

**LEGAL AND INSTITUTIONAL FRAMEWORKS FOR THE NIGERIA REVENUE SERVICE (ESTABLISHMENT) ACT 2025 VIS-A-VIS THE TAX ENFORCEMENT POWERS OF THE NIGERIA REVENUE SERVICE\***

**Abstract**

*The Nigeria Revenue Service Act seeks to provide for a legal, institutional and regulatory framework for the administration of taxes and revenue under any law made by the Nigerian National Assembly and to account for such taxes and revenue collected. The Nigeria Revenue Service (Establishment) Act, 2025 repeals the Federal Inland revenue Service (Establishment) Act, No 13, 2007 and enact the subject of this work the NRS is charged with the powers of assessment, collection and accounting for revenue accruable to the government of the federation. Nigeria Revenue Service (Establishment) Bill which is the subject of this work, the NRS repeals the current FIRS Act and create a more autonomous and performance driven national revenue agency for Nigeria, the mandate of the new NRS is basically non-tax revenue collection, to be more accountable, transparent and to provide more efficient ways of dealing with tax related issues. This work focuses on the powers of NRS, its legal and institutional framework in Nigeria with their everyday responsibilities. Doctrinal method of data collection is adopted, Statutes, books, journal articles and many other documents are used. Nigeria Tax Act which will promote the ease of doing business in Nigeria, to consolidate Nigeria's fragmented and multiple tax laws into a more harmonised one, to reduce multiplicity of taxes and eliminating duplication, the law will help business, reduce tax payers' compliance burden and help create a predictable tax system. Nigeria Tax Administration Act will help provide a more uniform legal and operational framework for tax administration in Nigeria both at the federal, State and Local Governments and the Joint Revenue Board (Establishment) Act that is expected to provide a formal governance structure of tax administration in Nigeria among the tax authorities and all government owned agencies, the law introduces and oversight functions using the Tax Appeal Tribunal and the Office of the Tax Ombudsman. It is recommended that the full and honest enforcement of the Act be ensured.*

**Keywords:** Revenue, Investments, Tax, Ombudsman and Government

**1. Introduction**

The Nigeria Revenue Service (Establishment) Act, 2025 repeals the Federal Inland revenue Service (Establishment) Act, no 13, 2007 and enact the subject of this work charged with the powers of assessment, collection of and accounting for revenue accruable to the government of the federation. On Thursday the 26<sup>th</sup> day of June, 2025 the President of the Federal Republic of Nigeria signed into law four ground-breaking tax reform bills into law and it is generally believed that the new laws will transform Nigeria's fiscal landscape and revenue generation, the four bills which include The Nigeria Tax Bill, The Nigeria Tax Administration Bill, The Nigeria Revenue Service (Establishment) Bill and the Joint Revenue Board (Establishment) bill after they were all passed by the National Assembly. The commencement date for all the laws is said to be on the 1<sup>st</sup> day of January, 2026, the laws are expected to transform tax administration in Nigeria, leading to increased revenue generation, improve business environment and boost domestic and foreign direct investments. Prominent among the laws is the Nigeria Revenue Service (Establishment) Bill which is the subject of this work, the NRS repeals the current FIRS Act and create a more autonomous and performance driven national revenue agency for Nigeria, the mandate of the new NRS is basically non-tax revenue collection, to be more accountable, transparent and to provide more efficient ways of dealing with tax related issues, other of the bills include: Nigeria Tax Act which will promote the ease of doing business in Nigeria, to consolidate Nigeria's fragmented and multiple tax laws into a more harmonised one, to reduce multiplicity of taxes and eliminating duplication, the law will help business, reduce tax payers' compliance burden and help create a predictable tax system. Nigeria Tax Administration Act will help provide a more uniform legal and operational framework for tax administration in Nigeria both at the federal, State and Local Governments and the Joint Revenue Board (Establishment) Act that is expected to provide a formal governance structure of tax administration in Nigeria among the tax authorities and all government owned agencies, the law introduces and oversight functions using the Tax Appeal Tribunal and the Office of the Tax Ombudsman.

