TECHNOLOGY FOR TAX

Presentation by

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Edo State Internal Revenue Service (EIRS)
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PRESENTATION OUTLINE

1) The revenue administration process

2) Background to our reforms – situation analysis

3) Critical success factors for a revenue service

4) Our strategic objectives

5) Life's bust stops

6) Why the need to strengthen fiscal social contract?

7) What was not possible before technology

8) The Edo Revenue Administration system (eras)

9) Track the data, follow the money

10) Leveraging ERAS for improved collections
   - Zonal collection structure
   - Track MDA service delivery
   - Single liability view
   - 10 year trend analysis

THE REVENUE ADMINISTRATION PROCESS

1

CAPTURE

Capture Tax Payers

State-wide enumeration of users and buildings. Registration and validation of users, enterprises and entities under the Revenue Identification Scheme (RINS) to be in line with TIN requirements.

2

PROFILE

Profile Tax Payers

Data intelligence organisation and tax payer profiling which involves stratification and redefinition based on data and information obtained from the capture process category.

3

ASSESS

Generate Tax Payer Assessments

Processes revenue management and creates an estimate of EDSG Revenues through informed or best of judgement approach.

4

NOTIFY

Notify and Alert Tax Payers

On completion of intelligent assessment, a notification of assessment is communicated to the tax payer with relevant and required information.

5

SETTLE

Tax Payer Payments and Settlements

Tax payer is expected to settle assessment amount through pre- defined and configured payment methods and channels.

6

DEMAND

Demand Tax Defaults

Where a settlement is not fulfilled or completed, a demand is generated. Defined service levels and workflow guide demand notification after a period of unfulfilled settlement amount.

7

ENFORCE

Enforce Tax Owed

Application of the Law for defaulters where a demand has been ignored or not fully settled. A similar service days period is applied to move from demand to enforcement.

8

SANCTION & REPORT

Prosecute Tax Defaulters

Prosecution of erring Tax Payers after the process of enforcement fails. This more often involves litigation and court processes. Management and performance information including operational target monitoring is done at reporting stage.

1) **Haemorrhage**
   a) Massive leakage of revenues arising from non-collection and suppression of cash collections by appointed collectors across the state;
   b) Illegal collections by non-government actors
   c) Inefficient collection systems

2) **Multiple Taxation**
   There were repeated claims by the public of multiple taxation by state and LG actors

3) **Lack of clarity on the sources of Government Revenue**
   Over the years the drive by government at all levels resulted in imposition of levies and rates on the paying public outside of the guidelines provided for by laws regulating Statutory, Permissive and incidental Revenue Sources.

4) **Local Government Council Indebtedness**
   The indebtedness by LGAs on lending, contractual and payroll obligations was a source of concern about the solvency of most of the LGAs requiring urgent intervention and remedial action.

CRITICAL SUCCESS FACTORS FOR A REVENUE SERVICE

1

VALUE FOR MONEY

Ensure that citizens derive benefits from payment of taxes through value added services like health benefits, education subsidies etc.

2

ENLIGHTENMENT & SOCIAL INCLUSION

Stakeholders' consultation and public enlightenment will ensure that citizens imbibe the principles of payment of tax as a civic responsibility.

3

TECHNOLOGY SELECTION

The right technology platform and mix of enterprise solutions will ensure that our process is cash-light and therefore increases the integrity of financial records.

4

LEGAL & REGULATORY ENVIRONMENT

The legal & regulatory environment adds clarity to tax assessment, collection and enforcement.

