

Under the Nigeria Tax Act 2025, individuals, individual business owners and traders are subject to Personal Income Tax on their annual taxable income.

Taxable income is calculated on an annual basis.

Where income is stated monthly, annual income is determined by multiplying the monthly amount by twelve.

The Personal Income Tax rates applicable to individuals are as follows:

- * 0% on the first N800,000 of annual taxable income
- * 15% on the next N2,200,000
- * 18% on the next N9,000,000
- * 21% on the next N13,000,000
- * 23% on the next N25,000,000
- * 25% on any income above N50,000,000

These rates apply to traders operating as individuals and not incorporated companies.

Source: Nigeria Tax Act 2025