Niger State Government

Draft Report

Niger State Government: Review of Internally Generated Revenue Administration and Strategy for Improvement

January 2014
Political and Economic Map of Niger State showing the LGAs
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### Abbreviations and acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIR</td>
<td>Board of Internal Revenue</td>
</tr>
<tr>
<td>FAAC</td>
<td>Federation Accounts Allocation Committee</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>IGR</td>
<td>Internally Generated Revenue</td>
</tr>
<tr>
<td>ITAS</td>
<td>Integrated Tax Administration Systems</td>
</tr>
<tr>
<td>JTB</td>
<td>Joint Tax Board</td>
</tr>
<tr>
<td>MDAs</td>
<td>Ministries Departments and Agencies</td>
</tr>
<tr>
<td>NSBIR</td>
<td>Niger State Board of Internal Revenue</td>
</tr>
<tr>
<td>NSPC</td>
<td>Niger State Planning Commission</td>
</tr>
<tr>
<td>NTR</td>
<td>Non Tax Revenue</td>
</tr>
<tr>
<td>PAYE</td>
<td>Pay As You Earn</td>
</tr>
<tr>
<td>SPARC</td>
<td>State Partnership for Accountability Responsiveness and Capability</td>
</tr>
<tr>
<td>TCC</td>
<td>Tax Clearance Certificate</td>
</tr>
<tr>
<td>TIN</td>
<td>Tax Identification Number</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WHT</td>
<td>Witholding Tax</td>
</tr>
</tbody>
</table>
Executive Summary

Short summary

This report documents the assignment carried out under terms of reference NIG-PFM-25-A aimed at providing technical assistance to Niger State Government to develop a strategy for enhanced internally generated revenue (IGR). Specifically, the assignment has identified weaknesses in the current revenue administration procedures, and provides guidelines for developing a strategy for improving IGR and supporting the implementation of a revenue generation strategy.

Full summary

The ability of the Niger State Government to fully implement its expenditure budgets has been hampered by insufficient funding. This is because revenue management interacts closely with expenditure management - being a source of funding when determining the overall budget envelope and funding in-year cash flow. Therefore, generating more revenue is central in supporting the budget in terms of being more realistic and also being implemented as intended (i.e. supporting budget credibility). In the last three years (2010 to 2012) the internally generated revenue (IGR) accounts for an average of 6.74% of the total revenues of the Niger State Government.

Process

The following were done in order to achieve the objectives of this assignment:-

- A sensitization workshop was held on 28th and 29th August, 2013.
- A further meeting was held with key officers of Niger State Board of Internal Revenue on 3rd September, 2013 to discuss the operations of the State Board of Internal Revenue and the challenges that limit IGR performance.
- An initial discussion document was produced and circulated to stakeholders for comments.
- A validation workshop was held on 9th October, 2013 to consider the challenges and recommendations made in the discussion document.

Challenges

- The Board of Internal Revenue (BIR) though retain 10% of total IGR for operations, the fund is not sufficient to fund capital projects for BIR and revenue units within Ministries, Departments and Agencies (MDAs). BIR and revenue units within MDAs depend on budgetary allocations for capital projects.
- Issues of staffing allocations which will lead to ensuring the right people are in the right jobs particularly ensuring that unqualified people are trained and/or moved while qualified professionals are engaged.
• The BIR operate with inadequate and obsolete working tools and equipment.
• There is no bespoke software to assess, collect and account for these taxes, and the use of spreadsheets for recording purposes is prevalent.
• Lack of comprehensive taxpayer database.
• There are no specially designated courts to handle revenue matters in the state. This equally delays disposal of cases brought against tax defaulters.
• Tax Clearance Certificate System is not a mandatory system and a Tax Clearance Certificate (TCC) is only given to the taxpayer on request.
• Tax Identification Number (TIN) System approved by Joint Tax Board (JTB) to be implemented by all the states is yet to take off in Niger State.
• Low level of tax payers’ awareness especially in the informal sector.
• The revenue base or revenue sources for units in MDAs responsible for revenue generation or collection are narrow and limited by poor availability of information and data, and further compounded by poor capacity for revenue data management.

**Action Plan and IGR Improvement Strategy**

Based on critical analysis of the challenges that limit IGR performance an action plan was proposed. An IGR improvement strategy was drawn from the action plan. The goal for IGR strategy is to maximize internal revenue generated with three strategic objectives, four high level themes and activities both for Board of Internal Revenue and Revenue Units of MDAs as shown in the main report.

The three strategic objectives are (i) Increasing the tax payer base i.e. identify tax payers that are already paying tax, implement new taxes or increase rates; (ii) Improving tax payer compliance i.e. audit, penalties, enforce outstanding debts; and (iii) Developing potentials of non-tax revenue sources. The high level themes are Systems and Processes; Human Resources and Environment and Tax payer and Public Education; underpinned by Legal Mandate and Funding.

In addition the vision, mission and core values of the Board of Internal Revenue have been agreed.
Section 1: Introduction and Background

The ability of the Niger State Government to fully implement its expenditure budgets has been hampered by insufficient funding. This is because revenue management interacts closely with expenditure management, particularly when determining the overall budget envelope and when managing in-year cash flow. Therefore, generating more revenue is central in supporting improved and certain funding for budget implementation, (i.e. supporting budget credibility). In the last three years (2010 to 2012) the IGR accounts for an average of 6.74% of the total revenues of the Niger State Government. The annual IGR of Niger State Government, like in many states of the federation, would not cover the annual wage bill, which means that Niger State is too dependent on the federation accounts transfers. Any dramatic fall in federation accounts transfers as a result of any fall in crude oil prices in the international oil markets would inevitably lead to massive reduction in public expenditures across the board and consequently the level of public services.

The key objective of the assignment is to develop a strategy to enhance Niger State IGR thereby providing additional funds to enable government fully implement its expenditure budget. The advantage of internal revenues is the stability that it brings about to the finances of the state and, therefore, an opportunity for better planning and budgeting.

The scope of work is to:
1. Develop a strategy for enhanced internally generated revenues for Niger State Government;
2. Support the implementation of the revenue generation strategy; and
3. Support corporate planning for the Niger State Board of Internal Revenues (NSBIR).

To achieve the objectives of this assignment, a sensitization workshop was held on 28th and 29th August, 2013 at 3Js Hotel Abuja. The sensitization workshop was attended by following key officers responsible for IGR in Niger State.

1. Yakubu Makun Ndagu - Niger State Board of Internal Revenues (NSBIR)
2. Jummai M. Agwai - Fiscal Commission Niger State
3. Esu Ibrahim Jemaku - Niger State Geographic Information System
5. Hajiya Rabi H. Yahaya - Ministry of Commerce Niger State

The presentation delivered at the workshop as well as record of workshop group sessions are attached as Annex 2 and Annex 3.
A further drilldown meeting was held with three officers of Niger State Board of Internal Revenue on 3rd September, 2013 to discuss the operations of the State Board of Internal Revenue and the challenges that limit IGR performance. The officers are:

1. Shehu Bawa Bosso - Legal Adviser NSBIR
2. Attahiru Bako - Tax Operations NSBIR
3. Yakubu M. Ndagi - Board Secretary NSBIR

An initial discussion document was produced and circulated to stakeholders for comments. Validation workshop was held on 9th October, 2013 to consider the challenges and recommendations made in the discussion document. The presentation made at the workshop is shown at Annex 4.
Section 2: IGR Administration in Niger State

2.1 Legal and Institutional Framework

The law to make provisions for collection and administrations of revenues due to the Government of Niger State and local government councils in Niger State and for other connected purposes came into effect on 15th January, 2013. This law was enacted to reinforce the law of 2010 which originally set up the NSBIR and outlines the functions and powers of the Board, together with establishment of a Technical Committee to handle the specific technical requirements demanded by any internal revenue agency.