**2. Legal Framework for the Enforceability Powers of the NRS**

**The Constitution of Nigeria**

The Nigerian Constitution serves as a fundamental legal framework that outlines the powers and responsibilities of various governmental bodies, including the Federal Inland Revenue Service (FIRS). The FIRS is primarily responsible for assessing, collecting, and accounting for taxes and other revenues accruing to the Federal Government. The enforcement powers of the FIRS are derived from several legal instruments, including the Constitution, the Federal Inland Revenue Service (Establishment) Act, and other tax-related laws.<sup>1</sup> The Constitution of Nigeria, particularly in its provisions on the separation of powers and the rule of law, provides a backdrop for the operations of the FIRS. It ensures that the FIRS operates within the legal boundaries set by the legislative framework. The FIRS (Establishment) Act 2007 is a key statute that specifically outlines the powers and functions of the FIRS. Under this Act, the FIRS is empowered to administer the tax laws, assess persons chargeable with tax, collect taxes, and enforce payment of taxes due to the government. The enforcement powers of the FIRS

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<sup>1</sup> *Edun & Anor v Governor of Delta State & Anor (2022) LPELR-58062(SC)19-20*, paras E-E

include the ability to audit taxpayers, impose penalties for non-compliance, and take legal action against defaulters. The FIRS can also collaborate with other law enforcement agencies to ensure compliance with tax laws. The Constitution supports these enforcement actions by providing the legal authority for the FIRS to operate and by ensuring that the rights of taxpayers are protected during enforcement actions. Several cases have highlighted the extent and limitations of the enforcement powers of governmental agencies like the FIRS. For instance, in the case of *Taraba State Government & Anor v Shaku & Ors*,<sup>2</sup> the court examined the enforceability of claims under the Fundamental Rights (Enforcement Procedure) Rules, which can impact how enforcement actions are carried out. Moreover, the Fundamental Rights (Enforcement Procedure) Rules, 2009, provide a mechanism for individuals to challenge any perceived infringement of their rights during enforcement actions. This ensures a balance between the enforcement powers of the FIRS and the protection of individual rights. It can be argued that the Nigerian Constitution, along with specific tax laws and regulations, provides a comprehensive legal framework for the enforcement powers of the FIRS. This framework ensures that the FIRS can effectively carry out its mandate while respecting the rights of taxpayers. The interplay between constitutional provisions, statutory laws, and judicial interpretations shapes the operational landscape of the FIRS and its enforcement activities.

### **Nigeria Revenue Service (Establishment) Act 2025**

The Nigeria Revenue Service (Establishment) Act, 2025 repeals the Federal Inland revenue Service (Establishment) Act, No 13, 2007 and enact the subject of this work charged with the powers of assessment, collection of and accounting for revenue accruable to the government of the federation. On Thursday the 26<sup>th</sup> day of June, 2025 the President of the Federal Republic of Nigeria signed into law four ground-breaking tax reform bills into law and it is generally believed that the new laws will transform Nigeria's fiscal landscape and revenue generation, the four bills which include The Nigeria Tax Bill, The Nigeria Tax Administration Bill, The Nigeria Revenue Service (Establishment) Bill and the Joint Revenue Board (Establishment) bill after they were all passed by the National Assembly. The commencement date for all the laws is said to be on the 1<sup>st</sup> day of January, 2026, the laws are expected to transform tax administration in Nigeria, leading to increased revenue generation, improve business environment and boost domestic and foreign direct investments. The Federal Inland Revenue Service (FIRS) Act that was repealed by the Nigeria Revenue Service (Establishment) Act is a key agency responsible for tax administration in Nigeria, established under the Federal Inland Revenue Service (Establishment) Act, 2007. The FIRS is tasked with the assessment, collection, and accounting of taxes and levies due to the Federal Government or any of its agencies.<sup>3</sup> The powers, duties, and responsibilities of the FIRS are extensive and are aimed at ensuring efficient tax administration and compliance. The FIRS has the authority to assess and collect taxes, including Companies Income Tax, Petroleum Profits Tax, Value Added Tax, and others as stipulated under various tax laws. The FIRS is empowered to enforce compliance with tax laws, which includes the power to audit taxpayers, impose penalties for non-compliance, and prosecute tax defaulters.<sup>4</sup> It can make regulations (example, Tax Administration (Self-Assessment) Regulations, 2011) for the administration of tax laws, including the issuance of guidelines and procedures for tax assessment and collection. It has responsibility for educating taxpayers on their obligations and rights under the tax laws to enhance voluntary compliance. The FIRS collaborates with other government agencies to ensure comprehensive tax administration and to prevent tax evasion. It further handles tax disputes through the Tax Appeal Tribunal, providing a platform for taxpayers to contest assessments or decisions made by the FIRS.

