

L.N. 27 of 1964

INCOME TAX (RENTS) ACT, 1963
(1963, No. 22)

Income Tax (Rents) Regulations, 1964

In exercise of the powers conferred by the Income Tax (Rents) Act, 1963, the Federal Board of Inland Revenue hereby makes the following regulations—

1. These Regulations may be cited as the Income Tax (Rents) Regulations, 1964, and shall be deemed to have come into effect from the 1st April, 1962.

Short title and commencement.

2.—(1) In these Regulations unless the context otherwise requires—
“appropriate authority” means the Secretary, Federal Board of Inland Revenue.

Interpretation.

“Act” means the Income Tax (Rents) Act, 1963.

1963, No. 22.

(2) Save as provided in the preceding subsection words defined in the Act shall, unless the context otherwise requires, have the meaning therein assigned to them.

3. An elector shall make his election in writing in the form set forth in the First Schedule and shall submit three copies of the instrument of election to the appropriate authority.

Manner of making election. First Schedule.

4. An election shall be made not later than six months after the date on which an income by way of advance rent was first received.

Provided however that where the single payment in respect of which an election is made was received on a date before the coming into force of the Act, then the election shall be made within six months of the coming into force of the Act.

5. (a) Except in cases falling under section 3 of the Act, an election shall relate only to the first single receipt by way of advance rent under any lease.

Limit of election.

(b) The amount of the single receipt shall be stated in the instrument of election, and shall be evidenced by the lease agreement under which it is received.

6. The cost of construction of an eligible property shall be the total cost incurred by an elector to complete the building of that property but shall not include the cost of land, legal fees, furnishings or any costs of a similar nature :

Meaning cost of construction.

Provided that in those cases to which paragraph (b) of subsection (2) of section 1 of the Act applies the cost of construction as defined in this regulation shall be reduced by the amount of any capital allowance which has been made in pursuance of the provisions of the Fifth Schedule to the Income Tax Management Act, 1961, or the Third Schedule to the Companies Income Tax Act, 1961, or the corresponding provisions of the Income Tax Act, so however that such reduction shall take effect only in so far as any such allowance has not been withdrawn by way of revised assessment.

1961, No. 21.

1961, No. 22.

Cap. 85.

7. In cases to which the provisions of subsection (3) of section 2 of the Act apply (then in order to reduce the amount to be left out of account) the single receipt shall be reduced by the portion thereof which has been included in an assessment for any previous year of assessment for which an election has effect.

Undertaking and charge by elector. Second Schedule.

8. An elector shall give to the Federal Board of Inland Revenue an undertaking in respect of each eligible property in the form set forth in the Second Schedule and shall forthwith charge each such property with payment of any tax which would become payable in the event of a breach of such undertaking, and register the charge with the Land Registry, Lagos.

Third Schedule.

Provided that the Registrar of Titles shall at the request of the registered owner of the property and on production of a duly executed release in the form set forth in the Third Schedule cancel the charge, whereupon the charge shall cease.

9. No election shall be made in respect of any otherwise eligible property unless the construction of the foundations of such property was begun after 31st March, 1961.

FIRST SCHEDULE

(Regulation 3)

Income Tax (Rents) Act

INSTRUMENT OF ELECTION

The Honourable Minister of Finance,
Federal Ministry of Finance,
Mosaic House,
Tinubu Square,
Lagos.

Your consent is hereby requested for the provisions of the Income Tax (Rents) Act, 1963 to apply, in respect of the undermentioned property, particulars of which are given below :-

1 (a) Name and full address of Applicant
(Block Capitals)

(b) Nationality of Applicant

(c) Situation of Property (full address)

(d) Title No.

(e) District

2. Full Name and Address of owner of land.....

3. Date of which construction of :

(a) the foundation was begun.....

(b) the building was completed.....

4. Cost of construction of building (excluding cost of land, legal fees, furnishing, etc.).....

5. Cost of land and from whom purchased.....

6. Date rent first became payable.....

7. Amount of rent and date received.....

8. Period for which rent was received From..... 19

To..... 19

9. Full Name(s) and Address(es) of person(s) by whom rent is paid

10. First year for which election is made..... 19..... /19.....

I/We* hereby declare that :

(i) the above statements are true and correct,

(ii) the prescribed supporting evidence is attached,

(iii) the building is constructed/adapted for use wholly/mainly as a private dwelling house/number of private dwelling houses,

(iv) I am. We are* resident in Nigeria and I/We* do not hold the property*/shares in the property-owning company* as nominee(s) of any person resident outside Nigeria.

