# Decoding Nigeria's 2024 Tax Reform Bills: Key Provisions and Implications for Individuals and the Business Landscape

+234 (0)702 558 0053
3 Theophilus Orji Street, Off Fola Osibo Road, Lekki Phase 1, Lagos, Nigeria

www.strenandblan.com
contact@strenandblan.com
@strenandblan

# Background

## The Big Picture: Why Is Nigeria Overhauling Its Tax System?

As global economic headwinds intensify and domestic fiscal pressures mount, emerging economies are being compelled to reassess the sustainability of their revenue systems and the efficiency of public spending. Nigeria is no exception. Despite its vast economic potential and population, the country's tax revenue remains alarmingly low. In 2023, Nigeria's tax-to-GDP ratio stood at just 9.4 percent, one of the lowest globally and significantly below the 15 to 20 percent benchmark typical of countries with comparable economies, which has constrained the government's ability to invest meaningfully in infrastructure, healthcare, education, and social services. [1]

As of 2024, Nigeria's tax-to-GDP ratio improved marginally, reaching 10.8 percent. However, it remains one of the lowest in the world and still falls below the African average of 16.5 percent.[2] Despite being Africa's largest economy, Nigeria continues to struggle with limited domestic revenue generation owing to its weakened fiscal position and increasing reliance on debt to finance public spending.[3] Moreover, another significant challenge to Nigeria's fiscal structure is the widespread tax evasion and low compliance, caused by a complicated tax system and limited transparency in the utilisation of public revenues.

These shortcomings have eroded taxpayer confidence and significantly undermined the government's capacity to mobilize adequate domestic revenue.[4] In response to these fiscal inefficiencies, President Bola Ahmed Tinubu established the "**Presidential Committee on Fiscal Policy & Tax Reforms**," chaired by Taiwo Oyedele, with core objectives, to wit:

1 Reuters, Nigeria's lower house of parliament passes tax reform bills with some tweaks, March 13, 2025. Available at: https://www.reuters.com/world/africa/nigerias-lower-house-parliament-passes-tax-reform-bills-with-some-tweaks-2025-03-13

2 Africa Confidential, Tinubu's tax revolution tightens his grip, May 16, 2025. Available at: https://www.africa-confidential.com/article-preview/id/15482/tinubu%27s-tax-revolution-tightens-his-grip

3 Africa Confidential, Tinubu's tax revolution tightens his grip, May 2025. Available at: https://www.africa-confidential.com/article/id/15482/Tinubu%E2%80%99s-tax-revolution-tightens-his-grip

4 Al Jazeera. (2023, July 7). Nigeria on quest to almost double tax-to-GDP ratio in three years. Retrieved May 18, 2025, from https://www.aljazeera.com/news/2023/7/7/nigeria-on-quest-to-almost-double-tax-to-gdp-ratio-in-three-years

- Enhancing Revenue Generation and Compliance: This aims to improve tax morale and voluntary compliance, targeting an increase in Nigeria's tax-to-GDP ratio to at least 18% by 2026.
- Tax System Simplification and Harmonization: Consolidate multiple taxes and levies across federal, state, and local governments into fewer, broad-based, and easily administered taxes.
- Institutionalizing Effective Coordination: Establish frameworks to promote policy coherence and collaboration among government agencies and different tiers of government, ensuring reforms are sustained through strong institutional structures.[5]

Among the committee's early proposals is the consolidation of Nigeria's over 60 different taxes into fewer, more efficient levies;[6] the creation of a centralized Nigerian Revenue Service; and the adoption of zero-based budgeting to prioritize spending on high-impact areas.[7] These priorities form the backbone of four mutually reinforcing tax reform bills introduced in 2024 and eventually passed in 2025, namely:

- The Nigeria Revenue Service (NRS) Bill,
- The Nigerian Tax Bill, (NT)Bill
- The Joint Revenue Board (JRB) Bill, and
- The Nigeria Tax Administration (NTA) Bill.

