

Federal Revenue and Tax Reform Bill

A Bill

to reform and consolidate the laws relating to taxation and revenue in Square Country; to establish the Federal Revenue Department; to provide for the collection and management of taxes; and to ensure fiscal integrity, equity, and efficiency in the administration of public revenue.

Part I – Preliminary Provisions

1. Short Title

This Act may be cited as the *Federal Revenue and Tax Reform Act 2025*.

2. Commencement

(1) This Act shall come into force on a date appointed by Order in Council made by the Governor-General on the advice of the Minister of Finance.

(2) Different dates may be appointed for the coming into force of different Parts or provisions of this Act.

3. Purpose

The purpose of this Act is to—

- (a) establish the Federal Revenue Department as the principal agency responsible for the collection, management, and protection of public revenue in Square Country;
 - (b) provide for the equitable and efficient imposition, collection, and enforcement of taxes;
 - (c) promote fairness, accountability, and public confidence in the taxation system; and
 - (d) ensure that the fiscal operations of the State are conducted in accordance with principles of transparency, legality, and sound administration.
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4. Interpretation

In this Act, unless the context otherwise requires—

“**Commissioner**” means the Commissioner of Federal Revenue appointed under section 10.

“Department” means the Federal Revenue Department established under this Act.

“Minister” means the Minister of Finance.

“Officer” means any person employed or engaged by the Department in the performance of its functions.

“Prescribed” means prescribed by regulations made under this Act.

“Tax” includes income tax, goods and services tax, excise duties, corporate or business tax, customs duties, and any other duty, levy, or impost imposed under the authority of Parliament.

“Taxpayer” means any person or entity liable to pay tax under the laws of Square Country.

“Tribunal” means the Revenue Appeals Tribunal established under Part VI.

“SCD” or “₪” means Square Country Dollars, the lawful currency of Square Country.

5. Binding Effect

This Act binds the Crown in right of Square Country.

6. Act to be Read with Other Enactments

This Act shall be read together with and deemed part of all other taxation and revenue enactments of Square Country, except where inconsistent.

7. Principles of Tax Administration

All persons exercising powers or functions under this Act shall be guided by the following principles—

- (a) Equity and fairness in treatment of taxpayers;
 - (b) Consistency and certainty in application of the law;
 - (c) Efficiency and economy in collection of revenue;
 - (d) Confidentiality of taxpayer information; and
 - (e) Accountability and transparency in administration.
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Part II – Establishment of the Federal Revenue Department

8. Establishment of Department

(1) There is hereby established a department of state to be known as the **Federal Revenue Department** (hereinafter referred to as “the Department”).

(2) The Department shall be responsible for the general administration of this Act and all taxation and revenue laws of Square Country.

(3) The Department shall be a body corporate with perpetual succession, a common seal, and power to sue and be sued in its corporate name.

9. Functions of the Department

The functions of the Department are to—

- (a) assess, collect, and account for all taxes, duties, and levies imposed by Parliament;
 - (b) maintain and enforce compliance with tax laws;
 - (c) provide advice to the Minister and to Government on taxation policy, revenue forecasting, and fiscal management;
 - (d) administer taxpayer services, education, and outreach to promote voluntary compliance;
 - (e) investigate, detect, and prosecute offences against taxation laws;
 - (f) maintain national revenue records and statistical data; and
 - (g) perform any other function conferred by this or any other enactment.
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10. Commissioner of Federal Revenue

(1) There shall be a **Commissioner of Federal Revenue**, who shall be the chief executive of the Department.

(2) The Commissioner shall be appointed by the Governor-General on the advice of the Minister of Finance, after consultation with the Cabinet.

(3) The Commissioner shall hold office for a term not exceeding five years, and may be reappointed.

(4) The Commissioner shall not engage in any activity that may conflict with the impartial performance of their duties.

(5) In the performance of statutory duties, the Commissioner shall act independently and shall not be subject to direction from any person in relation to individual taxpayers or cases.

