

**STATE-SPECIFIC RECOMMENDATIONS**

**Scorecard for Kano State**

Kano State’s IGR recorded a significant growth of 20% in the last 5 years, from N6.6 billion in 2010 to N13.7 billion in 2014. However, it only for 14.1% of the total recurrent revenue of State, with over 90% sourced from federation revenues. The State’s per capita IGR in 2014 was also recorded as N1, 121 – lower than N1, 651 in Kaduna and N1, 144 in Jigawa State.

**IGR SNAPSHOT IN THE NORTH WEST ZONE (2014)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S/N | STATE | MONTHLY IGR (N) | ANNUAL IGR (N) | 5 YR GROWTH RATE | IGR/RECURRENT REVENUE (%) | IGR PER CAPITA (N) |
| 1 | KANO | 1,138,487,827.99 | 13,661,853,935.85 | 19.9% | 14.1% | 1,120.78 |
| 2 | KADUNA | 1,065,210,209.54 | 12,782,522,514.51 | 2.5% | 15.9% | 1,650.55 |
| 3 | JIGAWA | 522,775,884.70 | 6,273,310,616.35 | 49.9% | 9.8% | 1,144.42 |
| 4 | KATSINA | 518,586,466.58 | 6,223,037,599.00 | 18.5% | 8.9% | 846.76 |
| 5 | SOKOTO | 468,146,938.36 | 5,617,763,260.35 | 9.6% | 9.0% | 1,197.71 |
| 6 | KEBBI | 319,511,970.16 | 3,834,143,641.95 | 0.2% | 6.6% | 922.24 |
| 7 | ZAMFARA | 262,469,212.83 | 3,149,630,553.96 | 11.1% | 5.8% | 746.62 |

**Commendable Practices:**

1. Kano has sufficient number of district offices to reach out to tax payers, since it has offices in all LGs of the State.
2. IRS budget release is reliable and the amount is based on its performance.
3. The State’s IRS has also identified the informal sector, and has developed a strategy to engage with businesses in the sector.
4. A clear government policy on utility fees in sanitation, health, and education.

**Major Challenges:**

1. Manual processing of tax payments
2. Kano State does not have a Unified Tax payer Identification Number (TIN) to collect, record, and maintain basic taxpayer information (assessment, payment, and arrears) in a master database to monitor and plan tax collection.
3. The State’s tax officers are not trained in assessment and audit.
4. Kano is also faced with the challenge of significant leakages and corruption.
5. Taxpayers covered by the tax net is less than 25% of its total available
6. Too many exemptions and loopholes under existing tax laws.
7. Kano State has no property and consumption tax.

**STATE’S ACTION PLAN**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S/N** | **Identified goals** | **Reforms required** | **Timeline** | **Responsibility** |
| 1 | Automation | * Payment processing (automated) * Online print of receipts * Online print of withholding tax currency note | January-December 2016 | KSBIR |
| 2 | Administrative and financial autonomy | * Tax administration strengthening * Tax policy reformation | Immediately | State government |
| 3 | Train personnel | * Capacity building * Training * Re-training * Workshop * Seminars | January-June 2016 | KSBIR |