The Act outlines the powers, functions, and organizational structure of the FIRS, as well as the procedures for tax collection and enforcement. Below is a part-by-part analysis of the FIRS Act 2007: the establishment and function of the FIRS is captured under Part I. This part establishes the FIRS as a body corporate with perpetual succession and a common seal. It outlines the primary functions of the FIRS, which include assessing, collecting, and accounting for taxes and other revenues accruable to the government. Secondly, Part II provides for management and staff of the Service. This details the composition of the FIRS management, including the Executive Chairman and other members appointed by the President. It also outlines the qualifications, tenure, and responsibilities of the management team. For Part III, powers of the service are clearly provided. The FIRS is granted extensive powers to administer tax laws, including the power to assess and collect taxes, enforce tax compliance, and impose penalties for non-compliance. The Act also empowers the FIRS to access taxpayer information and conduct audits. The financial provisions are enacted in Part IV. It outlines the financial structure of the FIRS, including its funding sources, budgetary processes, and financial reporting requirements. It mandates the FIRS to maintain proper accounts and submit annual reports to the National Assembly. Miscellaneous provisions are explained in Part V. This, Part V, details various provisions related to the operations of the FIRS, such as the establishment of tax offices, the appointment of tax agents, and the resolution of tax disputes. It also provides for the confidentiality of taxpayer information and the protection of FIRS staff. Furthermore, the case of *FIRS v A. G. Lagos State & Anor*<sup>5</sup> highlights the status and function of the FIRS as the primary tax authority in Nigeria. The court affirmed the FIRS's authority to administer federal taxes and emphasized the importance of its role in revenue generation.

### **Company Income Tax Act**

The Company Income Tax Act (CITA) is a key piece of legislation governing the taxation of companies in Nigeria. It outlines the framework for assessing and collecting taxes on the profits of companies operating within the country. The Federal Inland Revenue Service (FIRS) is the primary agency responsible for the administration of tax laws in Nigeria, including the

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<sup>2</sup> *Taraba State Government & Anor v Shaku & Ors* (2019) LPELR-48130(CA) 67-99, paras D-E

<sup>3</sup> s.8, Federal Inland Revenue Service (Establishment) Act 2007

<sup>4</sup> s.10, FIRS Act, 2007

<sup>5</sup> *FIRS v A. G. Lagos State & Anor* (2022) LPELR-58021(CA)

enforcement of the CITA.<sup>6</sup>The FIRS is empowered by the Federal Inland Revenue Service (Establishment) Act to assess, collect, and account for taxes and other revenues accruing to the federal government. The agency's functions include: Assessment and Collection, FIRS is responsible for assessing and collecting taxes from companies, ensuring compliance with the CITA. This includes the collection of Companies Income Tax (CIT), Value Added Tax (VAT), and other federal taxes. Taxpayer Education, FIRS provides guidance and education to taxpayers to enhance compliance. This includes issuing circulars and guidelines on tax matters. Enforcement, the agency has the authority to enforce tax laws, which includes conducting audits and investigations to ensure compliance. FIRS can impose penalties and interest on defaulters. FIRS handles disputes arising from tax assessments and can engage in negotiations or refer matters to the Tax Appeal Tribunal. FIRS do implementation of tax policies and reforms as directed by the federal government, such as those introduced by the Finance Act. Companies must ensure compliance with tax laws to avoid penalties. This includes timely filing of returns and payment of taxes. Again, companies may face disputes with FIRS over tax assessments. Understanding the dispute resolution process, including the role of the Tax Appeal Tribunal, is crucial. Companies must stay informed about changes in tax laws and regulations, such as those introduced by the Finance Act, which may affect their tax liabilities. The FIRS plays a critical role in the administration of company income tax in Nigeria, with extensive powers to ensure compliance and enforce tax laws. Companies must navigate these regulations carefully to maintain compliance and avoid disputes.<sup>7</sup>

