

Smart Tax Engine - Tax Report

User ID: 695cca202c0bc0be99d52479

Period: 2025-Q3

Tax Calculations:

Income Tax: ₦0

VAT: ₦0

Development Levy: ₦0

Other Taxes: ₦0

Legal Tax Optimisation Strategies:

1. Claim Capital Allowances: For any qualifying assets purchased (e.g., equipment, vehicles, furniture), claim capital allowances to reduce future taxable profits. This is the tax-deductible equivalent of depreciation.
2. Utilize Loss Carry-Forward: If the zero profit is a result of a business loss, ensure this loss is documented and carried forward indefinitely to offset profits in future years, thereby reducing future tax payments.
3. Deduct All Allowable Expenses: Meticulously track and deduct all expenses that are 'Wholly, Exclusively, Necessarily, and Reasonably' (WENR) incurred for the business. This includes salaries, rent, utilities, and repairs.
4. Explore Industry-Specific Incentives: Investigate if your business qualifies for incentives like Pioneer Status (tax holiday for 5-7 years), Rural Investment Allowance, or tax credits for Research & Development, which can significantly reduce future liabilities.
5. Proper Expense Classification: Correctly classify expenses as either revenue (immediately deductible) or capital (deductible over time via capital allowances) to ensure you are maximizing your deductions in the correct periods.

Compliance Notes:

Filing a 'Nil' return is mandatory even with zero tax liability. VAT returns are due by the 21st of the following month. Companies Income Tax (CIT) returns are due within 6 months of your company's financial year-end. Maintain meticulous records of all transactions, including invoices, receipts, and bank statements, to substantiate your tax position in case of an audit.

Summary:

Based on the provided data showing zero taxable profit and zero VAT, your total tax liability for this period is NGN 0.00. However, you still have compliance obligations, such as filing a 'Nil' return to avoid penalties.