5

AVAILABILITY OF DATA

Sufficient data will ensure that our tax net is optimized and tax payers properly identified and tied to their location.
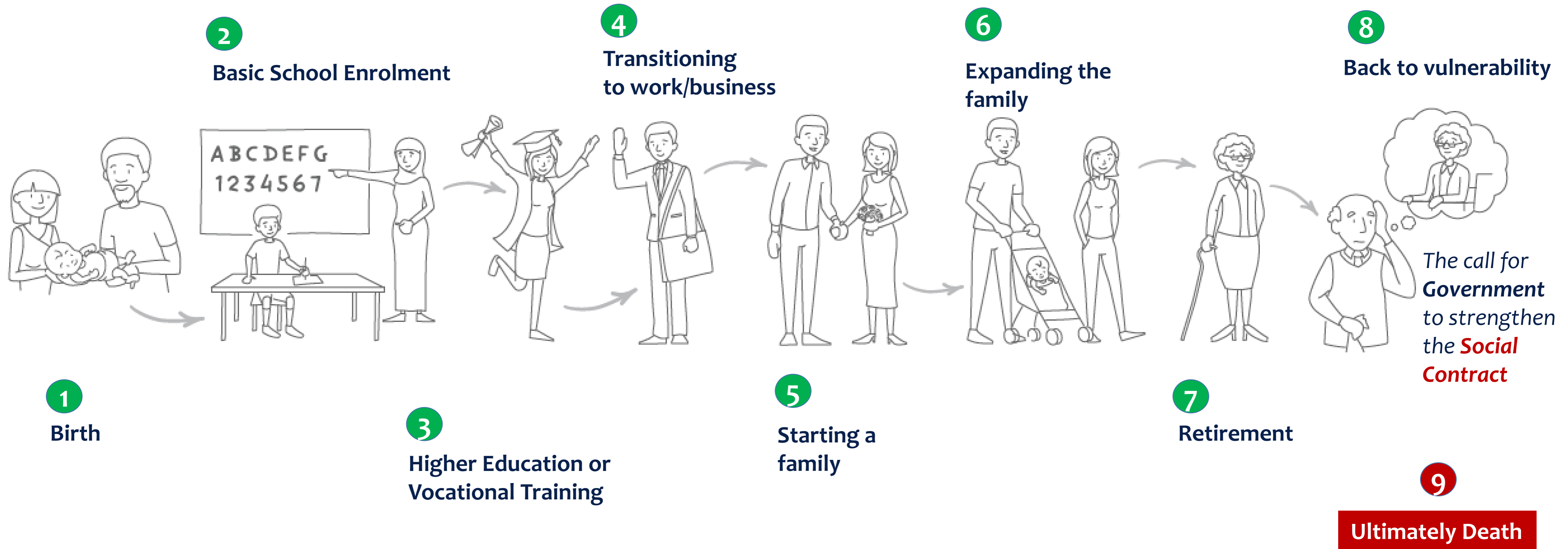
6

HUMAN CAPITAL CAPACITY

Human Capacity Development to produce professional tax administrators within the EIRS is critical to the success of the Service.

OUR STRATEGIC OBJECTIVES

Boost the Independent Revenue potential of Edo State

1) Target 1 million active Tax Payers' Electronic Profiles
2) Raise Personal Income Tax Assessment for every profile
3) Year-Round Monitoring of Revenue Performances leveraging ERAS Tax Manager Monitoring Module
4) Enforcement for all due collections
5) Cashless Collection

Track our MDA Collections

1) Block Leakages through Electronic Treasury Receipting and Digitising Approvals
2) Deploy Mobile Technology to remote locations especially Road Taxes

Data Enrichment

1) Continuous enumeration and service of assessments
2) Real-time processing of data from Mobile Collectors

Leverage Smart Government Initiative

Smart Government Initiative will significantly boost the database of citizens towards achieving the 1 million active TP Profiles

LIFE'S BUS STOPS

1 Birth

2 Basic School Enrolment

3 Higher Education or Vocational Training

4 Transitioning to work/business

5 Starting a family

6 Expanding the family

7 Retirement

8 Back to vulnerability

*The call for **Government** to strengthen the **Social Contract***

9 Ultimately Death

OUR STRATEGY
Leverage BIG Data Technology to gain valuable insight & Actionable Intelligence by providing citizen centric revenue services

- In the face of the need to focus on the growth of the non-oil revenues, there is the desire of states to grow their independent revenues;

- However, over the years revenue collection drive has focused on increasing the number revenue items from the limited known number of persons as against expanding the tax net;

- There is therefore the need to be more engaging with the citizens through bi-directional impact to not only expand the tax net but to also change the narrative on multiple taxation;