The Companies Income Tax Act and the Federal Inland Revenue Service (Establishment) Act are two pivotal pieces of legislation governing corporate taxation and tax administration in Nigeria. A section-by-section analysis of CITA in relation to the FIRS Act 2007 provides a comprehensive understanding of how corporate income tax is assessed, collected, and enforced. CITA is the primary legislation that imposes tax on the income of companies in Nigeria. It outlines the framework for determining taxable income, tax rates, allowable deductions, and tax exemptions. Key sections include: Section 9 defines the scope of taxable income for companies, including profits from trade, business, or investments.<sup>8</sup>Section 13 addresses the taxation of foreign companies operating in Nigeria, specifying conditions under which they are deemed to have a taxable presence.<sup>9</sup>\*Section 23 lists exemptions from income tax, such as profits from certain agricultural activities and small companies with turnover below a specified threshold.<sup>10</sup>Section 30 Provides for the assessment of companies on a deemed profit basis where records are inadequate.<sup>11</sup>The FIRS Act complements CITA by providing the administrative framework necessary for the implementation of corporate income tax laws. The FIRS is responsible for enforcing the provisions of CITA, ensuring compliance, and addressing tax disputes through mechanisms such as the Tax Appeal Tribunal.<sup>12</sup>

### **Financial Act 2023**

The Finance Act is a significant piece of legislation in Nigeria that amends various tax laws to enhance revenue generation, improve tax administration, and align with global best practices. The Finance Act 2023 introduced several changes to the tax landscape in Nigeria, impacting various sectors and stakeholders. Some of the key changes introduced into tax administration in Nigeria by the Act includes: Capital Gains Tax (CGT), the Act imposes a 10% CGT on capital gains from the disposal of stocks and shares in Nigerian companies if the proceeds exceed ₦100 million within a 12-month period, unless reinvested in Nigerian companies within the same year. Companies Income Tax Act (CITA), the Act removes the tax exemption for companies engaged in educational activities, making their profits taxable. It also clarifies that profits from exports in the petroleum sector are taxable and introduces the Significant Economic Presence (SEP) rule for non-resident companies providing digital goods or services to Nigerian customers. Tertiary Education Trust Fund Act, the rate of tertiary education tax is increased from 2% to 2.5% of assessable profits. National Agency for Science and Engineering Infrastructure, companies in specific sectors with a turnover of ₦100 million and above are liable to pay a 0.25% levy on their profits before tax. Nigeria Police Trust Fund (Establishment) Act, a levy of 0.005% of net profit is imposed on companies operating in Nigeria. Value Added Tax Act, non-resident suppliers of taxable goods or services to Nigeria are required to collect and remit VAT to the Federal Inland Revenue Service. For the Federal Inland Revenue Service (Establishment) Act, the Financial Act imposes penalties for non-compliance with tax administration requirements, such as granting FIRS access to information systems and submitting quarterly returns. The Finance Act operates within the framework of existing tax laws, including the Companies Income Tax Act, Value Added Tax Act, and Capital Gains Tax Act. It is administered by the Federal Inland Revenue Service which is responsible for assessing, collecting, and enforcing tax payments. The Financial Act has some challenges. Companies must ensure compliance with the new tax provisions to avoid penalties. This includes understanding the SEP rule and its implications for digital businesses. Businesses need to reassess their tax planning strategies in light of the changes, particularly those related to capital gains and educational activities. The changes affect various sectors differently, requiring sector-specific analysis and adaptation

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<sup>6</sup> *FIRS v A. G. Lagos State & Anor* (2022) *supra* 31-32, paras F-D

<sup>7</sup> *Best Children International Schools Ltd v FIRS* (2018) LPELR-46727(CA) 12-22, paras C-B

<sup>8</sup> s.9, CITA

<sup>9</sup> s.13, CITA

<sup>10</sup> s.23, CITA

<sup>11</sup> s.30, CITA

<sup>12</sup> *SAIPEM Contracting (Nig) Ltd & Ors v FIRS & Ors* (2018) LPELR-45118(CA) 39-52, paras A-B

