

Smart Tax Engine - Tax Report

User ID: 12345

Period: 2026-Q1

Tax Calculations:

Income Tax: ₦0

VAT: ₦0

Development Levy: ₦0

Other Taxes: ₦0

Legal Tax Optimisation Strategies:

1. Maximise Allowable Deductions: Ensure all business expenses are 'Wholly, Exclusively, Necessarily, and Reasonably' (WENR) incurred. Keep meticulous records of costs like salaries, rent, utilities, and repairs to reduce future taxable profits.
2. Claim Capital Allowances: For qualifying assets (e.g., equipment, vehicles, furniture), claim annual capital allowances. This spreads the cost over the asset's useful life, providing a consistent reduction in taxable profit.
3. Utilise Loss Relief: If the business incurs a loss, ensure it is carried forward. You can offset this loss against profits from the same trade for up to four subsequent years, thereby reducing future tax payments.
4. Investigate Industry-Specific Incentives: Research if your business sector qualifies for tax incentives like Pioneer Status (tax holiday), Rural Investment Allowance, or tax credits for R&D, which can significantly lower your tax burden.
5. Proper Expense Classification: Differentiate correctly between capital expenditure (for assets) and revenue expenditure (day-to-day running costs). Revenue expenses are 100% deductible in the year incurred, offering immediate tax relief.

Compliance Notes:

Filing nil returns is mandatory even with zero tax liability to avoid penalties. VAT returns are due by the 21st of the month following the transaction. Company Income Tax (CIT) returns are due within 6 months of your company's financial year-end. Maintain all financial records, including invoices, receipts, and bank statements, for at least six years as required by law.

Summary:

Based on the provided data indicating a taxable profit of zero, your total calculated tax liability for this period is ₦0. However, compliance obligations such as filing nil returns remain.