Collectively referred to as ("The Tax Reform Bills").

In unison, these bills seek to modernize tax rates, harmonise administrative jurisdictions, and institutionalise digital compliance, ultimately fostering a more transparent, predictable, and business-friendly fiscal environment.

5 Presidential Committee on Fiscal Policy & Tax Reforms. (2024). About the Committee. Retrieved May 18, 2025, from https://fiscalreforms.ng/index.php/about-the-committee/

6 CNBC Africa, Nigeria's tax reforms committee proposes 8 taxes, May 2024. Available at: https://www.cnbcafrica.com/media/6354018065112/nigerias-tax-reforms-committee-proposes-8-taxes/

7 As opposed to traditional budgeting which typically adjusts previous budgets by adding or subtracting amounts, zero based budgeting starts fresh each time no expenses are automatically carried over. Presidential Fiscal Policy and Tax Reforms Committee, Overview of Tax Reform Bills for CFOs, November 2024. Available at: https://fiscalreforms.ng/wp-content/uploads/2024/11/Tax-reform-bills-CFOs_Nov2024.pdf

# Driving The Reform Agenda: The Four Tax Reform Bills

Nigeria's 2024 tax reform marks a landmark step towards unifying fragmented tax laws, modernising rates, centralising administration, and mandating digital compliance through the Tax Reform Bills. On May 9, 2025, the Nigerian Senate passed all four bills, following earlier approval by the House of Representatives. Collectively, these bills repeal and consolidate over ten principal tax laws, introduce key levies, overhaul VAT (Value Added Tax) sharing formula, create a new revenue authority, and establish robust compliance and dispute-resolution mechanisms. [8] While the bills await presidential assent, their key highlights and implications are far-reaching, promising to transform Nigeria's tax landscape by improving revenue mobilization, enhancing intergovernmental fiscal coordination, and promoting greater transparency and fairness in tax administration.

# Key Highlights and Innovations

## Nigeria Revenue Service Bill

The Nigeria Revenue Service Bill proposes repealing the Federal Inland Revenue Service Establishment Act No. 13 of 2007 and replacing it with the Nigeria Revenue Service Establishment Act. This legislation aims to abolish the existing Federal Inland Revenue Service and establish a single and autonomous Nigeria Revenue Service (NRS) as the exclusive federal tax authority. [9]

8 BusinessDay NG, 'Senate completes passage of tax reform bills' BusinessDay NG (8 May 2025) https://businessday.ng/news/article/senate-completes-passage-of-tax-reform-bills/ accessed 10 May 2025.

9 Section 3 of the NRS Bill

The newly proposed Nigeria Revenue Service, as defined under the Nigeria Revenue Service Establishment Bill, is charged with the statutory responsibility for the assessment, collection, and accounting of all revenues accruable to the Government of the Federation. By consolidating revenue functions into a single, technology-driven authority, the NRS aims to enhance efficiency, curb leakages, and promote a coherent national tax administration system aligned with global best practices.

The Nigeria Revenue Service, as proposed under the NRS Bill, is vested with broad and strategic powers to administer and enforce tax laws at the federal level. Its core responsibilities include:[10]

- Assessing and collecting taxes from individuals, corporations, partnerships, and other taxable entities;
- Recovering unpaid taxes and enforcing compliance through legal means;
- Remitting all revenues collected into designated government accounts;
- Deploying digital technology to automate and modernize tax processes;
- Maintaining a robust database of taxpayers and tax-related information to prevent evasion and fraud;
- Tracing, freezing, or confiscating proceeds of tax fraud and evasion;
- Collaborating with domestic and international agencies to exchange tax intelligence and build enforcement capacity.
- Reviewing tax regimes and policies in coordination with relevant ministries to stimulate economic development.
- Conducting investigations and audits to ensure compliance and detect fraud.
- Issuing taxpayer identification numbers and regulations to guide compliance and administration; and
- Promoting tax awareness to encourage voluntary compliance and build a strong tax culture.