- It is therefore imperative to engage in a series of initiatives to deliver value-for-tax in expanding the tax and revenue footprint particularly in the less organised informal sector.
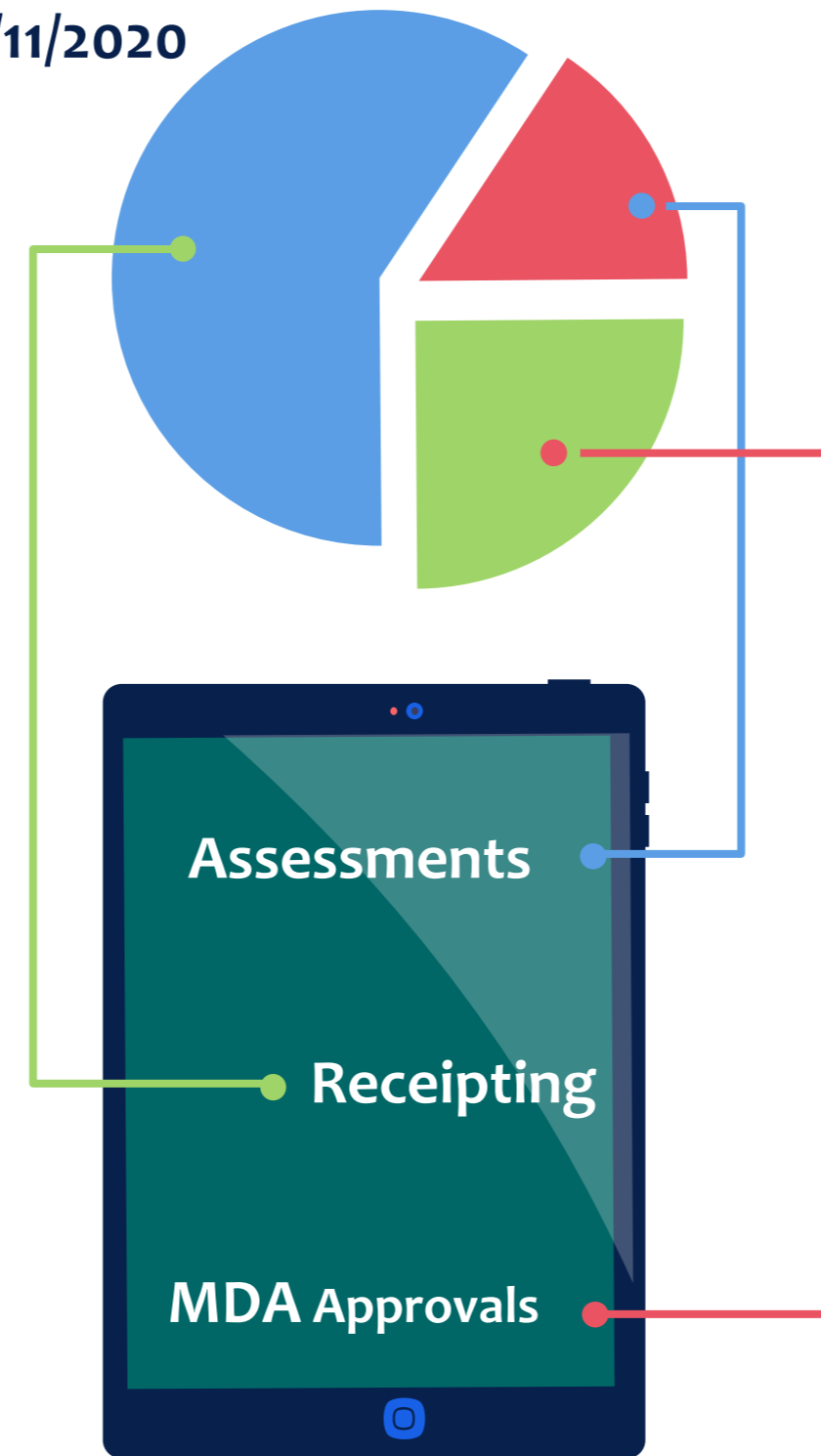
WHAT WAS NOT POSSIBLE BEFORE TECHNOLOGY

1) No consolidated single database of Taxpayers

2) No reporting system on total assessments generated along revenue streams and Tax Offices making it impossible to determine inactive tax payers and real potential for collections

3) Real time reconciliation of payments to assessment items and revenue streams making it difficult to track uncollected revenues

4) Multiple settlement platforms (Mostly over the bank counter transactions)

5) Non-cash settlement especially for the informal sector

445,149 Individuals
@ 8AM 09/11/2020

Assessments

Receipting

MDA Approvals

Informal Sector Collection

Financial Inclusion

Remote Location (Road Taxes)

Off-Line Capabilities

ERAS introduces Artificial Intelligence, Leverages a single & secure data warehouse
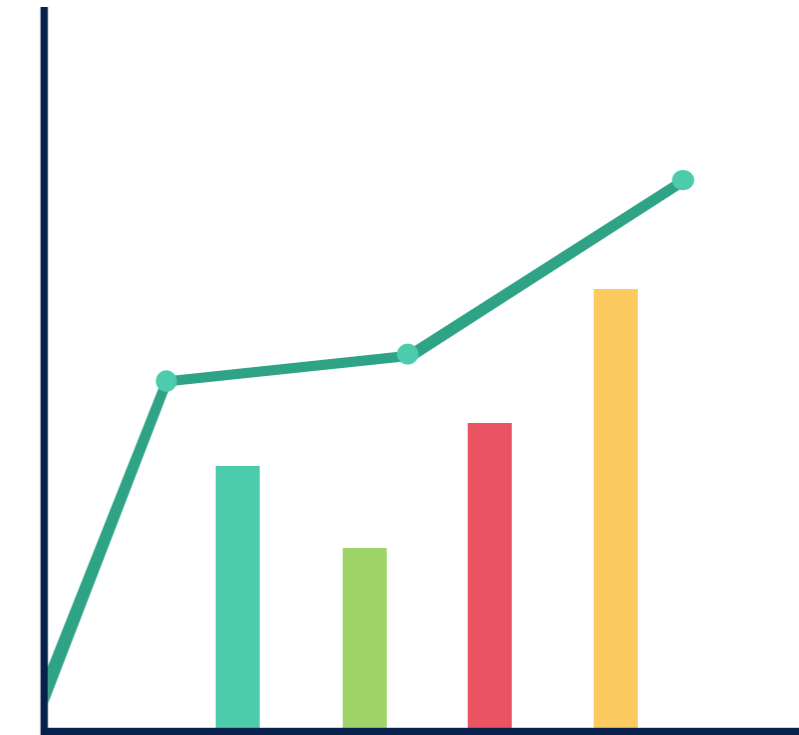
BIG DATA TECHNOLOGY

