

# Lagos State Internal Revenue Service grants tax waiver and other palliatives

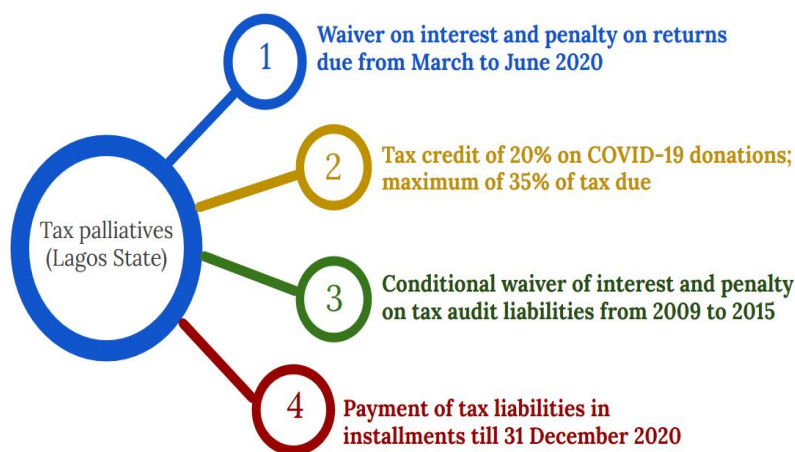
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The COVID-19 pandemic has changed the way businesses source for revenue; likewise, the tax and regulatory authorities. A tax authority may choose from two options in the post COVID-19 economy.

Option 1: Maintain status-quo and wait for taxpayers to settle unpaid balances.

Option 2: Offer incentives and collect outstanding payments

In Nigeria, Lagos State tax authority chose the second option. Lagos State Government (LASG) has released a notice on palliatives for individuals and businesses in the State. The tax concessions are as follows.



Tax palliatives from Lagos State Internal Revenue Service

## Tax concessions from Lagos State Government

1. Lagos State Internal Revenue Service (LIRS) will approve, on a case by case basis, the payment of outstanding liabilities in installments. The purpose is to ease the cash flow burden of taxpayers.

2. Individuals and businesses will get a waiver from penalty and interest that were due during the lockdown, that is, from March to May 2020. LIRS has put aside the penalties for late payment of PAYE tax as well as filing of 2020 annual tax returns (Form A).
3. Taxpayers will receive a conditional waiver of interest and penalty on outstanding tax audit liabilities from 2009 to 2015. Taxpayers must submit and adhere to an organized payment plan to settle amounts on or before December 31 2020.
4. Tax credit: For resident individuals who made cash and kind donations to LASG for COVID-19, a tax credit of twenty percent (20%) of the contribution for the 2021 Year of Assessment. The tax credit will be subject to a maximum of thirty-five (35%) of tax due.
5. Filing of tax returns: Taxpayers received an extra three months to file annual tax returns from March 31 to June 30, 2020.
6. Payment channels: LIRS has provided additional channels that are easier, simpler, and more convenient to pay taxes.
7. Virtual meetings: Video conference is the main method for Tax Audit Reconciliation Committee [TARC] meetings. The revised procedure is in line with social distancing rules.

Therefore, individuals and businesses in Lagos State can make good use of these palliatives to regularize their tax affairs.