Administrative provisions provide for the establishment of the State and Local Government Joint Revenue Committee, whose principal function is to harmonise tax administration in the state including:

- Dealing with revenue matters of common concern to the state and local government authorities;
- Harmonizing tax administration in the state;
- Enlightening the general public on state and Local Government matters;
- Considering relevant resolutions of the Joint Tax Board for implementation in the state; and
- Advising the Joint Tax Board, the state and local government on Revenue Matters.

2.2 Responsibility for Revenue Collection in Niger State i.e. Tax and Non Tax Revenue

The responsibility for Revenue Collection in Niger State ultimately rests with the NSBIR, the NSBIR has a primary responsibility to register, record, assess and collect all Direct Taxes including PAYE, Direct Assessment on Private Individuals and Withholding taxes.

Non Tax Revenues (NTR) which are administered by the MDA are still collected and accounted for within the revenue receipts of the NSBIR, although the NSBIR does not have the legal mandate to assess these revenues it does have the mandate for collection.

2.3 State IGR Budget Performance

As in other Nigerian states, the revenues of Niger State are classified in two broad categories: IGR, and transfers from the federation accounts and which consist of Statutory Allocation and Value Added Tax (VAT). There are eight sources of IGR in Niger State. The sources are taxes, fines and fees, licenses, earnings and sales, rent on government properties, interest and dividends, reimbursable, miscellaneous and consolidated revenue fund. Budgeted and actual collections from these sources from 2010 to 2012 are contained in Table 1 below.
Table 1: Niger State Revenue Trend 2010 to 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>2010 Budget</th>
<th>2010 Actual</th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>2012 Budget</th>
<th>2012 Actual</th>
<th>Total Budget</th>
<th>Total Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>455</td>
<td>2,651</td>
<td>4,295</td>
<td>3,229</td>
<td>3,420</td>
<td>2,953</td>
<td>8,170</td>
<td>8,833</td>
</tr>
<tr>
<td>Fines and Fees</td>
<td>1,437</td>
<td>22</td>
<td>691</td>
<td>57</td>
<td>404</td>
<td>106</td>
<td>2,532</td>
<td>185</td>
</tr>
<tr>
<td>Licences</td>
<td>262</td>
<td>38</td>
<td>20</td>
<td>29</td>
<td>70</td>
<td>192</td>
<td>352</td>
<td>259</td>
</tr>
<tr>
<td>Earnings and Sales</td>
<td>1,491</td>
<td>44</td>
<td>33</td>
<td>32</td>
<td>130</td>
<td>323</td>
<td>1,654</td>
<td>399</td>
</tr>
<tr>
<td>Rent on Govt Propt</td>
<td>2,091</td>
<td>53</td>
<td>4,174</td>
<td>107</td>
<td>4,152</td>
<td>46</td>
<td>10,417</td>
<td>206</td>
</tr>
<tr>
<td>Interest &amp; Dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous &amp; Others</td>
<td>2,260</td>
<td>149</td>
<td>342</td>
<td>114</td>
<td>246</td>
<td>66</td>
<td>2,848</td>
<td>329</td>
</tr>
<tr>
<td>Consolidated Revenue Fund</td>
<td>-</td>
<td>18</td>
<td>5</td>
<td>18</td>
<td>7</td>
<td>94</td>
<td>12</td>
<td>130</td>
</tr>
<tr>
<td>Total IGR</td>
<td>7,996</td>
<td>2,975</td>
<td>9,560</td>
<td>3,568</td>
<td>8,429</td>
<td>3,780</td>
<td>25,985</td>
<td>10,323</td>
</tr>
<tr>
<td>BIR Share IGR</td>
<td>455</td>
<td>2,651</td>
<td>4,295</td>
<td>3,229</td>
<td>3,420</td>
<td>2,953</td>
<td>8,170</td>
<td>8,833</td>
</tr>
<tr>
<td>MDAs Share IGR</td>
<td>7,541</td>
<td>324</td>
<td>5,265</td>
<td>357</td>
<td>5,009</td>
<td>827</td>
<td>17,815</td>
<td>1,508</td>
</tr>
<tr>
<td><strong>FAAC</strong> Transfers (Statutory allocation, VAT, excess crude, etc.)</td>
<td>43,923</td>
<td>38,217</td>
<td>60,828</td>
<td>-</td>
<td>142,968</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>7,996</td>
<td>46,898</td>
<td>9,560</td>
<td>41,785</td>
<td>8,429</td>
<td>64,608</td>
<td>25,985</td>
<td>153,291</td>
</tr>
</tbody>
</table>

Source: Niger State Board of Internal Revenue

Over the last three years (2010 to 2012), federation account transfers have accounted for an average of 93.26% of the entire revenue of Niger State, while IGR accounts for only 6.74%. This illustrates the high dependence of the state’s finances on revenues determined by the price of oil and the quantity of lifting’s - both outside the control of the state government.

However, Niger State Board of Internal Revenue shares of the total IGR for 2010, 2011 and 2012 is 89.11%, 90.49% and 78.12% respectively. Further analysis by source of IGR indicates that the largest category of IGR remains “Taxes” (essentially personal income tax, road taxes and withholding tax [WHT]).

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1 Federation Accounts Allocation Committee
Section 3: Challenges that Limit IGR Performance in Niger State

3.1 Funding
The NSBIR has limited funds which are restricted to 10% of total revenues collected so the budget is constrained through the operating agreement of the Board. Though the 10% is enough for the staff welfare and motivation, there is a need for additional funds for capital projects. Additional funding for NSBIR development needs could come from state budgetary means, donor agencies support and increased generation and efforts by all revenue MDAs.

3.2 Staffing Right People in Jobs
Although NSBIR has undergone fundamental changes since the passing of the Administrative Law in January 2013, there are still challenges to be met in the structure and organization of the Board. The Board has formed various departments to meet the challenges but there is still a requirement to review the staff positions, qualifications and training to meet the needs of the new administrative structure. From first reviewing the number of staff, it may be necessary to revisit staffing allocations, which will lead to ensuring the right people are in the right jobs. These Human Resource (HR) issues will be dealt with strategically through a mandate and functional review exercise.