The NRS is also empowered to work with the Attorney General's office and law enforcement agencies to combat tax-related offences, make rules for the implementation of tax laws, and support government initiatives through research, policy development, and public enlightenment.

10 Section 4 of the NRS Bill

## Nigeria Tax Bill

The NT Bill seeks to repeal eleven principal statutes previously scattered across different enactments and consolidate them into a single unified Nigeria Tax Act. This legislative reform aims to eliminate ambiguities, remove overlaps, and provide a coherent legal framework for tax administration in Nigeria. The laws proposed for repeal include[11]:

- Capital Gains Tax Act Cap C1 LFN 2004: The NT Bill repeals the Capital Gains Tax Act, Cap C1, LFN 2004, consolidating its key provisions under the Bill, titled *Ascertainment of Chargeable Gains.*[12] This section preserves the substance of capital gains taxation by retaining the assessment and computation of chargeable gains, that is, the taxable portion of profits arising from the disposal of chargeable assets. While the standalone Capital Gains Tax Act will no longer be in force once the NT Bill is passed, its operative principles have been incorporated into the unified tax framework of the NT Bill, ensuring continuity in the taxation of capital transactions within a more harmonized legislative structure.
- Casino Act Cap C3 LFN 2004: The NT Bill introduces a new tax regime for lottery and gaming businesses and expressly repeals the Casino Act. It provides that income from any lottery or gaming trade or business shall be subject to tax in accordance with the provisions of the Bill, regardless of any contrary provisions in other laws.[13] It permits specific deductions in computing assessable profits, including amounts paid as winnings or prizes from the prize fund, statutory contributions to the Lottery Trust Fund under the National Lottery Act, agency commissions, and levies paid to regulatory or government authorities.

11 Section 197 of the NT Bill
12 Part VIII of the NT Bill
13 Section 62 of the NT Bill

- Companies Income Tax Act Cap C21 LFN 2004: The NT Bill repeals the Companies Income Tax Act (CITA) and introduces a new corporate tax regime [14]
- Company Income Tax Rate: The NT Bill revises the effective tax rate for Companies and proposed that company income tax (CIT) shall be levied, for each year of assessment (YOA) in respect of total profits of every company, in the case of[15]:
    - a small company, at zero per cent; and any other company, at the rate of–
    - 27.5% in 2025 YOA, and
    - 25% from 2026 YOA.
- Deep Offshore and Inland Basin Production Sharing Contracts Act Cap D3 LFN 2004: The NT Bill repeals the Deep Offshore and Inland Basin Production Sharing Contracts Act and provides that the provisions of this part shall apply to deep offshore and inland basin production sharing contracts that are yet to convert under the provisions of the Petroleum Industry Act or have been renegotiated in accordance with the provisions of the Petroleum Industry Act.[16]
- Industrial Development Income Tax Relief Act Cap I17 LFN 2004: The NT Bill repeals the Act and provides that a company granted an incentive under the Industrial Development (Income Tax Relief) Act shall continue to enjoy the reliefs applicable under the Act for the unexpired period as at the commencement of this Bill.
- Personal Income Tax Act Cap P8 LFN 2004: The NT Bill repeals the Personal Income Tax Act and provides that the income tax payable by an individual on their chargeable income for each year of assessment shall be calculated in accordance with the graduated rates set out in the Fourth Schedule to the Bill. This affirms the progressive nature of personal income tax, with applicable rates depending on the income level of the individual and forms the basis for the taxation of individuals under the new legal framework. The practical implications and changes introduced under this new regime will be discussed subsequently.

