

Computation and Filling of Personal Income Tax Returns

Presented by Riverdale Professional Services

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Date: 21st January 2021

Time: 11:00 Am





RIVERDALE PROFESSIONAL SERVICES

Audit & Forensic | Tax | Advisory Services

TOPIC >>

COMPUTATION AND FILING OF PERSONAL INCOME TAX RETURNS

**FEE:
FREE**



Thurs. 21st January, 2021



11:00am



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Content

- Introduction
- Relevant Laws
- Relevant Websites
- How to Get registered with IRS
- How to file the Returns
- Types of Tax
- Classification of Tax Based on Who is Responsible for collection
- Sample Payroll Schedule
- Sample Self Assessment form

Relevant Laws

1. Personal Income Tax Act as amended
2. Finance Act
3. State Government laws as enacted by the state Governments

Relevant Contact details

- <https://FIRS.Gov.ng>
- <https://etax.lirs.net/login/>
- www.lirs.gov.ng
- LAGOS TAX OFFICE HELP DESK
- Call our contact centre on 09056986503, visit the nearest Tax Station, or visit the Personal Income Tax Directorate in HQ.

Requirements for Registering a Business on the returns Portal

1. Company Name.
2. RC Number.
3. Payer ID.
4. Company Address.
5. Sector.
6. Contact Name.
7. Contact Phone Number.
8. Email.
9. Password.

Steps

File your Company's Annual Tax Returns now!

STEPS:

- Log on to <https://etax.lirs.net>
- Log into your eTax profile using your Company's Tax Payer ID and Password
- Select the Returns Module
- Select the appropriate Year of returns to be filed
- Select the "Returns Type" and download the appropriate template (fill the template with tax payer info and upload updated file)
- Click on "File Returns" to upload the updated returns template
- Repeat Steps 3 to 5 for all the respective returns type.

You can download each of your uploaded document by clicking on each template listed under the column "Actions" to review your submitted documents.

TAKE NOTICE that failure to file your company's annual tax returns on or before 31st of January, 2021 is a contravention of the extant provisions of the Personal Income Tax Act (PITA) 2011 (as amended) which attracts stiff penalties on defaulters.

DO NOT WAIT TILL THE LAST DAY, START FILING NOW.

ELECTRONIC FILING VIA THE eTAX PLATFORM IS THE ONLY ACCEPTABLE MODE OF FILING



Lagos State Internal Revenue Service

The Good Shepherd Building, Block H, Plot H1, Central Business District, Alausa, Ikeja, Lagos State




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Lagos State E TAX Portal

← → ↻ 🏠 <https://etax.lirs.net/login/> ... 🛡️ ☆ ⬇️ 📄 🖨️ 🌐 📶 ☰

Coronavirus (COVID-19): Help stop coronavirus • Stay at HOME • Wash your HANDS • Cough into your ELBOW • Don't touch your FACE • Keep a safe DISTANCE






Tax Payer ID - There should be a prefix 'N-' or 'C-'

