

CHAPTER S2 - SALES TAX LAW

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SALES TAX LAW

A Law to impose a sales tax on certain goods sold in Kwara State.

[KWS 7 of 1986.]

[Date of commencement: 1st May,
1984]

1. Short title
This Law may be cited as the Sales Tax Law.
2. Interpretation
In this Law, unless the context otherwise requires—
"the Board" means the Board of Internal Revenue;
"Commissioner" means the State Commissioner charged with responsibility for matters relating to Finance;
"supplier" means the supplier of the taxable services or goods listed in paragraph 1 of column A of Schedule 1 to this Law;
"tax" means the sales tax imposed under section 3 of this Law;
"taxable goods" means the goods listed in Schedule 1 to this Law;
"taxable services" means the services listed in Schedule 1 to this Law.

3. Imposition of sales tax

(1) There shall be charged and payable a tax to be known as Sales Tax which shall be administered in accordance with the following provisions of this Law.

(2) The tax shall be under the care and management of the Board.

4. Taxable goods and services

The tax shall be chargeable and payable on the goods and services listed in column A of Schedule 1 to this Law at the rates specified in column B thereto where—

- (a) a manufacturer or importer supplies such goods to its accredited distributors or agents in the State; or
- (b) a supplier supplies such services to consumers in the State in the course of its business.

5. Collection of tax

A manufacturer, importer or supplier shall, not later than 30 days after the supply of any taxable goods or services to its accredited distributor, agent, or consumer in the case of taxable services, collect from the distributor, agent or consumer, as the case may be, tax on those goods or services at the rate specified in Schedule 1 to this Law.

6. Payment of tax

(1) All money and securities for money collected or received for or on account of the tax shall form part of the revenue of the State and shall be paid to the Board on or before the 30th day of the month next following that in which the tax is due.

(2) A manufacturer, importer or supplier shall, when making a payment under subsection (1) of this section, submit a return in the Forms prescribed in Schedule 2 to this Law.

7. Power of inspection

The Board may in writing authorise any person on its behalf—

- (a) to require any manufacturer, importer or supplier—
 - (i) to produce any books, documents or records relating to taxable goods or services for purposes of inspection; and if the person so requires, to permit him to take copies of such books, documents or records;
 - (ii) to provide any information which in the opinion of the person would assist in the inspection; and
 - (iii) to give such other assistance as may be required for the inspection; and
- (b) to enter the premises of any manufacturer, importer or supplier or remove any books, documents or records relating to taxable goods or services where it has reason to suspect that a contravention of this Law is being made.

8. Offences

(1) Subject to subsection (2) of this section, any manufacturer, importer or

supplier who contravenes or fails to comply with any provision of this Law, shall be guilty of an offence under this Law.

(2) Subject to the provisions of subsection (3) of this section—

- (a) if any tax collected under section 5 of this Law, is not paid within the time specified in section 6 of this Law, the Board shall serve on the manufacturer, importer or supplier, as the case may be, a demand note for the unpaid tax plus a sum which is equal to 5 per cent of the tax; and
- (b) if any sum demanded under paragraph (a) of this subsection is not paid within 2 months of such demand, the manufacturer, importer or supplier, as the case may be, shall be guilty of an offence under this Law.

(3) The Board may, if it thinks fit, remit in whole or in part any sum added to the unpaid tax under subsection (2) (a) of this section.

(4) Where an offence under this Law is committed by a body corporate or firm or other association of individuals—

- (a) every inspector, manager, secretary or other similar officer of the body corporate;
- (b) every partner or officer of the firm;
- (c) every person concerned in the management of the affairs of the association;

or

(d) every person who was purporting to act in any such capacity as aforesaid, shall severally be guilty of that offence and liable to be proceeded against and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the act or omission constituting the offence took place without his knowledge, consent or connivance.

(5) An offence under this Law shall be triable in the High Court of the State.

9. Penalties

(1) Except as otherwise provided in this Law, a person who is guilty of an offence under this Law, shall on conviction be liable—

- (a) for a first offence, to a fine of N2000 or imprisonment for 6 months;
- (b) for a second and subsequent offence, to a fine of #3000 or imprisonment for one year or to both such fine and imprisonment.

(2) The institution of proceedings or imposition of any penalty under this Law shall not relieve any manufacturer, importer or supplier, as the case may be, from liability to pay to the Board any tax which is or may become due under this Law.

10. Regulations

The Commissioner may, with the approval of the Governor, make regulations, generally for the purposes of this Law and the due administration thereof.

FIRST SCHEDULE

[Section 4.]

Taxable Goods and Services and Rates of Tax Thereon

A	B
1. Taxable Services	Rates of Sales Tax.
Sales and Services in Hotels, Motels, Catering Establishments; Restaurants and other personal service establishments (excluding drinks)	5 percent.
2. Taxable Goods:	
1. Beer	36k per carton/crate.
2. Wine Liquor and Spirits	10 percent.
3. Soft Drinks (including mineral water)	24k per carton/crate.
4. Cigarettes and Tobacco	5 percent.
5. Jewels and Jewelleries	5 percent.
6. Perfumes and Cosmetics (excluding toiletries)	5 percent.
7. Electrical and Electronics Equipment (Video Recorders, Stereo Sets, Radio and Television Sets, Video Cassettes, Cameras, Airconditioners, Fans, Deep Freezer)	5 percent.
8. Carpets and Rugs (excluding Linoleum)	5 percent.
9. Bottled Natural Water (excluding mineral water)	5 percent.

SECOND SCHEDULE

[Section 6.]

Forms

FORM A

Supply of Taxable Goods or Services

(To be completed in respect of every distributor, agent or consumer)

Name of *Manufacturer/Importer/Supplier

.....
.....
.....

Name of * Distributor/Agent/Consumer

.....
.....

.....Address

.....
Bill No

.....

	Amount
TAXABLE GOODS OR SERVICES SUPPLIED	N k
.....	
.....	
.....	
Total	
.....	
Add Sales Tax	
.....	
Gross amount payable

.....

.....

Supplied by

Signature of

**Distributor/Agent/Consumer*

(*Delete words not applicable).

FORM B

Monthly Return of Payment of Sales Tax

Name of *Manufacturer/Importer/Supplier

.....

.....

.....

Address

.....

Ref. No.

.....

Internal Revenue Department Code No.

.....

Type of *taxable goods/services supplied for the month of

N

N

N

FORM B—continued

Date, 20

[illegible]

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Name and Address of *Manufacturer/Importer

.....

Date,20

.....

Signature

*Delete words not applicable.

CHAPTER S2
SALES TAX LAW
SUBSIDIARY LEGISLATION

No Subsidiary Legislation