Revision of Personal Income Tax Rate: In line with the provisions of the NT Bill[17], after applicable reliefs and eligible deductions have been granted under Section 30 of the Bill, personal taxable income is subjected to progressive taxation based on the following income bands:

14 Section 56 of the NT Bill
15 Section 56 of the NT Bill
16 Section 101 of the NT Bill
17 Section 58 of the NT Bill

| Previous Rate | New Rate[18] |
|---|---|
| First N30,000 - 7% | First ₦800,000—0% |
| Next ₦300,000—11% | Next ₦2,200,000—15% |
| Next N500,000 - 15% | Next ₦9,000,000—18% |
| Next N500,000 - 19% | Next ₦13,000,000—21% |
| Next N1,600,000 - 21% | Next ₦25,000,000—23% |
| Above N3,200,000 - 24% | Above ₦50,000,000—25% |

- Petroleum Profits Tax Act Cap P13 LFN 2004: The NT Bill repeals the Petroleum Profits Tax Act (PPTA), which currently applies to oil prospecting licences (OPLs) and oil mining leases (OMLs) that have not yet been converted under Section 92 of the Petroleum Industry Act (PIA) 2021. Upon commencement of the Bill, the PPTA ceases to apply, and Part II of the NT Bill will govern the taxation of upstream petroleum operations for all non-converted assets, including the imposition and assessment of petroleum profits tax. [19]
- Stamp Duties Act (SDA) Cap S8 LFN 2004: The NT Bill formally repeals the Stamp Duties Act, Cap S8 LFN 2004, and introduces a restructured framework for the imposition and administration of stamp duties under Chapter 5 of the Bill. A key provision of the Bill outlines the instruments liable to stamp duties which includes instruments executed within Nigeria, and those executed abroad that relate to property or transactions in Nigeria, subject to exemptions set out in Part III of Chapter 8 and aligned with the rates in the Ninth Schedule.[20] The Bill significantly revises the applicable stamp duty rates and narrows liability through clearer provisions:

18 Fourth Schedule of the NT Bill
19 Section 89 of the NT Bill
20 Section 123 of the NT Bill

a. Loan Instruments: The NT Bill excludes overdrafts and short-term loans (under 12 months) from the previous uniform rate of 0.125% .
b. Loan Capital: A reduced 0.1% ad valorem rate is now applicable, replacing the SDA's more rigid rules under Section 103.
c. Mortgages: While the 0.375% rate is retained, mortgages involving properties valued below ₦10 million are exempted.
d. Leases: A tiered structure now applies 0.78% for leases up to 7 years, and 3% for leases exceeding 7 years. Properties with annual values below ₦1 million or 10x the minimum wage (whichever is higher) are excluded.

**Transfers on Sale:** Though the standard 1.5% rate remains, exemptions now apply to transfers below ₦10 million and intra-group transfers between companies with at least 90% common shareholding, provided the original instrument was duly stamped.

e. Revised Timelines: The SDA stipulates varied timeframes for stamping different instruments. For instance, charter parties executed outside Nigeria may be stamped within 10 days of being received in Nigeria,[21] while those executed in Nigeria may be stamped within specific periods ranging from 7 days to one month, with escalating penalties.[22] Additionally, SDA mandates that instruments executed in Nigeria must be stamped before or at first execution.[23] it also provides separate timelines for unstamped or ad valorem instruments ranging from 30 to 40 days, depending on the nature and location of execution.[24]

In contrast, the NT Bill introduces a uniform 30-day deadline for stamping all instruments, counted from the date of execution, thereby simplifying and harmonizing the previously inconsistent timelines under the SDA.[25]

The NT Bill also resolves longstanding ambiguity regarding liability for stamp duty, expressly assigning responsibility to specific parties depending on the nature of the transaction e.g. lenders for loan agreements, lessees for leases, and transferees for property transfers. On admissibility, the NT Bill marks a shift from the flexible position under the SDA. While unstamped documents remain admissible in criminal proceedings, they are now inadmissible in any civil, arbitral, or judicial proceeding unless duly stamped before presentation, with no option for post-facto stamping.[26]

21 Section 47 of the SDA
22 Section 48 of the SDA
23 Section 12 of the SDA
24 Section 23 of the SDA
25 Section 125 of the NT Bill
26 Section 126 of the NT Bill

Lastly, the Bill provides an updated list of exempt instruments, covering government securities, transfers involving vessels, instruments executed by government agencies or cooperative societies, and certain diplomatic transactions. In sum, the NT Bill not only repeals the Stamp Duties Act but also ushers in a streamlined, enforceable, and investment-friendly stamp duties regime with clearer obligations and modernised rate structures.

