



## A COMMUNIQUE ISSUED AT THE END OF THE 2ND ANNUAL NATIONAL TAX DIALOGUE

The 2nd Annual National Tax Dialogue themed “Tax Harmonisation for Enhanced Revenue Generation” took place at the Banquet Hall of the State House, Abuja on Tuesday 29th March 2022. The event was declared open by His Excellency, the President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, President Muhammadu Buhari, GCFR and many other prominent Nigerians were

in attendance.

The major outcome of the 2022 National Tax Dialogue includes:

1. Taxation, being a sovereign tool for perpetuating organised society, peace, development and growth, must not be politicised. Tax authorities should not be distracted by politically motivated actions; instead, they should be supported by everyone to enable them to function efficiently and maximise the revenue potentials of the tax system.
2. Any discontent by some subnational governments with the current revenue distribution framework should be addressed without any political colouration. The Federation Accounts Allocation Committee (FAAC), National Economic Council (NEC) and National Assembly should come up with an amicable resolution without delay.
3. Governments, at all levels, must grow tax revenue without necessarily raising new taxes considering the volatility of revenue from commodities.
4. Available data indicates that countries with smaller economy and tax base than Nigeria are faring much better in terms of tax revenue collection, and the ratio of tax-to-GDP because they have streamlined their tax system. Hence, tax policy, legislation and administrative practices, at all levels, must be harmonised into one indivisible whole starting with a harmonised national taxpayer registration system.
5. A fragmented tax system i.e. one which is characterised by multiple or overlapping taxes or duplicated tax administrations, is inefficient and compromises tax revenue generation. Similarly, the multiplicity of tax administration is as undesirable as the multiplicity of taxes; either case creates uncertainty and instability in the economy. Therefore, governments at all levels should harmonise all revenue generating functions into a single platform under the administration of only one revenue authority of each government.
6. Modern and efficient tax administration needs data – particularly, big data. Nigerian tax authorities must use data to track all economic activities and identify all taxable persons. Government should create relevant policy and statutory framework for a centralised data sourcing, warehousing, analysis and retrieval system that every tax authority can plug into.
7. The last time government commissioned a study of the tax system was about two decades ago whereas, the social-economic environment had changed severally and materially during the same period. Government should commission a study group to review the entire tax scope including:
  1. A review of available resolutions, reports, communiqués, etc. of various tax conferences, workshops, symposia, etc.; identifying key resolutions and recommendations;
  2. identification of measures, practices, policies and laws that are capable of inhibiting business, investments and growth of the Nigerian economy, for recommended changes, deletion or repeal;
  3. carrying out a study of modern tax practices, policies, laws, etc. of relevant countries with a view to instituting similar ones in Nigeria; and
  4. providing a roadmap for harmonisation of the Nigerian tax system.
8. The impending general election is an opportunity for intending political office holders to showcase their tax agenda. Independent National Electoral Commission (INEC), Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices and other Related Offences Commission (ICPC) and all other relevant agencies should work with the relevant tax authority in screening candidates to ensure tax compliance as part of eligibility for public office. Any individual who is not tax compliant should not be trusted with the resources of the people.
9. Two principal factors militating against voluntary tax compliance are ineffective communication and trust deficit. Tax authorities should develop effective tax communications strategies while governments at all levels must ensure that taxpayers receive value for taxes paid.

Signed  
**Muhammad Nami**  
The Executive Chairman,  
Federal Inland Revenue Service