of receiving officer, date paid, amount paid, tax type(s) paid and the appropriate code from the list of harmonised taxes and the tax rate for that code.
- b. Check whether all revenue receipt booklets are entered serially in the receipt book register and issued so.
- c. Check whether cash receipt booklets are issued serially to Revenue Collectors from the receipt booklet distribution register.
- d. Check whether every revenue collector signs and dates the appropriate columns on the distribution register for every booklet issued to him/her.
- e. Confirm whether particulars of revenue collectors; name, type of revenue, interval of payment etc. are shown in a revenue collector's chart.
- f. Check whether revenue collectors are formally employed in the service of the LGA.

- g. Check what identification is being used by revenue collectors and advise appropriately.
- h. Check that revenue collector issues fixed fee printed receipts for every payment made by taxpayers.
- i. Check that revenue collector reconciles his/her daily collection against receipt booklets issued to him/her, obtains customised teller from the treasury or bank and banks daily proceeds to the Local Government designated bank within 24 hours or whenever the prescribed maximum cash holding is achieved.
- j. Check that revenue collector submits the customised teller from the bank together with the summary of receipt serial numbers and total amounts of the day to the Revenue Cashier who shall issue a treasury receipt for same.
- k. Confirm that revenue cashier verifies the customised tellers presented by revenue collector to confirm that it agrees with the revenue collector's cash record.
- l. Confirm whether revenue cashier immediately issues a Treasury Receipt for the amount paid in and hands the original to the revenue collector.
- m. Check the extent to which treasury receipts and customised tellers are subject to internal audit procedures.
- n. Discuss your findings with the LGA executives and point out where they need to improve or implement.
- o. Conduct sensitisation and education on correct receipting.
- p. Sign off milestone "review of current system completed and changes recommended".

2.2 Agreement on prioritised implementation of changes

Once a review of the payment system has been finalised and weaknesses identified, it would be useful to propose changes as follows:

- a. Make a list of areas where improvements can be made.
- b. Discuss with LGA executives how they should be resolved beginning with the most important one.
- c. Obtain a written commitment to effecting the changes.

At a later time, say three months later, review progress on implementation of the agreed changes.

2.3 Final design of demand notice agreed with stakeholders

- a. Design a new, or re-design an existing, harmonized demand notice showing the rates or levies payable; name of the payer and address of payer; when to pay; officers of the LGA to contact; and dates.
- b. The new or redesigned demand notice should be discussed and agreed with the LGA executive and signed off.

2.4 Printed and distributed harmonised demand notice

Ensure adequate numbers of demand booklets are ordered and used. In general, LGAs should fund the printing of such notices. Once it is confirmed that new harmonised notices are in use, the milestone "printed and distributed harmonised demand notice" can be signed off.

2.5 LGA to have facility available for Direct Lodgement

Where LGA does not have a Revenue Collection Account with any bank:

- a. LGA to obtain and complete an account opening form with any of their preferred banks.
- b. Submit completed account opening form together with a letter of authorisation from the MoLG to the preferred bank. The letter from the MoLG is a mandatory government policy that must be fulfilled before a bank account can be opened for an LGA without which a bank may be unwilling to process account opening.
- c. Upon receipt of duly completed account opening form from the LGA, the bank processes and opens a Revenue Collection Account. The LGA is advised with the account number accordingly.
- d. Where necessary GEMS3 to follow-up and facilitate the process with the two stakeholders – the LGA and the chosen bank.

2.6 LGA agreement to deploy customised teller

Where Revenue Collection Account is in place:

- a. Obtain the buy-in of the LGA to deploy customised teller
- b. GEMS3 team to give LGA a draft of the request letter to bank together with a sample of customised teller.

2.7 Customised teller request sent to bank

- a. The LGA types and prints contents of the draft request letter on their letterhead to be signed by the signatories to the account and deliver to the bank
- b. Bank processes LGA request letter, prints customised teller and delivers to the LGA
- c. Customised tellers are put to use by the LGA
- d. GEMS3 to follow up where necessary with the two stakeholders (bank and LGA) to ensure deployment of the customised tellers

2.8 Confirmed process in place: Mapping & numbering of market zones

Carry out block mapping of markets and assign numbers to be used as reference points for revenue collection and accountability. Appendix 6 provides details of the steps that were taken in Cross River to map markets in Calabar South.

2.9 Confirmed process in place: Receipt reconciliation process

Receipt reconciliation is provided for by section 6:13 of the Model Financial Memoranda for Local Government which is the official and binding provision on receipting procedure. Confirmation is needed that revenue collection information from banks, revenue collectors (including via PoS where applicable) and LGA records is regularly reconciled and discrepancies are investigated.

2.10 Confirmed process in place: Weekly analysis of revenue

At the end of every week, the Revenue Office should prepare a summary report of all collections per market, motor parks and units per tax type as per the standard end of week and month report formats. This information should be reviewed by Revenue Office

management and by others such as Internal Auditors to check that revenue collection totals and revenue collections per revenue collector are in line with expectations. Material variances need to be followed up and could indicate instances of revenue leakages by particular revenue collectors.

2.11 Confirmed all process improvements in place

This is the final step in the improved payment process (ignoring PoS) and simply requires confirmation that all activities covered by the previous activities have been completed, namely:

- Current payment/receipting processes have been reviewed and recommendations for change have been made and implemented (or at least substantially implemented and are progressing);
- Demand notices have been designed/re-designed and printed and are in use;
- Taxpayers have the ability to pay taxes by direct bank lodgement using customised tellers;
- Market zones have been mapped and numbered;
- A receipt reconciliation process is in place; and
- Weekly analysis of revenue collections takes place on an ongoing basis.

As soon as this has been confirmed, the milestone "confirmed all process improvements in place" can be signed off.

APPENDICES

APPENDIX 1: Model Financial Memoranda for Local Government (summary)

The Model Financial Memoranda for Local Governments (3rd Edition 2009) was issued by the States and Local Government Affairs Office of the Presidency on collection and receipting of LGA revenue and allied controls.

The Model Financial Memoranda for Local Governments stipulates the following standards among others for IGR collection:

General provisions for cash collection

- a. All revenues/monies due to LGAs must only be received by either cashiers in the treasury or revenue collector;
- b. Employees to collect revenue are appointed in writing;
- c. All monies collected by a revenue collector should be paid to the treasury or banks within 24 hours or whenever a maximum amount of cash prescribed by the LGA is achieved;
- d. Procedures for recording collection, forms to use, cashbook management, are all clearly spelt out;
- e. Revenue collectors are liable for shortfall on their returns; and
- f. Receipts issued by LGAs are listed as; treasury, departmental, treasury summary receipts

Revenue receipts

- a. Revenue receipts must only be obtained from sources including government printers, notified or approved by the LGA _ 7:3;
- b. Tax receipts of various types shall be used solely for tax and rates revenues _ 6:12(6);
- c. Procedures for issuing receipts or licenses are clearly set out in chapter 6:13;
- d. With authorisation from the Executive Committee, LGA may issue machine printed receipts (e.g. PoS) for specific types of revenues;
- e. Fixed fee printed receipts shall be used for market or motor park fee or other fixed revenue types and it shall be dated whenever issued;
- f. Receipts books shall only be issued one at a time upon surrender of previous booklet, strictly on serial sequence and signed for by the receiver; and
- g. Elaborate procedures are laid out for custody, stock taking, loss and destruction of receipt booklets

APPENDIX 2: Information needed from LGAs regarding receipting

- » Need to obtain details on how demand notices are issued (obtain copies)
- » Need to obtain details on how receipts are issued including:
 - What process is used for printing receipt forms, and distributing them to authorised revenue collectors?
 - What information is pre-printed on the receipt form? (obtain copies)
 - What information is entered on to the receipt by the authorised revenue collector?
 - How many copies of the receipt are there?
 - Are the receipts on carbonised paper, or is carbon paper inserted between copies, or are multiple copies completed by hand?
 - What happens to the receipt copies? Who keeps them, for what and how long?
 - Any special procedures if taxpayer only wants to pay part of their amount payable?
 - What advice, if any, is given to the taxpayer regarding their receipt (i.e. where should they keep it, how long should they keep it) hat steps are taken so that the taxpayer knows they are paying to an authorised collector (e.g. are name badges worn and/or ID cards produced)
 - Are any ID numbering systems used to identify the taxpayer?
 - What processes are followed for the return of receipts and funds to the revenue office/bank by the authorised revenue collector?
 - What control processes, if any, are used to reconcile the receipts issued by the revenue collector with the money received?
 - Is there a process for taxpayers to pay other than by cash (e.g. direct lodgements to a bank, payment by debit or credit card)? If so, how are taxpayers advised of these options?
 - Are there receipting instructions for revenue collectors? (If so, obtain a copy)
 - What training is given to revenue collectors regarding the receipt process? Does this include training in acceptable and unacceptable practices?
 - Any special processes followed if taxpayers offer lesser amounts than the amounts properly payable?
 - What is the process for receipting where revenue collections are contracted out?

In future there is a need to ensure:

- Receipts include details of name of payer, address of payer, contact telephone number of payer, name of receiving officer, date paid, amount paid, tax type(s) paid – in future the last of these should include the appropriate code from the list of harmonised taxes and the tax rate for that code – consideration should also be given to including a male and female indicator box on the receipt to potentially allow future gender analysis of payments
- Efficient processes for printing (with pre-printed information) receipts and demand notices
- Receipts are pre-numbered to facilitate matching of receipts issued by each revenue collector and a process is in place for this
- Authorised revenue collectors (males and females) have been trained on the harmonised tax types and rates, on receipting processes (as amended after intervention) and on acceptable and unacceptable behaviour
- Authorised revenue collectors display and show appropriate identification

APPENDIX 3: Sample of Harmonised Demand Notice

FAGGE LOCAL GOVERNMENT OF KANO STATE OF NIGERIA
 MOHD VICE ADAMU SECRETARIAT KANO
 P.M.B. 3021 KANO

LGA LOGO

REVENUE DIVISION
 HARMONISED DEMAND NOTICE

S/No: 0001/2014

Date

NAME: _____

ADDRESS: _____

Fagge Local Government by virtue of the provisions of the Constitution of the Federal Republic of Nigeria as contained under Section 7 of the Fourth Schedule to the Constitution, Kano State Local Governments Harmonised Rates and Levies Law 2013 hereby demands you to pay the total amount stated in the grand total column of this harmonised demand notice being the total amount due to the local government from you in accordance with the approved list of collectible Taxes and Levies by each tier of government in accordance with Act. No. 21 of 1998 Law of the Federation 2004.

SN	Revenue Head	Rate	Current	Arrears	Penalty on Arrears	Total
1.	Tenement Rate					
2.	Sanitation					
3.	Loading and off loading					
4.	Shop/Kiosk rate					
5.	Entertainment fees					
6.	Noise Control					
7.	Food license					
8.	Radio and T.V. license					
9.	Right of occupancy fees					
10.	Market rates (Permanent stalls)					
11.	Market rates (market stalls)					
12.	Sign board and advert permit fees					
i	Mobile sales promotion					
ii	Directional signboard					
iii	Electric design advert					
iv	Wall print advert					
v.	Billboards, Unipoles					
vi.	Market Road show permit					
Vii	Digitalised Boards					
GRAND TOTAL						
Total amount in words						
.....						

You are hereby requested to make this payment toBank Account NO. using the attached customised teller or through PoS in favor of Fagge Local Government Council within fourteen days of the receipt of this harmonised demand notice. Kind regards while anticipating your full compliance.

CENTRE OFFICER FAGGE LGA
080000000000

REVENUE OFFICER FAGGE LGA
08000000000000

TREASURER FAGGE LGA
08000000000000

APPENDIX 4: Sample of Request Letter for Customised Teller

Dear Sir,

REQUEST FOR CUSTOMISED BANK TELLER (DEPOSIT SLIP)

We write to request for customised bank teller (deposit slip) for our revenue account maintained with your bank for the purpose of payment of rates, levies and fees. The deposit slip should contain the following details:

Name:

Account Number:

To be included on the customised teller is provision for name, address and telephone number of taxpayers as well as rate type. Attached is a sample of customised teller for your adoption.