ERAS is the innovation of the EIRS and automates the entire process of Government Revenue Administration across all Revenue Stream and puts Edo State ahead in an emerging digital economy

TRANSPARENCY

Transparent processing of Government Revenue Streams, Public Service (MDA) Bills, Settlement on various electronic Platforms, Receipting and MDA Approvals. For Revenue Assurance
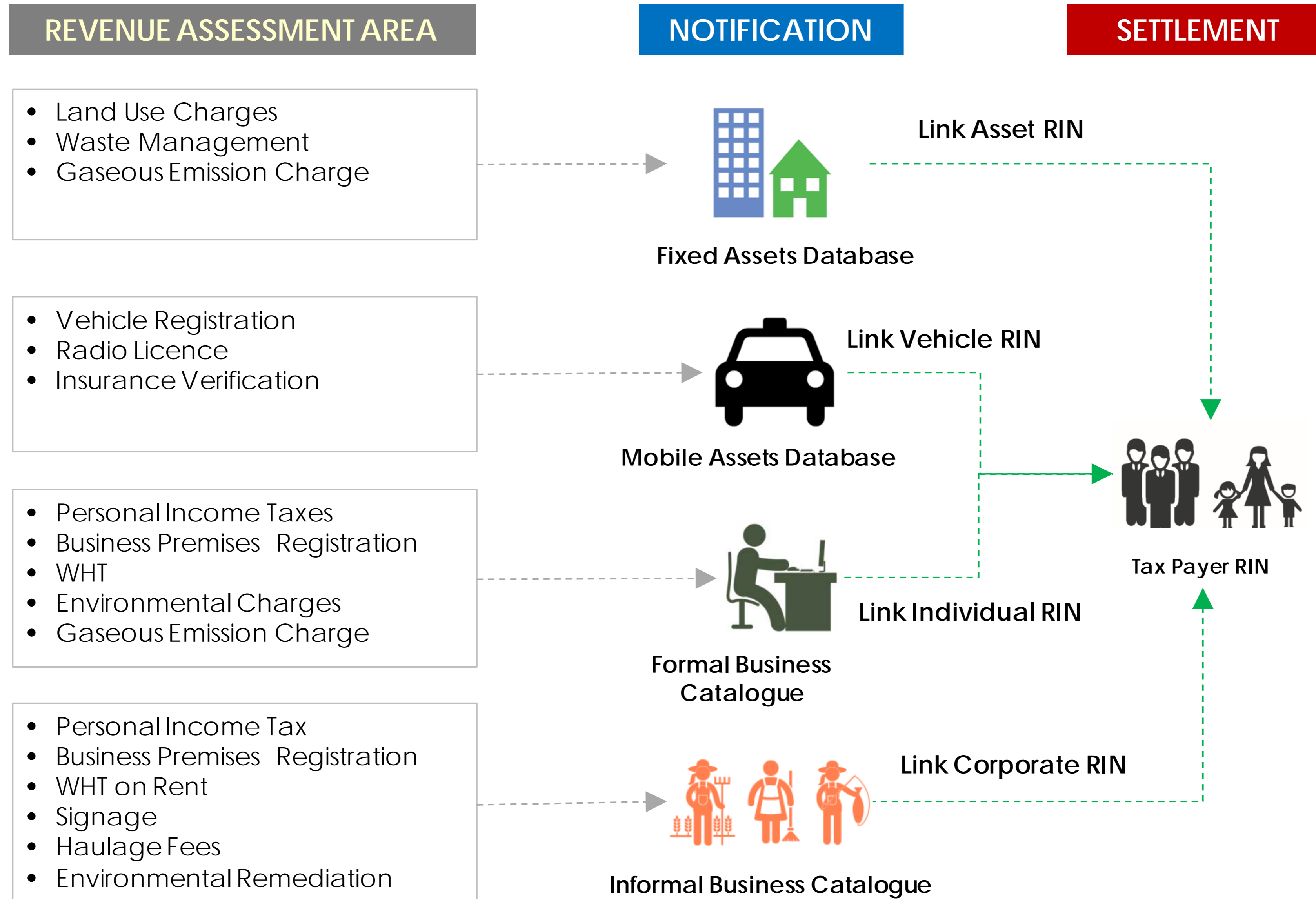
MOBILE TECHNOLOGY