11. Deputies and Other Officers

(1) The Commissioner may, with the approval of the Minister, appoint one or more **Deputy Commissioners** to assist in the performance of the functions of the Department.

(2) A Deputy Commissioner may exercise all powers of the Commissioner under delegated authority.

(3) The Department may employ such officers, inspectors, auditors, and administrative staff as

are necessary for the efficient performance of its duties.

(4) Every officer shall take an oath or affirmation of fidelity and secrecy in the prescribed form before assuming their duties.

12. Independence of the Department

(1) In exercising powers under this Act, the Department shall act independently and without political interference.

(2) No person shall direct or attempt to influence the Commissioner or any officer in relation to a specific taxpayer, assessment, or investigation.

13. Divisions of the Department

The Department shall comprise the following divisions, subject to modification by regulation—

(a) the **Revenue Policy and Research Division**, responsible for fiscal analysis, economic forecasting, and policy advice;

(b) the **Taxpayer Services Division**, responsible for registration, education, and client assistance;

(c) the **Compliance and Audit Division**, responsible for verification, audit, and enforcement of tax obligations;

(d) the **Legal and Prosecutions Division**, responsible for interpretation of tax law and prosecution of offences;

(e) the **Customs and Excise Division**, responsible for duties on imports, exports, and controlled goods; and

(f) the **Corporate Services Division**, responsible for finance, personnel, and internal management.

14. Delegation of Powers

(1) The Commissioner may, in writing, delegate to any Deputy Commissioner or officer any of the powers or functions conferred by this Act, except the power of delegation itself.

(2) Any such delegation shall not prevent the exercise of the same power by the Commissioner.

(3) A delegation may be revoked at any time by notice in writing.

15. Advisory Committees

- (1) The Minister may, on the recommendation of the Commissioner, establish one or more advisory committees to advise the Department on tax administration and policy.
 - (2) Committees may include representatives from government, business, and the public.
 - (3) Advisory committees shall have no executive powers and shall operate in accordance with terms of reference approved by the Minister.
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16. Seal and Authentication

- (1) The common seal of the Department shall be kept in such custody as the Commissioner determines.
 - (2) Every document purporting to be sealed with the common seal of the Department and authenticated by the signature of the Commissioner shall be received in evidence without further proof.
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17. Annual Reports

- (1) The Commissioner shall, within six months after the end of each financial year, prepare a report on the operations of the Department during that year.
 - (2) The Minister shall lay a copy of every such report before the House of Representatives.
 - (3) The report shall include—
 - (a) total revenue collected by category of tax;
 - (b) expenditure incurred by the Department;
 - (c) compliance and enforcement statistics; and
 - (d) any other matter the Minister or Commissioner considers relevant to public accountability.
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18. Confidentiality of Information

- (1) Every officer of the Department shall maintain the confidentiality of all taxpayer information obtained in the course of duty.
 - (2) No such information shall be disclosed except—
 - (a) for the purpose of carrying out the provisions of this Act;
 - (b) in the course of judicial proceedings; or
 - (c) with the consent of the taxpayer concerned.
 - (3) Any person who unlawfully discloses such information commits an offence and is liable to prosecution.
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19. Protection of Officers

No civil or criminal proceedings shall lie against the Commissioner or any officer for any act done in good faith in the exercise of powers under this Act.

20. Revenue Advisory Council

(1) There shall be established a **Revenue Advisory Council**, consisting of the Minister (Chair), the Commissioner, two Members of Parliament, and up to three persons appointed by the Minister for their expertise in economics, law, or public administration.

(2) The Council shall meet at least twice yearly to review the performance of the revenue system and to make recommendations for improvement.

(3) The Council shall have an advisory role only and shall not interfere with operational decisions of the Department.

21. Headquarters and Offices

(1) The headquarters of the Department shall be located in the capital city, but the Commissioner may establish regional offices in any part of Square Country as necessary for efficient administration.

