



Tax Alert

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FIRS issues public notice on payment of outstanding taxes by tax collection agents

The Federal Inland Revenue Service (FIRS) recently issued a Public Notice reminding persons appointed as agents of tax collection by the relevant provisions of the Companies Income Tax Act (CITA) Cap.21, LFN 2004 (as amended) and the Value Added Tax Act (VATA) Cap V1, LFN 2004 (as amended), of their obligation to collect, deduct or withhold taxes on supply of taxable goods and service and remit same to the FIRS. The FIRS requests such persons who have collected, deducted, or withheld taxes to remit same to the FIRS within 30 days from the date of the Public Notice, i.e., by **Thursday, 3 June 2021**.

Further, the FIRS notes its intention to exercise the “*power of substitution*” conferred on it by Section 31 of the FIRS (Establishment) Act 2007 to recover any outstanding taxes, including applicable penalties and interest, from the assets of defaulting taxpayers after the deadline.

Comments

Enforcement of collection of outstanding taxes is within the statutory powers of the FIRS. Section 8(1)(b) of the FIRSEA empowers the FIRS to “*assess, collect, account and enforce payment of taxes as may be due to the government...*”. Due process must be followed in the exercise of these powers by the FIRS as was decided by the Federal High Court’s judgement in the case of *Ama Etuwawe Esq vs the FIRS & Guaranty Trust Bank Plc.* (reviewed in our Tax Alert [Issue No. 10.4 of 9 October 2019](#)).

It behoves taxpayers affected by the Public Notice to comply with their statutory obligations under CITA and VATA to avoid sanctions by the FIRS.

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

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