



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS**  
**SCHOOL OF LAW**  
**MAY/JUNE 2012 EXAMINATION**

LAW 434: LAW OF TAXATION 2  
TIME ALLOWED: 3 HOURS

ANSWER ANY FIVE QUESTIONS, ALL QUESTIONS CARRY EQUAL MARKS

1. ANY IMPOSITION AND COLLECTION OF TAX OUTSIDE THE JURISDICTION OF TAX STATUTE OR THAT IS DEVOID OF THE STATE LEGISLATIVE ARM APPROVAL IS A SELF-ASCRIBED TAXING POWER WHICH TO THAT EXTENT NULL. DISCUSS.
2. WHEN NIGERIA BECAME A FEDERATION IN 1954, THE ISSUE OF SHARING OF TAXING POWERS BETWEEN THE REGIONS AND THE FEDERAL GOVERNMENT BECAME A SERIOUS TUSSLE WHICH SETTLEMENT HAD TO GO THROUGH THE THICK AND THIN OF HISTORY. DISCUSS
3. "ALL ANIMAL ARE EQUAL, BUT SOME ARE MORE EQUAL THAN THE OTHER" AS A TAX LAW STUDENT EXAMINE HOW APTLY CAN THIS STATEMENT MIRROR THE SHARING OF TAXING POWER BETWEEN THE THREE TIERS OF GOVERNMENT IN NIGERIA.
4. YOU JUST GOT A JOB WITH THE MINISTRY OF INTERNAL REVENUE OF YOUR STATE AND YOU WERE REQUIRED TO MAKE A PRESENTATION ON BEHALF OF YOUR BOSS ON THE ISSUE OF PAYMENT OF TAX, HOW WILL YOU ASSESS THE VIABILITY OF EFFECTIVE TAX COLLECTION IN VIS-À-VIS WITH THE PROBLEMS ASSOCIATED WITH TAX AVOIDANCE IN THE STATE
5. TAX IS NOT JUST ANY PAYMENT MADE AT WILL OR ON DEMAND BY ANY PERSON OR GROUP OF PERSONS AND TO ANY PERSON OR GROUP OF PERSONS. DISCUSS

6. WITH THE AID OF CASE LAWS DISCUSS WHAT IS NOT TAX AND WHAT PAYMENT AMOUNT TO TAX AND THE FEATURES THAT WILL BE VISIBLE TO DECLARE AN ITEM AS TAX
7. LIFE IS FULL OF UPS AND DOWNS AND SO IS THE PROPORTIONAL TAX SYSTEM, IT CERTAINLY CANNOT ONLY BE APPRAISED BY ITS VIRTUES BUT ALSO BY ITS IMPERFECTIONS. DISCUSS
8. [A.] DIFFERENTIATE WITH CLEAR EXAMPLES WHAT YOU UNDERSTAND BY DIRECT AND INDIRECT TAX SYSTEM.

[B.] WRITE SHORT NOTES ON:

- I. PROGRESSIVE TAX
  - II. PROPORTIONAL TAX
  - III REGRESSIVE TAX
9. AS A STUDENT OF LAW OF TAXATION, HOW FAR WILL YOU AGREE WITH THE THOUGHT THAT SAYS THAT, REGRESSIVE TAX SYSTEM, IS NOT THE BEST FOR A DEVELOPING COUNTRY LIKE NIGERIA?