We would require 100 (One Hundred Only) booklets in the first instance and subsequently we shall request as the need arises.

Thank you.

Yours Faithfully,

For: LGA

Authorised Signatory

Authorised Signatory

APPENDIX 6: Mapping of Calabar South market - Procedural Guide

MAPPING OF CALABAR SOUTH MARKET Procedural Guide

1. GEMS3 Team met with the Chairman of Council to discuss the mapping out of the Markets for ease of collections and effective coverage of the markets.
2. GEMS3 Team also met with the EXCO of CATU i.e Traders Union to inform them of the need to segment the market for ease of collections and proper coverage of the market. Both the Council and Traders Union (CATU) agreed on the mapping and segmentation.
3. After the meetings, Chairman of Council set up a team headed by the Chairman market management committee and also included the enforcement arm of CATU to segment the market into 6 zones and weekly collections are done from Monday to Saturday each zone per day.
4. The Chairman Market management committee with his team visited the market on a Sunday (which is not a market day) to physically segment the Market into the agreed zones. With demarcations done along market shops lines. E.g Line 1 – 5 represent zone 1 (Monday), line 6- 10 represent zone 2 (Tuesday) etc.
5. Each shop was given a unique number communicating the Line type and the shop no. E.g (A0001, B0001) A= line type, 0001 = shop no.
6. All Revenue collectors and PoS machines will concentrate on a zone per day. Each zone pays market tolls for the week.
7. As a result of the cooperation of the market unions, the Chairman of council granted them an incentive. Instead of paying the normal N120 weekly collection representing N20 per day per trader for 6 days, he now collects N100, granting them an incentive of N20 per week.



Training Revenue Staff, Lagos

GEMS3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:

Point of Sale (PoS) Payments
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It gives a detailed step-by-step guide to implementing "Point of Sale" (PoS) payment systems for local governments. It is complementary to the "Improved Payment Systems" Activity Guide and recognizes that PoS systems can be implemented at the same time or subsequent to other payment system improvement work.



CONTENTS

1. Point of Sale (PoS) Payments – Introduction	164
1.1 What are “Point of Sale” payments?	164
1.2 Reasons for “Point of Sale” payments	164
1.3 Implementation of “Point of Sale” payments	164
2. Point of Sale (PoS) Payment Activities	165
2.1 PoS: Signing of MoU between LGA and bank (& switch company part of process)	165
2.2 Set up PoS collections issue resolutions committee	165
2.3 PoS-specific Operational Guide finalised	165
2.4 Ensure each LGA has funded electronic wallets for PoS machines prior to launch	165
2.5 Official launch of PoS collections	166
2.6 Ensure actual PoS collections are active	166
APPENDICES	167
APPENDIX 1: Example of Mandate Letter for LGA “PoS” Bank	167
APPENDIX 2: Example of PoS MoU between LGA and Bank	168
APPENDIX 3: Example of PoS Operational Guide	175

1. Point of Sale (PoS) Payments – Introduction

1.1 What are “Point of Sale” payments?

A “Point of Sale” payment (PoS) is a payment made to an authorised Revenue Collector using a PoS machine. PoS machines are devices that allow tax payments to be made in cash or by debit/credit card and receipts to be immediately provided to taxpayers.

Payments by debit/credit card generally require the PoS machines to be connected online to bank debit/credit card systems, but cash payments (the vast majority of cases where payment by PoS is made) can be made offline, with details of such payments being uploaded to banking systems later. (Note: this is the case with PoS cash payments where the switch company is InterSwitch. At this point of time, PoS cash payments where the switch company is Citiserve can only be made online)

1.2 Reasons for “Point of Sale” payments

One beneficiary of “Point of Sale” payments is the LGA itself. Potential benefits include increased amounts of IGR (internally generated revenue) through both a more efficient process and less leakages, as well as from reduced payment system costs. These benefits indirectly accrue to all LGA constituents.

Taxpayers themselves also benefit through more efficient processes, from having a further payment option, and from a process which gives them more assurance that their payments will end up with the LGA. The PoS system gives taxpayers an immediate receipt for payments made at their business premises which along with extra controls over money received also contributes to less harassment by revenue collectors. In states such as Lagos where many tax payments are already paid directly to banks, PoS can also provide a benefit by allowing controlled payment to revenue collectors without the need to visit and queue at banks.

1.3 Implementation of “Point of Sale” payments

GEMS3 reviews of different payment systems have shown that options which mean that payments get to LGAs without interaction with a LGA revenue collector are preferred. By nature, these options reduce the opportunities for leakages and give taxpayers greater confidence that their payments will end up in LGA accounts.

Of the options available, payment direct to banks is the most preferred option and hence GEMS3 is ensuring that this option (direct bank lodgements) is not only available but also facilitated through the use of customised tellers and publicised.

It is however recognised that paying at the bank is not so appropriate for charges of low value that are payable regularly. Similarly paying at the bank is not practical where the nearest bank branch is not handy and/or the taxpayer does not have a bank account. There is therefore a need to continue to allow taxpayers to make payment in cash and to make payment direct to LGA revenue collectors.

GEMS3's initial analysis of payment systems indicated that the best way of managing cash payments to revenue collectors would be using Point of Sale (PoS) devices. PoS payment processes are however more complicated than other payment processes in that three

separate stakeholders are involved; the LGAs, the lead bank of the LGA and a “switch company” which provides electronic payment facilities.

In general, the PoS approach has been easier to implement in “southern” compared with “northern” Nigeria. While it was confirmed that the PoS system was the best for Nigeria, it was decided to separate the payment system process into two parts; a first part dealing with all aspects of reviewing and improving payment systems, other than PoS (which is the subject of another Activity Guide) and a second part covering PoS (covered by this Activity Guide). This enables a decision to be made while/after working on the first part on the likelihood of PoS implementation being accepted and whether resources should be dedicated to PoS in each LGA.

2. Point of Sale (PoS) Payment Activities

2.1 PoS: Signing of MoU between LGA and bank (& switch company part of process)

- a. Review LGA results (from improved payment system work) and decide whether to proceed with PoS (the following steps assume decision made to proceed)
- b. Identify intervention partners for payment system enhancements (if not already completed as part of improved payment systems work)
- c. Approach banks, and get them to present to LGA
- d. Identify lead bank for LGA (for purposes of PoS)
- e. LGA sends mandate letter (refer example at Appendix 1) and draft MoU (refer example at Appendix 2) to preferred bank
- f. Bank returns draft MoU to LGA
- g. MoU updated and finalized by all parties
- h. Signing of MoU between LGA and bank/service provider
- i. Sign off “PoS: Signing of MoU between LGA and bank” milestone

2.2 Set up PoS collections issue resolutions committee

- a. Set up PoS collections issue resolution committee for LGA
- b. Facilitate identification of members of LGA PoS collections issue resolution committee (2 people from Revenue Committee and bank representative)
- c. Ensure LGA PoS collections issue resolution committee is set up and operating effectively

2.3 PoS-specific Operational Guide finalised

- a. Update & finalize demand notice (if not already completed as part of improved payment systems work)
- b. Draft operational guide for PoS collections (see example attached as Appendix 3)
- c. Review and finalise operational guide

2.4 Ensure each LGA has funded electronic wallets for PoS machines prior to launch

- a. Tripartite meeting between banks, switch company and LGA to agree work plan for PoS launch
- b. LGA to send list of levies and charges to be collected, along with rates
- c. Ensure LGA has funded electronic wallets for PoS machines prior to launch (unless other

- stakeholders have agreed to provide seed money)
- d. Bank and service provider to configure PoS machines
 - e. Testing PoS machines prior to launch
 - f. Conduct training of PoS staff immediately prior to PoS launch
 - g. LGA PoS ready for deployment

2.5 Official launch of PoS collections

- a. Create sensitisation materials
- b. Conduct PoS sensitisation activities in the LGA
- c. Agree date and venue of PoS launch with LGA and stakeholders
- d. Official launch of PoS collections

2.6 Ensure actual PoS collections are active

- a. Ensure actual PoS collections commenced/implemented
- b. Monitor LGA PoS collections for one month post launch or until major issues resolved
- c. Handover responsibility for PoS to LGA for scale up
- d. Sign off "ensure actual PoS collections are active" milestone

APPENDICES

APPENDIX 1: Example of Mandate Letter for LGA "PoS" Bank

(Date)

The Manager
xxxxx Bank

Attention: Mr xxxxxx

Dear Sir,

DEPLOYMENT OF E-PAYMENT SERVICES FOR REVENUE COLLECTIONS IN xxxxx LOCAL GOVERNMENT COUNCIL

We refer to your proposal on the above subject matter.

We are pleased to inform you that xxxxx Bank has been appointed to deploy POS terminals and other payment options for the improvement and optimization of the Local Government payment systems.

Please note that we plan to deploy the POS in addition to the direct lodgement system currently in place and we are open to other options that may be recommended by your bank in improving our collection system.

Kindly provide your terms and conditions for this service in due course

We thank you and look forward to a mutually beneficial relationship with your Bank

Yours faithfully

Executive Chairman
xxxxxx Local Government Council

**APPENDIX 2: Example of PoS MoU between LGA and Bank
(with GEMS3 comments included)**

**MEMORANDUM OF AGREEMENT
BETWEEN
XXXXX LOCAL GOVERNMENT AREA
AND
XXXXX BANK**

DATED THIS DAY OF201X

MEMORANDUM OF AGREEMENT (MOA)

This Memorandum of Agreement is made this Day of 2014

BETWEEN

XXXXX BANK, a commercial bank licensed to carry out banking business in Nigeria and having its principal (hereinafter referred to as "the Bank" which expression shall where the context so admits include its successors-in-title and assigns), of the first part,

AND

xxxxx LOCAL GOVERNMENT AREA having its principal office at xxxxx Local Government secretariat (Hereinafter referred to as the XLGA which expression shall where the context so admits include its successors-in-title and assigns), of the second part.

WHEREAS

- a. The Bank has been approved by the Central Bank of Nigeria to operate various forms of Payment Service in Nigeria via various mediums inclusive of the Point of Sale (POS) Solution and other e-payment platforms;
- b. The XLGA is a local government establishment consisting ofwards which it manages and collects various rates and levies there-from approved by the Constitution of Nigeria as Internally Generated Revenue (IGR);
- c. The XLGA agrees to contract the Bank to automate the collection process, and the monitoring, collection and remittance of its Internally Generated Revenue (IGR) using its POS Solution and other e-payment platforms ("the Project") and
- d. The Parties have agreed to enter into this MOA to provide the platform for the Project with a view to being legally bound by its terms.

NOW THIS MEMORANDUM WITNESSES as follows:

1. APPOINTMENT

The XLGA hereby contracts the Bank to automate the collection process, and the monitoring, collection and remittance of its Internally Generated Revenue (IGR) using its POS Solution and other e-payment platforms ("the Project") to the XXXXX Local Government wards for a term of TWO (2) years and any further extension of said term ("the Contract Term") as shall be mutually agreed by both parties.

Note: The term of the PoS MoU will vary from LGA to LGA. In general GEMS3 should support longer terms (to make the PoS implementation more economically viable for the banks), but some LGAs may want to restrict the term to the length of their tenure and not want to bind their successors. A term based on the tenure of LGA management is acceptable, but should be for a minimum of 12 months even if there are elections within that period.

2. THE PROJECT

The Bank shall, at its cost, deploy the Customized POS Solution and other e-payment solutions to the XLGA.