3.3 Administrative Framework
The Niger State Government has legislated to change the administrative framework of the NSBIR by the passing of the Tax Administration Act on 15th January, 2013. Strides have been made since that date by the complete reorganization of the structure of the NSBIR. The structure enables the NSBIR to be a semi-autonomous body managing its own budget and expenditure as allowed by the law. However this work is not complete and the challenges are still there and can be met by a complete functional review of the organization. Another challenge remains with the operational powers/authority of the revenue generating units of MDAs. Most MDAs have different laws or Executive Council resolutions that empowered them to generate and expend revenue they generate. This makes it impossible for NSBIR to have effective control to collect such revenue as mandated by the Revenue Administrative Law.

3.4 Systems and processes
The collection systems within the Niger State BIR are a mix of manual and electronic processes. The taxpayer can choose to pay their tax through an electronic payment direct to bank. This is normally done by the larger more organized companies who are operating Pay As You Earn (PAYE) and by consequence a large amount of revenues are collected with minimum administration cost. Some withholding taxes are also remitted using this electronic system and again it is the larger more organized businesses (for instance banks that remit WHT on savings accounts) that remit using the direct electronic system.
Payments can also be made manually by taxpayers to the various banks using cheque or cash which accompanies the paying-in slip attached to the assessment or returns, this method can be used for PAYE, Direct Tax assessment and Withholding taxes.

The third and final option for payment is the facility to pay at a local NSBIR office using cheque or cash and the payment slip attached to the assessment or return.

As there is always a risk where cash and local collections are concerned, the need to fully automate the collection systems is an urgent requirement. Full automation of these systems and eventual integration with debt management would minimize obvious collection risks and provide essential data to the other operational departments including audit.

As NSBIR have a collection responsibility to some MDAs it would make practical sense to integrate the collections from these MDAs into a composite collection system, this again would reduce administration costs and streamline data capture.

**The assessment system** used for all direct taxes is based on self-assessment and accounts for the two largest in volume of the direct taxes collected by NSBIR. There is no bespoke software to account and assess these taxes and the use of spread sheets for recording purposes is prevalent.

The annual and monthly returns are issued using the existing data base of registered taxpayers; however this database is not integrated to the collection systems. The NSBIR do not have a comprehensive database of all the tax payers in the State.

**Tax Clearance Certificate system** is not a mandatory system and a TCC is only given to the taxpayer on request - i.e. when the taxpayer requires the TCC to fulfil some obligation with another organization. The challenge for the NSBIR is that the administration and effort required to produce the TCC does not have a return for the NSBIR. With the absence of full automation of collection and assessment systems and an inaccurate database, achieving the production of a TCC is arbitrary.

### 3.5 Need for more training

To achieve the reforms recommended by the IGR Strategy, there will be a requirement to carry out a full training needs analysis for the departments affected by the changes. New systems and processes are recommended and these will require the staff working in the operational areas of revenue collection to undergo relevant training.

The training and development required when introducing new systems and practices could involve an element of “change management” together with the necessary technical and procedural training. All levels of staff will be affected including the senior management. The training needs will follow from the functional review that helps determine the functions and right staffing of the NSBIR.
3.6 Taxpayer compliance

Revenue collections are obviously dependent on the taxpayer base, the willingness of the taxpayer to comply with the Tax Laws and the ability of the tax administrator to enforce infractions to the law. The challenges for any revenue collecting agency are many but can vary depending on the social and economic conditions dictated to the area of responsibility for the Agency. The obvious challenges are:

- Non-registration;
- Not filing returns on time;
- Not keeping adequate books and records;
- Suppressing/hiding sales;
- Maximizing expenses.

To increase the revenues through compliance, various strategies must be employed which will both increase the taxpayer base and effect improved compliance by addressing the above challenges.

3.7 Obsolete Rate for Fees and Fines

The Rate of some fees and fines are obsolete that cannot defray the cost of producing the receipt i.e. in Niger State Court Affidavit is still N20 which is not in consonance with the prevailing economic reality.
Section 4: Recommended Activities for Increasing IGR

Table 2 below sets out the recommended activities for increasing internally generated revenue in Niger State. The activities were discussed and agreed at the joint workshop on 9th October 2013.

Table 2: Recommended Activities for Increasing IGR

<table>
<thead>
<tr>
<th>Key Issue</th>
<th>Implications</th>
<th>Recommendations</th>
<th>Implications of recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>Due to the cap on funding of 10% of revenue collected, major development</td>
<td>To recognize that the budget set at beginning of year should take cognizance of both administration and development/capital costs/fund.</td>
<td>Development plans must be</td>
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<tr>
<td></td>
<td>issues may be stalled due to lack of capital funding</td>
<td></td>
<td>established on a periodical and</td>
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<td>realistic basis to allow for budget</td>
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<td>costs to be accurate.</td>
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<td>Possibility of outsourcing the</td>
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<td></td>
<td></td>
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<td>development to JTB or donor</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>agencies.</td>
</tr>
<tr>
<td>Putting right people in right</td>
<td>Staff unable to manage new technology.</td>
<td>Ensure staffs have the skills, qualities and knowledge or potential to do the</td>
<td>Human resource departmental</td>
</tr>
<tr>
<td>job</td>
<td>Technical skills for revenue collection and inspection staff not present.</td>
<td>required job in the right position at the right time.</td>
<td>reform:</td>
</tr>
<tr>
<td></td>
<td>Unqualified staff in technical posts.</td>
<td>A full review of staff complement together with grade structures required.</td>
<td>To include job descriptions for</td>
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<td></td>
<td></td>
<td></td>
<td>all grades especially technical</td>
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<td></td>
<td></td>
<td></td>
<td>posts</td>
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<td></td>
<td></td>
<td>Detailed staffing requirements</td>
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<td></td>
<td></td>
<td></td>
<td>must be established.</td>
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<td>Training needs analysis for all</td>
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<td></td>
<td></td>
<td>staff, to include Management and</td>
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<td>technical staff and “change</td>
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<td></td>
<td></td>
<td></td>
<td>management” for all staff</td>
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<td></td>
<td></td>
<td></td>
<td>Review staffing requirements</td>
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<td></td>
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<td>within the revenue collection</td>
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<td></td>
<td></td>
<td></td>
<td>role in all MDAs.</td>
</tr>
</tbody>
</table>

