

VALUED ADDED TAX (AMENDMENT) ACT, 2007



ARRANGEMENT OF SECTIONS

SECTION:

1. Amendment of Act No. 002 of 1993.
2. General amendments.
3. Amendment of section 4.
4. Amendment of section 00.
5. Amendment of section 00A.
6. Amendment of section 11A.
7. Amendment of section 12.
8. Deletion of section 33(3).
9. Amendment of section 35.
10. Amendment of section 66.
11. Substitution for section 36.
12. Amendment of section 42.
13. Amendment of First Schedule.
14. Appeals.
15. Citation.

VALUE ADDED TAX (AMENDMENT) ACT, 2007

2007 ACT No. 12

AN ACT TO AMEND THE VALUE ADDED TAX ACT NO. 102, 1993 ;
AND FOR RELATED MATTERS

[16th Day of April, 2007]

Commence-
ment.

ENACTED by the National Assembly of the Federal Republic of Nigeria—

1. The Value Added Tax Act (in this Act referred to as “the Principal Act”) is amended as set out in this Act.

Amendment
of Act No.
102 of 1993.

2. Substitute for the words “VAT Office” the words “Tax Office” wherever they occur in the Principal Act.

General
amendments.

3. Substitute for section 4 of the Principal Act a new section “4”—

Substitution
for section 4.

“Rate of tax 4. The tax shall be computed at the rate of 5 per cent on the value of all goods and services as determined, under sections 5 and 6 of this Act, except that goods and services listed under Part III of the First Schedule to this Act shall be taxed at zero rate.”

4. Substitute for the word “him”, the words “the person” in section 10 (1) of the Principal Act.

Amendment
of section 10.

5. Section 10 A of the Principal Act is amended by—

Amendment
of section
10A.

(a) inserting immediately after the existing subsection (1), the following new subsection “(2)” —

“(2) The Service may, by notice, determine and direct the companies operating in the oil and gas sector which shall deduct VAT at source and remit same to the Service”; and

(b) renumbering the existing subsection “(2)” as subsection “(3)”.

6. Insert the following new section 11A immediately after the existing section 11 of the Principal Act—

“Tax invoice 11 A (1) A taxable person who makes a taxable supply shall, in respect of that supply, furnish the purchaser with a tax invoice containing, inter alia, the following—

(a) tax payers identification number ;

(b) name and address ;

(c) VAT registration number ;

(d) the date of supply ;

(e) name of purchaser or client ;

(f) gross amount of transaction ; and

(g) tax charged and rate applied.

(2) A tax invoice shall be issued on supply whether or not payment is made at the time of supply.”

Amendment
of section 12.

7. Section 12 of the Principal Act is amended—

(a) in subsection (1), by substituting for the figure and word “30th day” for the figure and word “21st day” ;

(b) by inserting immediately after subsection (2), the following new subsection “(3)” —

“(3) In this regard, any payment made to duly authorised government agents shall be deemed to have been made to the Federal Inland Revenue Service.”

Deletion of
section 13
(3).

8. Delete section 13 (3) of the Principal Act.

Amendment
of section 15.

9. Substitute for the figure "16", the figure "15" in section 15 of the Principal Act.

Amendment
of section 16.

10. (1) Substitute for section “16 (2)” and (3) of the Principal Act, a new section 16 (2) and (3)—

“(2) A taxable person who is aggrieved by an assessment made on the person may file an objection to the Federal Inland Revenue Service.

(3) An appeal before the Federal Inland Revenue Service shall be determined within 30 days.”

(2) Insert new section “16 (4)” and “(5)” immediately after the new section 16 “(2)” and “(3)” —

(4) Appeal from the decisions of the Federal Inland Revenue Service shall be made to the Tax Appeal Tribunal.

(5) An appeal from the Tax Appeal Tribunal shall be made to the Federal High Court.”

Substitution
for section
36.

11. Substitute for section 36 of the Principal Act a new section “36”—

Distribution
of revenue.

“36. Notwithstanding any formula that may be prescribed by any other law, the revenue accruing by virtue of the operation of this Act shall be distributed as follows—

(a) 15% to the Federal Government ;

(b) 50% to the State Governments and the Federal Capital Territory Abuja ; and

(c) 35% to the Local Governments.

Provided that the principle of derivation of not less than 20% shall be reflected in the distribution of the allocation amongst States and Local Governments as specified in sub-paragraphs (b) and (c) of this section.”

12. Insert the interpretation of the following accordingly in section 42 of the Principal Act— Amendment of section 42.

“exported service” means service performed by a Nigerian resident or a Nigerian company to a person outside Nigeria ;

“imported service” means service rendered in Nigeria by a non-resident person to a person inside Nigeria ;

“taxable person” includes an individual or body of individuals, family, corporations sole, trustee or executor or a person who carries out in a place an economic activity, a person exploiting tangible or intangible property for the purpose of obtaining income there from by way of trade or business or a person or agency of government acting in that capacity ;”

13. The First Schedule to the Principal Act is amended— Amendment of First Schedule.

(a) by substituting for paragraph 7, the following new paragraph “7”

“7. Plant, machinery and goods imported for use in the export processing zone or free trade zone :

Provided that 100 per cent production of such company is for export otherwise tax shall accrue proportionately on the profits of the company” ; and

(b) inserting a new “Part III” as follows—

“Part III—zero rate goods and services

1. Non-oil exports.
2. Goods and services purchased by diplomats.
3. Goods purchased for use in humanitarian donor funded projects.”

‘humanitarian donor funded project’ includes projects undertaken by Non-Governmental Organizations and Religious and Social Clubs or Societies recognized by law whose activity is not for profit and in the public interest.”

14. Appeals shall be as in the Federal Inland Revenue Service Act. Appeals.

15. This Act may be cited as the Value Added Tax (Amendment) Act, 2007. Citation.

I Certify, in accordance with Section 2 (1) of the Acts Authentication Act, Cap. 4, Laws of the Federation of Nigeria 1990, that this is a true copy of the Bill passed by both Houses of the National Assembly.

NASIRU IBRAHIM ARAB,
Clerk to the National Assembly
16th Day of April, 2007.

EXPLANATORY MEMORANDUM

This Act amends the Value Added Tax No. 102, 1993 and, among other things, makes it more responsive to the tax reform policies of the Federal Government and enhance its implementation and effectiveness.

SCHEDULE TO VALUE ADDED TAX (AMENDMENT) BILL, 2007

(1) <i>Short title of the Bill</i>	(2) <i>Long title of the Bill</i>	(3) <i>Summary of the contents of the Bill.</i>	(4) <i>Date passed by the Senate</i>	(5) <i>Date passed by the House of Representatives</i>
Value Added Tax (Amendment) Bill, 2007.	An Act to amend the Value Added Tax No. 102, 1993 ; and for related matters.	This Bill seeks to amend the Value Added Tax Act, and among other things, make it more responsive to the tax reform policies of the Federal Government and enhance its implementation and effectiveness.	20th February, 2007.	21st February, 2007.

I certify that this Bill has been carefully compared by me with the decision reached by the National Assembly and found by me to be true and correct decision of the Houses and is in accordance with the provisions of the Acts Authentication Act Cap. 4, Laws of the Federation of Nigeria, 1990.

I ASSENT.



NASIRU IBRAHIM ARAB
Clerk to the National Assembly
16th Day of April, 2007

CHIEF OLUSEGUN OBASANJO, GCFR
President of the Federal Republic of Nigeria
16th Day of April, 2007