- 2.1** If at any time during the Contract Term, XLGA makes a specific request for the upgrade of the Customized POS Solution that would enhance the effectiveness of the Project the XLGA shall be responsible for the cost of deploying the upgrade subject to negotiation as agreed by the parties.
- 2.2** If the XLGA makes a request for change of revenue codes, the Bank shall effect the changes at no cost provided the frequency is not more than twice a year.
- 2.3** Both parties agree that this MOA shall not terminate until both parties have fulfilled all obligations as contained herein.

3. DUTIES OF THE BANK

- a. To deploy the Customized POS Solution and other e-payment platforms to the XLGA.
- b. Ensure the solution employs high & best practice security techniques. Charge not more than the agreed fees.
- c. To compile all collections made for the XLGA using the Customized POS Solution and report on a weekly basis. The said report shall show how much has been collected by the various collecting points.
- d. Ensure revenue collected is made available to the XLGA for use on the T+ 1 day basis as presently prescribed by the CBN.
- e. Put in place a platform to be interconnected with switches and can be viewed by the XLGA management on a real time basis.
- f. Facilitate training and capacity building for revenue and tax collectors on the usage of the various channels deployed for the collections.

4. POS TRANSACTION FEES

There shall be a 3% POS transaction fees to be borne by the XLGA for every successful POS transaction. This transaction fee is to be shared between the bank, the switch company and other service providers.

Note: The fee amount will vary from LGA to LGA. Fee levels of 3% or 3.5% for banks (and their providers such as switch companies) are usual but anything above 4% should be looked at closely. To support PoS operation by LGA revenue collectors, it is good practice to also specify a similar % to be kept by the LGA for payment of incentives to their staff (e.g. having a 6% fee with 3% paid to banks/providers and 3% to the LGA). The LGA incentives part of the fee clause should not however detail the specific LGA staff that will receive the incentives; rather this should be left to the LGA to decide whether incentives should go to:

- » All revenue collectors or only those trained in and using PoS
- » Revenue collectors only or also support staff such as treasurers, internal auditors

An example of a suitable paragraph would be:

"A monthly 6% commission shall be deducted from the total monthly collections from the POS transactions. From the 6% deduction, xxxx Bank plc shall be entitled to 3% (to be shared between the bank, the switch company and other service providers) and xxxx LGA shall be entitled to 3% (to be provided as incentives for LGA staff who support PoS operations)".

5. DUTIES OF THE XLGA

- a. To identify and advise collecting points in and around the area of coverage.
- b. To advertise and disseminate information to the general public to enlighten them on all aspects of the Project as it relates to the new modalities of tax payment under the Project.
- c. Enacting legislation and or amending existing legislation, regulations and/or policies to create an enabling framework for the successful implementation of the Project.
- d. To abide by all regulations and provisions of Card Associations (which issue the cards used for the collections), Central Bank of Nigeria, Nigeria Inter Bank Settlement System (NIBSS) for the acceptance of payment cards.
- e. To take full care of the Bank's POS infrastructure.
- f. At all times observe the provisions of this agreement.
- g. Honour all Switch company/Verve/Master presented by giving appropriate value for Tax Payments.
- h. Indemnify the Bank from and against all losses, expenses and damages which Switch company/Verve/Master Cardholders may suffer or incur as a result of their failure to observe any of its obligations hereunder or arising from any dispute between it and any Tax Payer.
- i. Retain copies of receipts for a minimum of two years from the issuance and make them available for reconciliation and review.

- j. Ensure that it uses the POS in the agreed manner and shall secure the POS at all times
- k. Ensure that the POS is active at all times and made available for customers' use.
- l. Ensure that it contacts the Bank or any of its representatives within 24hours after it detects any fault or malfunctioning of the POS.

6. CHANGE IN COMPOSITION OF PARTIES

The parties hereto hereby agree that this Agreement shall be enforceable notwithstanding any change in the composition of any of the parties hereto.

7. GOVERNING LAW

The governing law shall be the Laws of the Federation of Nigeria.

8. OWNERSHIP OF SOFTWARE

- a. The property in the software system, operating system and other materials deployed to carry out the Project shall vest in the Bank during the Contract Term and shall be handed over to (with the exception of the POS terminals) and shall become the property of XLGA upon the expiration of the Contract Term (not before then). The Bank recognises the XLGA exclusive right to seek copyright protection for the services and the Bank hereby agrees to render the XLGA any and all assistance requested by the XLGA in connection with the protection of the copyright. The POS shall however at all times remain the property of xxxxx BANK Nigeria Limited.

Note: The purpose of this provision is to ensure that banks hand over all information and supporting material to LGAs when the MoU term expires. This to guard against banks holding LGAs "captive" and ensuring their continued involvement with PoS s should the LGA want to change banks. Note also this does not refer to the software maintained by switch companies as these MoUs only bind the banks (and LGAs).

- b. The XLGA shall not permit the copying, duplication of same by any party or institution without the prior written consent of the Bank.

9. ARBITRATION/DISPUTE RESOLUTION

All disputes, disagreement and issues arising out of or in connection with this MOA which cannot be resolved amicably shall be submitted to the final decision of a single arbitrator who shall be appointed and operate in accordance with the provisions of the Arbitration and Conciliation Act, Caps A18 Laws of the Federation of Nigeria 2004. The costs of the Arbitration shall be borne equally by both parties save the costs of each party's counsel which shall be borne by the counsel's party. If however, the parties are unable to agree on the choice of the single Arbitrator, or one of the parties is not disposed to submitting to Arbitration, then the parties shall have recourse to a court of competent jurisdiction in Nigeria.

10. MISCELLANEOUS TERMS

Except as specifically provided for in this MOA, this Agreement is strictly for the benefit of the Parties and is not transferrable to any third party without the prior consent of the other party first had and obtained.

11. COMMENCEMENT

This Agreement shall come into effect from the date of execution of these present.

12. SEVERABILITY

If any of the clauses in this MOA is declared unlawful or enforceable by a court of competent jurisdiction, such clause shall cease to have effect without affecting the remaining provisions of this MOA which shall continue in full force and effect notwithstanding the severance of the unlawful clause.

13. EFFECTIVENESS

This MOA shall become effective upon the execution and delivery hereof by each of the parties hereto in any number of counterparts. This MOA shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns and permitted transferees, provided, that none of the parties may assign/transfer any of their rights or delegate any duty under this MOA to any person except as expressly permitted by the other Party in writing.

14. AMENDMENT

This MOA shall only be amended by the written consent of both parties and the authority of their authorized representatives.

15. TERMINATION

15.1 Either party may upon giving not less than ninety (90) days' notice in writing to the other, terminate this Contract if the other party defaults under or substantially breaches any obligation hereunder or fail to satisfactorily complete their obligations and duties defined in this MOA and same is not substantially cured within 30 days after written notice from the other party.

15.2 Where either of the parties indicates its intention to terminate, it shall be bound by all commitments to the contract up to the time of the receipt of the Notice of Termination by the other party.

16. INDEMNITY

16.1 The XLGA hereby undertakes that it would indemnify the Bank and keep it indemnified, against any damage to the POS Machine by the negligence of its employees; any accidental loss of, or damage to, the POS Machine caused by its agents or employees, any fraud detected or reported whilst the POS is not at an agreed location, and all claims, expenses, or damages that result from the actions of its employees and agents.

16.2 The parties shall at all times during the continuance of this MOA observe the principles of good faith towards one another in the performance of their obligations in terms of this MOA.

16.3 The parties acknowledge that this service is reliant on the availability and functionality of the internet networks which is outside the direct control of the Bank. Consequently, the Bank shall not be liable to the XLGA or any 3rd party claiming through them or any of their customers for any claim of whatsoever or any damages or sums whatsoever as a result of the service/ network failure.

16.4 The XLGA and its officials to be in charge of operating the POS hardware understand that their PINs are confidential and should be kept out of the reach of anyone. Consequently, the Bank shall not be liable to the individuals mentioned above or any 3rd party claiming through them for any claim of loss or any damages or sums whatsoever occasioned as a result of the disclosure of their PIN to a 3rd party. If the party suspects a compromise of their PIN, they should report immediately by calling the Bank's Contact Centre on any of the following numbers

Note: Most PoS MoUs that have been signed to date do not contain paragraphs covering warranties for performance of the parties or liability for non-performance. The following two paragraphs are also suggested for inclusion in MoUs

17. WARRANTIES

17.1 Services.

17.1.1 The parties warrant that services will be performed in a professional manner. The parties further warrant that all employees assigned to perform work under this MOA shall have a reasonable level of skill and experience commensurate with the requirements of the task to which such employees are required to perform.

17.1.2 Neither party shall incur any liability on behalf of the other or in any way pledge or purport to pledge the other's credit or make any contract binding upon the other without their consent.

17.2 Bank Warranties

The Bank warrants that it has the experience and ability in such fields and related disciplines as may be necessary to perform all work required by this MOA or the transactions contemplated by it with a high standard of quality. The Bank acknowledges that XLGA is relying on its skill and expertise in the foregoing for the performance of the obligations stipulated under this MOA or the transactions contemplated by it and agrees to notify XLGA whenever it does not have the necessary skill and experience to fully perform hereunder.

17.3 Limitation on Warranties

Other than the warranties stated above, the Bank makes no other representations or warranties, statutory, express or implied (including, but not limited to, warranties of merchantability, fitness for a particular purpose, non-infringement, non-interruption of use and freedom from program errors).

18. LIMITATIONS ON LIABILITY

18.1 Neither XLGA nor the Bank shall be liable or obligated with respect to the subject matter of this MOA or under any other contract for any act or omission resulting in damages for any amounts in excess of the affected sum/ consideration paid by a customer of XLGA and received by the Bank hereunder.

18.2 Neither party will be liable to claim from the other party for indirect, special, incidental, punitive or consequential damages (including, without limitation, damages resulting from loss of profits, data or records of XLGA), even if such party has been notified of the possibility or likelihood of such damages, except with respect to the obligations of Paragraph 18 of this MOA.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THE AGREEMENT BY THEIR DULY AUTHORIZED REPRESENTATIVES:-

Signed, sealed and delivered by:-

FOR: and on Behalf of XLGA:-

Address _____

Occupation _____

Date _____

The common seal _____

Witnessed by:-

Name _____

Signature _____

Address _____

Occupation _____

Date _____

Signed by the authorized representative of xxxxx BANK:-

Name: _____

Designation: _____

Signature: _____

Date: _____

In the presence of:-

Name: _____

Address: _____

Designation: _____

Signature: _____

Date: _____

For the purposes of this agreement, monitor shall mean:

- Tracking of payments through POS terminals deployed by the Bank on behalf of the XLGA.
- Reports to the portal real time payment at all collection points.
- Surveillance of non-POS transaction of the revenue accruable or collectible by XLGA tracking of e-platforms other than POS solution put in place by the XLGA except otherwise authorized.

APPENDIX 3: Example of PoS Operational Guide

Operational guide to the use of Point of Sales (POS) machines for Revenue Collection in Local Government Areas in Cross River State.

1. Introduction

The Local Government Council, in partnership with Smartgov.CRSG as facilitated by GEMS3 has introduced a new automated collection method for Local Government fees, levies and charges.

This document provides operational guidelines for the use of POS for Revenue collection in the Local Government Area. It provides an overview of the services, step-by-step instructions on field collections and back-office operations, and highlights sources of support for both customers and revenue staff.

The aim of this document is to ensure that a standardized procedure is employed throughout the revenue collections system, and enforced by the relevant bodies where necessary.

2. Background

Calabar South Local Government, in partnership with GEMS3 and Smartgov.CRSG has introduced a new, consolidated and harmonised fees, levies and charges structure, and a new innovative, automated method of collection. The new system aims to reduce the occurrence of revenue leakage, resulting in a far more effective and efficient method of local government revenue collection.

The new revenue collections method uses electronic Point of Service (POS) machines, through which monies are loaded and deposited at First Bank on a daily basis. Revenue officers have been trained on both field and back office operations, complimented by extensive sensitisation of the tax payers in the local government area.

