

THE PRESUMPTIVE TAX SYSTEM

Do you earn any income?

Yes you do, and, you are not paying tax under the Pay-As-You-Earn System?

And, you are also not under the Direct Assessment for Income Tax?

But, why are you not paying income tax?

If your income is small;

Or your business keeps no full accounting records;

Or it is difficult to calculate your income;

And, you are not exempt from income tax, then,

Like other person with much income, You are a taxable person - *a person who must pay income tax*

Don't worry, there is a simple and more convenient way to pay your tax. The presumptive tax is the answer.

What is Presumptive Tax?

It is a simplified method that is designed for small income earners and people whose income cannot be easily calculated. It is the same Personal Income Tax, but in a simplified way. In addition to its root in the Personal Income Tax Act, LFN, 2004, as amended, it is guided by a National Regulation -

And, In Oyo State, the Presumptive Tax is further mandated by the Executive Order No 005 signed by His Excellency, Governor Seyi Makinde.

How much will you pay?

For the sake of justice, since your income is small, your tax is also small - just a token
For every artisans, small traders, micro and small entrepreneurs, service providers with small and medium-sized office/shop, there is a set of tax amount. Please ask your trade association, check online at www.oyostateirs.com or visit any of our offices (see overleaf).

Will tailors, mechanics and plumbers also pay presumptive tax?

Yes, they are to pay. Other artisans, traders and service providers are also required to pay tax. Remember, income tax is compulsory on every income earner who has taxable income.

For a comprehensive list, see the back of this leaflet or visit our website

www.oyostateirs.com

What are my benefits for paying the presumptive tax?

You have all the rights and benefits of a taxpayer, including the right to Tax Clearance Certificate. In addition, your business gain the recognition of the government, and you can trade with the government.

Will I stay permanently on the Presumptive Tax System?

You, on your own volition, move out, or The Internal Revenue Service, may move you out to the regular (Direct Assessment) system, if your income is no longer small or you business keep reliable accounting records;

How will I make the payment of my tax?

Payment should be made through our agents directly into the accounts of Oyo State Government. You may use the dedicated POS Machine, or pay online on

<https://payment.oyostatebir.com>

No cash payment to anybody, except, where expressly permitted for payment to be made through recognized trade associations.

Will I get any evidence for the payment of my presumptive tax?

Yes, every payment would be receipted with valid Receipt of Oyo State Government

If I don't pay, what is the consequence?

Every tax evader is a criminal, even if the evasion is under the Presumptive Tax System. Tax criminals can loose their licence, will pay the tax and the penalty, and may face prosecution.

What else do I need to know?

- i. You must register yourself and your business with Oyo State Internal Revenue Service, not later than the 26th of February, 2024; and,
- ii. You must file your Annual Tax Returns, not later than 31st of March, of every year;
- iii. You will be granted a rebate of 2% of the tax payable if you maintain records and file tax returns within the specified period.

For further information

Visit www.oyostateirs.com; or contact 09034423126, 07012990552; or visit any of our Tax Stations (*OYIRS maintain Tax Station in each Local Government Area*)