14
<table>
<thead>
<tr>
<th>Key Issue</th>
<th>Implications</th>
<th>Recommendations</th>
<th>Implications of recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Framework</td>
<td>Administrative management structure may not be suitable for reform programme</td>
<td>Full review of administrative structure together with a detailed reform programme. Recognition of technical reform committee that is to be charged with the reform programme. The NSBIR should be given the mandate to hire and fire without political interference.</td>
<td>A project team required to outline and plan IGR reform programme and to build in ALL implications agreed.</td>
</tr>
<tr>
<td>Systems and Processes</td>
<td>Out-dated collection system using a mix of manual and IT processes.</td>
<td>To fully automate Collection Systems and eradicate cash/cheque payments made to MDAs and BIR, which will widen the taxpayer base and provide greater transparency and accountability.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No accurate database for all taxpayers.</td>
<td>To provide an accurate database integrated with the collection system which will store data for registered taxpayers and record returns, assessed figures and penalties.</td>
<td>Budget for hardware, software and training.</td>
</tr>
<tr>
<td></td>
<td>No transparency in systems and processes.</td>
<td></td>
<td>Taxpayer and public education essential</td>
</tr>
<tr>
<td></td>
<td>No integrated database available to assist in registration, returns processing, audit and enforcement.</td>
<td>To formalize the TCC system and make it obligatory to obtain a TCC if there is any</td>
<td>Increased motivation for taxpayer to register, therefore widening taxpayer base and increasing IGR/increase mobilization for taxpayers to register in other to increase the data base.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Widens the necessity of TIN and assist in reducing non-compliance.</td>
</tr>
<tr>
<td>Key Issue</td>
<td>Implications</td>
<td>Recommendations</td>
<td>Implications of recommendations</td>
</tr>
<tr>
<td>-----------</td>
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<tr>
<td></td>
<td></td>
<td>dealings with Government institutions which will reinforce the necessity to implement TIN. To introduce electronic e-TCC system.</td>
<td></td>
</tr>
<tr>
<td>Staff Training</td>
<td>In any reform programme there will be a necessity for staff to undergo training and development.</td>
<td>To support full training needs analysis of all staff by HR, in conjunction with the IGR reforms.</td>
<td>Costs of training using other agencies to fill training gaps i.e. JTB, DFID and GIZ.</td>
</tr>
<tr>
<td>Taxpayer Compliance</td>
<td>To achieve a greater return on IGR, taxpayer compliance must be increased. More taxpayers registered means more revenue. More taxpayer accuracy in submitting returns means more revenue. If taxpayers find difficulty filing then they are not motivated to file correctly.</td>
<td>Continue with the current taxpayer education programme to encourage taxpayers to register if appropriate. Discuss and consider the use of a Presumptive Tax for small informal traders. Consider standard rates of taxes for particular sectors of Individual taxpayers.</td>
<td>Consider revamping messages to motivate taxpayers. Consider the extension of the TCC system. Co-operation with NSBIR not confrontation. Minimizing the record requirements brings more into the taxpayer base. Small payment from many is better than larger payments from few. Minimizing record keeping requirements motivates taxpayers to register who do not want to reveal their circumstances, and is cost-effective to collect.</td>
</tr>
<tr>
<td>Key Issue</td>
<td>Implications</td>
<td>Recommendations</td>
<td>Implications of recommendations</td>
</tr>
<tr>
<td>-----------</td>
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<td>---------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Develop a Risk based Audit programme for taxpayers.</td>
<td><strong>Cost effective Audit</strong> - audit cannot be carried out at all taxpayers but should be targeted</td>
</tr>
</tbody>
</table>
Section 5: IGR Improvement Strategy

The goal for IGR strategy is to maximize internal revenue generated.

<table>
<thead>
<tr>
<th>Goal</th>
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<tbody>
<tr>
<td>“To Maximize Internal Revenue Generation”</td>
</tr>
</tbody>
</table>

The background and analysis work for the administration of IGR is documented in this report and gives the evidence for the main opportunities for maximization of IGR. The Niger State IGR accrues from the efforts of Board of Internal Revenue and revenue collection units of MDAs. To achieve the Goal – “To Maximize Internal Revenue Generation” three strategic objectives were identified. These strategic objectives are:

1. “Increasing the tax payer base i.e. identify tax payers that are not already paying tax, implement new taxes or increase rates”;
2. “Improving tax payer compliance i.e. audit, penalties, enforce outstanding debts”;
   and
3. “Developing potentials of non-tax revenue sources”.

The first two of the three strategic objectives are in respect of taxes collected by Board of Internal Revenue, while the third strategic objective is in respect of Non-Tax revenues collected by revenue units of MDAs.

5.1 Board of Internal Revenue

The Board has developed a vision. The Vision provides the context for designing and managing the changes that will need to be made to address contemporary issues, attain the goal as stated above as well as realization of the strategic objectives. The vision of Niger State Board of Internal Revenue is:

<table>
<thead>
<tr>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>“To be a results-based, innovative and focused organization that is capable of rapidly responding to the need of the state government to fund its development programs”</td>
</tr>
</tbody>
</table>
The Mission Statement below sets out the purpose of Niger State Board of Internal Revenue within the context of the goal. It defines what the Board set out to achieve, captures the essence of their Vision and reflects how they expect to support its attainment. It gives meaning to the Vision in the sense that it lays out the constituent elements whose realization will help in attaining the strategic objectives. The mission is:

**Mission**

“To fairly and effectively collect state revenue from all sources to fund public services and regulate the state economy through optimum utilization of revenue generated”

The Board also identified its core values to complement its vision and mission statements. The core values are as follows:

Unity: Work together to accomplish our common goals.

Integrity: Maintain an ethical standard of honesty and consistency.

Trust: Maintain a mutual respect and shared confidence between tax payers and tax authority

Professionalism: Maintain a reputation of fairness, courtesy, and reliability

Communication: Encourage an on-going creative exchange of ideas between employees and management.

Responsiveness: Focus on identifying and satisfying external and internal clients needs.

The direct taxes of PAYE and personal income tax which are legislated for in the tax laws allow the greatest scope for the maximization of IGR in two ways (or strategic objectives). The strategic objectives are:-

**Strategic Objective 1**

“Increasing the tax payer base i.e. identify tax payers that are not already paying tax, implement new taxes or increase rates”

**Strategic Objective 2**

“Improving tax payer compliance i.e. audit, penalties, enforce outstanding debts”
Strategic Objective 1 as indicated above will entail systematic collection of information to increase the taxpayer data base. Existence of a comprehensive taxpayer data base will lead to improvement in statistical information underlying revenue estimation and ultimately achieve State IGR Goal. Currently the State annual revenue estimates are not based on empirical data rather estimates are mere guess approximations that may be close or off the mark.

Strategic Objective 2 as indicated above will entail improvement in taxpayer compliance through audit, penalties and enforcement.

Based on critical analysis of the challenges that limit IGR performance four clear high level themes were identified. The high level themes are as follow:-

1. **Appropriate Systems and Processes**
2. **Maximising Revenue Generation by increasing taxpayer base and improving taxpayer compliance**
3. **Underpinned by Legal Mandate & Appropriate Funding**
4. **Appropriate Human Resources & Education**

In order to achieve the strategic objectives it is important for the tax authorities to be able to identify its taxpayers by location, nature of business and tax type payable via a modern interactive taxpayer database. In an efficient tax system, a taxpayer database which provides functional processes to register taxpayers by tax type, to assess taxpayers and provide data for debt collection, enforcement and audit is essential. In focusing on a taxpayer database, sometimes recognized as an Integrated tax administration system (ITAS), which is integrated with TIN all other taxes, duties, licenses and any other payments contributing to the revenue
collections will be identified for each taxpayer thus providing a high level of assurance that maximum taxes are collected.

This can only be achieved by an effective means of TIN registration through various methodologies like street combing, designated centres and liaising with other stakeholders and other government departments who have access to data of individuals in all capacities. The use of data already within government together with other methodologies is the only way to guarantee complete registration.