Revenue officers are now identified by their POS machines, high visibility vests and identity cards, and proof of payment is provided to all tax payers through printed receipts. This reduces the risk of illicit collections being conducted.

The new system is split into two key areas; field collections, and back office operations. Field collections are conducted 6 days a week by revenue officers using POS machines, and back office revenue officers monitor the collections, including end of day reconciliation.

3. Step by step guide to field collections

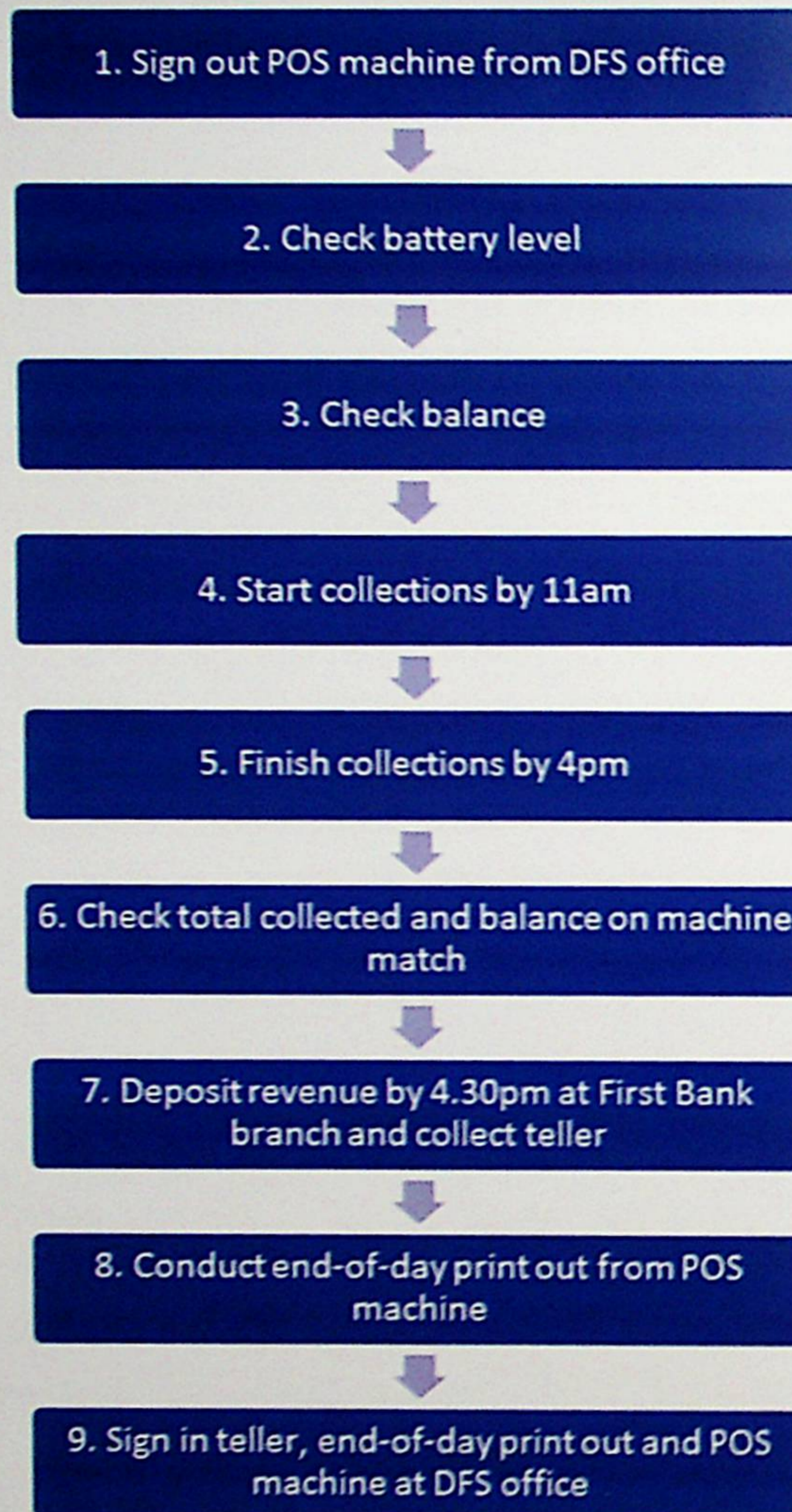
Collection of local government fees, levies and charges will be made by revenue officers in the field on a daily basis. This step by step guide outlines the collections process, and required service standards.

Daily collections process

This process must be followed by all field revenue officers

Daily collections process

This process must be followed by all field revenue officers



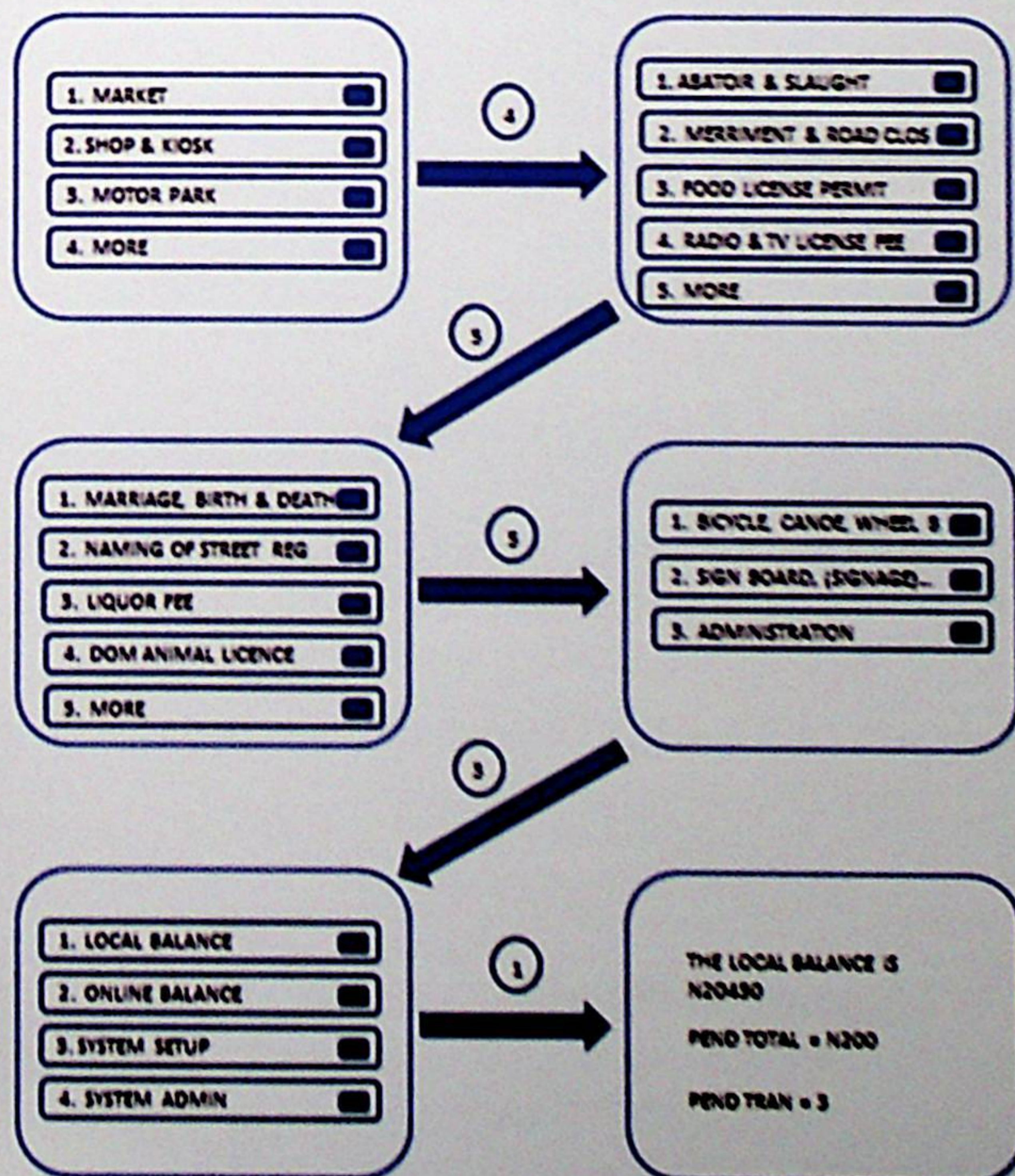
The POS machine

The POS machine must be used for all collections. Each revenue officer will be provided with his/her own POS machine. The diagram below outlines the basic functions of the machine.



1. Sign out POS machines from DFS office
Each revenue officer must collect only their own POS machine from the DFS office every morning, signing the register provided to prove this.
2. Check the battery level
The POS machine should have been charged overnight. Each revenue officer must check the battery level on the screen on the machine, to ensure the battery is full enough to go into the field.
3. Check balance
The POS machine should have been loaded with funds the previous night. Each revenue officer must check the balance on the machine, to ensure it is possible to conduct collections.

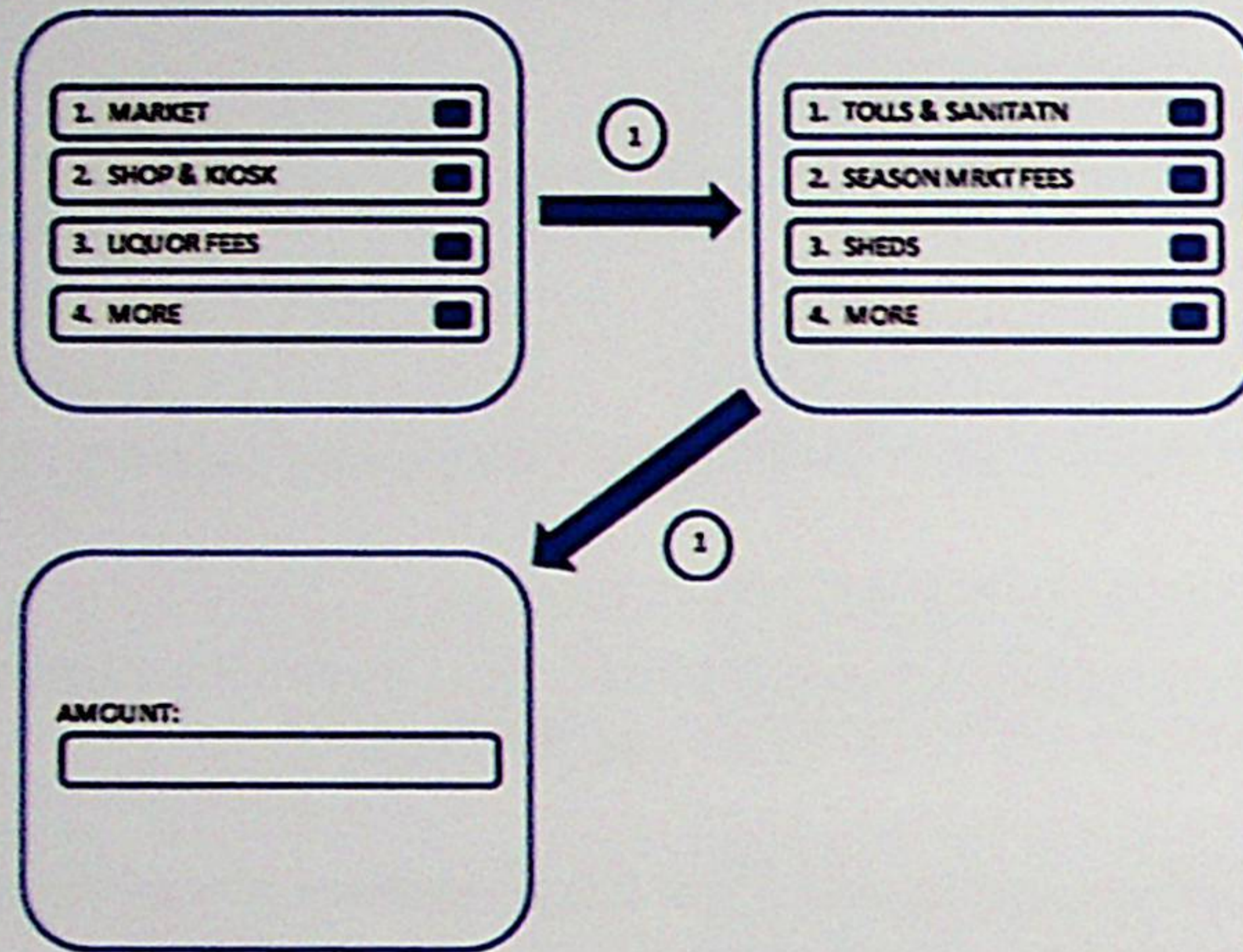
The diagram below demonstrates how to check the balance of a POS machine. Each box represents the display screen of the POS.