- **Value Added Tax Act.** Cap V1 LFN 2004: The NT Bill repeals the **Value Added Tax Act (Cap V1, LFN 2004)** and replaces it with a more structured VAT regime under Chapter VI of the Bill. The Bill sets a 0% VAT rate on essential goods and services, including basic food items, medical products, books, agricultural inputs, electricity to the national grid, medical services, tuition, exports (excluding oil and gas), and medical equipment.[27] Moreover, the Bill also fully exempts certain items from VAT, such as oil and gas exports, baby products, military supplies, public transport, land and buildings, financial instruments, and government licences.[29] Additionally, it empowers the President to exempt VAT on supplies for developmental projects through a published Order. This chapter simplifies VAT compliance, expands exemptions, and modernises Nigeria's consumption tax system.[29]

**VAT rate retention:** Amongst a myriad of innovations under the Bill, the Senate retains the VAT rate at 7.5% (opposed to the proposed increase to 15%[30] by January 2030). [31]

**Note:** The NT Bill introduces the Twelfth Schedule that designates certain goods and services as zero-rated for VAT purposes. Although many were previously exempt or zero-rated under the existing VAT regime, the Bill reclassifies them to ensure clarity, facilitate input VAT recovery, and address gaps in areas such as electricity supply and exported incorporeal property.

- Venture Capital Incentives Act: The NT Bill repeals the Venture Capital (Incentives) Act Cap V2 LFN 2004 and incorporates incentive provisions under Chapter 8, Part I of the Bill. Specifically, it provides, amongst other provisions, that there shall be no tax on:

"Gains accruing from the disposal of assets by an angel investor, venture capitalist, private equity fund, accelerator or incubator with respect to a labelled startup, provided the assets have been held in Nigeria for a minimum of 24 months." [32]

---

26 Section 126 of the NT Bill
27 Section 188 of the NT Bill
28 Ibid
29 Section 189 of the NT Bill
30 Section 146 of the NT Bill
31 BusinessDay NG, 'States to Receive More as Senate Passes Two Landmark Tax Reform Bills, Retains VAT at 7.5%' Arise TV (8 May 2025) https://www.arise.tv/senate-passes-two-landmark-tax-reform-bills-retains-vat-at-7-5/ accessed 10 May 2025.
32 Section 164(1) (m) of the NT Bill

This reform simplifies the legal framework for venture investments and offers clearer, performance-linked tax reliefs aimed at encouraging long-term capital flows into Nigeria's startup ecosystem.

- Income Tax Authorised Communications Act (Cap I4 LFN 2004): The Bill expressly repeals the Income Tax (Authorised Communications) Act, Cap. I4, LFN 2004, which previously empowered the President to authorise access to tax records for investigative purposes.[33]

By repealing these statutes, the Bill seeks to establish a more streamlined and investor-friendly tax regime in Nigeria.[33]

Other notable developments under the Bill includes:

## Joint Revenue Board Bill

The JRB Bill seeks to establish key institutions namely the Joint Revenue Board,[35] the Tax Appeal Tribunal,[36] and the Office of the Tax Ombud[37] to promote coordination, harmonisation, and effective resolution of disputes in Nigeria's tax administration system. As part of the Federal Government's broader tax reform efforts, the Bill is designed to modernise fiscal governance, improve collaboration across different levels of government, and introduce fair and transparent dispute resolution mechanisms.