### **3. Institutional Framework for Tax Enforcement in Nigeria**

#### **Nigeria Revenue Service (Establishment) Act, 2025**

The Nigeria Revenue Service (Establishment) Act, 2025 repeals the Federal Inland revenue Service (Establishment) Act, No 13, 2007 and enact the subject of this work charged with the powers of assessment, collection of and accounting for revenue accruable to the government of the federation. The Federal Inland Revenue Service (FIRS) is the primary agency responsible for tax administration in Nigeria. Established under the Federal Inland Revenue Service (Establishment) Act, the FIRS is tasked with the assessment, collection, and accounting of taxes and other revenues accruing to the federal government. The agency plays a crucial role in ensuring compliance with tax laws and regulations, thereby contributing significantly to the nation's revenue base. The FIRS is responsible for assessing and collecting taxes from individuals and corporate entities. This includes ensuring that taxpayers comply with their tax obligations and that taxes are collected efficiently and effectively. They implement tax policies as directed by the federal government. This involves interpreting tax laws and providing guidance to taxpayers on compliance requirements. It has the authority to enforce compliance with tax laws. This includes conducting audits, investigations, and taking legal action against defaulters. The FIRS advises the government on tax policy matters, providing insights and recommendations based on its experience in tax administration. Several cases have highlighted the role and authority of the FIRS in tax administration. For instance, in the case of *FIRS v A. G. Lagos State & Anor*,<sup>13</sup> the court examined the status and function of the FIRS, affirming its role as a key player in tax administration. Similarly, in *GTB Plc v Etuwewe & Anor*,<sup>14</sup> the court addressed the powers of the FIRS in relation to bank accounts and tax enforcement. The FIRS operates within a regulatory framework that includes various tax laws and regulations. The Federal High Court (Tax Appeals) Rules, for example, provide procedural guidelines for tax-related cases brought before the court. Additionally, regulations such as the Public Notice on Withholding Tax and the Finance Act introduce changes and updates to tax laws, impacting how the FIRS administers taxes. The FIRS faces several challenges, including tax evasion, inadequate taxpayer education, and the need for technological advancements to improve tax administration. Addressing these challenges requires continuous efforts to enhance compliance, streamline processes, and engage with taxpayers effectively. The FIRS is a pivotal institution in Nigeria's tax administration landscape, with a mandate to ensure effective tax collection and compliance. Its role is supported by a robust legal and regulatory framework, which guides its operations and interactions with taxpayers.

#### **Federal High Court**

The jurisdiction of the Federal High Court in Nigeria concerning tax matters is primarily governed by Section 251(1) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended). This section provides that the Federal High Court has exclusive jurisdiction in civil causes and matters relating to the revenue of the Government of the Federation, including taxation of companies and other bodies established or carrying on business in Nigeria.<sup>15</sup> The Federal High Court's jurisdiction over tax matters is further reinforced by the Federal High Court (Tax Appeals) Rules, which apply to all cases pertaining to Federal taxation brought on appeal to the Court. These rules ensure that the Federal High Court is the appropriate forum for resolving disputes related to Federal taxes, including those imposed by the Federal Inland Revenue Service (FIRS). There is plethora of cases on the scope of the Federal High Court's jurisdiction over tax matters. For instance, in the case of *Registered Trustees of Association of Hotel Proprietors of Edo State V. A-G Edo State & Ors*,<sup>16</sup> the Court of Appeal examined the jurisdiction of the Federal High Court in relation to taxation and affirmed its exclusive jurisdiction over matters involving Federal taxes. Similarly, in *Access Bank Plc v Edo State Board of Internal Revenue*,<sup>17</sup> the Court of Appeal addressed the jurisdictional boundaries between State and Federal High Courts concerning tax matters, emphasizing the Federal High Court's role in cases involving Federal taxation. The Federal High Court's jurisdiction is not absolute, as State High Courts may have jurisdiction over certain tax matters, particularly those involving State taxes. For example, in *Nigerian Mining Corporation v Plateau State Board of Internal Revenue*,<sup>18</sup> the Court of Appeal considered whether a State High Court could entertain matters related to non-payment of personal income tax, highlighting the nuanced jurisdictional landscape. It is found that the Federal High Court has exclusive jurisdiction over matters related to Federal taxation, as outlined in the Constitution and reinforced by relevant rules and case law. However, jurisdictional overlaps may occur, particularly in cases involving State taxes, necessitating careful consideration of the specific tax issue at hand and the parties involved.