4. Start collections by 11am

If the POS machine is fully charged, and the balance is correct, the revenue officer can begin their collections. Collections must begin at 11am every day.

Each revenue officer will have an allotted area for collections. They must conduct collections in this area only. Each collection must be recorded on the POS machine. The receipt must then be printed and given to the payee. The diagram below gives an example of how to process collections on the POS machine. Each box represents the display screen on the POS machine



5. Finish collections by 4pm

Collections must finish at 4pm every day to allow revenue officers time to reach the bank.

6. Check total collected and balance on machine match

Officers must count amount of cash collected and check balance on POS machine (see point 3) to ensure that they match.

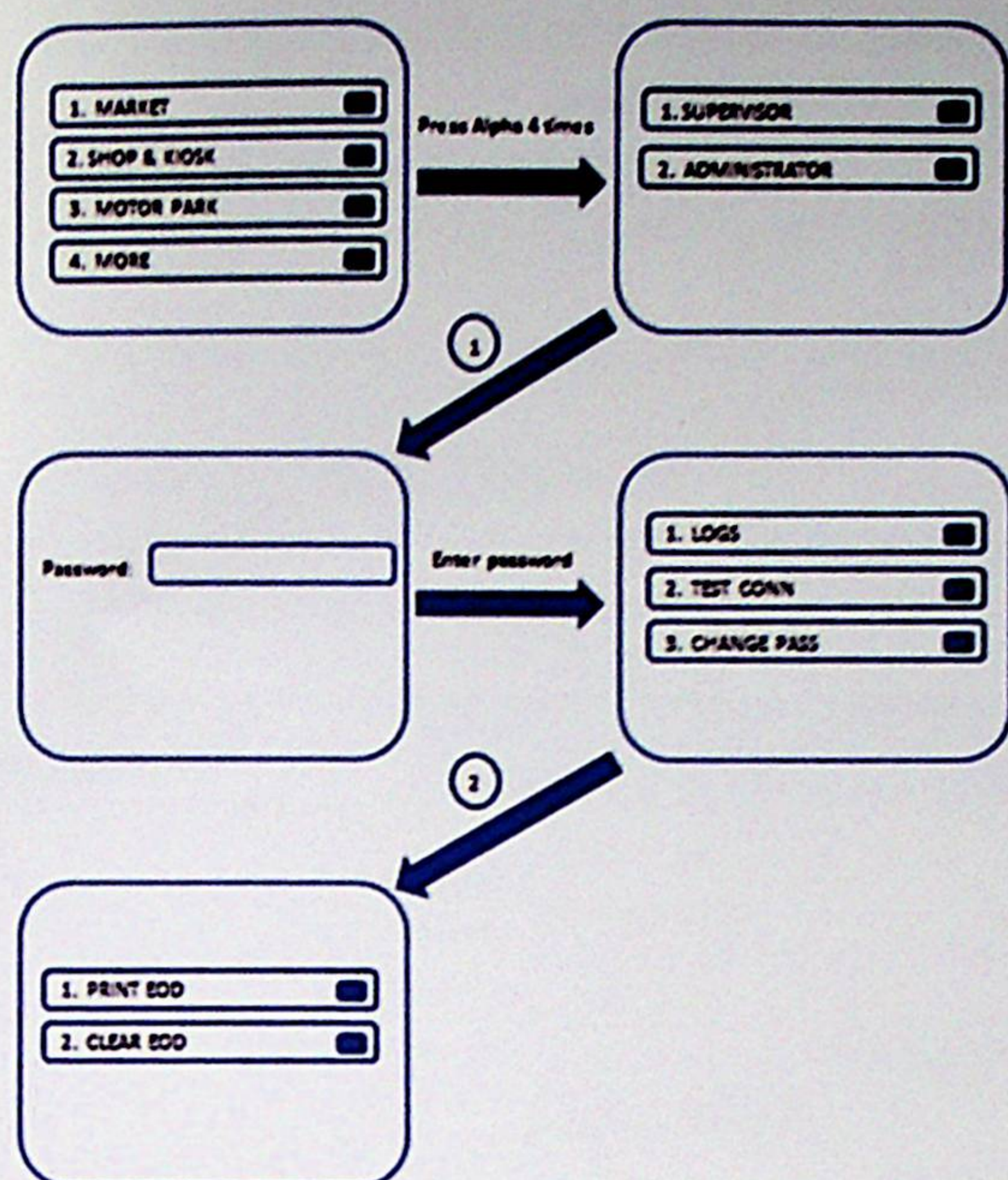
7. Deposit revenue by 4.30pm at First Bank branch and collect teller

The flow chart below outlines the process for depositing revenue at the bank at the end of the day:



8. Conduct end of day print out from POS machine

Revenue officers must then print out the end of day report from the POS machine:



9. Sign in teller, end-of-day print out and POS machine at DFS office
Revenue officers must then go back to the DFS office to sign in their POS machine for charging, the teller from the bank confirming cash deposit, and the end of day print out from their POS machine.

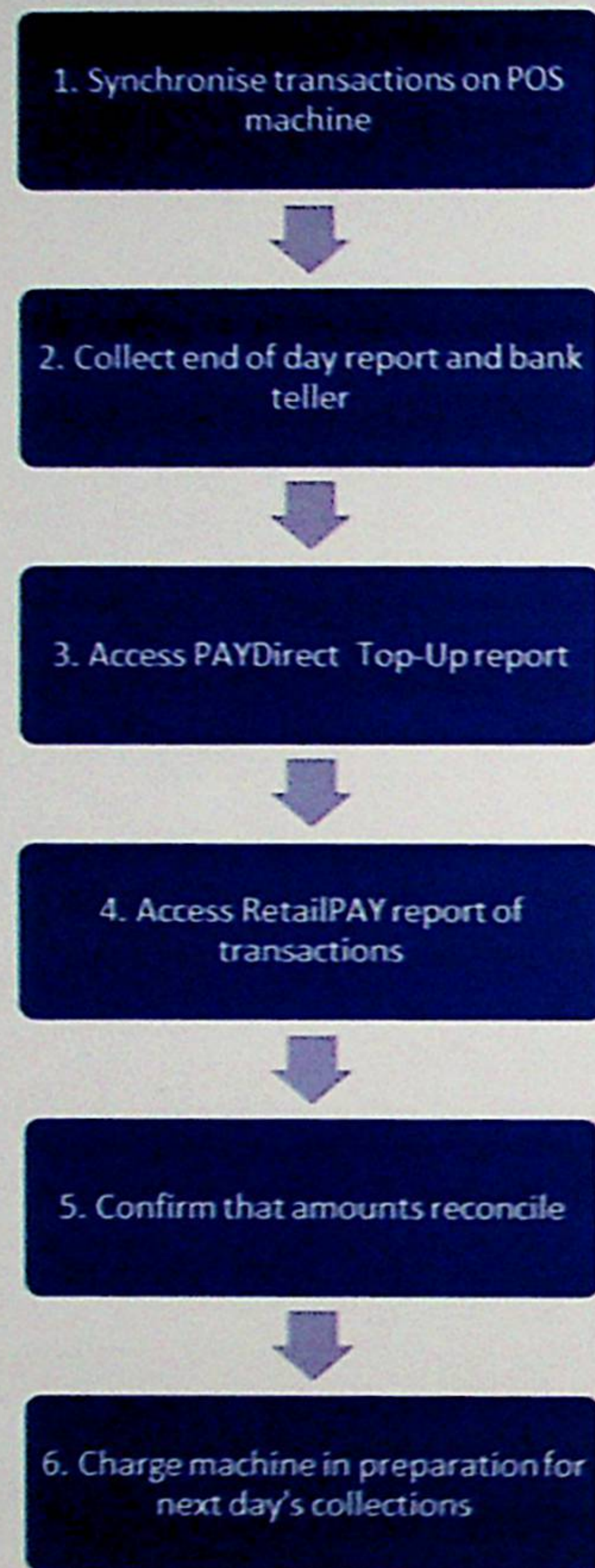
Service standards

The following standards must be met to ensure that the field collections service is delivered effectively:

- Field collections revenue officers must wear uniforms and carry identification at all times.
- POS machines must be charged every evening before use the next day.
- Collections must commence by 11am, and cease by 4pm daily.
- Collections must be paid into First Bank branch by 4.30pm daily.

4. Step by step guide to back office operations

Back-office revenue officers are responsible for monitoring the collections process, and ensuring that POS machine records and deposit cash amounts reconcile. **Daily back office process**



1. Synchronise transactions on the POS machine

Follow instructions on the application screen:

2. Collect end of day print out and bank teller
 At the end of his/her shift, the revenue officer will sign in the following:

- End of day print out from the POS machine
- Teller from FirstBank, stating how much cash has been paid in

The back office staff must collect both of these, for reconcillation purposes.

3. Access end of day top-up report
 Go to PAYDirect link: **www.paydirectonline.com**
 Enter username and password:

Select 'CSLG Agent Top Up Payments Report' from Reports Menu:

Select the correct date range and click 'search':

PAYDirect Thursday, May 16, 2013

Home Admin, Search [InterSwitch_Business_Office]
Business InterSwitch

Bank Branch Reports **CBLG Agent Top Up Payments Report**

Under search criteria and click 'Search' to view data.

Payment Date From: 15 Mar 2013 To: 16 Mar 2013

Payment Channel: All Payment Channels

Payment Bank: - All Payment Banks -

Bank: All Banks

Bank Branch: All Branches

Payment Currency: None

Search Printable Version Excel Download < Report Menu

Total Number of Records: 0
Total Amount: +/- 0.00
Accurate to a 0 Minute(s) Difference due to Adjustments by Bank Telers

The results will be displayed as below:

PAYDirect Thursday, May 16, 2013

Home Admin, Search [InterSwitch_Business_Office]
Business InterSwitch

Bank Branch Reports **CBLG Agent Top Up Payments Report**

Under search criteria and click 'Search' to view data.

Payment Date From: 15 Mar 2013 To: 16 Mar 2013

Payment Channel: All Payment Channels

Payment Bank: - All Payment Banks -

Bank: All Banks

Bank Branch: All Branches

Payment Currency: None

Search Printable Version Excel Download < Report Menu

Total Number of Records: 11
Total Amount: +/- 16,918.00
Accurate to a 0 Minute(s) Difference due to Adjustments by Bank Telers

Report Ref. Number	Payment Date Time	Receipt No	Customer Name	Payment Type	Amount	Payment Method	Deposit Slip	Change Value
1	15-Mar-13 16:21:19 9011987	1312599278	C.958	Cash Payment	+16 900.00	Cash	7622553	
2	15-Mar-13 16:29:21 9011987	1312599258	C.958	Cash Payment	+16 500.00	Cash	7622554	

4. Access RetailPAY report of transactions

Go to retailPAY site: <http://webpay.interswitchng.com/retailpay>
Enter username and password:

Logon - Retailpay™ Enterprise Server

Retailpay is an integrated retail management solution that supports operational services & offers real-time management of merchant businesses.