## Creation of the Tax Appeal Tribunal

A significant feature of the JRB Bill is the establishment of the Tax Appeal Tribunal for resolving disputes arising from the administration of tax laws. While the structure and powers of the Tribunal align with the provisions of the repealed Federal Inland Revenue Service Act, the JRB Bill provides for a seamless transition. Proceedings initiated prior to the enactment of the JRB Bill will continue as though commenced under the new legal regime once enacted.[38]

35 Section 3 of the JRB Bill
36 Section 23 of the JRB Bill
37 Section 35 of the JRB Bill
38 Section 29 of the JRB Bill

## Introduction of the Office of the Tax Ombud:

The Bill also introduces the Office of the Tax Ombud to address complaints and concerns raised by taxpayers against tax authorities. [39] The Ombud is empowered to investigate grievances, mediate disputes, take legal action on behalf of taxpayers, and conduct inspections of premises relevant to tax administration. Additionally, the Office is mandated to assess and report on any unjust fiscal policies or practices by government agencies, with reports submitted to the National Assembly.[40] Investigations are to be concluded within 14 days of receiving a complaint, with a possible extension of 7 days where necessary.[41] Its oversight extends to monitoring the retained VAT and Development Levy allocations to ensure compliance with the agreed distribution formula (for VAT) and the prescribed levy disbursements.[42]

## Nigeria Tax Administration Bill

The Bill, as outlined in its explanatory memorandum, aims to establish a uniform procedure for the effective and streamlined administration of tax laws across the country. Its overarching goal is to promote taxpayer compliance and maximise revenue generation. In line with this objective, the Bill proposes a comprehensive legal framework to guide the assessment, collection, and remittance of tax revenues due to the Federation and all three tiers of government. Under the Bill, a new revenue distribution formula is proposed for VAT as follows:

## Proposed VAT Revenue Sharing Structure:[43]

| Previous Rate | New Rate |
|---|---|
| Federal Government – 15 % | Federal Government – 10% |
| State Government – 50% | State Governments and Federal Capital Territory (FCT) – 55% |
| Local Government – 35% | Local Governments – 35% |

39 Section 35 of the JRB Bill
40 Section of the JRB Bill
41 Paragraph 2 of third schedule to the JRB Bill
42 Reuters (n 8).
43 Section 77of the NT Bill

Notably, 60% of the portion allocated to State and Local Governments is to be distributed on the basis of derivation, reflecting the origin of the revenue. [44]

Mandatory Tax Registration: Among other notable highlights, the NTA Bill introduces key reforms aimed at broadening the tax base and boosting government revenue. A central feature of the Bill is the mandatory tax registration requirement for all taxable individuals, alongside the introduction of a tax identification "Tax ID" for opening or operating accounts with banks, stockbrokers, and other financial institutions.[45] In addition, the Bill empowers tax authorities to independently assign a Tax Identification Number (TIN) to individuals who are required to register but fail to do so. This discretionary power enables tax agencies to proactively register such persons for tax purposes, ensuring compliance with registration obligations.[46]

**Administrative Penalties:** The NTA Bill imposes clear penalties to enhance tax compliance. A taxable person who fails or refuses to register for tax under the applicable provisions shall be liable to an administrative penalty of ₦50,000 in the first month of default, and ₦25,000 for each subsequent month of continued failure. Furthermore, any statutory body or company that awards a contract to an unregistered person shall be liable to a penalty of ₦5,000,000. [47]

**Economic Development Tax Incentive under the NT Bill:** The NT Bill introduces the Economic Development Tax Incentive (EDTI) to support key sectors, replacing the Pioneer Status Incentive. It sets eligibility criteria, duration, and provisions for other incentives after EDTI use. Certain non-commercial entities like charitable and religious organisations may also benefit from tax reliefs.[48]

44 Provison of Section 77 of the NTA Bill
45 Section 8 of the NTA Bill
46 Section 7 of the NTA Bill
47 Section 95 of the NTA Bill
48 Section 167–85 of the NT Bill

# Dissecting Key Provisions: Commercial and Legal Implications

The Tax Reform Bills usher in transformative changes across all major tax heads. Companies and individuals must urgently reassess structures, pricing, and compliance frameworks in light of the following provisions.