#### **Tax Appeal Tribunal**

The Tax Appeal Tribunal (TAT) in Nigeria is a specialized tribunal established to handle disputes arising from the administration of tax laws in Nigeria. The jurisdiction of the TAT is primarily governed by the Federal Inland Revenue Service (Establishment) Act, 2007, which provides the legal framework for its operations. The TAT has jurisdiction over disputes between taxpayers and the Federal Inland Revenue Service or any other tax authority in Nigeria. This includes disputes related to the assessment, collection, and enforcement of taxes under various tax laws such as the Companies Income Tax Act, Personal Income Tax Act, Value Added Tax Act, and others. Its jurisdiction is not limited to federal taxes; it also extends to state taxes where the state tax laws provide for appeals to the TAT. However, the TAT does not have jurisdiction over criminal matters related to tax offenses. Several cases have addressed the jurisdiction of the TAT, providing clarity on its scope and limitations.

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<sup>13</sup> *FIRS v A. G. Lagos State & Anor* (2022) LPELR-58021(CA)

<sup>14</sup> *GTB PLC v Etuwewe & Anor* (2021) LPELR-56768(CA)

<sup>15</sup> s.251(1), Constitution of the Federal Republic of Nigeria 1999

<sup>16</sup> *Registered Trustees of Association of Hotel Proprietors of Edo State V. A-G Edo State & Ors* (2018) LPELR-46099(CA)

<sup>17</sup> *Access Bank Plc v Edo State Board of Internal Revenue* (2018) LPELR-44156(CA)

<sup>18</sup> *Nigerian Mining Corporation v Plateau State Board of Internal Revenue* (2016) LPELR-47660(CA)

For instance, in the case of *CNOOC Exploration & Production (Nig) Ltd & Anor v NNPC & Anor*,<sup>19</sup> the Court of Appeal affirmed the jurisdiction of the TAT over tax-related disputes, emphasizing its role in providing a specialized forum for resolving such disputes efficiently. Again, in *FIRS v TSKJ Construcoes Internacional Sociedade Unipessoal LDA*,<sup>20</sup> the court reiterated the TAT's jurisdiction in tax matters, highlighting its importance in the tax administration framework. The procedural rules governing the TAT are outlined in the Tax Appeal Tribunal (Procedure) Rules. These rules provide guidance on the filing of appeals, the conduct of proceedings, and the enforcement of decisions. According to Order 3 of the TAT (Procedure) Rules, an appeal must be filed within 30 days from the date of the decision being appealed against, although the tribunal may allow an appeal to be filed out of time if there is sufficient cause for the delay. Some of the challenges faced by the TAT is the enforcement of its decisions. While the TAT can issue binding decisions, the enforcement of these decisions may require further legal action in the regular courts. Additionally, there may be jurisdictional overlaps with the Federal High Court, which also has jurisdiction over tax matters. It clear that the TAT plays a crucial role in the Nigerian tax system by providing a specialized forum for resolving tax disputes. Its jurisdiction covers a wide range of tax-related issues, and its decisions are critical in ensuring compliance with tax laws. However, the effectiveness of the TAT is contingent on the clarity of its jurisdiction and the enforceability of its decisions.

Procedurally, TAT handles tax cases at the TAT are governed by the Tax Appeal Tribunal (Procedure) Rules, 2010. These rules provide a structured framework for the resolution of tax disputes, ensuring fairness and efficiency in the adjudication process. The TAT has jurisdiction over disputes arising from the administration of various tax laws, including the Companies Income Tax Act, Petroleum Profits Tax Act, Value Added Tax Act, and others. The tribunal is empowered to hear appeals against decisions made by the Federal Inland Revenue Service (FIRS) and other relevant tax authorities. A person aggrieved by an assessment or demand notice issued by the FIRS may file an appeal with the TAT. According to Order 3 of the Tax Appeal Tribunal (Procedure) Rules, an appeal must be filed within 30 days from the date of the decision being appealed. The appeal is initiated by filing a Notice of Appeal using Form TAT 1, accompanied by the prescribed fee.<sup>21</sup> An appellant must submit a list of witnesses, written statements on oath, and copies of documents to be relied upon during the hearing. This ensures that all evidence is presented upfront, allowing for a comprehensive review of the case. The TAT conducts hearings where both parties present their arguments and evidence. The tribunal is composed of tax experts and legal practitioners who evaluate the merits of the case. The tribunal's decision is based on the evidence presented and the applicable tax laws. If a party is dissatisfied with the decision of the TAT, they may appeal to the Federal High Court. The appeal must be filed within 30 days of the TAT's decision. The Federal High Court reviews the case based on the record of proceedings from the TAT.<sup>22</sup>One of the challenges in tax appeal proceedings is ensuring timely filing and compliance with procedural requirements. Delays or non-compliance can result in dismissal of the appeal. Additionally, the complexity of tax laws necessitates a thorough understanding of the applicable statutes and regulations. Therefore, Tax Appeal Tribunal plays a crucial role in the resolution of tax disputes in Nigeria. By providing a specialized forum for tax-related cases, the TAT ensures that disputes are resolved efficiently and in accordance with the law. Parties involved in tax disputes should familiarize themselves with the procedural rules and relevant case law to effectively navigate the appeal process.

