

# TAX NEWSLETTER

JUNE 2023



PML welcomes you to June 2023 edition of our Tax Newsletter , and in this edition we bring to you a summary of all the major tax events that occurred during the Month. You can follow us on Social Media – Facebook, Instagram, LinkedIn , and Twitter. You can also reach us by mail on [tax@pml.com.ng](mailto:tax@pml.com.ng)

1. The Federal Inland Revenue Service, FIRS has suspended the implementation of the amended Finance Act, 2023 till 1 September, 2023, in line with the Executive order of the President.

**a. VAT withheld or collected**

VAT withheld or collected in June shall be remitted to FIRS on or before the 14 of July 2023. Similarly, VAT withheld or collected in subsequent months shall be remitted to FIRS not later than 14 day of the month following that in in which VAT was withheld or collected .

**b. VAT on items excluded from Building**

Example of items excluded are radio and television masts, transmission lines, cell tower, mobile homes, caravans and trailers, all the items removable from the definition of lands have becomes chargeable to VAT. Companies letting or trading in furnishing services with such items must charge VAT at the prevailing rate with effect from 1 July, 2023.



**c. Rate of tertiary Education Tax**

The TET rate of 3% shall take effect from July, becoming due in respect of accounting period ending on or after 1 July, 2023.

**d. Investment Allowance and Convertibles Currency**

Granting allowance in respect of capital expenditure incurred in certain circumstances, and tax exemption on income earned on convertible currencies from tourist by hotels have been abolished. Consequently, the said allowances and tax exemption are no longer available for returns becoming due in respect of accounting period ending on or after 1 July, 2023.

2. Nigeria's federal revenue agency said on Monday it had partnered with a trader's association to collect Value Added Tax (VAT) from millions of informal traders, part of push to widen the tax base by President Bola Tinubu.

3. The Federal Inland Revenue Service (FIRS) has signed a Memorandum of Understanding (MOU) with the Lagos Internal Revenue Service (LIRS), where the two tax authorities would collaborate on joint tax audit, investigation, and automatic exchange of information.

4. Lagos splashes N800m on consultant to recover VAT despite ongoing court case

5. The Federal Capital Territory Internal Revenue Service says it has introduced Electronic Tax Clearance Certificate (E-TCC) to improve service delivery and checkmate activities of fraudsters who could forge such document.

6. The Federal Capital Territory Internal Revenue Service (FCT-IRS) in collaboration with the Chartered Institute of Taxation of Nigeria (CITN) are training another batch of 200 personnel on tax Audit.

7. The Federal Capital Territory Internal Revenue Service (FCT-IRS) has urged Ministries, Departments, and Agencies of the government (MDAs), as well as contractors in the FCT, to ensure that the Withholding Tax (WHT) due to the Service is remitted accordingly.

8. Nigeria generated N1.18 trillion from Company Income Tax (CIT) and Value Added Tax (VAT) at the end of the first quarter of 2023, representing an increase of 3.37 percent over N1.14 trillion realized from both revenue sources as at March 2022. VAT contributed 60.2 percent of the total earnings from both revenue sources.

9. The Federal Inland Revenue Service (FIRS) has extended the deadline for annual returns filling for companies with 31 December 2022 year end till 31 August, 2023.



Service  
**Tax**

# **JULY 2023 TAX DEADLINE**

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Set out below are the major deadlines in the month of July 2023, as relating to the Nigerian Tax space:

## **CIT & TET Remittance and Filing**

Companies whose financial year-end is December are to pay their Companies Income Tax (CIT) and Tertiary Education Tax (TET) to the Federal Inland Revenue Service (FIRS), and thereafter file their CIT, TET and Transfer Pricing (where applicable) returns with the FIRS, via the FIRS TaxPro Max portal, on or before Friday, 30 June 2023.

## **ECS Contribution Payment**

Pay the Employees Contribution Scheme (ECS) contributions due on your employees' June 2023 emoluments to the Nigeria Social Insurance Trust Fund (NSITF), via any of its designated banks, on or before 30 July 2023.

## **PAYE Remittance**

Remit all Pay-As-You-Earn (PAYE) deducted from employees' June 2023 emoluments to the Internal Revenue Service (IRS) of the State(s) where the said employees are resident, via any of the designated banks, on or before Monday, 10 July 2023.

## **Pension Remittance**

Remit all pension deducted (from employees' June 2023 emoluments) and contributed (by the employer) to the Pension Fund Custodian of the relevant employees. Remittance should be made within seven (7) business days of salary payment, i.e., companies that paid salaries on 31 June, 2023 are to remit pension on or before Friday, 7 July 2023.

## **NHF Remittance**

Remit the NHF deducted from employees' June 2023 emoluments to the Federal Mortgage Bank of Nigeria, via any of its designated banks, on or before Monday, 31 July 2023.

## **VAT Remittance and Filing**

Companies who meet the required threshold are to remit all Value Added Tax collected in the month of June 2023 to the FIRS, via any of its designated banks, and file their June 2023 VAT returns with the FIRS, on or before Friday 21 July 2023.

## **WHT Remittance (FIRS)**

Remit the WHT deducted from payments made to all corporate and foreign entities in June 2023, to the FIRS, via any of its designated banks, on or before Friday 21 July 2023.

## **WHT Remittance (SIRS)**

Remit the WHT deducted from payments made to all non-incorporated entities in June 2023, to the IRS of the State(s) where the said entities are resident, via any of the designated banks, on or before Monday 31 July 2023.



# SERVICE OFFERINGS

- Companies Income Tax Management
- PAYE Returns Management
- Payroll Tax Management
- Personal Income Tax Management
- Micro Business Package
- Small and Medium Enterprises Business Package
- Tax Audits and Investigations Management
- Transfer Pricing Management
- Value Added Tax Management
- Withholding Tax Management (Payable)
- Withholding Tax Management (Receivables)

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