



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**UNIVERSITY VILLAGE, PLOT 91, NNAMDI AZIKWE EXPRESSWAY,**  
**JABI, ABUJA**  
**FACULTY OF LAW**  
**JULY 2017\_1 SEMESTER EXAMINATION**

**COURSE CODE: LAW 434 EXAMINATION QUESTIONS**  
**COURSE TITLE: LAW OF TAXATION II**  
**COURSE UNIT: 4 UNITS**  
**TIME ALLOWED: 2 ½ HOURS**  
**INSTRUCTION: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 (THREE)**  
**QUESTIONS. (QUESTION 1 (ONE) ATTRACTS 25 MARKS)**

1. Deza State is one of the States in the Federal Republic of Nigeria. Since 2010 when oil exploration began in the State, the oil company DaX Group Plc has been paying tax to the Federal Government of Nigeria. A new Governor has been sworn in and he is committed to enhancing the standard of living of the oil producing communities in the State. The Governor intends to send a bill to the State House of Assembly to enact a law empowering the State to impose tax on any oil company in the State.
  - (a) The Governor has approached you for legal advice on the legality or otherwise and the constitutionality of this step. Advise him. (15 marks).
  - (b) Would your advice be different if the bill is intended to impose tax on schools? (10 marks).
2. Using case law, discuss what is not tax, what payment amount to tax and the features that will be visible to declare an item as tax.
3. Discuss and draw a distinction between proportional and progressive tax systems identifying their advantages and disadvantages.
4. There has been argument as to the taxing power of the Local Government in Nigeria. Using statutory and judicial authorities, discuss the taxing power of the Local Government in Nigeria.
5. Discuss 10 major taxation problems in Nigeria and their solutions.
6. All documents must be stamped under the stamped duties laws. Discuss.