Password 

LOGIN

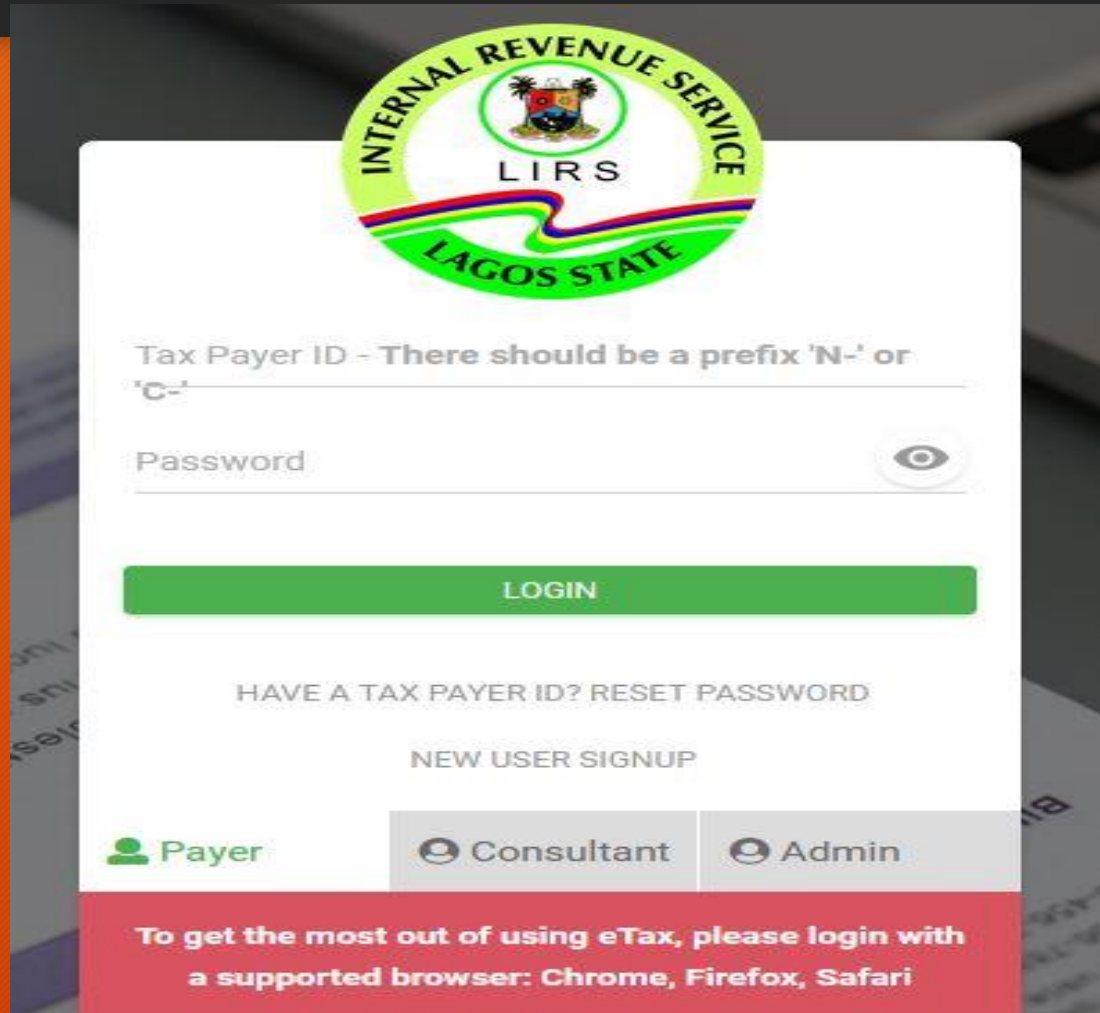
HAVE A TAX PAYER ID? RESET PASSWORD

NEW USER SIGNUP

 Payer  Consultant  Admin










To get the most out of using eTax, please login with a supported browser: Chrome, Firefox, Safari

A closer Look at the Log in Window




The screenshot displays the login interface for the Lagos State Internal Revenue Service (LIRS). At the top center is the LIRS logo, which is a circular emblem with a green border. Inside the circle, the text "INTERNAL REVENUE SERVICE" is at the top, "LAGOS STATE" is at the bottom, and "LIRS" is in the center above a stylized rainbow wave. Below the logo, there are two input fields: "Tax Payer ID - There should be a prefix 'N-' or 'C-'" and "Password". To the right of the password field is an eye icon for toggling visibility. A prominent green "LOGIN" button is positioned below the input fields. Underneath the button are two links: "HAVE A TAX PAYER ID? RESET PASSWORD" and "NEW USER SIGNUP". At the bottom, there are three role-based selection buttons: "Payer" (highlighted in green), "Consultant", and "Admin". A red banner at the very bottom contains the text: "To get the most out of using eTax, please login with a supported browser: Chrome, Firefox, Safari".

PAGE 1



User Profile

PAY TAX ONLINE


UPLOAD LOGO

Taxpayer ID

TIN:

Company Name:

CAC. Reg No.:

Email Address:

Business Type:

Phone Number:

Head Office:

No. of Employees:

No. of Directors:

Tax Station:

Card Status:

DIRECTORS

ADDRESSES

PAYROLL

PAYMENTS

Closer Look at PAGE 1

The screenshot displays the 'etax.lirs.net/user/returns' web application. On the left is a dark sidebar with the 'E-TAX' logo and a menu containing: Profile, Assessments, Tax Offices, Payments, Returns (highlighted in green), Consultant Requests, Download user manual, and Logout. The main content area has a light gray header with a 'PAY TAX ONLINE' button and a user profile icon. Below the header, the page title is 'Returns - 2020'. A form contains two dropdown menus: 'Type' and 'Returns Type*'. A green chat bubble in the bottom right corner says 'Chat live with an helpdesk now!'. The browser's address bar shows the URL 'etax.lirs.net/user/returns'.