(2) Each regional office shall be headed by a Regional Director appointed by the Commissioner.

22. Official Emblem and Identity

The Department may, with the approval of the Minister, adopt an official emblem or insignia for use on documents, buildings, and communications, symbolising its authority under this Act.

23. Funding and Appropriation

All expenses of the Department shall be paid out of money appropriated by Parliament for the purpose, and all revenue collected shall be paid into the Consolidated Fund of Square Country unless otherwise directed by law.

Part III — Taxation Framework

24. Overview of national taxation system

(1) The taxation system of Square Country shall comprise the following principal forms of tax administered by the Federal Revenue Department:

- (a) income tax;
- (b) goods and services tax;
- (c) company and corporate tax;
- (d) excise duties, including those on tobacco, alcohol, and fuel; and
- (e) any other tax, duty, levy, or charge imposed by an Act of Parliament and assigned to the Department.

(2) Nothing in this Part shall prevent Parliament from enacting further classes of taxation or repealing any existing class.

25. General principles

(1) All taxation shall be based on the principles of equity, efficiency, simplicity, and transparency.

(2) The Department shall ensure that no person is subject to double taxation on the same income or transaction within the same tax year.

(3) Every taxpayer shall be treated in accordance with the same rules, subject to lawful exemptions provided under this Act or other enactments.

26. Assessment of tax liability

(1) The Commissioner may, in accordance with prescribed regulations, issue assessments determining the amount of tax payable by any person or entity.

(2) Such assessment shall be conclusive unless challenged under the provisions of Part VI (Disputes and Appeals).

(3) An assessment may be amended by the Commissioner where an error or omission is identified within four years of the original assessment date.

27. Income Tax

(1) A tax to be known as **income tax** shall be imposed upon all individuals and entities deriving assessable income within or from Square Country.

(2) Income tax shall be levied on a progressive scale as prescribed by regulations made under this Act.

(3) Assessable income shall include, but not be limited to—

- (a) wages, salaries, and other forms of employment remuneration;
- (b) profits or gains from business or professional activities;
- (c) dividends, interest, and other investment returns;
- (d) rental or property income; and

- (e) foreign income, subject to applicable treaties or exemptions.
 - (4) Deductions may be claimed for allowable expenses, charitable donations, and such other items as may be prescribed by regulation.
 - (5) Employers shall be required to deduct tax at source through the pay-as-you-earn (PAYE) system and remit such deductions to the Department.
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28. Company and Corporate Tax

- (1) Every company incorporated or carrying on business in Square Country shall be liable to pay tax on its net profits.
 - (2) The rate of company tax shall be prescribed by regulation and may vary according to company size or sector, provided that such differentiation serves an economic or public policy purpose.
 - (3) Companies shall be required to file annual returns supported by audited financial statements within six months of the end of the financial year.
 - (4) The Commissioner may require the production of supporting documents or explanations to verify any return.
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29. Goods and Services Tax (GST)

- (1) A tax known as **Goods and Services Tax** shall be imposed on all taxable supplies of goods and services made in Square Country, and on the importation of goods.
 - (2) GST shall be levied at a single rate prescribed by regulation.
 - (3) Every registered person shall charge GST on taxable supplies, issue valid tax invoices, and remit the tax to the Department.
 - (4) Registered persons may claim input tax credits for GST paid on goods or services acquired for taxable use.
 - (5) The Commissioner may cancel a person's GST registration where it appears the person is no longer carrying on a taxable activity.
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30. Excise Duties

- (1) Excise duties shall be levied on specified goods produced in or imported into Square Country, including tobacco, alcohol, and petroleum products.
- (2) Rates of duty shall be prescribed by regulation and may be adjusted annually in accordance with inflation or public health objectives.
- (3) The manufacture, storage, and movement of excisable goods shall be subject to licensing and inspection by authorised officers.