The ERAS Mobile is at the core of the success for the collection of Personal Income Taxes from the Informal Sector and Remote Road Taxes and resolves the issue of the financially excluded when it comes to electronic settlement of bills.
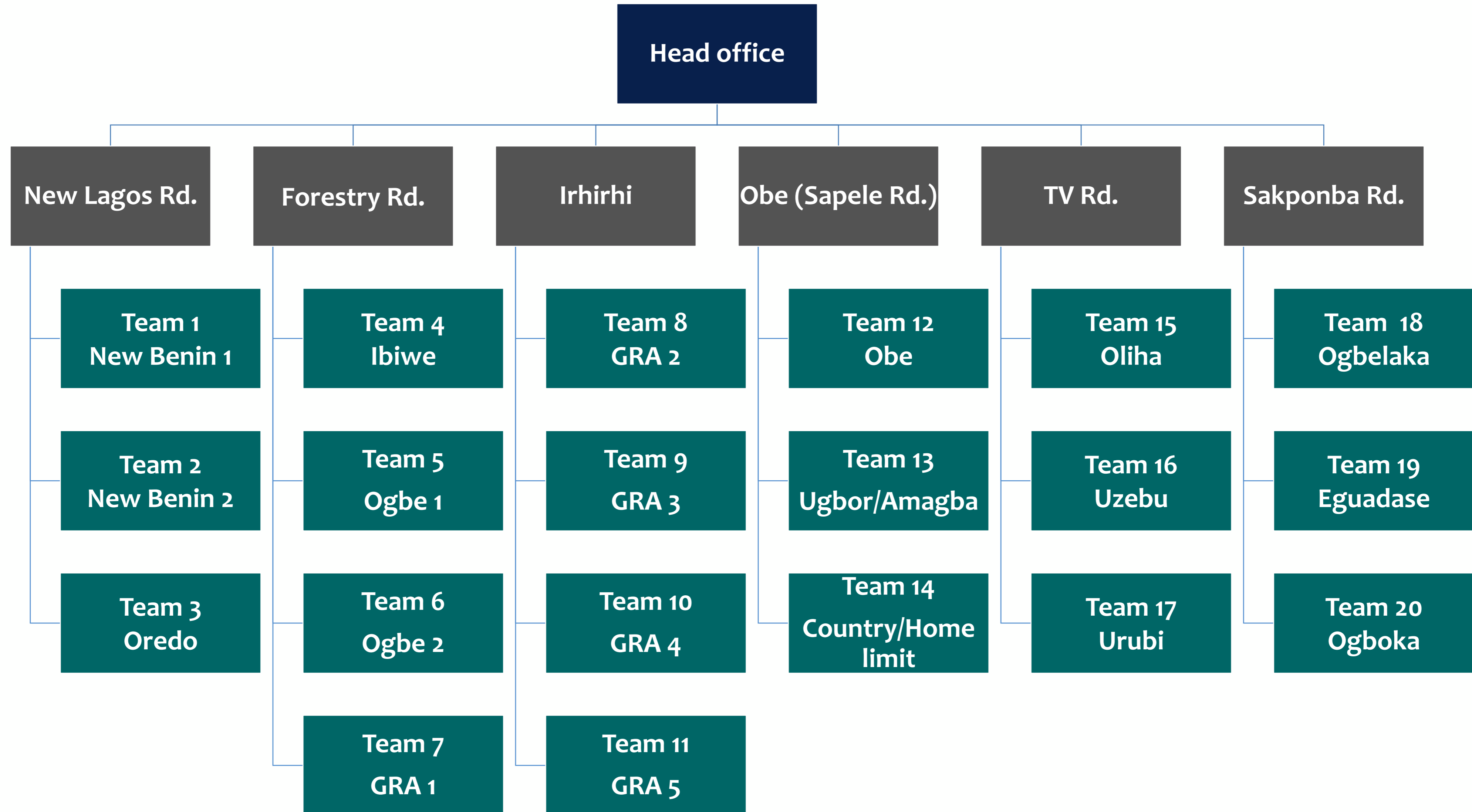
TRACK THE DATA, FOLLOW THE MONEY

REVENUE ASSESSMENT AREA

NOTIFICATION

SETTLEMENT

- Land Use Charges
- Waste Management
- Gaseous Emission Charge

Fixed Assets Database

Link Asset RIN

- Vehicle Registration
- Radio Licence
- Insurance Verification

Link Vehicle RIN

Mobile Assets Database

- Personal Income Taxes
- Business Premises Registration
- WHT
- Environmental Charges
- Gaseous Emission Charge

Link Individual RIN

Formal Business Catalogue

Tax Payer RIN

- Personal Income Tax
- Business Premises Registration
- WHT on Rent
- Signage
- Haulage Fees
- Environmental Remediation