LIST OF POSSIBLE RETURNS

The screenshot shows the 'Returns' page of the etax.lirs.net web application. The browser address bar displays 'etax.lirs.net/user/returns'. The page features a sidebar with navigation icons, including a document icon that is highlighted. The main content area is titled 'File Returns - 2020' and contains a dropdown menu labeled 'Select Employee Type' with 'Locals' selected. A sub-menu is open, listing four options: 'Schedule Returns', 'Annual Returns', 'Projection Returns', and 'Withholding Tax Returns'. In the top right corner, there is a green 'PAY TAX ONLINE' button and a 'Paused' status indicator. A green chat bubble in the bottom right corner says 'Chat live with an helpdesk now!'. The footer of the page includes the Riverdale Professional Services logo and the tagline '...achieving Dreams'.

etax.lirs.net/user/returns

Paused

Returns

PAY TAX ONLINE

File Returns - 2020

Select Employee Type

Locals

- Schedule Returns
- Annual Returns
- Projection Returns
- Withholding Tax Returns

Chat live with an helpdesk now!

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Closer look to See download and upload window- Annual Return

etax.lirs.net/user/returns

Returns

PAY TAX ONLINE

File Returns - 2020

Select Employee Type
Locals

Select Returns Type *
Annual Returns

ANNUAL RETURNS

Choose File No file chosen

DOWNLOAD TEMPLATE

SUBMIT

Chat live with an helpdesk now!

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Closer look to See download and upload window- Schedule Return

etax.lirs.net/user/returns

Returns

PAY TAX ONLINE

File Returns - 2020

Select Employee Type
Locals

Select Returns Type *
Schedule Returns


SCHEDULE

Choose File No file chosen

DOWNLOAD TEMPLATE

SUBMIT

Chat live with an helpdesk now!



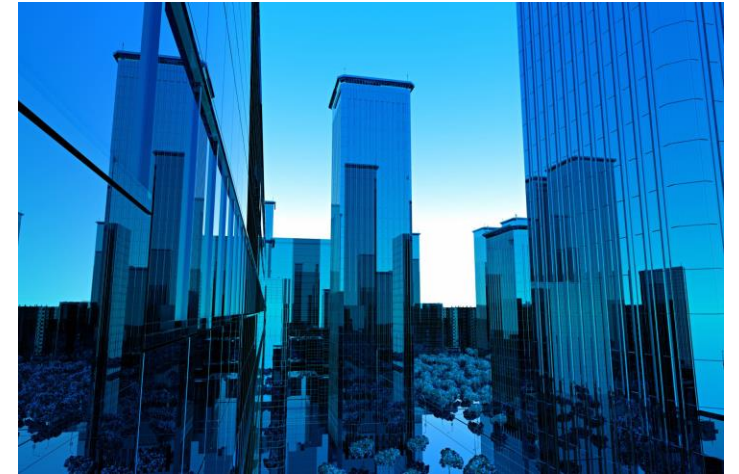
Look up Samples of the CSV Files

Show
participants
samples of
the CSV Files

- Schedule Return
- Annual Returns
- Projection Returns
- Withholding Tax

Classification of Tax Collection

1. Taxes Collected by the State Government
2. Taxes and Levies to be collected by Local Government
3. Tax to be Collected by Federal Government



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Tax Collected by State Government

1. Personal Income Tax in respect of individuals resident in the State
2. (a) Pay-As-You-Earn (PAYE) (b) Direct Taxation (Self-Assessment) Withholding Tax (Individuals Only)
3. Capital Gains Tax (Individuals Only)
4. Stamp Duties on instrument executed by individuals
5. Poola Betting, Lotteries Gaming and Casino Taxes
6. Road Taxes
7. Business premises registration fee in respect of urban and rural areas which includes registration fees and per annum for the renewals as fixed by each state
8. Development Levy (individuals only) not more than 100 per annum on all taxable individuals
9. Naming of street registration fees in the State Capital
10. Right of Occupancy fees on lands owned by the State Government in urban areas of the State
11. Market Taxes and Levies where State finance is involved
12. Land use Charge, where applicable
13. Entertainment Tax, where applicable
14. Environmental (Ecological) fee or levy
15. Mining, milling and quarrying fee, where applicable

Tax Collected by State Government Continues

1. Hotel, Restaurant or Event Centre Consumption Tax, where applicable
2. Animal Trade Tax, where applicable
3. Produce Sales Tax, where applicable
4. Slaughter or Abattoir fees, where applicable
5. Infrastructure Maintenance Charge or levy, where applicable
6. Fire Service Charge
7. Property Tax, where applicable
8. Economic Development Levy, where applicable
9. Social Services Contribution Levy, where applicable
10. Signage and Mobile Advertisement, jointly collected by the State and Local Government

Tax and Levies collected by Local Government

- 1.Shops and Kiosks rates
- 2.Tenement rates
- 3.On and Off Liquor License fees
- 4.Slaughter slab fees
- 5.Marriage, birth and death registration fees
- 6.Naming of street registration fees, excluding any street in the State Capital
- 7.Right of Occupancy fees on lands in the rural areas, excluding those collectible by the Federal and State Governments.
- 8.Markets taxes and levies excluding any market where State finance is involved
- 9.Motor park levies
- 10.Domestic animal license fees
- 11.Bicycle, truck canoe wheelbarrow and cart fees, other than a mechanically propelled truck