(4) The Commissioner may seize any excisable goods upon which duty has not been paid or which are otherwise held contrary to this Act.

31. Customs and import duties

(1) The Department shall collect customs duties and import taxes in accordance with trade laws and bilateral or multilateral agreements.

(2) Imported goods shall not be released from customs control until all applicable duties have been paid.

32. Withholding taxes

(1) The Commissioner may require certain payments, including dividends, interest, or royalties, to be subject to withholding tax at the prescribed rate.

(2) A person making such payments shall be responsible for deducting and remitting the tax.

(3) The withheld tax shall be credited against the recipient's total income tax liability.

33. Tax exemptions and rebates

(1) Parliament may, by enactment, authorise exemptions or rebates for certain classes of income or goods, including—

(a) charitable organisations;

(b) educational or religious institutions;

(c) low-income earners or vulnerable persons; and

(d) exports and diplomatic transactions.

(2) The Department shall maintain a public register of all exemptions granted.

34. Tax treaties and international arrangements

(1) The Government may enter into agreements with other states or international organisations to prevent double taxation and promote cooperation in tax matters.

(2) Such treaties, once ratified, shall have effect as if enacted under this Act.

Part IV — Collection, Administration, and Compliance

35. Filing of returns

- (1) Every taxpayer shall file an annual return in the prescribed form stating all income, deductions, and credits claimed.
 - (2) The Commissioner may prescribe electronic filing requirements for efficiency.
 - (3) A return shall be deemed filed only when received in full and accompanied by payment or confirmation of payment.
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36. Payment of tax

- (1) All taxes payable under this Act shall be due and payable on or before the date specified in regulations.
 - (2) Where payment is not made by the due date, interest shall accrue at the prescribed rate until full payment is received.
 - (3) The Commissioner may enter into installment arrangements where hardship is demonstrated.
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37. Record keeping

- (1) Every taxpayer shall keep proper records of income, expenses, and other matters relevant to taxation for a period of not less than seven years.
 - (2) Records may be kept electronically or in hard copy, provided they are accessible to authorised officers upon request.
 - (3) Failure to maintain adequate records shall constitute an offence under this Act.
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38. Audits and investigations

- (1) The Department may conduct audits and investigations to ensure compliance with this Act.
 - (2) An authorised officer may, upon reasonable notice, enter any premises during business hours for the purpose of inspection or verification of records.
 - (3) Where non-compliance or fraud is suspected, the Commissioner may issue a notice requiring the production of documents, explanations, or attendance for interview.
 - (4) Findings from an audit shall be provided to the taxpayer in writing, stating reasons and any amounts assessed.
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39. Enforcement powers

- (1) The Department shall have the power to recover unpaid taxes through—
 - (a) garnishment of wages or bank accounts;
 - (b) liens on property;
 - (c) seizure and sale of assets; and
 - (d) proceedings in the courts.
 - (2) The Commissioner shall exercise enforcement powers proportionately and only where voluntary compliance has failed.
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40. Penalties and offences

- (1) A person commits an offence who—
 - (a) wilfully evades or attempts to evade tax;
 - (b) makes a false or misleading statement;
 - (c) obstructs an officer in the performance of duty; or
 - (d) fails to file a return or maintain proper records.
 - (2) Penalties may include fines, imprisonment for up to five years, or both, depending on the seriousness of the offence.
 - (3) Administrative penalties may also be imposed for late filing or payment.
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41. Confidentiality and information sharing

- (1) Officers of the Department shall maintain strict confidentiality of all taxpayer information.
 - (2) Disclosure shall only be permitted—
 - (a) for the purpose of administering this Act;
 - (b) in proceedings before a court; or
 - (c) to law enforcement or other public agencies under authorised information-sharing agreements.
 - (3) Any unauthorised disclosure by an officer shall constitute an offence.
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42. Delegation of authority

The Commissioner may delegate any power or function under this Act to a Deputy Commissioner, Director, or other senior officer, provided such delegation is in writing and subject to any prescribed limits.

