



# Tax Alert

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## Filing of 2021 Employer's Pay-As-You-Earn tax returns

The annual Employer's Pay-As-You-Earn (PAYE) tax returns ("the Returns") for 2021 is due on **31 January 2022**. The Returns, which show each employees' emolument and taxes paid in the preceding year, are to be filed with the relevant State Board of Internal Revenue Services (SBIRS) where the employees were resident (and with the Federal Capital Territory Internal Revenue Service for employees that were resident in Abuja) in 2021.

Some of the relevant information/ documents required for the purpose of filing the Returns include:

- 1) Annual payroll of employees, showing the gross income earned and tax paid for each employee for 2021 tax year.
- 2) Evidence of PAYE tax remittance to the relevant SBIRS (i.e. copies of the employees' PAYE tax receipts for the year).
- 3) Duly completed e-TCC application form (for fresh applicants only), signed by the employees with passport photographs affixed. The Company's stamp must be affixed to the bottom page of the forms. A separate schedule should be prepared for e-TCC renewals. This requirement may however, defer depending on the SBIRS.
- 4) Acknowledged copies of expatriate quota and monthly expatriate immigration returns submitted to the Nigeria Immigration Service (if applicable).
- 5) Information on the nature of permits used by expatriates for their Nigerian employment in 2021 tax year (e.g., Temporary Work Permit or Combined Expatriate Residence Permit and Alien Card).
- 6) A copy of projected annual payroll for 2022, stamped and signed by an authorized personnel of the company.
- 7) Evidence of payment of development levy for all employees for 2021 tax year.

- 8) Business Premises Levy: evidence of payment of annual renewal levy (or registration fee for first time payment) for 2021 tax year.
- 9) Current utility bill of the business (e.g. PHCN Bill, Land Use Charge, etc.). This requirement may defer depending on the SBIRS.

Please visit the web portals of the relevant SBIRs that permit e-filing of annual returns to verify the required documents and make preparations for physical filing at SBIRS offices where e-filing is unavailable.

Failure by an employer to file the Returns within the statutory timeline attracts a fine of ₦500,000 and ₦50,000 upon conviction, for corporate entities and individuals, respectively. Taxpayers are therefore urged to ensure the Returns are filed promptly to avoid penalties.

For further enquiries, please contact:

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