Link Corporate RIN
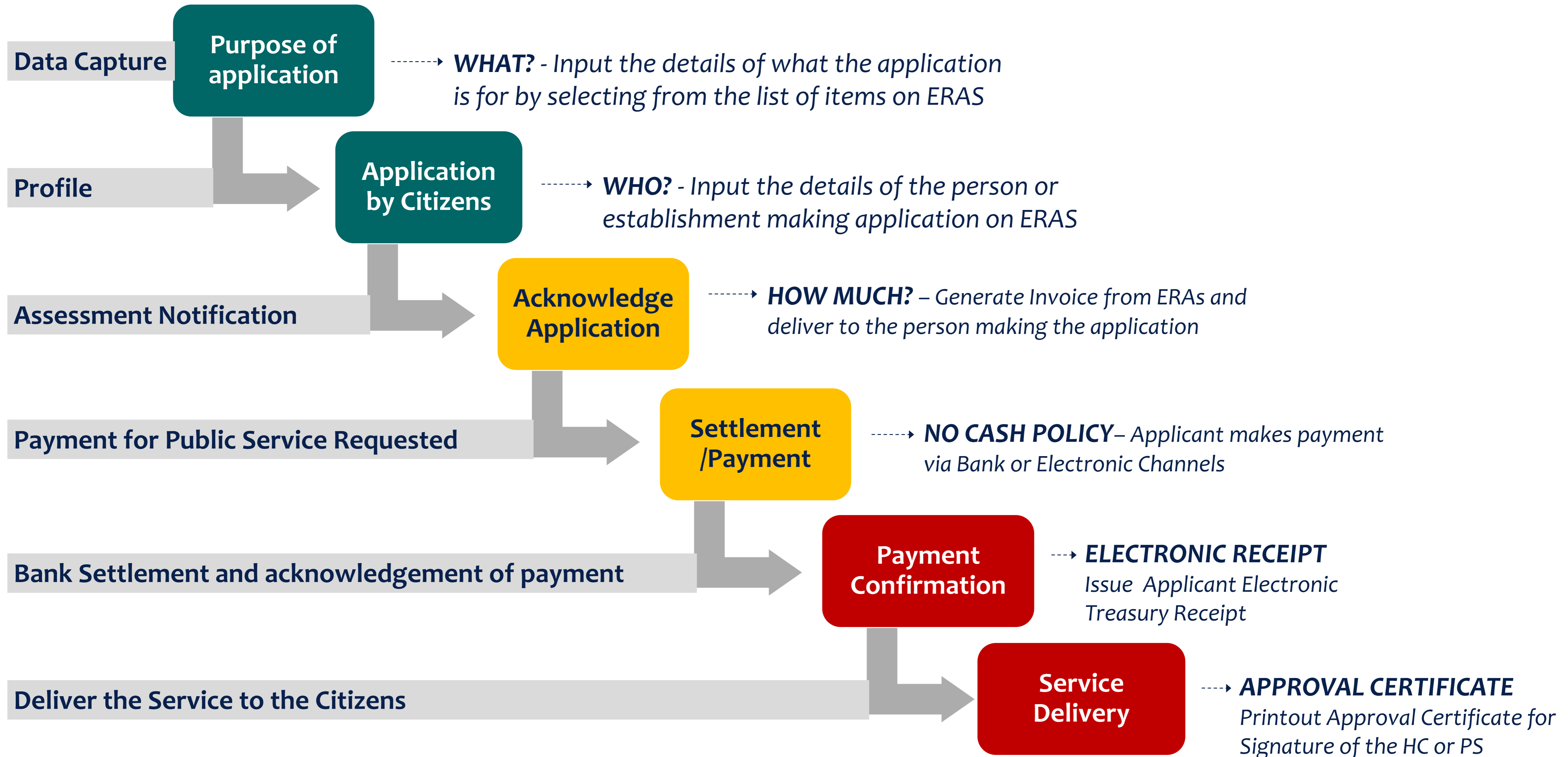
Informal Business Catalogue

1. **Mobile collection** – This enhances the potential to optimise collections from the informal sectors which forms the larger potential tax payers' base in the state while also allowing cashless collections from the financially excluded;

2. **Mobile Collectors** - Engagement of mobile collectors to more efficient and effective data capture, profile information, notification of assessments and settlement liabilities on the fly;

3. **Single Tax Payer View** – This is the essence of an Integrated Revenue Administration System. With this feature, assessments can be served in a single notification and collection for both state and local government not only harmonised but also provides the opportunity for various payment plans;

4. **Electronic Receipting** – With ERAS, tax payers should be issued electronic receipts generated directly from tax payers profile therefore serving as a check on potential under-remittances especially for MDA services;

5. **Performance Measures for EIRS Station Offices** – ERAS has been developed to measure the performances of station offices on IGR;

6. **Enforcement** – Enforcement to ensure uncollected revenues are settled by the taxpayers to serve as deterrent to others

ZONAL COLLECTION STRUCTURE

Head office

New Lagos Rd.	Forestry Rd.	Irhirhi	Obe (Sapele Rd.)	TV Rd.	Sakponba Rd.
Team 1 New Benin 1	Team 4 Ibiwe	Team 8 GRA 2	Team 12 Obe	Team 15 Oliha	Team 18 Ogbelaka
Team 2 New Benin 2	Team 5 Ogbe 1	Team 9 GRA 3	Team 13 Ugbor/Amagba	Team 16 Uzebu	Team 19 Eguadase
Team 3 Oredo	Team 6 Ogbe 2	Team 10 GRA 4	Team 14 Country/Home limit	Team 17 Urubi	Team 20 Ogboka
	Team 7 GRA 1	Team 11 GRA 5			