- **Corporate Income Tax Cuts and SME Exemptions:** The CIT rate is set to fall from the current 30 per cent to 27.5 per cent in 2025 and further to 25 per cent from 2026.[49] For large taxpayers, each percentage point cut translates to billions in annual savings, enhancing post-tax cash flow and return on equity.[50] Crucially, "small companies" with annual turnover not exceeding ₦50 million enjoy full CIT exemption.[51]
- **VAT Regime: Stability, Zero-Rating, and Future Increases:** In a departure from initial proposals to raise VAT to 12.5 per cent immediately, the Senate retained the 7.5 per cent rate for now,[52] while the Bill anticipates phased increases to align with ECOWAS targets (10 percent by 2026; 12.5 per cent by 2029; 15 per cent by 2030).[53] Zero-rating of essential food items, education, healthcare, rent, transport remains intact,[54] cushioning low-income consumers. Meanwhile, the VAT registration threshold doubles to ₦50 million, broadening the exemption for small businesses and reducing compliance burdens.[55] Companies must model multiple VAT scenarios, assessing cash-flow impacts and supply-chain passthrough effects.
- **Personal Income Tax and Progressivity:** The Bill introduces progressive Personal Income Tax (PIT) brackets, exempting annual incomes up to ₦800,000 and scaling higher bands to promote equity.[56] Remote-working non-resident individuals are taxed only on services physically rendered in Nigeria, aligning with global digital taxation norms.[57] Human resources and payroll teams should update withholding systems, communicate changes to employees, and revisit expatriate assignment policies.

---

50 WTS Global, "Nigeria: Navigating the Future—Key Tax Reforms in Nigeria for 2024 and Beyond" (2 January 2025) https://wts.com/global/publishing-article/20250102-nigeria-navigating-the-future-key-tax-reforms-in-nigeria-for-2024-and-beyond accessed 10 May 2025.

51 BACTI, "BACITI Briefings: The Nigerian Tax Reform Bills, 2024," *BACITI* (April 2025) https://niia.gov.ng/wp-content/uploads/2025/04/Tax-Reforms-BACITI-Briefings-.pdf accessed 10 May 2025.

52 BusinessDay NG, "Senate completes passage of tax reform bills" (8 May 2025) <https://businessday.ng/news/article/senate-completes-passage-of-tax-reform-bills/> accessed 10 May 2025.

54 Daily Trust, "The Nigerian Tax Bill 2024 at a Glance: Highlights and Key Provisions" (4 months ago) <https://dailytrust.com/the-nigerian-tax-bill-2024-at-a-glance-highlights-and-key-provisions/> accessed 10 May 2025.

55 TaxPal Africa Blog (n 31).

56 "Nigeria: Navigating the Future…" (n 29).

57 PolicyVault Africa, "Joint Revenue Board of Nigeria (Establishment) Bill, 2024" (2024) https://policyvault.africa/policy/joint-revenue-board-of-nigeria-establishment-bill-2024/ accessed 10 May 2025.

- **Double Taxation Relief and Incentives:** For the first time, unilateral relief for foreign taxes paid is converted from a mere deduction to a full credit, provided income returns to Nigeria via approved channels.[58] Domesticated Double Taxation Agreements (DTAs) gain statutory force, and the Minister is empowered to issue implementing regulations.[59] Advisors structuring cross-border investments can now leverage expanded credit relief, improving net returns for multinationals.
- **Economic Development Tax Incentive (EDTI):[60]** Replacing the archaic Pioneer Status Incentive, the Economic Development Tax Incentive grants targeted reliefs to priority sectors agriculture, manufacturing, technology subject to eligibility criteria and duration caps.[61] This shift aligns incentives with strategic national priorities, presenting opportunities for sector-specific investors.