43. Administrative rulings

The Department may issue binding rulings or interpretations to clarify the application of this Act in specific circumstances. Such rulings shall be publicly accessible unless they contain confidential taxpayer information.

44. Reporting and transparency

- (1) The Department shall publish an annual report detailing revenue collected, audits undertaken, enforcement actions, and taxpayer statistics.
- (2) The report shall be presented to Parliament within six months of the end of the financial year.

Part V — Disputes, Reviews, and Appeals

45. Right of objection

- (1) Any taxpayer who disputes an assessment or decision made under this Act may file a notice of objection within sixty (60) days of the date of such assessment or decision.
 - (2) The objection shall be made in the prescribed form and state clearly the grounds of dispute.
 - (3) The Commissioner shall acknowledge receipt of the objection and may request additional information as required.
 - (4) Failure to lodge an objection within the time allowed shall render the assessment final and conclusive, except where the Commissioner is satisfied that exceptional circumstances exist.
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46. Internal review

- (1) The Commissioner shall cause all objections to be reviewed by an officer not involved in the original assessment.
 - (2) The reviewing officer shall consider all relevant facts, laws, and representations and may confirm, amend, or cancel the assessment or decision.
 - (3) A written determination shall be issued to the taxpayer within ninety (90) days of receiving the complete objection.
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47. Appeals to the Taxation Review Board

- (1) A taxpayer dissatisfied with the outcome of an internal review may appeal to the **Taxation Review Board**, an independent body established under this Part.
- (2) The Board shall consist of—
 - (a) a Chairperson appointed by the Governor-General on the recommendation of the Speaker

of the House;

- (b) two members with substantial experience in taxation, accounting, or law; and
- (c) such other persons as may be appointed to provide expert advice in complex cases.

(3) The Board shall hear appeals in a manner that is fair, informal, and consistent with natural justice.

(4) Decisions of the Board shall be final as to questions of fact but may be appealed to the High Court on questions of law.

48. Appeals to the courts

(1) An appeal to the High Court shall be lodged within thirty (30) days of the Board's decision.

(2) The High Court may affirm, reverse, or vary the decision, or remit the matter to the Board for reconsideration.

(3) Appeals from the High Court may be taken to the Court of Appeal with leave of that Court.

49. Burden of proof

(1) In all proceedings under this Act, the burden of proving that an assessment or decision is incorrect shall lie on the taxpayer.

(2) However, where the Department alleges fraud or evasion, the burden of proving such allegation shall lie on the Department.

50. Suspension of payment pending dispute

(1) The Commissioner may suspend the requirement to pay disputed tax where—

- (a) an objection or appeal has been lodged; and
- (b) the Commissioner considers the dispute genuine and payment would cause undue hardship.

(2) Interest shall continue to accrue on any suspended amount pending final resolution.

51. Settlement of disputes

(1) The Commissioner may, with the consent of the Minister, settle any tax dispute where it is considered that—

- (a) the cost of litigation would exceed the likely recovery; or
- (b) settlement is in the public interest.

(2) All settlements shall be documented and reported in summary form in the Department's annual report.

Part VI — Cooperation, Information Exchange, and Oversight

52. Interagency cooperation

(1) The Department shall cooperate with other government agencies, including law enforcement, customs, and financial regulators, to ensure effective revenue collection and prevent tax evasion.

(2) Information may be shared between agencies subject to appropriate safeguards and privacy protections.

53. International cooperation

(1) The Department may exchange information with foreign tax authorities in accordance with international agreements to combat tax evasion and promote transparency.

(2) All exchanges shall comply with confidentiality obligations and be authorised by the Commissioner.

54. Oversight by the Auditor-General

(1) The Auditor-General shall audit the accounts and operations of the Department annually and report to Parliament.

(2) The Auditor-General may conduct performance audits to assess efficiency and integrity.