Tax and Levies collected by Local Government Continues

1. Cattle tax payable by cattle farmers only
2. Merriment and road closure
3. Radio and television license fees (other than radio and television transmitter)
4. Vehicle radio license
5. Wrong parking charges
6. Public convenience, sewage and refuse disposal fees.
7. Customary burial grounds permit fees
8. Religious places establishment permit fees.
9. Signboard and Advertisement permit fees.
10. Wharf Landing Charge, where applicable



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Tax Collected by Federal Government

1. Companies Income Tax
2. Withholding Tax on companies and residents of the Federal Capital Territory and non-resident individuals
3. Petroleum Profit Tax
4. Value Added Tax
5. Education Tax
6. Capital Gains Tax on the residents of the Federal Capital Territory, bodies corporate and non-resident individuals
7. Stamp Duties on bodies corporate and residents of the Federal Capital Territory
8. Personal Income Tax in respect of: (a) Members of the Armed Forces of the Federation (b) Members of the Nigerian Police Force (c) Residents of the Federal Capital Territory (d) Staff of the Ministry of Foreign Affairs and non-resident individuals
9. National Information Technology Development Levy

Brief List of some Tax and Levies

1. Personal Income Tax
2. Capital Gains Tax
3. Business Premises Levy
4. Development Levy
5. Withholding Tax
6. Hotel Occupancy and Restaurant Consumption Tax
7. Value Added Tax (VAT)



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Personal Income Tax

- It is a tax levied on all incomes of an individual in employment or business. All employers of labour are expected to deduct taxes from their employees and remit same to the tax authority on a monthly basis, while persons in business are expected to file their annual returns and pay accordingly.
 - a) PAYE (Pay As You Earn) - From Employment
 - b) Direct Assessment - From Self Employed
 - a) Small Contractors
 - b) Professionals
 - c) Partnership
 - d) Business Name owners
 - e) Landlords

Direct Assessment

- You must file returns of your income from all sources and claims for reliefs and allowances relating to the preceding year with LIRS within 90 days from the beginning of every year (i.e on or before the 31st of March).



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Direct Assessment Continuous- Items to file along with your Self Assessment Form

1. Financial Statements (where applicable).
2. Your own Tax Computation/Position.
3. Evidence of payment/contribution to Pension, Life Assurance Premium, National Health Insurance Scheme.
4. Evidence of tax paid at source (PAYE, Direct Assessment, Withholding Taxes)

Direct Assessment Continuous- Items to file along with your Self Assessment Form

- Note that the Government can still subject your self assessment form to further review and review may result in a request that you pay more tax if it is proven that you omitted some taxes in your earlier computation



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Sixth Schedule

Substitution
for Sixth
Schedule.

34. The Sixth Schedule to the Principal Act is substituted for a new Sixth Schedule—

“SIXTH SCHEDULE”

INCOME TAX TABLE

(1) A consolidated relief allowance shall be granted on income at a flat rate of ₦200,000 plus 20 *per cent* of gross income.

(2) *Tax Exempt* : The following deductions are tax exempt—

- (a) National Housing Fund Contribution
- (b) National Health Insurance Scheme
- (c) Life Assurance Premium
- (d) National Pension Scheme
- (e) Gratuities

Tax Rate Table

(3) After the relief allowance and exemptions had been granted in, accordance with paragraphs 1 and 2 of this Schedule, the balance of income shall be taxed as specified in the following tax table :

Tax Income Rates

Graduated Tax rates with consolidated allowance of ₦200,000 + 20 per cent of Gross Income, subject to a minimum tax of 1 per cent of Gross Income whichever is higher.

1. First ₦300,000 @ 7 per cent
2. Next ₦300,000 @ 11 per cent
3. Next ₦500,000 @ 15 per cent
4. Next ₦500,000 @ 19 per cent
5. Next ₦1,600,000 @ 21 per cent
6. Above ₦3,200,000 @ 24 per cent

Question Time

Closing Remark

- Thank you so much for your Time. We hope you enjoyed the Presentation
- All Questions not address should be sent to the email
- Trainings@riverdaleprofessionals.com
- For more Frequent updates you can Follow us on our social media handled below
- Twitter: **Riverdale Professional Services** @RiverdaleProfe1
- LinkedIn: <https://www.linkedin.com/in/riverdale-professional-services-9153a1203/>
- YouTube: https://www.youtube.com/channel/UC7uG3dIOywlUeRsvZr_yQYg
- Facebook: <https://www.facebook.com/riverdaleprofessionals>
-
- Nnamdi Oje UTI