Username:

Password:

Logon

Copyright © InterSwitch Ltd. 2006 - 2013 All rights reserved

Click 'Query' and go to 'transaction history'

Retailpay Powered by **Interswitch**

Home | Change Password | Forgot My ID | Logout | Help | [View My Profile](#) - Calabar South Local Government

Change Language: English

Transaction History

Transaction History | Transfer History | Dial-in Orders | Dealers

Merchant: Please select a merchant... Start Date: 19/04/2013 End Date: 19/04/2013

Location: All locations... Business Unit: Salesman: Salesman Card No:

Terminal ID / Device Nr: Order Code:

Select the correct date range and click 'Query Transactions'. Results will be displayed as below:

Retailpay Powered by **Interswitch**

Home | Change Password | Forgot My ID | Logout | Help | [View My Profile](#) - Calabar South Local Government

Change Language: English

Transaction History

Transaction History | Transfer History | Dial-in Orders | Dealers

Merchant: Calabar South Local Governme... Start Date: 01/04/2013 End Date: 19/04/2013

Location: All locations... Business Unit: Salesman: Salesman Card No:

Terminal ID / Device Nr: Order Code:

<input type="checkbox"/>	Order Code	Date Purchased	Payment Method	Total	Order Status	Order Type	Remote Response
<input type="checkbox"/>	1306197967	19/04/2013 16:22		52.00	Failed	Invoice Order	N/A
<input type="checkbox"/>	1306197969	19/04/2013 16:21		52.00	Failed	Invoice Order	N/A
<input type="checkbox"/>	1306197937	19/04/2013 16:20	OneCredit	1.00	Successful	Invoice Order	Successful
<input type="checkbox"/>	1306197937	19/04/2013 16:17		12.00	Failed	Invoice Order	N/A
<input type="checkbox"/>	1306197934	19/04/2013 16:12		12.00	Failed	Invoice Order	N/A
<input type="checkbox"/>	1306197864	19/04/2013 16:10		12.00	Failed	Invoice Order	N/A
<input type="checkbox"/>	1306197790	19/04/2013 16:09		12.00	Failed	Invoice Order	N/A

5. Confirm that amounts reconcile

Check that the following records reconcile:

- End of day POS print out (amount collected)
- Bank teller (amount paid into bank branch)
- PAYDirect Top-Up report (amount paid into bank branch)
- RetailPAY report (amount collected)

6. Charge POS machine

Back office revenue staff are responsible for ensure POS machines are charged in preparation for the next day's collections.

7. Operations Support Services

Smartgov.CRSG are available for technical support:

1st level contact:

Primary contact - Iroegbu Iroegbu
Phone number - 07045355442
Email address - iiroegbu@smartgov.com.ng

General support
support@smartgov.com.ng

2nd level contact:

Primary contact - Etim Mkpanam
Phone number - 07045355444
Email address - emkpanam@smartgov.com.ng

General support
support@smartgov.com.ng



A woman being shown how easy pos can be at the Ifejobo lga pos launch, Lagos state

GEMS3

TAX TOOLKIT

IMPROVING STATE & LOCAL GOVERNMENT
TAX REVENUE PROCESSES

Tax Toolkit:
Sensitisation
June 2016

Abstract

This guide should be used to supplement state tax team work plans. It outlines the GEMS3 approach to sensitisation and gives a detailed step-by-step guide to promoting awareness of harmonised tax rates, improved payment systems (including PoS), tax for service and other tax toolkit items.



CONTENTS

1. Introduction - Sensitisation	190
1.1 What is sensitisation?	190
1.2 Reasons for sensitisation	190
1.3 Implementation of sensitisation	191
2. Sensitisation Activities	193
2.1 Information and Communications Strategy developed and submitted to LGA	194
2.2 Agreement reached on market sensitisation	195
2.3 Intensive market sensitisation complete	195
2.4 Public sensitisation complete	196
APPENDIX 1: WEEKLY SCHEDULE FOR KANO COMMUNICATIONS PILOT	198
APPENDIX 2: SENSITISATION BUDGET EXAMPLE	202
APPENDIX 3: MARKET ANALYSIS TEMPLATE	203
APPENDIX 4: BMO PROFILING	204
APPENDIX 5: SAMPLES OF SENSITISATION MATERIALS	205

1. Introduction - Sensitisation

1.1 What is sensitisation?

"Sensitisation" refers to the methods used to provide information about a particular topic to a target person or persons.

As such, sensitisation is something which relates to all other aspects of the tax toolkit; there is thus a need to "sensitise" people on:

- Harmonised tax laws, particularly in the period immediately following the enactment of laws;
- Tax for service project identification and implementation;
- Complaint process reform and implementation;
- Improved payment systems including the introduction of direct bank lodgement/ customised tellers and Point of Sale (PoS) facilities; and
- Other intervention results (e.g. the presumptive tax regulation)

Sensitisation activities focus on getting information to particular target groups. The target group will vary with the message. Common target groups will be:

- All constituents (particularly taxpaying constituents) in a state – this will be the target where a state-wide tax law has been passed – the message needs to be conveyed to all persons in the state (not just those in the local government areas that GEMS3 is working in)
- All constituents (particularly taxpaying constituents) in a local government area – this will be the target for lga bye-laws and other lga level focused intervention work
- All traders/operators in particular markets and/or motor parks – this will be the target for localised initiatives such as the introduction of tax for service projects or use of pos in particular markets. Localised sensitisation may also be appropriate where proposed harmonised tax rates have been agreed but formal laws have yet to be passed.

While the methods of sensitisation will vary between the target groups, the basic processes are sufficiently similar such that this Activity Guide covers all types of "tax" sensitisation.

1.2 Reasons for sensitisation

It would be possible for GEMS3 to complete its tax intervention work at the stage of passing laws and introducing new payment systems. However, doing so would not result in any meaningful change, as the vast majority of taxpayers would not be aware of the change. Sensitisation is thus a critical component of our tax intervention work and needs to be considered throughout the conduct of our work.

Sensitisation is important in not only informing taxpayers about changes but also in encouraging them to change their own behaviour. It is this change in behaviour that is measured in surveys facilitated by our M & E staff which ultimately measures the degree of success of the main impacts of the GEMS3 project.

1.3 Implementation of sensitisation

Approach

Our approach to sensitisation activities is based on the following "communications framework":

Public Sector Sensitisation	<ul style="list-style-type: none">• Government workshop on new law and tax admin arrangements (MoLG, BIR, LGA Harmonisation Working Committee) on implementation of tax law and the rights and responsibilities of State and Local Government• Capacity building (National Orientation Agency, LGA level revenue/information officers and treasurers)• Training of revenue officers on new law
State-Wide Awareness	<ul style="list-style-type: none">• Radio and TV (talkshows, jingles, radio drama)• BMO workshop with executive-level attendees to review strategies and plans to communicate tax payer rights, rates and levies to all BMO members. Targeted message for entrepreneurs.
LGA-Level Awareness Market by market sensitisation that the law has changed and that it will benefit tax payers	<ul style="list-style-type: none">• Town criers will travel at high frequency through markets conveying the message that the tax law has changed and inviting people to learn more• Fliers & posters will be circulated by the town criers
Learning Market by market level sensitisation on new levies and rates, as well as collection methods	<ul style="list-style-type: none">• Live drama/Town Hall meetings will be staged in markets to explain in detail the changes to the law and how these benefit tax payers• Regular local government PPD groups offer Question & Answer Sessions. Set-up through LGA, BMOs and unions to ensure members are aware of changes and what action to take• Harmonised demand notices will be circulated so that people know exactly what tax rate should be paid.
Behaviour Change Market by market level sensitisation on new levies and rates, as well as collection methods	<ul style="list-style-type: none">• Increase confidence in tax system by:<ul style="list-style-type: none">• Introducing "tax for service" agreements in targetted LGAs• Making improvements to complaint resolution and payment systems, eg:<ul style="list-style-type: none">• Introduction of direct lodgement/customised teller payments• Improve tax receipting process• POS training in partnership with Banking sector• POS deployment

This framework illustrates the range of different sensitisation activities that were planned in Kano State following the passing of the State-level LGA harmonised tax law in that State. The iPlan covering these activities included the following description covering the different target groups for different components of the communications framework:

“Fundamental Awareness (44 LGAs = all LGAs):

We conducted Public Sector Sensitisation activities as well as State Level Awareness. These activities directly or indirectly applied to all 44 LGAs in Kano State This drives fundamental awareness on a broad scale.

Advanced Awareness & Understanding (12 LGAs = 4 pilot and 8 scale-up LGAs):

LGA-level awareness, learning and behaviour change activities started in January 2014. We piloted our approach in one LGA over a 4-week period, testing the approach through micro-M&E activities and reviewing this case study in February. We then rapidly scaled up to the remaining eleven LGAs introducing the outputs and products already introduced in the pilot LGA. The grouping was structured in order to achieve maximum impact as quickly as possible while also creating as much coverage and outreach as possible.

Intensive Behavioural Change (4 LGAs = 4 pilot LGAs):

In four LGAs, GEMS3 pursued detailed improvements to tax payment and complaint resolution systems that built confidence in the tax system and further increased compliance.”

This framework and its 3-tier approach (state-wide sensitisation, LGA-wide sensitisation and market sensitisation) should be followed as it prioritises the LGAs we are working in and maximizes our impact. The emphasis is on spreading the word market-by-market, LGA-by-LGA. The weekly schedule used by Kano in its communications pilot is attached as Appendix 1.

In planning these activities, we should also develop a profile of our target audience. The profile developed for Kano was as follows:

Male / Female	80% male, 20% female (Based on data from four pilot LGAs Dambatta, Fagge, Kura, & D/ Tofa)
Languages	Hausa (Native) and English
Literacy	57.5% literacy
How do they make money?	Trading (wholesale, retail & household goods) 23%; Manufacturing 53%; services (6.6%).
What media do they consume?	Radio 38.2%; Associations/Unions 24%; Local Government Information 16.9%.
What organisations/associations are they part of?	MAN; NASSI; KASTU; KACCIMA; Women's Economic Empowerment Group.
Who influences them?	Religious leaders (Local Imams); Traditional leadership structures (Emir of Kano; Ward Heads; Village Heads); family structures, Music and Sports stars influence the youth.
Other details:	Religious and culturally conservative to change, generally scepticism and apathy towards government, particularly at LGA level

Timing

The best time to conduct tax sensitisation activities is immediately after the passing of a tax law. Full sensitisation with aggressive timelines is needed to educate multiple stakeholders (LGAs, businesses, the public at large) on the changes in the law and on the correct types and amounts of tax payable. Passing of the law is also a trigger for other tax intervention activity such as coding of PoS machines with the correct types and amounts of tax payable.

This does not however mean sensitisation activities should be deferred until laws have been passed. Limited sensitisation activities with a focus on particular target groups (e.g. sensitisation focused on particular markets) can also be planned to increase awareness about proposed tax reforms (proposed tax rates and types where initial agreement has been reached, proposed operation of PoS, etc) in the period leading up to law change.

Sensitisation may also be necessary to increase awareness of existing laws. This was the case in Lagos where awareness of a harmonised tax law passed in 2010 was not found to be as high as anticipated when baseline surveys were conducted soon after the commencement of our tax intervention in Lagos.

Cost

Unlike many other aspects of our tax toolkit work, sensitisation generally requires the incurring of additional costs for designing and printing materials, radio and TV publicity, contribution towards the cost of town criers and/or canvassers, etc. This cost factor needs to be taken into account when planning sensitisation activities.