### **State Boards of Internal Revenue Service (SBIR)**

The State Internal Revenue Service (SIRS) is an establishment of the relevant State Government across Nigeria (including FCT) which is saddled with the responsibility of collecting income and employment taxes as well as enforcing tax laws at the state levels<sup>23</sup>. The duty of the FIRS is basically to collect, assess and coordinate the entire tax process.<sup>24</sup>The composition of the SBIR includes the Executive Chairman of the State Service who shall be experienced in taxation and appointed by the state Governor, the Directors and Heads of Department within the state Service, A Director from the state Ministry of Finance, three persons nominated by the Commissioner of Finance, a legal adviser to the state service and the Secretary to the State Service who shall be an ex-officio member.<sup>25</sup>The functions and powers of the SBIR includes:

- i. The State Board is responsible for the assessment and collection of Pay As You Earn and other Personal Income Tax.
- ii. Ensuring the effectiveness and optimum collection of all taxes and penalties due to government
- iii. Doing all such things as may be deemed necessary and expedient or the assessment and collection of and account for all amounts so collected in a manner to be prescribed by the Commissioner
- iv. Making recommendation, where appropriate, to the JTB on tax policy, tax reforms, tax legislation, tax treaties and exemptions as may be required from time to time
- v. Generally controlling the management of the State Service on matters of policy, subject to the provision of the law setting up the State Service.

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<sup>19</sup> *CNOOC Exploration & Production (Nig) Ltd & Anor v NNPC & Anor* (2017) LPELR-50911(CA)

<sup>20</sup> *FIRS v TSKJ Construcoes Internacional Sociedade Unipessoal LDA* (2017) LPELR-42868(CA)

<sup>21</sup> Ord. 3, 3 of the Tax Appeal Tribunal (Procedure) Rules

<sup>22</sup> *FIRS v TSKJ Construcoes Internacional Sociedade Unipessoal LDA* (2017) LPELR-42868(CA)

<sup>23</sup> <https://taxaide.com.ng/2021/07/01/key-things-to-know-about-state-internal-revenue-service-sirstax-audit/#:~:text=The%20State%20Internal%20Revenue%20Service,laws%20at%20the%20state%20levels>. Accessed on the 21<sup>st</sup> of June, 2025

<sup>24</sup> <https://bir.oyostate.gov.ng/objectives-functions/> accessed on the 21<sup>st</sup> of June, 2025

<sup>25</sup> Seyi Ojo, 'Fundamental Principles of Nigerian Tax', Sagbira Tax Publication, PP 4-5

### **Joint Tax Board**

The Income Tax Management Act 1961 created the Joint Tax Board (JTB) and charged it, primarily, to ensure uniformity of standards and application of Personal Income Tax in Nigeria.<sup>26</sup> Nigeria's decentralized tax system presents significant challenges to efficient tax administration, with disparities across states leading to issues such as double taxation, revenue, leakage, and non-compliance. The need for a harmonized tax system has become more critical as the country seeks to improve its revenue generation and create a more conducive environment for businesses.<sup>27</sup> The JTB is composed of the Executive Chairman of the FIRS and a representative from each state of the federation.<sup>28</sup> The JTB is charged with the following functions:

- a. To advise the Federal Government in respect of double taxation arrangement, rates of capital allowances and other tax matters including proposed amendments to the Personal Income Tax Decree;
- b. To promote uniformity both in the application of the PITD and in the incidence of tax on individuals throughout Nigeria and
- c. Impose its decisions on matters of procedures and interpretation of the PITD on any state for the purpose of conforming with the agreed procedures and interpretations.<sup>29</sup>

The Joint Tax Board (JTB) plays a crucial role in tax enforcement in Nigeria, particularly in collaboration with the Federal Inland Revenue Service (FIRS). Some key aspects of their role include<sup>30</sup>:

**Full Scale Enforcement Exercise:** JTB and FIRS have commenced a full-scale enforcement exercise targeting default tax payers who didn't take advantage of the Voluntary Assets and Income Declaration Scheme (VAIDS). This exercise includes prosecution and assessment of taxes according to the relevant tax laws.

