



# GMS Flash Alert

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## Nigeria - COVID-19: Tax Relief and Fiscal Stimulus Plans

The federal government of Nigeria (FGN), the Nigeria Center for Disease Control (NCDC), as well as federal and state tax authorities have announced various measures to curb the spread of COVID-19 in the country and also relieve some of the burdens on taxpayers that may arise.

In this *GMS Flash Alert*, we focus on the tax and other fiscal measures the government has introduced.

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### WHY THIS MATTERS

The measures put forward are intended to bring relief to individuals and employers in Nigeria as they come to grips with the changing situation arising from the restrictions on their daily lives, travel, and business operations due to the COVID-19 pandemic.

Measures such as delayed tax filing deadlines, waivers of Late Returns Penalty for taxpayers who pay early but file their returns later, suspension of field audits, investigations, and monitoring exercises, etc., should give taxpayers some welcome breathing room to preserve their cash-flow and take additional time to organise their financial and tax affairs in these trying times.

In addition, the Economic Stimulus Bill that is currently moving through the legislature should provide opportunities for cost savings and relieve employers of some of the burdens which have arisen as a result of the current global health emergency. If passed, the measures would encourage businesses to protect jobs and mitigate loss of income for employees.

# In Brief: Tax and Fiscal Measures

## Federal – Business Relief

- ✓ The Federal Inland Revenue Service (FIRS) on 23 March 2020, announced several measures to help support businesses during this period, including an extension of the deadline for filing Value Added Tax returns and an extension to the due date for corporate income tax filings. In addition to the measures initially announced, the FIRS released further measures to support taxpayers, including the suspension of field audits, investigations, and monitoring exercises as well as alternative tax payment options for taxpayers facing difficulties sourcing for foreign exchange (“forex”).<sup>1</sup>

## State – Individuals

- ✓ Different state tax authorities have extended the deadline for the filing of the individual tax returns (Form A). Among these tax authorities are the Lagos State Internal Revenue Service (LIRS) and the Federal Capital Territory Internal Revenue Service (FCT-IRS), two out of the three states on full lockdown.<sup>2</sup> They have indicated, respectively, they are extending the deadline for the filing of individual tax returns (Form A) from 31 March to 31 May and 30 June 2020.

## Fiscal Stimulus – Legislative Developments

- ✓ On March 24, 2020, the House of Representatives (HOR) proposed an Emergency Economic Stimulus Bill, 2020, to cushion the country against the effects of COVID-19.<sup>3</sup> Although the Bill has passed its reading with the HOR, it is yet to be passed by the Senate and assented to by the president. As such, there are no guidelines or timelines on the process for implementation of its provisions. The Bill, among other measures, seeks to provide relief on tax and other liabilities including a 50-percent refund on PAYE contributions made by employers who maintain the same status of their employees from 1 March to 31 December 2020.

## FOOTNOTES:

1 For more information, see the FIRS website: <https://www.firs.gov.ng/SiteApplication/Home/Home.aspx> .

2 See the LIRS website for more on the authority’s tax relief measures at: <http://www.lirs.gov.ng/> . Also, see this webpage of the FCT-IRS: <https://fctirs.gov.ng/extension-of-deadline-for-filing-of-annual-tax-returns-form-a/> .

3 The Bill can be found on the website of the National Assembly of Nigeria at; <https://www.nassnig.org/> . For an announcement of the HOR’s passing of the bill, go directly to: <https://www.nassnig.org/news/item/1472> .

## RELATED RESOURCE:

For additional information see “[Nigeria Introduces Tax and Economic Measures in Response to COVID-19 Pandemic](#)” (March 2020), a publication of the KPMG International member firm in Nigeria.

## Contact us

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