

FCT - IRS BEGINS IMMEDIATE COLLECTION OF TAXES IN FEDERAL CAPITAL TERRITORY

The Federal Inland Revenue Service (FIRS) and the FCT Internal Revenue Service (FCT-IRS) today released a joint statement informing the public on the commencement of operations of the FCT-IRS as the relevant tax authority for the collection of taxes relating to the FCT following the appointment and inauguration of the Executive Chairman of the latter by the Honorable Minister of the Federal Capital Territory (FCT). The FCT Internal Revenue Service Act was passed in 2015 by the last administration, taking away the responsibility for the collection of taxes of FCT residents from the FIRS.

The Publication

The publication reiterated taxes collectible/administered by the FCT-IRS, from the date of the notice, to include the following;

- Personal Income Tax (PIT) PAYE for all individuals resident in the FCT under employment in both the public and private sector.
- Direct Assessment in respect of all self-employed individuals and enterprises resident in the federal capital territory;
- Federal Capital Territory Property Tax
- Stamp duties for all individual and enterprises residents in the FCT
- Withholding Taxes (WHT) for all individual and enterprises residents in the FCT
- Capital gains Tax (CGT) in respect of all individuals and enterprise resident in the FCT

These taxes are also required to be paid into the FCT-IRS account with the Central Bank of Nigeria through the approved platforms and channels. It further states that tax clearance certificates (TCC), for taxes hitherto paid to FIRS, will be issued by FCT-IRS, going forward, subject to confirmation of payment. However, PAYE deductions of the Armed Forces, Police personnel and staff of the Ministry of Foreign Affairs shall continue to be collected by the FIRS.

Action Point

Organizations who have employees resident in Abuja, and indeed taxpayers generally, are therefore advised to commence remittance of their relevant taxes to the FCT-IRS with immediate effect and avoid misdirecting any payments on PAYE to FIRS going forward. It is also important to note that the 2017 employer's return of income and tax declaration and the processing of relevant TCCs for employees and self-employed persons should be addressed to the FCT-IRS in 2018.

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