In addition to the above, the recent efforts of many tax authorities to register taxpayers electronically must be the way forward in the Niger State tax system. The TIN supported by the Joint Tax Board is yet to take off fully in Niger State, but this work must be built upon and the registration for TIN to be a mandatory process. The TIN aims at providing a common platform of registering all entities who are required to pay any tax, fee or other non-tax revenues, it will provide a foundation for an accurate and complete taxpayer base and a good foundation for achieving real time tax collection which is a global focus of all modern tax systems. The use of TCC and in some states the Electronic Taxpayer Compliance Certificate (e-TCC) is a motivating factor for any entity to register. If an entity is required to do any kind of business with Government then that entity should be required to hold a legitimate TCC to carry out that business.

To support the two strategic objectives outlined in the box above there are dependencies within the tax system which require support to allow the goal to be achieved. Central to the improvement as outlined are the Electronic Systems necessary to progress to a modern taxation system commencing with the full implementation of TIN and interface with a taxpayer database (ITAS) which can identify taxpayers by location, tax type and nature of business.

The ITAS alone will not address all the issues as this cannot work in isolation of the procedures required for which the systems will support. These are embedded in the functions required to operate the effective and efficient collection of taxes. The main functions of tax collection are initially as mentioned earlier i.e. registration, assessment, debt management, enforcement and audit.

Similarly, processes and systems cannot work without people i.e. Human resources of the NSBIR and the taxpayers who ultimately pay all the direct taxes and non-tax revenues. Reforms are required in these areas to move ahead with strategic direction of IGR.

The specific recommendations for each area are as shown at Section 4, and these have been elicited from the challenges recognized at Section 3. How the recommended action plan fit into the overall strategy is described in diagrammatical format below.
5.2 Revenue Units of MDAs

The revenue base of revenue generating units of MDAs is quite narrow and limited by poor availability of information and data, and further compounded by poor capacity for revenue data management. To allow for maximization of IGR from the revenue units of MDAs a strategic objective was identified. The strategic objective is:

![Strategic Objective 3](image)

“Developing potentials of non-tax revenue sources”

The following sources of revenue would need to be developed to ensure improved revenue generation:

- Registration and Renewal of private healthcare facilities;
- Registration and Renewal of patent medicine stores;
- Produce Inspection Fees;
- Veterinary Certificate Fees;
- Vehicle Inspection and roadworthiness;
- Registration and Renewal of business premises;
- Ground Rents;
- Land Registration and transfer Fees;
- Stamp Duties;
- Registration and renewal of private educational institutions;
- Trade Animal Control Post Fees.

The four high level themes and activities already discussed under Board of Internal Revenue are applicable for this strategic objective. However the following additional activities are proposed.

- Provide additional resources for each ministry’s revenue administration function, e.g. provision of Motor Vehicles and Motor Cycles and computers as well as for staff development.
- The Board of Internal Revenue work with MDA to carry out a review of its tariffs and fee structure to ensure that they are realistic and consistent with prevailing economic conditions
- The Board of Internal Revenue in collaboration with Ministry of Finance negotiates revenue performance targets with the MDAs based on estimates drawn from BIR comprehensive data base.
5.3  **Tactical Plan for Achieving Strategic Objectives 1, 2 and 3**

**Goal**

**To Maximize Internal Revenue Generation**

**HIGH LEVEL THEMES**

- **Appropriate Systems and Processes to increase Internal Revenue Generation**
  - Fully automate Collection Systems and eradicate cash/cheque payments made to MDAs and BIR, which will widen the taxpayer base and provide greater transparency and accountability
  - Provide an accurate database integrated with TIN and the Collection system which will store data for registered taxpayers
  - To formalize the TCC system and make it obligatory to obtain a TCC in any dealings with Government agencies
  - Operationalize TIN to give motivation for registration
  - Designate special courts to handle tax and non-tax revenue matters
  - Assign dedicated lawyers to prosecute tax and non-tax revenue defaulters
  - Centralise assessment, collection and accounting mechanism of all revenues
  - Review assessment done by revenue collection MDAs

- **Appropriate Human Resources and Environment for Revenue Administration**
  - Full power to NSBIR to recruit, promote and discipline its staff
  - Functional review of Niger State revenue administration structure and recommend reform programme
  - Implement Recommendation of the Review
  - Ensure staff have the skills, qualities and knowledge or potential to do the required job
  - Perform Training Needs Analysis of the BIR and revenue collecting units of MDAs
  - Coordinated Training of Revenue Staff in line with recommendations of Training Needs Analysis
  - Provision of conducive permanent offices, working tools, equipment and vehicles

- **Tax Payer and Public Education**
  - Continue and improve upon the current taxpayer education programme.
  - Organization of workshops with trade groups, civil organisations etc.
  - Collaborate with Banks and other third party sources to collect information on potential taxpayers to be used to update and ensure comprehensive taxpayers database.
  - High level dialogue and education
  - Dialogue with business organization including public institutions to compel their customers and clients to disclose their TINs for business transactions
  - Introduce Presumptive Tax for small informal traders.
  - Standard rates of taxes for individuals within professional groups or persons in the same trade using years of experience

**ACTIVITIES**

- Continue and improve upon the current taxpayer education programme.
- Organization of workshops with trade groups, civil organisations etc.
- Collaborate with Banks and other third party sources to collect information on potential taxpayers to be used to update and ensure comprehensive taxpayers database.
- High level dialogue and education
- Dialogue with business organization including public institutions to compel their customers and clients to disclose their TINs for business transactions
- Introduce Presumptive Tax for small informal traders.
- Standard rates of taxes for individuals within professional groups or persons in the same trade using years of experience

**Underpinned by Legal Mandate and Appropriate Funding**
Section 6: Implementation Action Plan

Table 3 below sets out an indicative Implementation plan, the purpose of this plan is to set the direction for the way forward and to guide the BIR in their development of a detailed implementation plan which will take the IGR Strategy forward to a modernization programme. The indicative plan has been completed using the specific recommendations agreed and documented in the IGR Strategy and accepted by the State. These recommendations were agreed and documented through a series of meetings and workshops held where the Key Government officials participated.

External assistance is likely to be required to support some activities in the plan, in particular areas of the Systems development (I.T.) and Human Resources drivers.

A workshop will be held in the early part of 2014 to take this indicative plan and work on a detailed Operational Plan with the Heads of the Operational teams as recommended to be appointed in the indicative plan below.