Generally, budgets for sensitisation costs will need to be prepared, for onward submission to the appropriate authority for approval, covering those sensitisation activities that are envisaged. Experience has shown that approvals are most likely to be faster where:

- The proposed sensitisation activities are cost effective; e.g. radio coverage will usually be more cost effective than TV coverage when taking into account the number of people that listen to/watch each medium
- The Nigeria Government (federal, state or local level) is also contributing to the sensitisation costs (given that the Government will often be the main beneficiary of such sensitisation activities)

An example of a sensitisation budget that was used in Kano is attached as Appendix 2. Many media outlets are also prepared to provide media coverage "for free" given the public benefit of most of our messages and the contacts communications advisors have with people in those organisations. Such sensitisation opportunities are also encouraged.

2. Sensitisation Activities

The list of activities below was provided by the Kano GEMS3 team and relates to their LGA-level sensitisation. Kano also prepared templates (Appendices 3 and 4) that can be used to track progress on sensitisation activities.

2.1 Information and Communications Strategy developed and submitted to LGA

Market Assessment (to be completed one-two weeks before engaging with a LGA)

- a. Identify the number of markets in a LGA
- b. Using the provided template, ascertain the following for each market:
 - Size of market
 - » Estimated number of businesses
 - » Estimated value of trade
 - Profile of market
 - » Sectors
 - » Daily/weekly/ which days etc
 - » Estimated % female
 - Number of revenue officers in each market
 - WEE opportunities
 - Document key stakeholders and contact details

Initial engagement of LGA officials

- a. Fix meetings with LGA officials, key persons;
 - Chairman/IMO
 - Director Personnel Management
 - Treasurer
 - Revenue Officer
- b. Ensure LGA officials understand the new law and can explain rates payable by all enterprises
- c. Answer any questions about the law
- d. Explain promotional activities that are planned for the LGA
 - Harmonised Demand Notices
 - Town-criers
 - Drama groups
- e. Note suggestions from LGA representatives and get agreement on the plan
- f. Note suggestions by identified women's groups
- g. Outline what counterpart support LGA will provide
 - Distribution of Harmonised Demand Notices
 - Distribution of posters, fliers
 - Printing of Posters/Fliers
- h. Ensure promotional materials are available and images are gender inclusive
 - Banners available in office
 - Posters in LGA office
 - Fliers available in office
- i. Agree follow-up schedule
 - M&E officer follow-up for data gathering
 - Follow-up on printing
 - Record use of posters and banners through photographic evidence for archive

2.2 Agreement reached on market sensitisation

Initial engagement of Market and Women Leaders

- a. Ensure Market and Women Leaders understand the new law and can explain rates payable by all members
- b. Answer any questions about the law
- c. Explain promotional activities that are planned for the LGA
 - Harmonised Demand Notices
 - Town-criers
 - Drama groups
- d. Note suggestions from market leaders
- e. Note suggestions from Women Leaders
- f. Outline how market and women leaders plan to inform their members
 - Distribution of Harmonised Demand Notices
 - Printing/distribution of posters, fliers
- g. Ensure promotional materials are available and are gender inclusive
 - Banners available in office
 - Posters in BMO office
 - Fliers available in office
- h. Agree date and location in Markets
 - Fix time for town criers to enter, route and message
 - Fix date for market sensitisation
 - Assist Associations to invite members and affiliated BMOS, making specific request for women's groups.
- i. Fix Strategy to reach BMO members with the organisation
 - Complete BMO strategy document

Engagement of Imams and Traditional Leaders

- a. Ensure Leaders understand the new law and can explain rates payable
- b. Answer any questions about the law
- c. Explain promotional activities that are planned for the LGA
- d. Note suggestions from leaders
- e. Outline how leaders can help inform their community

2.3 Intensive market sensitisation complete

Organising Town Criers

- a. Approve script
 - Rate/Levies
 - Responsibilities
 - Dates and location of Market meetings
- b. Conduct interview and select canvassers
- c. Train Town Criers and/or canvassers
- d. Agree routing through market and which are the critical periods
- e. Undertake rehearsals to ensure message is clear
- f. Town Criers/canvassers enter the market
- g. GEMS3 team to attend markets with Town Criers/canvassers for critical periods

Market Meetings Preparation

- a. Assess amount of sensitisation materials needed and when
 - » Posters
 - » Flyers
 - » Stickers
 - » Etc.
- b. Request from Communication consultant
- c. Visit Market locations
- d. Send invitations to BMOs
- e. Follow-up with town criers
- f. Liaise with communications consultant on drama group for event
- g. Finalise logistics, refreshments and agenda

Market Meetings

- a. Introduction of GEMS3
- b. Introduction of Process of Tax harmonisation
- c. Introduction of the Law
- d. Display Sensitisation Material
- e. Drama Group performance
- f. Distribute Sensitisation Materials
- g. Question and Answer Session

Radio Phone-in Programmes

- a. Identify and select radio station(s) based on coverage and listenership base
- b. Agree and obtain time slot
- c. Feature representatives from both public and private sectors

2.4 Public sensitisation complete

LGA Officials Follow-up (two weeks after sensitisation close)

- a. Visit LGA officials to discuss implementation of new rates and levies
- b. Document their experiences
- c. Inspect use of sensitisation material
- d. Ensure they have both soft copies and hard copies
- e. Note actions needed to ensure intervention and sensitisation success

BMO Follow-up (two weeks after sensitisation close)

- a. Visit BMO leadership to discuss implementation of new rates and levies
- b. Document their experiences and share with M&E team
- c. Assess progress in sensitisation of their members
- d. Ensure they have both soft copies and hard copies
- e. Note actions needed to ensure intervention and sensitisation success

Sign off "public sensitisation complete" milestone

APPENDIX 1

Weekly Schedule for Kano Communications Pilot (including state awareness initially completed)

Date	Framework	Activities	Outcomes	Notes
Week -3/4				
	Awareness	Passage of the law in State House of Assembly covered in Radio	News bulletins and private sector as well as public sector interviews on Radio Kano Freedom Radio Pyramid Radio Cool FM Others Kano State Traders Union Sponsor airtime to support law passage.	
	Awareness	Kano State Board of Internal Revenue sponsor full page national advert on passing of the law	High level political awareness	
Week -2				
	Awareness	Press Conference	Carried by the Guardian 30th Dec, page 18, National Mirror and Tribune National Newspapers, both of 30th Dec. pgs 51 and 46 respectively and Daily Trust of 1st Jan, 2014. The Nation of 29th December, 2013, has also carried the story on page 8, and Vanguard.	
	Awareness	Governor Assents law,	Carried on Radio Kano News bulletin	
Week -1				
	State Level Awareness	Freedom Radio Morning Talk show	Sensitisation with Kano State House of Assembly Majority Leader	
	General-Prep	LGA Committee meeting	Agreement from Committee members to adopt Harmonised demand notice and assist in public sector workshop	
	State Awareness	Freedom Radio Morning talk show segment	Sensitisation with market leaders and tax expert on the show	
Week 1				
	General - Prep	Visit MoLGA	Achieve backing for activities and workshop	Fix date Formally communicate
		Visit Dambatta w/MoU Acquire revenue codes	Signed MoU on POS Begin Programming of POS	
		Follow-up Fagge POS testing, schedule date for training and launch	Deployment of POS	Fix Date range for launch and agree with LGA

		Recruit new supporting consultants	Staff ready for intervention	Staff trained
	State Awareness	Commission Jingles and theme song		Requires financial commitment
	Learning – Prep	Engage Imams religious leaders	Sensitise public at Friday prayers and places of worship	
	Awareness – Prep	Ministry of Information	Layout plans for town criers and media time on state radio	
	Awareness	Follow-up on gazetting of the law by state government	Publicise rates and levies officially.	Target for date end of the month
		Follow-up Mainstreet Bank on POS for Kura and Dawakin Tofa	Awaiting MoU Draft	
	Learning	Harmonised demand notice finalised	Ensure legal taxes and rate only demanded (Template for all LGAs)	
	Awareness/ Learning – Prep	Develop Scripts for Drama group, town criers	Focus on awareness raising of new law and taxpayers' rights.	1 week until finalised from start date
	Public Sector Awareness	Brief Commissioners and Deputy Governor on Workshop and intervention objective	High level Awareness raising and Learning	
	Public Sector Awareness	Preparation for Workshop	Presentations, key messages, invitations, format,	
	Awareness – Prep	Quality Assure Jingle	Awareness raising	
	Public Sector Awareness	Committee meeting on contributions to Workshop	State/LGA buy-in from prominent officials and partners	
Week 2				
	Public Sector Awareness	Preparation for Workshop	Logistics, materials	
	Awareness – Prep	Finalise Jingle and Songs, book airtime schedule for 3- 6 months	Awareness raising	
	Public Sector Awareness	Workshop w/ Urban LGAs	Learning by Public Sector	
	Public Sector Awareness	Workshop w/ Semi Urban LGAs	Learning by Public Sector	
	Public Sector Awareness	Rural w/ Rural LGAs	Learning by Public Sector	
	Learning – Prep	Preparation for BMO workshop	Presentations, key messages, invitations, format,	
Week 3				
	Awareness/ Learning – Prep	Meeting with Fagge LGA Officers	Select dates/timetable for market visits	

	Learning / Behaviour Change	BMO workshop w/ Executives Unions	Draft communication material, gain commitment to distribute to members.	
	Awareness/ Learning – Prep	Meet with Fagge Market leaders to support message	Select dates/timetable for market visits	
	Awareness/ Learning – Prep	Meet with Fagge Market leaders	Select dates/timetable for market visits	
	Awareness/ Learning – Prep	Meet with Fagge Market leaders	Select dates/timetable for market visits Agreed content for visits	
	Awareness/ Learning	Town Criers scripts approved and enter markets	Raise awareness of New law, rates and date for Market Sensitisation show	
	Learning	Follow up on Harmonised demand notice in Fagge LGA	Ensure demand notice and collection is in place	
		Follow-up/launch POS	Complete improved collection Methods	
	Learning – Prep	Support Imams to sensitise the public	Public Learning	
	Awareness/ Learning	Town Criers in markets	Raise awareness of New law, rates and date for Market Sensitisation show	
Week 4				
	Awareness/ Learning	Town Criers in market	Raise awareness of New law, rates and date for Market Sensitisation show, Distribution of fliers and posters	
	Learning – Prep	Prepare Market sensitisation show speeches, logistics and activities	Team preparation	
	Learning	Market Drama and Sensitisation Show (1 market in Fagge)	Learning of individuals on New rate, taxes, rights and responsibilities fliers and posters	
	Learning	Market Drama and Sensitisation Show (2 markets in Fagge)	Learning of individuals on New rate, taxes, rights and responsibilities fliers and posters	
	Learning	Market Drama and Sensitisation Show (2 markets in Fagge)	Learning of individuals on New rate, taxes, rights and responsibilities fliers and posters	
	M&E	M&E training of staff	Assess Impact of Sensitisation through micro-poll	*dependent on survey size and sample size
	Learning – Prep	Support Imams to sensitise the public	Public Learning	
	M&E	Strategic review of sensitisation campaign	Lessons learned/adaption	
	M&E	M&E Data Collection	Assess Impact of Sensitisation through micro-poll	

Week 5 (M&E)			
M&E	M&E Data collection/ Entry/Cleaning	Assess Impact of Sensitisation through micro-poll	
M&E	M&E Data Collection/ Entry/Cleaning	Assess Impact of Sensitisation through micro-poll	
M&E	Analysis of Data	Assess Impact of Sensitisation through micro-poll	
M&E	Final M&E Report	Assess Impact of Sensitisation through micro-poll	
Share pilot results in Workshop			