# Other Notable Highlights of the Tax Reform Bills:

- The NT Bill vests in the Nigeria Revenue Service (expected to succeed FIRS) powers to collect all national taxes, including royalties hitherto collected by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and excise duties, import VAT, etc, hitherto collected by the Nigeria Customs Service.
- Businesses will receive tax credits for VAT paid on assets and production expenses, resulting in up to 7.5% reduction in production costs and eliminating VAT burdens that could lead to lower prices.[62]
- Economic development incentives apply to profits or gains of friendly societies, co-operatives, educational, ecclesiastical, charitable organizations, trade unions, and government entities, provided these gains are not from trade or business activities.[63]

58 Section 119 of the NT Bill
59 Ibid
60 Section 167 – 185 of the NT Bill
61 Analysis of the Nigerian Tax Reform Bills (n 32)
62 Chapter VIII of the NT Bill
63 Chapter VIII of the NT Bill

- Compensation for loss of employment is exempt from tax up to ₦50,000,000.[64]
- All Non-Governmental Organisations (NGOs) must register for tax and obtain a TIN and file annual Company Income Tax returns with the Nigeria Revenue Service.[65]
- Penalties for NGOs failing to file tax returns have increased to N100,000 for the first month of non-compliance and N50,000 for each subsequent month.[66]
- NGOs are required to deduct and remit withholding tax on payments to suppliers and contractors. [67]
- Capital gains tax exemption is granted for NGO gains from assets used exclusively for approved activities.[68]

64Section 50 of the NT Bill
65 Section 96 of NT Bill
66 Ibid
67 Section 50 of the NTA Bill
68 Section 168 of the NT Bill

# Conclusion

Nigeria's 2024 Tax Reform Bills represent a bold and strategic shift in the country's fiscal architecture, seeking not only to boost revenue but to rebuild trust in the tax system through transparency, simplification, and inclusivity. By repealing obsolete laws, harmonizing tax regimes, institutionalising digital compliance, and introducing taxpayer protection mechanisms such as the Tax Ombud, these bills offer a more equitable and efficient approach to taxation. For businesses, the reforms promise a more predictable and unified tax landscape reducing compliance costs, curbing regulatory arbitrage, and fostering investor confidence. The creation of the Nigeria Revenue Service as a single, autonomous body, and the establishment of a Joint Revenue Board and Tax Appeal Tribunal, reflect a shift towards centralized governance that is aligned with global best practices. However, the success of these reforms will depend heavily on effective implementation, stakeholder buy-in, and sustained political will. As Nigeria pushes to achieve an 18 percent tax-to-GDP ratio by 2026, government agencies and private sector actors must collaborate to ensure the transition from policy to performance is swift, fair, and impactful.

Stren & Blan Partners is well-positioned to assist stakeholders in interpreting these changes, assessing their operational and financial implications, and navigating the transition to the new tax regime through tailored legal and tax advisory support.

# About Stren & Blan Partners

Stren & Blan Partners is an innovative and dynamic Law Firm with a compelling blend of experienced lawyers and energetic talents. We are focused on providing solutions to our client's business problems and adding value to their businesses and commercial endeavours. This underpins our ethos as everything we do flows from these underlying principles.

Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational corporations. We have developed a clear vision for anticipating our client's business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

# Authors


**Ozioma Agu**

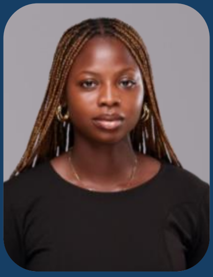
Partner

OziomaAgu@strenandblan.com

**Chitereihe Oti**

Associate

ChitereiheOti@strenandblan.com



**Kolajo Onasoga**

Associate

KolajoOnasoga@strenandblan.com

**David Olajide**

Associate

DavidOlajide@strenandblan.com

+234 (0)702 558 0053
3 Theophilus Orji Street, Off Fola Osibo Road, Lekki Phase 1,
Lagos, Nigeria

www.strenandblan.com
contact@strenandblan.com
@strenandblan