A BILL

FOR

AN ACT TO PROVIDE TAX HOLIDAY FOR CORPORATE BODIES, ORGANIZATIONS OR INDIVIDUALS THAT ENGAGE IN THE PROMOTION OF ANY SPORTING ACTIVITIES AND FOR OTHER CONNECTED PURPOSES BILL, 2016

Sponsored by Senator Olugbenga Ashafa

[ ] Commencement

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

1. As from commencement of this Act the Federal Government shall establish a comprehensive programme of granting tax Holiday to corporate bodies, individual, organizations engaged in the promotion of sporting activities.

Publication of list of Sporting activities

2. The Federal Government shall from time to time direct publication in the Gazette a list of sports and sporting activities that can be sponsored by corporate bodies, organizations or individual as specified in the schedule to this Act.

Organization

3.-(1) Any:

(a) Company;

(b) Society;

(c) Firm;

(d) Organizations

(e) Statutory body institution; and

(f) Individuals.

Recognized by law, not being a company, society, firm, organization, statutory body or institutions, or other body registered or incorporated for the purposes of promoting sports as a business or trade that engages in the

promotion of sports activities, shall be granted tax relief on the amount donated.

4. An individual, not being a professional sport promoter, who engages in the promotion of sporting activities, shall be granted a tax holiday for a period to be determined by the Federal Inland Revenue Service.

Mode of donation

5.-(1) Every donation shall be made with an application to the Minister and shall be in such form as he may from time to time, specify.

(2) Every such application shall state the sporting activity to be sponsored, the amount of donation and the period of time covered by such sponsorship.

(3) Where an application is submitted to the Minister under this section, he may require the applicant to furnish such further particulars as the Minister may consider necessary to enable the council consider the application.

(4) After the application has been submitted to the Minister or, after any further particulars required by the Minister under subsection (3) of this section has been submitted to him by the application and subject to the provision of this Act, the council may approve or disapprove the application.

Issue of Certificate

6. Where an application is approved the Minister shall issue a certificate to the applicant stating the amount to be exempted from tax and the period covered by the exemption.

Amending Certificate

7.-(1) At anytime during the tax holiday period, a company, firm, organization or individual may make an application in writing to the Minister to increase the amount of donation made under Section 4 of this Act.

(2) Every such application shall specify the new amount of donation and or new duration of sponsorship and shall state the reason for the application.

(3) Where the application under Section (1) of this section is approved, the Minister shall withdraw or cancel the earliest certificate issued

1 under section 4 and issues a new certificate stating the amount to be
2 exempted from tax and the period covered by the exemption.

Cancellation of certificate

3 **8.**-(1) If the Minister is of the opinion that a company or individual
4 has contravened any of the provision of this Act or has failed to fulfill the
5 obligations as contained in the certificate, the Minister shall inform the
6 President accordingly may either cancel the certificate of the company or
7 restrict tax holiday of such company to such a period as he may consider
8 appropriate.
9 (2) Where the certificate is cancelled or the tax holiday period is
10 restricted, the Minister shall give notice of the cancellation or of the
11 restriction, to the company, firm, organization or individual concerned.

Publication of Certificate

12 **9.**-(1) The Minister shall cause it to be published in the Gazette:
13 (a) Name of the company, firm, organization or individual issued
14 with a certificate under Section 5 of this Act;
15 (b) Any restriction of the tax holiday period of the company firm,
16 organization or individual pursuant to section 6(1) of this Act.

Tax Holiday period

17 **10.** The tax exemption period shall commerce on the date the
18 donation is given to the Minister.

Exempted from Tax Holiday

19 **11.** Where a contract for sporting activity is entered into by:
20 (a) A company;
21 (b) A society;
22 (c) A firm;
23 (d) An organizations;
24 (e) A statutory body institution; and
25 (f) Individual.
26 **12.** The company, society, Firm, organizations, statutory body,
27 institution and individuals executing contracts shall not be entitled to relief
28 under section 2 of this Act.

29 MISCELLANEOUS PROVISIONS

False information and penalty

30 **13.** Any person who for the purpose of obtaining a tax exemption

certificate comply with provision of this Act:

(a) makes or present any declaration or statement which is false in any material particular; or

(b) makes an undertaking which is false or has every reason to believe that it is false in any material particular or has not been given by the person whom it purposes to have been in any way altered or tempered with.

(c) commits an offence and is liable on conviction to a fine not exceeding N50.000 or imprisonment term for not.' more than 5 years or to both fines and imprisonment.

Offences by Corporate, etc.

14. Where an offence tinder this Act is committed by a body corporate body or firm or other association:

(a) Every Director, Manager, Secretary or other similar officer of the body corporate;

(b) Every partner or office of the firm;

(c) Every person concerned in the management of the affairs of the association; or

(d) Every person who purport to act in any such capacity as aforesaid. Commits an offence and is liable to be prosecuted and furnished for the office in like manner as if he had himself committed an offence, unless the act or omission constituting the offence takes place without his knowledge, consent or connivance.

Liability undertaking enforceable notwithstanding proceedings

15. The institution of proceeding for, fine or time or imprisonment under this Act shall not relieve any person from liability to payment of any sum for, which he is or may be liable under any undertaking given to him under any provision of this Act.

Interpretation

16. In this Act, unless the context otherwise requires:

"Company" means a company (other than a private company) limited by shares and incorporated and registered in Nigeria and resident in Nigeria;

"Certificate" means certificate given under this Act certifying among other things the amount of donation duration and Tax exemption;

1 "President" means The President, Commander-in-Chief;

2 "Gazette" means the Federal Gazette and includes the Gazette of any State

3 of the Federation;

4 The "Minister" means the Minister in charge of sports in Nigeria;

5 "Tax Holiday period" means the period of relief specified in the certificate.

6 **17.** This Act may be cited as Income Tax Holiday Bill, 2016. Citation

EXPLANATORY MEMORANDUM

This Bill seeks to provide for Tax Holiday to Corporate bodies, organizations, or individuals that engage in the promotion of any sporting activities and to encourage the growth and development of sports in Nigeria.