

IMPLEMENTATION OF TAX INCENTIVES AND RELIEFS FOR TAXPAYERS (INDIVIDUALS AND BUSINESSES) IN LAGOS STATE.



The Lagos state Government has put in place some incentives before now to assist taxpayers cope in these trying times, one of which was the 3 months extension which ended on the 30th Of June, 2020. To further cushion the effect of Covid-19 pandemic outbreak on individuals and businesses, Lagos state Internal Revenue Service has introduced additional incentives and reliefs to tax payers. In addition to the initial palliatives, Lagos State Internal Revenue Service has decided to put more measures in place to relief tax payers. The measures include the following:

S/N	Tax Incentive	Explanatory Note
1.	Installment Payment	This is available to both individuals and corporate bodies. It helps taxpayers in cashflow management and ease the burden of huge payment of liability at once.
2.	Waiver of Penalty on PAYE during lockdown	The State had a lockdown between March and May 2020; hence, penalty has been waived for all PAYE payment due but not paid due to the lockdown
3.	Waiver of Penalty on Annual tax return (Form A)	Due to the impact of the Covid-19 the penalty of N50,000 and N500,000 has been waived for individuals and Organizations Respectively. Taxpayers are expected to regularize their books
4.	Waiver of Interest and Penalties on outstanding tax audit liability	This is applicable to 2009 and 2015 tax audit liabilities provided such taxpayer keep to a structured tax payment and the total liability is terminated on or before 31 st December 2020.
5.	Grant of tax credit of 20% incentive	Individuals and corporate bodies in the states gets up to 20% tax credit of the total donations made (Cash and Kind). This only covers 35% of the total liability of the company.
6.	Increase in payment Channels	Multiple means of tax payments now available. These includes but not limited to Remita, Online Transfers etc.
7.	Virtual tax meetings	Tax Audit Reconciliation Meeting (TARCM) and any other type of meetings would adopt the same method

Conclusion:

In conclusion, we encourage all our clients to take advantages of the above palliatives measure put in place by the state tax authority to assist taxpayers in this pandemic.

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