Table 3: Indicative Implementation Action Plan

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Activities</th>
<th>Measurable Indicator(s)</th>
<th>Timeline</th>
<th>Budget N</th>
<th>Source of Fund</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>Set up Technical Committee to meet once a month for 2 years.</td>
<td>Technical Committee in place.</td>
<td>Jan 2014</td>
<td>250,000</td>
<td>NSBIR</td>
<td>NSBIR</td>
</tr>
<tr>
<td></td>
<td>Set up operational committee for each Driver.</td>
<td>Operational Committees (4) in place.</td>
<td>Jan 2014</td>
<td>2,000,000</td>
<td>NSBIR</td>
<td>Technical Committee</td>
</tr>
<tr>
<td></td>
<td>Complete the functional review of Niger State revenue administration structure and recommend reform programme including corporate planning.</td>
<td>Final Report with recommendations</td>
<td>March 2014</td>
<td>TBD</td>
<td>NSBIR/SPARC²</td>
<td>Technical Committee</td>
</tr>
<tr>
<td></td>
<td>Implement Recommendation of the Review.</td>
<td>A reorganized NBIR with the new Structure in place.</td>
<td>June 2014</td>
<td>???</td>
<td>NSBIR</td>
<td>NSBIR</td>
</tr>
</tbody>
</table>

² State Partnership for Accountability Responsiveness and Capability
<table>
<thead>
<tr>
<th>Drivers</th>
<th>Activities</th>
<th>Measurable Indicator(s)</th>
<th>Timeline</th>
<th>Budget N</th>
<th>Source of Fund</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSBIR to recruit, promote, discipline and deploy staff.</td>
<td>The NSBIR with full power to recruit, promote, discipline and deploy staff</td>
<td>June 2014</td>
<td>???</td>
<td>NSBIR</td>
<td>NSBIR</td>
<td></td>
</tr>
<tr>
<td>Ensure staff have the skills, qualities and knowledge or potential to do the required job including a review of the NSBIR salary structure, to make salaries commensurate to skills required.</td>
<td>Job description, qualifications and salary structure implemented.</td>
<td>Dec 2014</td>
<td>???</td>
<td>???</td>
<td>NSBIR</td>
<td></td>
</tr>
<tr>
<td>Perform Training Needs Analysis of the BIR and revenue collecting units of MDAs.</td>
<td>Training Needs Analysis Report.</td>
<td>April 2014</td>
<td>???</td>
<td>???</td>
<td>Technical Committee</td>
<td></td>
</tr>
<tr>
<td>Coordinated Training of Revenue Staff in line with recommendations of Training Needs Analysis.</td>
<td>All Staff of BIR with requisite skills to deliver.</td>
<td>Dec 2015</td>
<td>???</td>
<td>???</td>
<td>Technical Committee</td>
<td></td>
</tr>
<tr>
<td>Review of Office and Logistics requirements to identify gaps.</td>
<td>Report of Office and Logistics Gap Analysis with gaps identified, and recommendations for filling the gaps.</td>
<td>Jan 2014</td>
<td>???</td>
<td>???</td>
<td>Technical Committee</td>
<td></td>
</tr>
<tr>
<td>Provision of conducive permanent offices, working tools, equipment and vehicles.</td>
<td>Conducive permanent offices, working tools, equipment and vehicles in place.</td>
<td>Dec 2015</td>
<td>???</td>
<td>???</td>
<td>NSBIR</td>
<td></td>
</tr>
<tr>
<td>Drivers</td>
<td>Activities</td>
<td>Measurable Indicator(s)</td>
<td>Timeline</td>
<td>Budget N</td>
<td>Source of Fund</td>
<td>Responsibility</td>
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</tr>
<tr>
<td>Systems and Processes</td>
<td>The IT Director who is a member of the operational committee will form a project team within IT to carry forward the recommendations below.</td>
<td>Project Team in place</td>
<td>Jan 2014</td>
<td>???</td>
<td>???</td>
<td>Technical Committee</td>
</tr>
<tr>
<td></td>
<td>Complete the automation of Collection Systems and eradicate cash/cheque payments made to MDAs and BIR, which will provide greater transparency and accountability.</td>
<td>All payments done through automated payment system. Reduced cost of collections. Increased transparency.</td>
<td>June 2015</td>
<td>???</td>
<td>???</td>
<td>NSBIR</td>
</tr>
<tr>
<td></td>
<td>Continue the work on TIN and formalize the TCC system and make it obligatory to obtain a TCC in any dealings with Government.</td>
<td>Number of Taxpayers registered.</td>
<td>Dec 2015</td>
<td>No additional Cost; already provided for</td>
<td>???</td>
<td>NSBIR/JTB</td>
</tr>
<tr>
<td></td>
<td>Provide an accurate database integrated with the Collection system which will store data for registered taxpayers and TIN.</td>
<td>Tax payer data base in place. Reduce cost of collections.</td>
<td>Dec 2015</td>
<td>???</td>
<td>???</td>
<td>NSBIR</td>
</tr>
<tr>
<td></td>
<td>Collaborate with Banks and other third party sources to collect information on potential taxpayers used to update and ensure comprehensive taxpayers</td>
<td>List of all bank customers and their addresses available to BIR.</td>
<td>April 2014</td>
<td>???</td>
<td>???</td>
<td>NSBIR</td>
</tr>
<tr>
<td>Drivers</td>
<td>Activities</td>
<td>Measurable Indicator(s)</td>
<td>Timeline</td>
<td>Budget N</td>
<td>Source of Fund</td>
<td>Responsibility</td>
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</tr>
<tr>
<td></td>
<td>Centralize assessment, collection and accounting mechanism of all revenues from MDA.</td>
<td>More transparency and increased collections.</td>
<td>June 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
<tr>
<td></td>
<td>Review of Tariff and fees structure of revenue sources in MDAs to be realistic and consistent with current economic conditions.</td>
<td>Consistent and realistic tariffs and fees.</td>
<td>June 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
<tr>
<td></td>
<td>BIR to engage services of professionals to review assessment done by revenue collection MDAs&gt;</td>
<td>Transparency and increased collections by MDAs&gt;</td>
<td>Sept 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
<tr>
<td>Tax Payer and Public Education</td>
<td>The Director who is a member of the operational committee will form a project team within NSBIR to carry forward the recommendations below.</td>
<td>Operational project team in place.</td>
<td>Jan 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
<tr>
<td></td>
<td>Continue and improve upon the current taxpayer education Programme.</td>
<td>Increase in TIN registration.</td>
<td>Dec 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
<tr>
<td></td>
<td>Continue with ongoing workshops with trade groups, civil organizations, etc.</td>
<td>Increased exposure to taxpayer groups.</td>
<td>Dec 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
<tr>
<td>Drivers</td>
<td>Activities</td>
<td>Measurable Indicator(s)</td>
<td>Timeline</td>
<td>Budget N</td>
<td>Source of Fund</td>
<td>Responsibility</td>
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</tr>
<tr>
<td>High level dialogue and education - for example sensitization of students on benefits of paying tax.</td>
<td>Increased exposure to taxpayer groups.</td>
<td>Dec 2014</td>
<td>???</td>
<td>???</td>
<td>Technical Committee with appointed organizations</td>
<td></td>
</tr>
<tr>
<td>Dialogue with business organization including public institutions to compel their customers and clients to disclose their TINs for business transactions.</td>
<td>Accountability linked to TIN and motivation to register.</td>
<td>Dec 2014</td>
<td>???</td>
<td>???</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax Payer Compliance</strong></td>
<td><strong>To increase the skills and qualities of the staff employed in enforcement, collection and audit.</strong></td>
<td>Relevant Staff with skills.</td>
<td>Dec 2015</td>
<td>???</td>
<td>???</td>
<td></td>
</tr>
<tr>
<td>Review Presumptive Tax for small informal traders.</td>
<td>Widened net for informal taxpayers.</td>
<td>April 2014</td>
<td>???</td>
<td>???</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard rates of taxes for individuals within professional groups or persons in the same trade using years of experience.</td>
<td>Widened net for specialised taxpayers.</td>
<td>April 2014</td>
<td>???</td>
<td>???</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designate special courts to handle tax and non-tax revenue matters.</td>
<td>Special courts in place. Increase in transparency.</td>
<td>Jan 2014</td>
<td>???</td>
<td>???</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drivers</td>
<td>Activities</td>
<td>Measurable Indicator(s)</td>
<td>Timeline</td>
<td>Budget N</td>
<td>Source of Fund</td>
<td>Responsibility</td>
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</tr>
<tr>
<td></td>
<td>Assign dedicated lawyers to prosecute tax and non-tax revenue defaulters.</td>
<td>Increase in transparency</td>
<td>Jan 2014</td>
<td>???</td>
<td>???</td>
<td>???</td>
</tr>
</tbody>
</table>
Annex 1: Sensitization Workshop Attendance List