55. Parliamentary reporting

(1) The Minister shall table before Parliament—

(a) the Department's annual report;

(b) the Auditor-General's report on the Department; and

(c) any special reports concerning significant revenue risks or compliance challenges.

(2) The House may refer any such report to a select committee for examination.

56. Whistleblower protection

(1) Any person, including an officer or taxpayer, who provides information to the Department or Auditor-General regarding tax evasion, corruption, or misconduct shall be protected from retaliation.

(2) The identity of such person shall not be disclosed without consent, except as required by law.

(3) Any person who takes retaliatory action against a whistleblower commits an offence and shall be liable to imprisonment for up to two years or a fine not exceeding ₦50,000.

57. Anti-avoidance provisions

(1) Where the Commissioner determines that a transaction or arrangement has been entered into primarily for the purpose of avoiding tax, the Commissioner may disregard such arrangement and assess the tax as if the avoidance had not occurred.

(2) In making such determination, the Commissioner shall consider the form, substance, and economic effect of the arrangement.

(3) The taxpayer may appeal any anti-avoidance determination under Part V.

Part VII — Transitional and Repeal Provisions

58. Transfer of functions

(1) All functions, powers, and responsibilities previously vested in the **Federal Taxation Department** or any predecessor entity are hereby transferred to the **Federal Revenue Department**.

(2) All existing employees, assets, liabilities, and records shall be deemed to belong to the Department as established by this Act.

59. Continuation of existing regulations

All regulations, orders, or notices made under previous taxation laws shall remain in force until revoked or replaced under this Act, to the extent they are not inconsistent with it.

60. Transitional administration

- (1) The Minister may, by notice in the Gazette, make such transitional or saving provisions as are necessary to give effect to the implementation of this Act.
- (2) Such provisions may include temporary arrangements for the continuation of assessments, investigations, or proceedings commenced under prior law.
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61. Repeals and amendments

- (1) The following Acts are hereby repealed:
- (a) the *National Taxation Administration Act 1989*;
 - (b) the *Income Tax Consolidation Act 1994*;
 - (c) the *Excise and Duties Act 2001*; and
 - (d) any other enactment inconsistent with this Act.
- (2) Consequential amendments to other legislation shall be prescribed by regulation.
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62. Savings of rights

Nothing in this Act shall affect any right, liability, or proceeding lawfully existing under previous enactments, except where expressly provided otherwise.

Part VIII — Miscellaneous and Final Provisions

63. Power to make regulations

- (1) The Minister may, on the recommendation of the Commissioner, make regulations for the purpose of carrying out or giving effect to this Act.
- (2) Such regulations may prescribe—
- (a) forms, returns, and procedures;
 - (b) rates of interest, penalties, or rebates;
 - (c) thresholds and exemptions;
 - (d) administrative fees; and
 - (e) any other matter necessary for the efficient administration of the tax system.
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64. Service of documents

- (1) Any notice, demand, or document required to be served under this Act may be served personally, by registered post, or electronically to an address or account notified by the

recipient.

(2) Service by post shall be deemed effective on the fifth business day after posting.

65. Evidentiary certificates

A certificate signed by the Commissioner stating that a specified amount of tax is due and unpaid shall be prima facie evidence of that fact in any court or tribunal.

66. Protection from liability

No action shall lie against the Minister, Commissioner, or any officer of the Department for any act done in good faith in the performance of functions under this Act.

67. Review of operation

(1) The Minister shall cause a review of the operation of this Act to be conducted five years after its commencement.

(2) The review shall consider the effectiveness of the Department, the fairness of the tax system, and the adequacy of compliance mechanisms.

(3) The report of the review shall be tabled in Parliament.

68. Commencement

This Act shall come into force on 1 April of the year following its passage, or on such earlier date as may be appointed by the Governor-General by Order in Council.

69. Short title

This Act may be cited as the **Federal Revenue and Tax Reform Act 2025**.