TRACK MDA SERVICE DELIVERY

Data Capture

Purpose of application

WHAT? - *Input the details of what the application is for by selecting from the list of items on ERAS*

Profile

Application by Citizens

WHO? - *Input the details of the person or establishment making application on ERAS*

Assessment Notification

Acknowledge Application

HOW MUCH? – *Generate Invoice from ERAs and deliver to the person making the application*

Payment for Public Service Requested

Settlement /Payment

NO CASH POLICY – *Applicant makes payment via Bank or Electronic Channels*

Bank Settlement and acknowledgement of payment

Payment Confirmation

ELECTRONIC RECEIPT *Issue Applicant Electronic Treasury Receipt*

Deliver the Service to the Citizens

Service Delivery

APPROVAL CERTIFICATE *Printout Approval Certificate for Signature of the HC or PS*

IND00093950 | Action▾

IND00055323 | Action▾

IND00098475 | Action▾

Showing 1 to 10 of 509,401 entries

< | 1 | 2 | 3 | 4 | 5 | >

EDO, NIGERIA.

Bill Status	Assessed

Bill Amount   ₦21,000.00

(for this assessment)

ERAS Bill Details

This is an official notification of payment demand by the Edo State Internal Revenue Service.

The summary of what is being paid as follows:

- WMAR1-20 - Waste Management Fees - Commercial - ₦5,000.00
- BPAR564-20 - Business Premises - Renewals - Urban LGA - Small - Plumbers - ₦4,000.00
- AR01977 - LGA Shop Levy - ₦2,000.00
- PTAR135-20 - Presumptive Taxes - Building and Construction - Plumbers - Small - ₦10,000.00

Payment Received   ₦0.00

(on this assessment)

Amount Due   ₦21,000.00

(outstanding)

Reporting Agency

Edo Internal Revenue Service

If you pay late, it will cost you more - pay online now at
eras.eirs.gov.ng

ERAS Bill Notes

2021Assessment

Your taxes pay for roads, hospitals and other government services right here in Edo State. Let us make it great.

Electronic Treasury Receipting

Secure Digital MDA Approvals

Edo State Internal Revenue Service
Revenue House, 80 New Lagos Road,
Benin City, Edo State
📞 0813 097 0146
✉️ info@eirs.gov.ng
🌐 www.eirs.gov.ng

Receipt Issued By:
Edo Internal Revenue Service

Receipt Issued To:
RIN: IND00301494
Name:
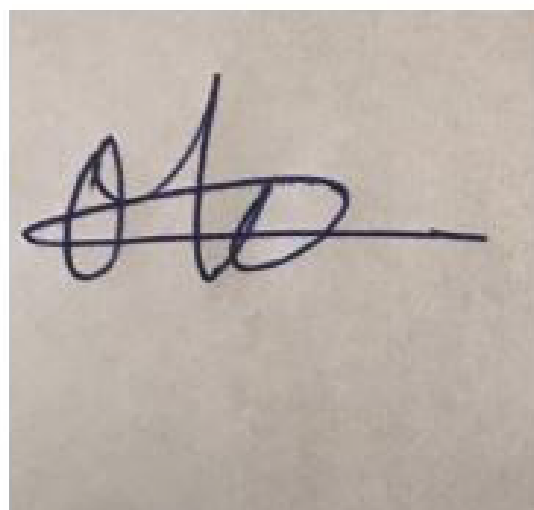Address: ████████ BENIN, EDO STATE
Phone:

Tax Payer Type: Individual

Receipt Details
Summary of What Payment Received for

Bill Ref: AB380349
Bill Amount: ₦130,000.00
Receipt Amount: ₦80,000.00
Bill Outstanding: ₦50,000.00

Notes
- PAYMENT FOR 2021 PERSONAL INCOME TAX ASSESSMENT

Signed

Treasury Receipt
TRC2021-RP64868

Receipt Number: RP64868
Tax Payer RIN: IND00301494
Tax Year: 2021
Receipt Date: 10-Mar-2021

Receipt Amount: ₦80,000.00

Bill Ref: AB380349
Bill Amount: ₦130,000.00
Receipt Amount: ₦80,000.00
Bill Outstanding: ₦50,000.00

Thank You

If you pay late, it will cost you more - pay online now at eras.eirs.gov.ng

Your taxes pay for roads, hospitals and other government services right here in Edo State. Let us make it great.

