

# A BILL

## FOR

AN ACT TO PROVIDE FOR THE DISTRIBUTION AND PAYMENT TO STATE GOVERNMENTS OF SOME TAXES AND DUTIES COLLECTED BY THE FEDERAL INLAND REVENUE SERVICES (FIRS) OR OTHER AUTHORITIES OF THE FEDERAL GOVERNMENT AND FOR RELATED MATTERS

*Sponsored by: Hon. Hazeer Babajide Akinloye*

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1           **1.-(1) Where any tax or duty on:**
- 2           (a) capital gains, incomes or profits of persons other than
- 3           companies; and
- 4           (b) documents or transactions by way of stamp duties is collected
- 5           by the Federal Inland Revenue Service (FIRS) or any other agency of the
- 6           Federal Government in accordance with section 163 (a) constitution of the
- 7           Federal Republic of Nigeria, 1999 the proceeds shall be paid into a special
- 8           distributable pool account to be maintained by the Federation.
- 9           (2) The net proceeds of such tax or duty which is derived from a
- 10          state shall be determined by the collecting authority and credited to that state
- 11          in accordance with section 163 (b) of the Constitution of the Federal
- 12          Republic of Nigeria, 1999.
- 13          (3) Subject to the provision of this Bill, a State Government shall
- 14          be paid a net amount due to it at the end of each of the relevant year.
- 15          **2. The net proceeds of any tax or duty provided for in this Bill shall**
- 16          **be the total sum derived from a particular state less the cost of collection,**
- 17          **which shall not exceed 5% of the total sum.**
- 18          **3. Payment to a State Government of all amounts due to it under**
- 19          **this Bill in a particular quarter shall be made within a period not exceeding**

Collection and distribution of proceeds of tax or duty

Quantity of net proceeds

Time within which to effect payment of proceeds due

- 1 14 days after the end of that quarter.
- Stamp duty on  
land, real property  
and others 2 4. For the Purpose of this Bill:
- 3 (a) Where stamp duty is paid on land or real property transaction of
- 4 any type, the stamp duty shall be deemed to be derived from the state in which
- 5 the land or real property is situated; and
- 6 (b) in any other case, stamp duty shall be deemed to be derived from
- 7 the State in which the duty was actually paid to the receiving authority
- 8 notwithstanding that the document was executed in another State;
- 9 (c) a tax on incomes or capital gains shall be deemed to be derived
- 10 from State in which the taxpayer was located at the time of collection.
- Deemed application  
of this Bill 11 5. All sum due to any State Government before the commencement of
- 12 tins enactment shall be determined by the relevant revenue agency of the
- 13 Federal government in conjunction with the Accountant General of the State
- 14 and paid over to the State Government within a period of three (3) months after
- 15 the Commencement of this Bill.
- Short Title 16 6. This Bill may be cited as States, Tax and Duty Net Proceeds
- 17 (Distribution) Bill, 2016.

#### EXPLANATORY MEMORANDUM

This Bill seeks to give effect to the provisions of section 163, Constitution of the Federal Republic of Nigeria, 1999, as it relates to the distribution and allocation of other revenues as contained in Item D, Part II of the second schedule of the Constitution.