

CHAPTER 148
TAX CLEARANCE CERTIFICATE LAW

Arrangement of Sections

Section

1. Short title
2. Interpretation
3. Production clearance certificate as prerequisite for benefits facilities, etc.
4. Employer to account for P.A.Y.E deductions.
5. Void licences, permits, etc
6. Record of activities
7. Power to enter offices
8. Regulations

CHAPTER 148
TAX CLEARANCE CERTIFICATE LAW

A Law to provide for production of Tax Clearance Certificate in certain matters and to provide for connected purposes,

[27th August 1991]

1. This Law may be cited as the Tax Clearance Certificate Law,
2. In this Law—

Short title

"applicant" means a person who applies or in favour of whom an application for a licence, permit or other benefit or facility is made under this Law;

Interpretation

"appropriate authority" means a Ministry, Department, Corporation or other agency or officer of the Government or of a Local Government to which or to whom an application for a licence, permit or other benefit or facility specified in section 3 of this Law is made, or who approves, grants, gives or issues such licence, permit or other benefit or facility;

"Board" means the Board of Internal Revenue established by the Finance Law

"Commissioner" means the State Commissioner assigned with the responsibility for finance or taxation matters;

"Director" means the Director of Internal Revenue;

"Government" means Government of the State;

"State" means the Enugu State of Nigeria;

"Tax Clearance Certificate" means a certificate issued by the Board showing that an applicant or other person has paid in full the income tax which he is liable to pay in respect of each of the three years immediately preceding the date of the issuance of the certificate,

3. Notwithstanding the provisions of any other Law, no person shall—

Production of
Tax Clearance
Certificate as
prerequisite for
benefits,
facilities, etc

- a) be awarded a contract for the rendering of services or supply of goods to a Ministry, Department, Corporation or other agency of the Government;
- b) be granted a loan by the Government, or given a guarantee of the Government in respect of a loan made or proposed to be made to him by any other person or body;
- c) be granted a right of occupancy or other interest over any piece of land;
- d) be given an approved user's certificate;
- e) be issued with a licence or the renewal of a licence, which authorizes him to—
 - i. deal in any liquor or other alcoholic drinks;
 - ii. deal in patent medicine;
 - iii. establish business dealings or business relationship with a commodity board including the Enugu State Supply and Distribution Agency Limited, the Enugu State Co-operative Wholesale Association or any other government supply or trading agency;
 - iv. operate as a money lender or as a buying agent in respect of an agricultural commodity; or
 - v. do anything which he is authorized by any law or any regulation made thereunder to do upon obtaining a licence, excluding vehicle and driving licence.
- f) be issued with a licence or permit to occupy or operate a market stall, or obtain a renewal of that licence or permit;
- g) be registered as a contractor;
- h) obtain the distributorship of any commodity which is under the control of the Government or a government agency;
- i) obtain an approval of a building plan;
- j) obtain the registration of a business premises, or of a certificate of the registration or renewal of registration in respect of the business premises;

in the State unless that person produces to the appropriate authority a Tax Clearance Certificate which is current at the time of application, for a grant of any benefit or facility under this Law.

Employer
to account
for
P.A.Y.E.
deductions

4. No employer who operates a Pay As You Earn system for his workers shall be entitled to any of the benefits or facilities specified in section 3 unless he produces a certificate issued by the Board showing that he has made and has fully accounted for all deductions accruing as tax from the taxable incomes of his workers during the three years immediately proceeding an application for any benefit or facility.

5. (1) A licence, permit or other benefit or facility issued, granted or given to or by any person in contravention of any provision of this Law shall be void.

Void
licences,
permits etc

(2) Any person who fraudulently issues or obtains a Tax Clearance Certificate is guilty of an offence and is liable on conviction to imprisonment for two years or a fine of five hundred naira or to both such imprisonment and fine.

6. (1) Every appropriate authority shall keep a record of its activities under this Law in such form as the Commissioner or Director may direct.

Record of
activities

(2) An appropriate authority who fails to comply with a direction of the Commissioner or Director under subsection (1) is guilty of an offence and is liable on conviction to imprisonment for two years or a fine of five hundred naira.

7. (1) The Board or any suitable officer authorized in that behalf by the Director may, at any reasonable time enter any office or other place of an appropriate authority and inspect such records, books and other documents as are necessary for carrying out the provisions and purposes of this Law.

Power to
enter
offices

(2) An appropriate authority or any agent, servant or representative of the appropriate authority who obstructs or prevents the inspection referred to in subsection (1) or who fails or refuses to co-operate with any person carrying out the inspection, is guilty of an offence and is liable on conviction to imprisonment for two years or a fine of five hundred naira.

8. The Commissioner may make regulations—

Regulations

- (a) prescribing the form for a Tax Clearance Certificate;
- (b) modifying, increasing or reducing the list of benefits or facilities in respect of which Tax Clearance Certificate is required;
- (c) prescribing the books, record and other documents that shall be kept or maintained for the purpose of this Law;
- (d) exempting any person or class or persons from the operation of the whole or any provisions of this Law or any regulation or direction made or issued pursuant to this Law.
- (e) providing for any matters concerning which he deems regulations necessary or desirable for carrying out the purposes or provisions of this Law