Groups

**Group One: MDAs Niger**
1. Esu Ibrahim Jemaku - Niger State Information Geographic System
2. Ndagi Alhaji Ndagi - Ministry of Commerce Niger
3. Hajiya Rabi H. Yahaya - Ministry of Commerce Niger
4. Zakari Adamu - State Planning Commission Niger
5. Zakari Abubakar - State Planning Commission Niger

**Group Two: BIR Niger**
1. Yakubu Makun Ndagu - BIR Niger
2. Jummai M. Agwai - Fiscal Commission Niger
Annex 2: Sensitization Workshop Group Work

First Group Session

1. List and describe all Taxes and Non Tax Revenue which are collected in your State.

2. Under what legal mandates are these Taxes and Non Tax revenue collected.

3. Prioritize the Taxes and Non Tax Revenue in order of importance. If possible give details of collections in your State.

**Group One: MDAs Niger State**

<table>
<thead>
<tr>
<th>Tax and Non Tax Revenue</th>
<th>Legal Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Ground Rent</td>
<td>Niger State Geographic Information Agency Law</td>
</tr>
<tr>
<td>Capital Gain tax</td>
<td></td>
</tr>
<tr>
<td>Land Registration Fees</td>
<td></td>
</tr>
<tr>
<td>Consent Fees</td>
<td></td>
</tr>
<tr>
<td>Survey Fees</td>
<td></td>
</tr>
<tr>
<td>Search Fees</td>
<td></td>
</tr>
<tr>
<td>Change of Purpose Fees</td>
<td></td>
</tr>
<tr>
<td>Sale of Maps</td>
<td></td>
</tr>
<tr>
<td>Registration of Contractors</td>
<td>Companies and Allied Matters Act 1990</td>
</tr>
<tr>
<td>Registration of Trade &amp; Investments</td>
<td></td>
</tr>
<tr>
<td>Registration of Poultry Farm and Fisheries</td>
<td></td>
</tr>
<tr>
<td>Tourism Fees</td>
<td></td>
</tr>
<tr>
<td>Registration of Association</td>
<td></td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>Education Law</td>
</tr>
<tr>
<td>Accommodation (Hostel) Fees</td>
<td></td>
</tr>
<tr>
<td>Day Care centre</td>
<td></td>
</tr>
<tr>
<td>Quarry Operation Fees</td>
<td>Ministry of Environment</td>
</tr>
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<td>-----------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Environment Stress Fees</td>
<td></td>
</tr>
<tr>
<td>Water Analysis Fees</td>
<td></td>
</tr>
<tr>
<td>Water Charges</td>
<td></td>
</tr>
<tr>
<td>Environmental Offences Fees</td>
<td></td>
</tr>
<tr>
<td>Registration Borehole Drilling Fees</td>
<td></td>
</tr>
</tbody>
</table>

**Group Two: BIR Niger**

<table>
<thead>
<tr>
<th>Type</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYE</td>
<td></td>
</tr>
<tr>
<td>Direct Assessment</td>
<td></td>
</tr>
<tr>
<td>Withholding Tax (Individuals)</td>
<td></td>
</tr>
<tr>
<td>Capital Gain Tax (Individuals)</td>
<td></td>
</tr>
<tr>
<td>Stamp Duties (Individuals)</td>
<td></td>
</tr>
<tr>
<td>Pool, Betting &amp; Lottery, Gaming and casino Taxes</td>
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<tr>
<td>Road taxes (Driver’s License and Vehicle License)</td>
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<tr>
<td>Business premises Registration</td>
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<tr>
<td>Development Levy</td>
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<tr>
<td>Rent on Government Properties</td>
<td></td>
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<tr>
<td>Fines and Fees - Examples of Fines and Fees</td>
<td></td>
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<tr>
<td>- Court Fees</td>
<td></td>
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<tr>
<td>- Declaration of age</td>
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<td>- Affidavit</td>
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<td>- Court Fines</td>
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<td>- Livestock Fees</td>
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<td>- Land Application Fees</td>
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<tr>
<td>- Contract Registration &amp; Renewal Fees</td>
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<tr>
<td>- Registration booklet</td>
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<tr>
<td>- Cooperative Society Registration</td>
<td></td>
</tr>
</tbody>
</table>
Earning from Sales - Examples of earnings

- Sales of Application
- Sales of Vehicle Plate Numbers
- Sales of Law books
- Sales of Farm Products
- Sales of Maps from Lands
- Sales of Irrigation Forms

Miscellaneous - Example of Miscellaneous

- Trade Test & Others
- Work drop Fees
- Plant Hire Fees
- Receipt from Shiroro Hotels
- Government Printing
- Hackney Permit

Sale of Government Assets and Auction

Interest and Dividends

Second Group Session

1. Provide the Structure and Organization Chart of your MDA or BIR.
2. What systems are used to collect each Tax or Non Tax revenue – Manual or IT?
3. Briefly describe how Taxes and Non Tax revenue are collected.

Group One MDAs Niger

Processes of Collection and Method of Collection of Not Tax Revenues.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Activity</th>
<th>Process</th>
<th>Method</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assessment</td>
<td>Determination of Amount Payable</td>
<td>Electronic</td>
<td>Bill of Payment</td>
</tr>
<tr>
<td>2</td>
<td>Demand Notice</td>
<td>Preparation of Maturity Profile of Fees/Rent to identify those due/overdue</td>
<td>Electronic</td>
<td>Demand Notice to Payee</td>
</tr>
<tr>
<td>3</td>
<td>Serve of Demand Notice</td>
<td>Payment by Bank draft/direct lodgment and issuance of receipt</td>
<td>Manual</td>
<td>Demand Notice Served</td>
</tr>
<tr>
<td>4</td>
<td>Collection of Amount Payable</td>
<td></td>
<td>Manual</td>
<td>Payment made</td>
</tr>
</tbody>
</table>
**Group 2: BIR Niger**

**System of Collection**

1. Operates Pay Direct System of E transaction in Revenue Collection
2. Issue a customized receipt in both headquarters and zonal revenue offices
3. Road Taxes payments through Auto-Reg
4. They have customized tellers in making deposits

**Description of Revenue Collection in Niger State**

A taxpayer could:

1. Walk to the Bank, make payment and bring the teller for the issuance of receipt; or
2. Walk to the office and make payment (cash/cheque) and receipt will be issued immediately.