Ref: TRC2021-RP64868

EDO STATE GOVERNMENT **EDO STATE INTERNAL REVENUE SERVICE**

BUILDING PLAN APPROVAL CERTIFICATE

Pursuant to the provisions of the Nigerian Urban and Regional Planning Law, Decree no. 88 of 1992, as Applicable in Edo State, the <Revenue Agency> hereby Certify:

<Business Asset>

_____

of _____

<Business asset address>

To   in Edo State

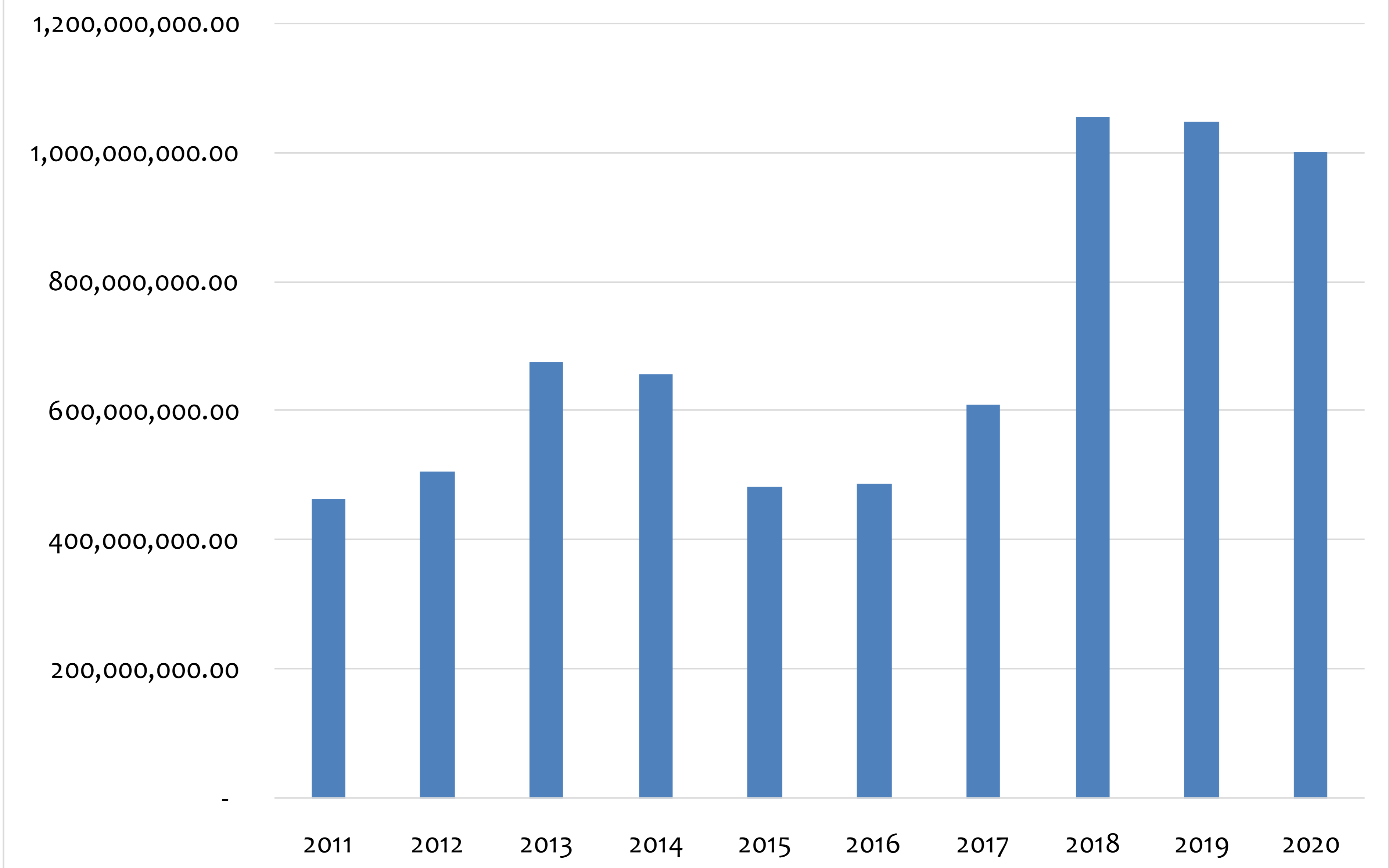This Certificate is valid until <**Annual validity**>

Hon. Commissioner, <Revenue Agency>
For the <Revenue Agency>
_____

INFORMAL SECTORS COLLECTIONS

Citizen Oriented Service Delivery

1) Single Tax Payer Liability View
2) Payment on Account
3) Ease of transacting with government
4) Secured Multiple Electronic Payment Platforms
5) Financial Inclusion
6) Secure Electronic Tax Clearance Certificate Issuance
7) Efficient Tax Payer Notification System
8) Smart Motor Vehicle Administration (MVA)
9) MDA Service Efficiency
10) Electronic Approvals

Efficient Public Administration

1) Single Data Warehouse
2) Data from Multiple sources
3) Growth in number of active profiles
4) Personal Income Taxes from the Informal Sector
5) Transparency and Accountability
6) Policy Regulation and Compliance Monitoring
7) Reporting
8) Institutional Restructuring
9) Personnel performance monitoring & evaluation
10) Capacity Building
11) Other Value Additions
    a) Enhancing the development of state level tax summaries
    b) Tax Administrative Diagnostic Assessment Tool (TADAT)

THANK YOU