



# Tax Alert

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## LIRS introduces new process for obtaining and generating tax clearance certificate

The Lagos State Internal Revenue Service (LIRS) has issued a Public Notice providing guidelines to taxpayers resident in Lagos State on the process of generating the new electronic Tax Clearance Certificate (eTCC) through its end-to-end tax administration (eTax) platform. The new eTCC features a unique Certificate Number and QR Code as key security features to prevent fraud and ensure authenticity. The LIRS, therefore, encourages all government Ministries, Departments and Agencies (MDAs), and commercial banks to request and validate the eTCC using the security features before conducting businesses with individuals resident in the State, in line with Section 85(2) of the Personal Income Tax (PIT) Act (as amended).

To process and generate the eTCC, a taxpayer must meet the following tax compliance requirements to the State:

- Updated profile on the platform with a recent passport photograph and address information
- Filed annual income tax returns (also the employer must have submitted the annual tax returns) for the last 3 years,
- Received tax assessment from the LIRS for the above returns and made full payments of all taxes due on returns.

Taxpayers, who have complied with the above requirements, can download their eTCC using the following steps:

- Log in as an individual taxpayer and click on the "*DOWNLOAD TCC*" icon on the profile page. This will redirect you to the TCC checklist page.

- Review the TCC checklist to confirm that the above compliance requirements have been fulfilled.
- Once all conditions are met, the taxpayer will be directed to a new page to preview a copy of the TCC. You will not be able to preview the TCC if there are any outstanding issues on the checklist.
- Confirm the information on the TCC, including the image, employer details (if applicable), occupation information, certificate number, scannable barcode, total income, and tax paid, for accuracy and completeness.
- Download a softcopy or print a hard copy of the TCC.

Enquiries on e-TCC application, e-Tax and other related issues may be addressed to the [etaxinfo@lirs.net](mailto:etaxinfo@lirs.net) or the dedicated customer service hotline, 0700-2255-5477.

### **Commentary**

A TCC is an official document, which is issued by the relevant tax authority to a taxpayer, confirming that the taxpayer has fulfilled his/ her civic obligation for the period specified in the certificate. Section 85(1) of the PIT Act (as amended) stipulates a duration of two (2) weeks for the relevant tax authority to issue TCC to a taxpayer, who has fully paid income tax for the three (3) years immediately preceding the current year of assessment or has no tax due from his/ her income or is not liable to tax for any of the three years, upon application.

Section 85(2) and (4) of the PIT Act (as amended) mandates MDAs and commercial banks to request a copy of valid TCC from individuals, partnerships (in respect of their partners) and enterprises in order to process their applications for licences, permits and certificates from the government. Therefore, given its importance, it is commendable that the LIRS has leveraged technology to fully automate and digitize the TCC application process in order to achieve the timeline prescribed in the Act.

The embedded security features on the new TCC should reduce the incidence of fraud relating to the processing of TCC applications and improve the ease of tax administration in the State. The compliance checklist feature will provide taxpayers with a snapshot of any pending issue delaying the TCC application. It will also facilitate ease of resolution of any tax assessment issues, improve voluntary compliance and ensure prompt issuance of TCC to taxpayers who have fulfilled their tax obligations as stipulated in Section 85(1) of the PIT Act (as amended).

Consequently, taxpayers resident in Lagos State should ensure that their profile information on the eTax platform is updated as prescribed in the Public Notice. Where there are outstanding assessments or issues, they should proactively engage with the LIRS to resolve such assessment/ issues and settle any outstanding liabilities arising therefrom to enable them generate and download their TCC from the platform whenever needed.

Please click [here](#) to access the Public Notice and [here](#) to access the Step by Step Guide.

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