

**STATE-SPECIFIC RECOMMENDATIONS**

**Scorecard for Kaduna State**

The State’s IGR grew by only 2.5% in the last 5 years, from N11.6 billion in 2010 to N12.8 billion in 2014. It also accounted for 15.9% of the State’s total recurrent revenue, implying that around 84 percent of the State’s recurrent revenue was sourced from federation revenues. Although the State’s monthly revenue is over N1 billion, the poor growth in IGR has hampered its capacity for fiscal sustainability.

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

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| 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. Sufficient number of district offices to reach out to taxpayers.
2. Enforcement measures exist it’s carried out by a specific unit
3. Tax procedures and tax forms for taxpayers to file and pay taxes are streamlined with the use of simplified tax forms
4. Tax payments are done at commercial banks and through e-payment platforms.
5. Leakages and corruption have been minimized because of systematic enforcement of sanctions and penalties
6. Double taxation at the state and local levels have been significantly minimised, and there’s no usurpation of taxing authority of LGAs by the state government.
7. Kaduna has a clear government policy on utility user fees.

**Major Challenges:**

1. Kaduna state still has no property and consumption tax.
2. It has no database on the informal sector, and no comprehensive strategy.
3. Kaduna also lacks transportation and sanitation taxes or user charges.
4. In terms of the extent of tax avoidance and evasion, there is some separation but no clear debt management policy or process.
5. Financial incentives for staff are relatively low.
6. TIN has been introduced but it’s not effective and unified.
7. Fragmented taxpayer database, thus making it difficult for planned tax collection.
8. Mechanized tax processes but the system is not integrated.

**STATE’S ACTION PLAN**

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| **S/N** | **Identified goals** | **Actions Required** | **Timeline** | **Responsibility** |
| 1 | To mobilize and improve the required revenue. | * Implement KDBIR establishment law 2015.
* Grant the BIR supervisory role of other revenue generating agencies in the State.
* Centralize IGR collection in the State
* Adopt a befitting remuneration package.
* Recruit and build capacity of BIR staff
* Invest in power
* Sign an MOU with the LGAs on collection of property taxes.
 | March 2016 | Commissioner of Finance assisted by Executive Chairman, BIR |
| 2 | Modernization of process and procedures | * Computerization of processes and infrastructure
* Deployment of integrated tax administration system (ITAS)
* Full implementation of JTB tax payers identification number, and
* Creation of a robust database.
 | June 2016 | Commissioner of Finance assisted by Executive Chairman Board of Internal Revenue. |
| 3 | To improve voluntary compliance | * Massive tax payer enlightenment and sensitization campaign
* Improve level of service delivery by all MDAs
* Adoption of tax for service
* High level stakeholder-engagement
 | January to December 2016 | Chairman BIR and chief executives of MDAs |
| 4 | Create a transparent collection system | * Strengthen paydirect collection system and POS by all MDAs
* Eliminate cash collection in the system.
 | January 2016 | Minister of Finance/ Chairman BIR |