**Description of Revenue Payment in Niger**

A taxpayer could walk to any of the collecting Bank and make payment to the Board’s Account. Instantly an E-ticket will be generated and issued to the taxpayer. H/she will bring it for final collection of E-receipt in the Headquarters.

**Third Group Session**

What work is currently carried out in your State on the following?

1. Training & HR
2. Tax Payer Education and Public Awareness
3. Systems and processes

**Group One: MDAs Niger**

1. Training/sponsorship of staff at post graduate levels
2. Seminar/workshops on related desk functions
3. Quarterly in-house training of staff in conjunction with Lead Consultants
4. Graduates engagement scheme
5. Stakeholders fora
6. Weekly television and radio programmes
7. Jingles on television and radio
8. Sensitization of the public via billboards.
Recommendations

1. Automation of revenue collection and administration, for
   a. Improved Management Information System
   b. Improved Data generation and management
   c. It blocks leakages and other forms of loss of revenue
   d. It enhances accounting and auditing
   e. It increases speed of tax payment and access of government to fund

**Group Two: BIR Niger**

1. Training and HR
   a. Attend seminars, workshops and training
   b. Promotion is done as when due
   c. Jingles on both radio and television

2. Public Awareness
   a. Interactive session with stakeholders on tax matters
   b. Production of tax payers service information leaflets
   c. Engage the services of cultural groups

Recommendations

1. More training and retraining of revenue staff
2. Migrate from manual system to E-transaction by establishing functional data centre
3. Putting right people to right jobs
4. Review of Tax Laws and relevant laws to suite modern day realities
5. Tax education need to be implemented
6. Reduce political interference in tax matters.
Annex 3: Presentation at the Sensitization Workshop

Introductions

• Name
• State
• Office
• Designation
• Brief description of your work

Why are we here?

• To formulate IGR Strategy

• What is the purpose of IGR Strategy?
  • To generate more revenue

• Why do we need to generate more revenue?
sparc  Why do we need to generate more revenue

- Increase Service Delivery
- To fulfill promises by Government
- To improve security
- To promote economic growth
- To provide critical infrastructure
- To provide good governance
- To reduce dependency on Federal Allocation

sparc  Where Does IGR Fit with PFM

- PFM underlies all government activity
  - Revenue collection,
  - Allocation of these funds to various activities,
  - Expenditure, and
  - Accounting for spent fund.
- Revenue management interacts closely with expenditure management, particularly when determining the overall budget envelope and when managing in-year cash flow.
- Therefore generating more revenue is central in ensuring budget credibility (i.e. that budget is realistic and implemented as intended).
What do we hope to achieve from this workshop

- Outline of IGR Strategy which is SMART
  - Specific
  - Measurable
  - Achievable
  - Realistic
  - Time Bound

IGR Strategy

- Before we can formulate any strategy certain steps need to be carried out.
- The mains steps are:-
  - Examine what is happening now
  - Examine strengths and weaknesses of the current practice
  - Determine what “can go wrong” in current practice and
  - Recommend ways to improve and reform
Maximizing Revenue Generation

- Increase tax payer base
  - Example - identify tax payers that are not already paying tax
- Increase tax payer compliance
  - Examples - audit, penalties, etc
- Implement new taxes or increase rates

High Level Themes to Consider

- Systems and Processes
- Human Resources
- Tax Payer and Public Education
- Legal Mandate
Break up into 4 (four) working Groups

- 2 Groups for MDAs,
  - Group 1 – Kaduna and Kano
  - Group 2 – Niger and Zamfara
- 2 Groups for BIR
  - Group 3 – Kaduna and Kano
  - Group 4 – Niger and Zamfara

First Group Session

- List and describe all Taxes and Non Tax Revenue which are collected in your State.
- Under what legal mandates are these Taxes and Non Tax revenue collected.
- Prioritize the Taxes and Non Tax Revenue in order of importance. If possible give details of collections in your State.
Second Group Session

- Detailed the Structure and Organization of your MDA or BIR
- What systems are used to collect each Tax or Non Tax revenue – Manual or IT
- Briefly describe how Taxes and Non Tax revenue are collected

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Annex 4: Presentation at October 2013 Strategy Validation Workshop

IGR Strategy Development Workshop for Niger States

Immaculate Suites Abuja

9th October 2013

Why are we here?
To formulate IGR Strategy

Where are we now?
Identified what is happening now

Identified strengths and weaknesses of the current practice

Determined what “can go wrong” in current practice, and

Recommended ways to improve and reform (Discussion Document)

What do we hope to achieve from this workshop

Outline of IGR Strategy which is SMART

Specific

Measurable

Achievable

Realistic

Time Bound

Moving Forward

Each State has different circumstances which may affect the Strategy going forward

Some of these are as follows:-

The Degree of Autonomy of the BIR which impact on control of budget and control of revenue

The level of IT development already commenced. Examples TIN, database for direct assessment taxpayers, informal tax base, etc.
Moving Forward - Contd

Work already done within BIR Structure and organization, particularly HR, Tax payer education and training

What development and reform strategies have been agreed with JTB and what interventions are planned

Break up into 5 (five) working Groups

Jigawa State – Group 1
Kaduna State – Group 2
Kano State – Group 3
Niger State – Group 4
Zamfara State – Group 5

First Group Session

Review the challenges documented and

*add any other challenges not captured or*

*expand any of the already identified challenge, and*

*Document agreed additions*

Maximizing Revenue Generation

Increase tax payer base

Example - identify tax payers that are not already paying tax

Increase tax payer compliance

Examples - audit, penalties, etc

Implement new taxes or increase rates
High Level Themes to Consider

Systems and Processes
Human Resources
Tax Payer and Public Education
Legal Mandate

Second Group Session

Based on the high level themes look at the recommendations

Agree or disagree

Add details in respect of each recommendation

Add new recommendations pertinent to your State

Sort the recommendations into the High level themes discussed in the last slide

Identify who will be responsible for overall delivery of the Strategy

Plenary Discussion

How to take recommendations forward in the form of a strategy

Responsibility

Budget

Source of Fund

Timeframe

Realistic

Achievable
Annex 5: List of Participants at October 2013 IGR Strategy Validation Workshop

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME</th>
<th>DESIGNATION/ORGANISATION</th>
<th>PHONE</th>
<th>STATE</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>ESV. Ibrahim M. Jemaku</td>
<td>Head Land (NIGIS)</td>
<td>08034524075</td>
<td>Niger</td>
</tr>
<tr>
<td>2</td>
<td>Ndagi, M. Yakubu</td>
<td>Board Secretary BIR</td>
<td>08039207142</td>
<td>Niger</td>
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<tr>
<td>3</td>
<td>Barrister Shehu B. Bosso</td>
<td>BIR</td>
<td>08035923792</td>
<td>Niger</td>
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<tr>
<td>4</td>
<td>Attahiru Bako</td>
<td>BIR</td>
<td>08036426620</td>
<td>Niger</td>
</tr>
<tr>
<td>5</td>
<td>Zakari Adamu</td>
<td>Director Planning</td>
<td>08039208548</td>
<td>Niger</td>
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</tbody>
</table>