



JIGAWA STATE INTERNAL REVENUE SERVICE

(as per provision of law No. 4 2019, Jigawa state Revenue Harmonization, consolidation and codification law)

JIGAWA STATE PRESUMPTIVE TAX REGIME

Introduction

Presumptive tax regimes also known as simplified tax regimes aim at reducing compliance costs for taxpayers and at the same time reducing monitoring costs for the tax administration. The Jigawa State Internal Revenue Service has taken into consideration the fact that in certain circumstances, applying the rules of the standard tax system to micro and small businesses might impose excessive compliance and enforcement costs on taxpayers and tax administration, respectively. Therefore, the tax administration adopted presumptive tax regime since the year 2019 to establish simplified rules to encourage tax compliance and business formalization.

As a result of the adoption of the presumptive tax regime by Jigawa state government, the following benefits are realized:

- Presumptive tax regime has encouraged tax compliance by reducing tax compliance costs and by levying lower tax rates as compared to the standard tax system
- For the tax Administration, Presumptive tax has reduced the administrative costs of monitoring hard-to-tax businesses and ensuring their compliance with relevant tax laws

- Presumptive tax regime do not aim to raise taxes rather seeks to expand the tax net and reinforce tax compliance
- Presumptive tax serves to increase social protection coverage in Jigawa state because the state government incorporate access to social protection by incorporating social security contributions in the regime

Legal Framework For Presumptive Tax Regime In Jigawa State

Further to the provision of Personal Income Tax Act, Laws of the Federation of Nigeria, section 54-59 of the Jigawa state Revenue (Consolidation and codification) law, 2019 provided for the adoption of the presumptive tax regime in Jigawa state. According to the law, persons to be administered under presumptive tax include persons where for all practical purposes, their income cannot be ascertained or financial records are not kept in such manner as would enable proper assessment of income, and according to the following bands: **Micro, Small and Medium** scale businesses based on their level of activities.

The presumptive tax payable shall be in accordance with the category of trade, businesses, vocation and profession as contained in the administrative table to be provided below, it is to administered by the Jigawa state Internal Revenue Service and approved by the state House of Assembly on the application by the Executive Governor on the recommendation of the Revenue Board.

Upon payment of all assessments, the taxable person shall be issued Tax clearance certificate.

A taxable person under presumptive tax regime who fails or neglects to make payment of the tax due shall be liable to pay the sum equal to 5% per annum.

Presumptive tax payable in Jigawa State

The tax payable under the presumptive tax regime in Jigawa state as provided for by the fifth Schedule of the Jigawa State Revenue (Consolidation and Codification) law, 2019 may be presented in the following table.

Presumptive Tax Payable

S/N	Trade/Business	Micro Business	Small Business	Medium Business
1	Boutiques and other cloth sellers - Adult and Children wear	1,000.00	2,000.00	3,000.00
2	Fabricating, Welding, Bench Milling, Black Smith, Gold Smith	1000.00	2,000.00	3,000.00
3	Confectioneries and Bakeries	1,000.00	2,000.00	3,000.00
4	Barbers and Hair Dressing Saloon	500.00	1,000.00	2,000.00
5	Service Providers - Business Centres and Typing Studio, Printers, Thrift Collector	1,000.00	2,000.00	4,000.00
6	Video Clubs, Car Wash and Owners, Casino Operators, Cyber Cafe Operators	1,000.00	2,000.00	3,000.00
7	Drama Group, Laundries, Dry Cleaners, Commercial Mobile Calls	1,000.00	2,000.00	3,000.00
8	Photographers/Photo Developers, Recreational Centre,	1,500.00	2,000.00	3,000.00
9	Artisans - Masons, Vulcanizers, Iron Benders, Carpenters, Cobblers, Painters and Decorators. Plumbers	1.500.00	2,000.00	3,000.00
10	Petrol, Kerosene and Lubricant Sellers	2,000.00	3,000.00	4,000.00
11	Tailoring, Interior Decoration, Fashion Designers and Garment Makers, Curtain	1,000.00	2,000.00	3,000.00
12	Transport Workers - Taxi, Bus, lorry, etc.	1,000.00	2,000.00	3,000.00
13	General Trading/Enterprises - Retail and Wholesale, Raw Food	2,000.00	3,000.00	4,000.00
14	Bookshops/Stationery Stores, Building Materials, Cement, Cooking Gas, Air-conditioners,	3,000.00	4,000.00	5,000.00

