



EDO STATE GOVERNMENT OF NIGERIA

EXECUTIVE ORDER NO.....2023

EXECUTIVE ORDER FOR THE ADOPTION OF PRESUMPTIVE INCOME TAX REGIME FOR SMALL BUSINESSES IN EDO STATE.

WHEREAS:

1. The Government of Edo State is committed to fostering a conducive business environment for small enterprises, promoting compliance, and streamlining the tax system.
2. It is imperative to institute an economically advantageous tax framework for the growth and sustainability of small businesses.
3. THEREFORE, the adoption of this tax regime for small businesses shall lead to:
 - (1) Promoting a conducive business environment for small businesses.
 - (2) Encouraging tax compliance through simplified processes.
 - (3) Implementing economically advantageous tax regimes for small businesses.

I, Godwin Nogheghase Obaseki, Governor of Edo State of Nigeria in the exercise of the power vested on me by the Constitution of the Federal Republic of Nigeria, 1999 (as amended), and by virtue of all other powers enabling me in that behalf do hereby order and direct as follows:

1: Applicability

1.1 This Executive Order applies to all firms, business owners, employers, and employees in Edo State whose monthly income is N30,000 (Thirty Thousand Naira) and below, as stipulated by the provisions of the Finance Act 2020

1.2 The incorporation of small businesses into this regime is designed to offer relief to micro, small, and medium enterprises (MSMEs), acknowledging their significant contribution to the local economy.

2: Categories and Tax Rates

2.1 Small businesses within this presumptive income tax regime shall be classified into three distinct categories: traders, manufacturers, and service providers, each with a monthly income of N30,000 (Thirty Thousand Naira) and below.

2.2 The uniform tax rates for each category which has been carefully selected to balance revenue generation for the government and ease the tax burden on small businesses.

3: Implementation

3.1 The Edo State Board of Internal Revenue (ESBIR) is tasked with the effective implementation, administration, and enforcement of this presumptive tax collection.

3.2 Presumptive taxes will be reflected in demand notices generated by ESBIR. However, any income of firms, business owners, employers, and employees below N30,000 shall be exempt from any tax deductions in Edo State.

3.3 ESBIR shall collaborate with relevant business associations, traders, professionals and chambers of commerce to ensure widespread awareness and understanding of the new tax regime.

3.4 Business owners, Employers/Employees whose monthly income is N30,000 (Thirty Thousand Naira) and below are covered by this Executive Order in compliance with the provisions of the Finance Act of 2020.

4: Compliance and Enforcement

4.1 Small businesses within this regime are required to maintain accurate records of their income and submit an annual declaration of turnover to the Edo State Board of Internal Revenue (ESBIR)

4.2 ESBIR shall conduct periodic audits to verify the accuracy of declarations made by small businesses under this regime.

4.3 In case of discrepancies or non-compliance, ESBIR will provide businesses with a reasonable opportunity to rectify errors before applying penalties.

4.4 ESBIR shall establish a simplified process for businesses to seek clarification or resolution of any disputes related to their presumptive tax obligations.

5: Review of Tax Rates

5.1 To ensure alignment with prevailing economic conditions, the tax rates may be subject to periodic review by ESBIR in consultation with relevant stakeholders.

5.2 ESBIR shall engage with business associations, tax experts, and other stakeholders to get feedback and make informed adjustments to tax rates if necessary.

6: Institutional Capacity Building

6.1 ESBIR shall conduct training programmes and workshops to equip its personnel with the necessary skills to effectively administer and oversee the presumptive income tax regime.

6.2 Small business owners shall be provided with educational materials and workshops to enhance their understanding of the new tax system, ensuring widespread compliance.

7: Promotion of Digital Payments

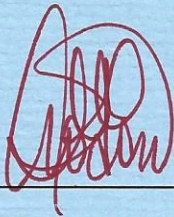
7.1 To leverage technology and enhance efficiency while reducing administrative burdens, ESBIR shall promote the use of digital payment platforms for filing and paying the presumptive income tax.

7.2 Incentives such as discounts or waivers may be offered to businesses consistently utilizing digital payment methods for their tax obligations.

8: Effective date of Order:

8.1 This Executive Order shall take effect immediately upon issuance.

IN WITNESS WHEREOF, I have set my hand and official seal the 29th day of December 2023.



GODWIN NOGHEGHASE OBASEKI
GOVERNOR OF EDO STATE