**Taxpayer Identification:** JTB issues Tax Identification Number (TINs) to individuals and businesses in Nigeria, which helps track and enforce tax compliance.

**Collaboration with FIRS:** JTB works closely with FIRS to enforce tax law, share information and coordinate efforts to combat tax evasion and default.

**Reconciling Tax Management:** JTB reconciles the management of Personal Income Tax in all states and the Federal Capital Territory (FCT) in Nigeria, ensuring consistency and effectiveness in Tax enforcement.

**Registration and Verification:** JTB provides online platforms for TIN registration and Verification, making it easier for taxpayers to comply with tax laws.

Overall, JTB's role in tax enforcement is vital in ensuring that taxpayers comply with tax laws and regulations and its collaboration with FIRS strengthens the overall tax administration system in Nigeria<sup>31</sup>.

### **Local Government Revenue Committee.**

This is to be established for each Local Government Area of each state. It comprises of the supervisor of Finance as the Chairman, three (3) Local Government Councillors as members and two (2) other persons experienced in revenue matters to be nominated by the Local Government Chairman on their person merit.<sup>32</sup> Their functions include<sup>33</sup>:

- a) Responsible for the assessment and collection of all taxes, fines and rates under its jurisdiction and shall account for all monies so collected in a manner to be prescribed by the chairman of the Local Government.
- b) Shall be responsible for the day to day running of the Local Government treasury. The Local Government treasury shall be its operational arm

## **4. Conclusion and Recommendations**

Today, with the passing into law the four tax reform laws, it is hoped and believed that the tax system in Nigeria will be better-off. The Nigeria National Assembly has passed the reform bills and the President of the Federal republic of Nigeria accented to the bills making them laws in our country, the key transformative changes created by the new tax reform laws include: increase in revenue generation and threshold for small scale businesses in Nigeria, VAT paid on all purchases, including services, will now be recovered, introduction of 4% development levy, the law also introduces revised rates and bands for personal income tax, the minimum Tax of 0.5% of turnover would no longer apply and it constitute entities of multinational enterprises. It is recommended that all the passed tax reform laws be put into proper use and their content be properly enforcement for the betterment of the Nigerian economy.

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<sup>26</sup> [https://www.undp.org/sites/g/files/zskgke326/files/2024-11/policy\\_brief-tax\\_and\\_gender\\_november\\_202442.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2024-11/policy_brief-tax_and_gender_november_202442.pdf) accessed on the 21-06-2025

<sup>27</sup> Chikezie Paul-Mikki Ewim, Mobolaji Olalekan Komolafe, Onyinye Gift Ejike, Edith Ebele Agu, and Ifeanyi Chukwunonso Okeke: 'A Regulatory Model For Harmonizing Tax Collection Across Nigerian States: The Role Of The Joint Tax Board', September, 2024, In *International Journal of Advanced Economics*, Volume 6, Issue 9, PP 457-470, [https://www.researchgate.net/publication/384336204\\_A\\_regulatory\\_model\\_for\\_harmonizing\\_tax\\_collection\\_across\\_Nigerian\\_states\\_The\\_role\\_of\\_the\\_joint\\_tax\\_board#read](https://www.researchgate.net/publication/384336204_A_regulatory_model_for_harmonizing_tax_collection_across_Nigerian_states_The_role_of_the_joint_tax_board#read) accessed on 21<sup>st</sup> June, 2025

<sup>28</sup> *ibid* (n25)

<sup>29</sup> *ibid*.

<sup>30</sup> <https://investogist.com/firs-jtb-begin-full-scale-enforcement-on-tax-defaulters/> accessed on the 21<sup>st</sup> of June, 2025

<sup>31</sup> *ibid*.

<sup>32</sup> *ibid*.

<sup>33</sup> *ibid*.