APPENDIX 2

SENSITISATION BUDGET EXAMPLE

Activity	Cost (NGN)	Comments	Total Cost GBP	Dates (Approx.)	% of Budget
Sensational Public Sector	xxx, 000.00	Contribution of funds 7 to 8 Million Naira from the ministry of LGA	x,000.00	January	23%
BMO Workshop	xxx, 000.00		x,000.00	January	2%
Flier / Information packs for BMO members	xxx, 000.00	BMO covering cost for distribution to members	x,000.00		
Capacity Building for information officers and NOA	xxx, 000.00		x,000.00	February	0%
Production of theme song and airtime	xxx, 000.00		x,000.00	January	6%
Production of Jingle and airtime	xxx, 000.00	>xxx,000 Naira in addition slots sponsored by State MDAs	x,000.00	January - June	11%
Radio Talkshow	xxx, 000.00	>xxx,000 Naira from Private and State sponsorship	x,000.00	January - June	
Radio show and airing	xxx, 000.00		x,000.00	February - April	13%
Live Drama in markets	xxx, 000.00		x,000.00	February - June	24%
Market meetings	xxx, 000.00		x,000.00	February - June	19%
Poster design and production	xxx, 000.00		x,000.00	January	1%
Poster distribution	xxx, 000.00	LGA covering cost	x,000.00		
Press conference and Sponsorship	xxx, 000.00		x,000.00	January	0 %
Total Sensation Budget	xxx, 000.00		x, 000.00		100

APPENDIX 3

MARKET ANALYSIS TEMPLATE

LGA	Markets	Est, Number of Bus.	Est. Value of Trade	Sectors/ Goods	Weekly/ Daily (name Day)	Political/ Market	Est. Women %	BMOs/ Engagement Associations Active
FAGGE	Kwari							
	Singer							
	Galadima Road							
	Beruit Road							
	Sabon Gari market							
	Sabon Gari town							
	Yan Taya market							
	Abbatoir market							
	Yan Mata market Kurnar Asabe							
	Wapa market							

APPENDIX 4

BMO PROFILING

BMO/Association:	
Sector:	
Location (S):	
Reported Members:	
What percentage/number are female?	
Do they own any business locations/ clusters?	
If yes, how many, what size?	
Do they have a database of members? Does this include phone numbers? Does it have email Addresses?	
How do they communicate with members?	
AGM/Newsletters/House visits/SMS	
Do they have copies of sensitisation materials?	
What is the Strategy to sensitise their members?	

APPENDIX 5

Samples of Sensitisation Materials

An average teacher in secondary schools in Niger State pays appropriate tax as Personal Income Tax


PAY YOUR TAX

We salute our tax paying teachers for fulfilling their civic and constitutional duty

Our **TEACHERS PAY TAX**. So why Not **YOU**?

Your tax payment provides for good roads, regular water supply, well equipped schools and hospitals.

TAX EVASION makes you a law breaker and a cheat to other resident.



Niger State Internal Revenue Service
Pay your TAX. It is your civic responsibility. It is the law
OLD STATE SECRETARIAT, KPAKUNGU ROAD, PMS 28, MINNA-NIGER
WEBSITE: www.nsbir.gov.ng EMAIL: info@nsbir.gov.ng
TEL:0803 517 3489, 0802 730 7216

PAY YOUR TAX

Your taxes make Them real

From Public Services are great to enjoy, but they are not free. You pay for them with your taxes. When you do not pay your tax, you are not helping to pay for the services that you need to make the planning and delivery of public services efficient.

NGSIRS
Niger State Internal Revenue Service
OLD STATE SECRETARIAT, KPAKUNGU ROAD, PMS 28, MINNA-NIGER
WEBSITE: www.nsbir.gov.ng EMAIL: info@nsbir.gov.ng
TEL:0803 517 3489, 0802 730 7216

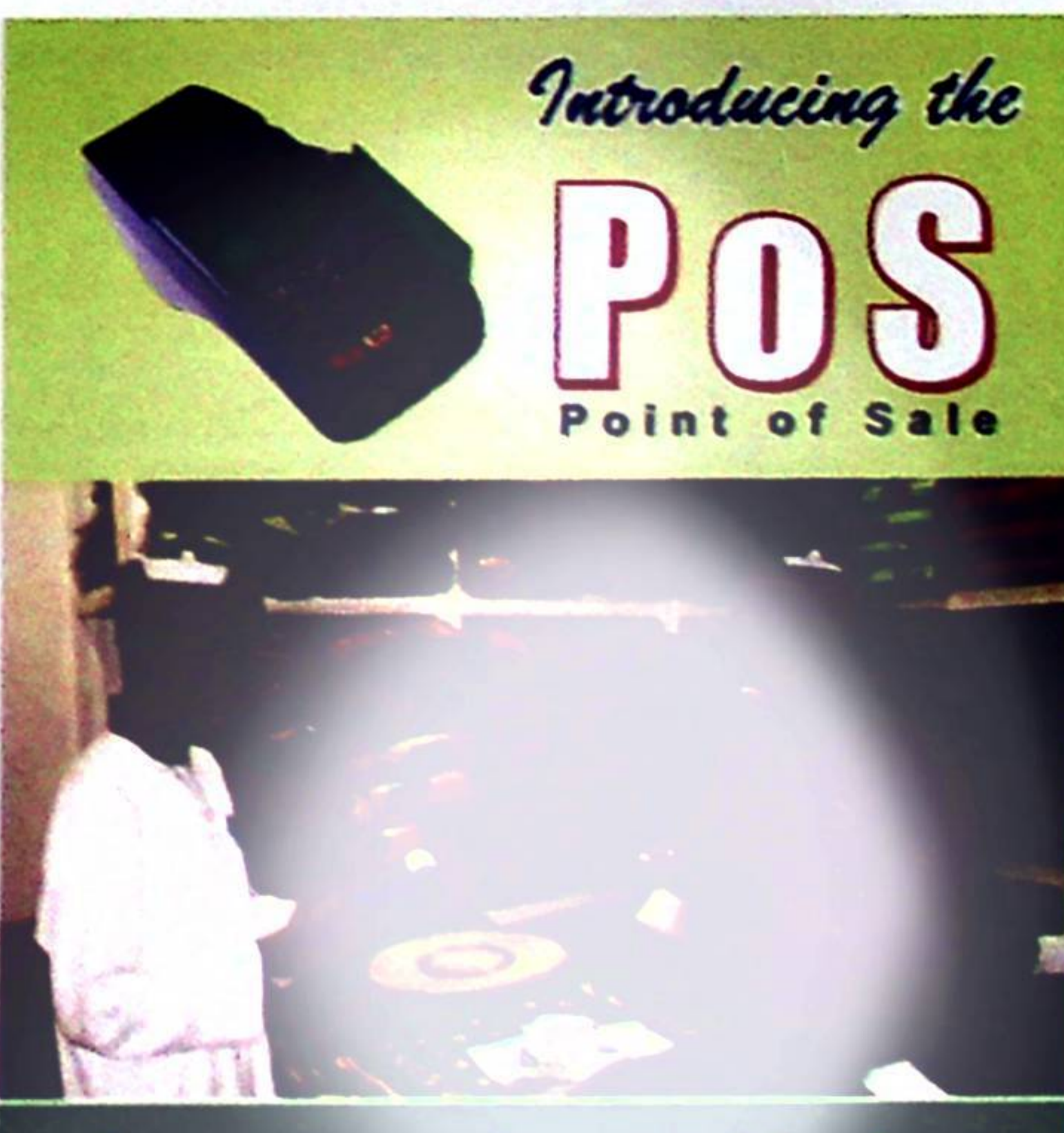
Pay your TAX. It is your civic responsibility. It is the law

Kano State Local Governments Harmonised Rates and Levies Law 2014

Know Your New Rates and Levies (FOR URBAN LGAs)

Types of Rates/Levies		Urban
(1) Shop and Street Rates		
a) Shop Rates		
	Small	1,000
	Medium	2,000
	Large	25,000
	Very Large	50,000
b) Street Rates		
	Small	1,000
	Large	25,000
c) Market Rates		
	Small	1,000
	Large	25,000
(2) Assessment Rates (General and Commercial Properties)		
Based on value of the property		
	Commercial	1% of the value of the property
	Industrial	1% of the value of the property
	Residential	1% of the value of the property
(3) Streetlights Rates		
	Streetlights	1% of the value of the property
(4) Advertisement and Signage Rates		
	Advertisement	1,000 Per Activity
	Signage	1,000 Per Activity
(5) Radio and TV Licence Fees		
	Radio	1,000
	TV	1,000
(6) Registration Fees		
	Registration of Motor Vehicle	100,000
	Registration of Boat	10,000
(7) Public Amenities, Services and Welfare Levies		
	Public Amenities	1,000
	Services	1,000
	Welfare	1,000
(8) Other Levies		
	Other Levies	1,000

Introducing the POS
Point of Sale

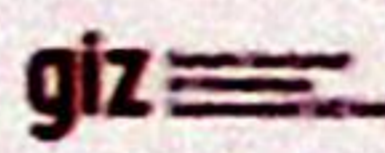


**I pay my rates and levies through PoS...
...It is convenient**

Samples of Sensitisation Materials



with support from



Q: Do I have to pay tax when Government is not providing basic amenities?

A: Unfortunately the Law does not give anyone right to refuse to pay tax or levies because he/she believes that the Government is not working. If you believe the Government is not working, the only thing you can do is work with people to vote it out. However even if we feel the Government is not working, there are some things they are doing. The police is part of Government. Hospitals are part of Government services. When there is a disaster, we often see fire service people, rescue teams rush to the place. All these people and facilities are paid for by the Government.

Q: Does my former apprentices have to pay tax even when they don't have enough money to set up their own workshop and are still assisting me in my workshop while receiving some allowance?

A: Yes, since they earn income they have to pay tax to Niger State Internal Revenue Service (NGSIRS). Only the apprentices that are still learning the trade will not be subject to tax because they are not on any salary or allowances.

Q: What should I do when the Niger State Internal Revenue Service (NGSIRS) officials threaten to lock up my shop if I don't pay my tax?

A: Niger State Internal Revenue Service (NGSIRS) officials cannot lock your workshops unless they have served you demand notices and reminders and you have refused to pay same.

Q: Where can I make complaint when I feel that the assessment given to me is high?

A: You have the right to object to the assessment in writing, giving the ground of your objection and within 30 days from the day that the assessment is served. You can also go to the Niger State Internal Revenue Service (NGSIRS) Zonal/Area offices across the state.

Q: What should I do when the Government officials come around asking for payment and they don't give me time to complete about the assessment or don't give me enough time to pay?

A: Identified tax officials will usually give you a demand notice and come back later to collect the money. You may be served a notice and decide to pay immediately.

Q: Can I pay my taxes and levies through my Union?

A: Yes you can, but ensure that the receipt is in your own name and the amount is shown, not a global receipt in the name of the union.

Q: Does my Union have the right to lock my shop if I choose to pay my tax directly and not through the Union?

A: No, they have no right to lock your shop. You have the option to pay through the Union or to pay directly to the tax authority. Ensure that the receipt shows the amount you have paid and is in your own name.

Q: Does the Authority or the Niger State Internal Revenue Service (NGSIRS) have the power to collect arrears of tax or levy of previous years from us where I did not pay such taxes?

A: Yes by Law you are to pay arrears of taxes and levies unpaid and this might even include fines and penalties for not paying as at when due.

Q: Do we pay tax on all income we receive?

A: Tax is calculated on your income after deducting some specified allowances, meaning that tax is not calculated on your total income.

For further information, contact:

Louisa Chinedu-Okeke

Project Manager, Tax Workstream
Growth and Employment in States (GEMS3)
24 Buchanan Crescent
Wuse II
Abuja
E: louisa.chinedu-okeke@gems3nigeria.com
M: 0908 706 8516
www.gemsnigeria.com/gems-3
info@gemsnigeria.com

Amos O. Oduleye

Head, Technical Services
Joint Tax Board
Plot No 1863, Cadastral Zone A04, Lee-Kuan
Yew Street,
Asokoro Extension 3, FCT, Abuja
E: somasudo@yahoo.com
M: 08065983630
www.jtb.gov.ng



GEMS3 is a DFID funded program
Implemented by Adam Smith International