

# A BILL

## FOR

AN ACT TO IMPOSE A SPECIAL LEVY TO BE KNOWN AS THE NATIONAL FISCAL STABILISATION LEVY ON SPECIFIED COMPANIES AND INSTITUTIONS IN ORDER TO RAISE REVENUE FOR FISCAL STABILISATION OF THE NATIONAL ECONOMY AND TO PROVIDE FOR RELATED MATTERS

*Sponsored by Senator Jibrin Barau*

[ ] Commencement

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

- 1           1. There is imposed by this Act, for the purpose of national fiscal  
2           stabilisation, a National Fiscal Stabilisation Levy of 5% on the profits before  
3           tax of the companies and institutions specified in the Schedule. Imposition of  
levy on profits  
before tax of  
specified companies
- 4           2.-(1) Subject to subsection (2), the Levy imposed under section 1  
5           applies to the specified companies and institutions despite any provision to Scope of  
application of  
Levy  
6           the contrary in any enactment relating to a tax holiday or exemption from  
7           direct or indirect tax applicable to a company or institution.
- 8           (2) The Levy imposed under section 1 does not apply to Micro  
9           Finance banks.
- 10          3. The Levy payable under this Act is not an allowable deduction Levy not an  
allowable  
deduction  
11          for the purpose of ascertaining the chargeable income of a person under the  
12          Federal Inland Revenue Act, 2007
- 13          4. The Levy is payable in respect of the profits before tax for the Profits affected  
by Levy  
14          2017 and 2018 years of assessment.
- 15          5.-(1) The Federal Inland Revenue may, as soon as practicable after Assessment of  
Levy payable  
16          the commencement of each of the years of assessment referred to in section  
17          4, proceed to make provisional assessment, computed to the best of the  
18          Chairman judgment, of the Levy payable by the companies and institutions  
19          liable to pay the Levy.

1 (2) The Chairman shall, in determining the Levy payable under  
2 subsection (1), consider the profits before tax of the company or institution for  
3 the two preceding years of assessment before the current year of assessment.

4 (3) Where the company or institution:

5 (a) has not been assessed for tax in the two preceding years of  
6 assessment, or

7 (b) has not furnished a return or an estimate, the Federal Revenue  
8 Service may proceed to make a provisional assessment of the Levy payable  
9 under this Act by that company or institution.

Time of payment 10 6.-(1) The Levy assessed for a year of assessment is payable quarterly  
11 and is due on 31st March, 30th June, 30th September and 31st December of the  
12 year.

13 (2) For the 2017 year of assessment, the proportionate quarterly  
14 payment is due on 30th September and 31st December of the year.

Authority to 15 7. The Levy shall be collected by the Federal Inland Revenue Service  
collect Levy 16 established under the Federal Inland Revenue Service Act, 2007.

Payment into 17 8. The Federal Inland Revenue Service shall pay all amounts  
Consolidated 18 collected under this Act into the Consolidated Fund.  
Fund

Recovery of 19 9. For the purpose of enforcing the recovery of the Levy, the  
Levy 20 provisions of the Federal Inland Revenue Service Act, relating to collection,  
21 enforcement, refund and penalties shall apply to the collection of the Levy as if  
22 the Levy is collected under the Act.

Amendment 23 10. The Minister responsible for Finance may, by legislative  
of Schedule 24 instrument, amend the Schedule.

Interpretation t 25 11. In this Act, unless the context otherwise requires:  
26 "Levy" means the National Fiscal Stabilisation Levy imposed under section 1.

Citation 27 12. This Bill may be cited as the National Fiscal Stabilization Levy  
28 Bill, 2017.

- 1 SCHEDULE
- 2 (Section 1)
- 3 *Companies and Institutions liable to pay National Fiscal*
- 4 *Stabilisation Levy*
- 5 1. Banks (Microfinance Banks)
- 6 2. Non-Bank Financial Institutions
- 7 3. Insurance companies.
- 8 4. Telecommunications companies.

## EXPLANATORY MEMORANDUM

The Bill is to impose the National Fiscal Stabilisation Levy for a period of eighteen months to raise funds for fiscal stabilisation of the economy.

