



Tax Alert

Issue No. 3.1 | March 2021

Update on Hotel Occupancy and Restaurant Consumption Tax in Lagos State

The Lagos State Internal Revenue Service (LIRS) recently issued a Public Notice to clarify the definitions of “hotels”, “event centres” and “restaurants” in Section 17 of the Hotel Occupancy & Restaurant Consumption (HORC or “Consumption”) Law, 2009 and the compliance obligations of their owners for consumption tax.

The LIRS requires the management of these facilities to charge consumption tax on their bills/ invoices and remit the tax to the LIRS on or before the 20th day of each calendar month in the format prescribed in Section 6(1)(b) of the HORC Law, 2009. Further, the LIRS reiterates its intention to commence enforcement of the sanctions provided in the relevant sections of the HORC Law, 2009 for non-compliance with the consumption tax obligation and filing requirements.

For our previous publication on the legality of consumption tax based on two contradictory judgements of the Federal High Court in the cases of *Registered Trustees of Hotel Owners and Managers Association of Lagos (RTHMAL) v. Attorney-General of the Federation & Minister of Finance* and *RTHMAL vs Attorney-General of Lagos State and Federal Inland Revenue Service*, refer to our newsletter [Issue No. 9.7 of 30 September 2020](#).

As the two cases are on appeal, it is hoped that the controversy will be resolved when a higher court makes an authoritative pronouncement on the subject.

Please click [here](#) to read the LIRS’ Public Notice.

For further enquiries, please contact:

Wole Obayomi
ng-fmtaxenquiries@ng.kpmg.com

Download KPMG Nigeria Tax Mobile App:



[Contact Us](#)

kpmg.com/socialmedia



© 2021 KPMG Advisory Services, a partnership registered in Nigeria and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International



kpmg.com/app