15	Furniture/Furnishing Material, Gas Refilling, General Contractor, General Merchants and Distributors. Gift Shop, Entrepreneurs, Imitation Jewel, Jewel' Leather Carpets, Licensed Merchants,	3,000.00	4,000.00	5,000.00
16	Spare Parts, Patent Medicine, Photographic Materials, Plank, Plastic	3,000.00	4,000.00	5,000.00
17	Plumbing Materials, Poultry Feeds, Raw	2,000.00	3,000.00	4,000.00

18	Timber Dealers, Tire, Wine and Beer License Operators, Yoghurt.	7,000.00	8,000.00	10,000.00
19	Financial Services - Bureau De Change, Pool Agents and Promoters, Money Lenders.	10,000.00	20,000.00	30,000.00
20	Furniture and Cabinet Makers	2,000.00	3,000.00	4,000.00
21	Restaurant and Food Sellers	1,000.00	2,000.00	3,000.00
22	Property - Guest House, Lodging, Face to Face Building with not more than ten (10) rooms.	5,000.00	8,000.00	10,000.00
23	Mechanics, Technicians, Electricians, Panel Beaters, Motorcycle, Bicycle, Keke NAPEP, Clock and Watch Repairers, and other Machine Repairers, Re-wires, Battery Chargers.	1,000.00	2,000.00	3,000.00
24	Artisans, Design and Sign Writers, Hand Craft Makers Graphic Arts.	500.00	1,000.00	2,000.00
25	Professional Services - Opticians, Photo lab, Auctioneers. Draughtsman, Maternity Owners, Patent Medicine Store.	5,000.00	8,000.00	10,000.00
26	Entertainment Service, Musicians	2,000.00	3,000.00	5,000.00
27	Agriculture, Forestry, Fishing, Hunting, Butchers/Meat Sellers, Horticulture/Florist, Farm Settlers, Poultry, Piggery	2,000.00	3,000.00	5,000.00
28	Aluminium Fabrication and Products	2,000.00	3,000.00	5,000.00
29	Processors, Producers and Manufacturers - Blocks, Culvert. Well Ring, Pure Water, Welders, Shoe Makers, Cold Rooms, Palm Oil Miller, Grind Mills, Sawmill Proprietors.	1,000.00	2,000.00	3,000.00
30	Transport Owners	5,000.00	7,000.00	10,000.00
31	All other trades/services covered by the Law	5,000.00	10,000.00	15,000.00

REGISTRATION AND FILING OF PRESUMPTIVE TAX RETURNS

Registration for presumptive tax

Section 55 of Jigawa State Revenue (Consolidation and codification) law provided that presumptive tax shall be administered by the Jigawa State Internal Revenue Service using the following prescribed form:

PRESUMPTIVE TAX REGISTRATION FORM

Made Pursuant to Section 6 of the Personal Income Tax (Amendment) Act, 2011

Instructions: All information should be filled in ink and capital letters, no abbreviation is allowed. Entries should not spill to neighboring block

- (1) Name of Taxpayer/Registered Name _____
- (2) Nationality _____
- (3) Residential Address _____
- (4) GSM Number _____
- (5) Business Type _____
- (6) Business Name _____
- (7) Registered Business Name _____
- (8) Commencement Date _____
- (9) Means of Identification _____
- (10) Business Registration No. _____
- (11) Taxpayer Identification No. (TIN) _____

Signature/Thumbprint

Date of Registration

Filing of Presumptive Tax Return

section 56 of Jigawa state Revenue (consolidation and codification) law provided that persons operating under presumptive tax regime are to file returns on or before 90 days from the commencement of every year. The prescribed form for filing presumptive tax regime is as follows:

PRESUMPTIVE TAX RETURNS FORM

Made Pursuant to Section 6 of the Personal Income Tax (Amendment) Act, 2011

- (1) Name of Taxpayer/Registered Name_____
- (2) Nationality_____
- (3) Residential Address_____
- (4) GSM Number_____
- (5) Assessment Year_____
- (6) Presumptive Tax Payable_____
- (7) Presumptive Tax Paid_____
- (8) Taxpayer Identification Number (TIN)_____
- (9) Nature of Business_____

Signature/Thumbprint

Date

Period of Filing

Due Date

Date Filled

Remarks

Signature_____

Date_____