If my/our* application is granted, I/We* undertake :

(i) to retain ownership of the property for at least the period covered by the rent,

(ii) not to mortgage the property without the prior written consent of the Hon. Minister of Finance,

(iii) to perform all the conditions and restrictive covenants relating to the property,

(iv) to charge the property with the payment of..... pounds
 shillings and pence, payable in respect of the rent received on the property,

(v) to notify the prescribed authority immediately in the event of my our* changing my/our* address(es).

(a) Usual Signature.....
Names in full.....
(Surname last)

Occupation.....

Address.....

(b) Usual Signature.....
Names in full.....
(Surname last)

Occupation.....

Address.....

(c) Usual Signature.....
Names in full.....
(Surname last)

Occupation.....

Address.....

(d) Usual Signature.....
Names in full.....
(Surname last)

Occupation.....

Address.....

FOR OFFICIAL USE ONLY

Date received..... Date submitted to Hon. Minister.....

Secretary,
Federal Board of Inland Revenue

Minister's Decision

Date.....

Minister of Finance

Note : (i) * Delete whichever is inapplicable.

(ii) A single applicant should complete (a). The remaining spaces are for use in the case of joint applicants.

SECOND SCHEDULE

(Regulation 8)

Registration of Titles Act, Cap. 181

LAGOS LAND REGISTRY

INSTRUMENT OF CHARGE

District _____

Title No. _____

Property _____

(1) of _____ 196____. In consideration of the benefits derived from an election under the Income Tax (Rents) Act, 1963 (1963 No. 22),

(2) I/We* (a) _____

of _____

(b) _____

of _____

(c) _____

of _____

by this deed charge the building comprised in the title above referred to with payment to the Federal Board of Inland Revenue, Lagos, of the sum of _____ payable on the day immediately following the date on which my/our* election terminates.

And undertake to perform the duties and carry out the obligations specified immediately hereunder namely,

- (i) to retain ownership of the property for the period of _____
- (ii) not to mortgage the property within the period aforesaid without the prior written consent of the Hon. Minister of Finance ;
- (iii) to perform all the conditions and restrictive covenants relating to the property.

And the said Federal Board of Inland Revenue applies to be registered as owner of the charge hereby created.

Signed, sealed and delivered by the said

In the presence of

} _____

Seal

Signed, sealed and delivered by the said

In the presence of

} _____

Seal

- Note :
- (i) The original and duplicate of the charge must be left at the Registry.
 - (ii) The original will be returned to the Federal Board of Inland Revenue after completion of the registration.
 - (iii) * Delete whichever is inapplicable.

THIRD SCHEDULE (Regulation 8)
Income Tax (Rents) Regulations, 1964

LAGOS LAND REGISTRY

RELEASE OF CHARGE

District Application Number

Title No.

Property

The day of 196....., the Federal Board of Inland Revenue, Lagos, by this deed releases the charge dated the day of 196....., and registered on the day of 196....., of which the said Federal Board of Inland Revenue is the registered proprietor.

AND the Federal Board of Inland Revenue hereby applies that the said charge may be withdrawn from the register.

Signed, sealed and delivered by the said Proprietor of the charge

In the presence of

Seal

Signed, sealed and delivered by the said Registered Owner of the land

In the presence of

Seal

*Chairman
Federal Board of Inland Revenue*

MADP the 6th day of March, 1964.

*E. A. OSINDERO,
Chairman,
Federal Board of Inland Revenue*

L.N. 28 of 1964

INCOME TAX (RENTS) ACT, 1963
1963 No. 22

Income Tax (Rents) (No. 2) Regulations, 1964

In exercise of the powers conferred by section three of the Income Tax (Rents) Act, 1963, the Federal Minister of Finance hereby makes the following Regulations—

1. These Regulations may be cited as the Income Tax (Rents) (No. 2) Regulations, 1964, and shall be deemed to have come into effect from 1st day of April, 1962.

Short title and Commencement.

2. In these Regulations—

1963 No. 22.

“Act” means the Income Tax (Rents) Act, 1963.

3. In these Regulations words defined in the Act shall, unless the context otherwise requires, have the meaning therein assigned to them.

Interpretation.

4. Subject to the modifications provided under these Regulations, the Act shall by virtue of this Regulation, apply to rents, other than those falling within section one of the Act, received in respect of an eligible property.

Application of Act to payments other than rent paid in advance.

5. In its application to payments to which the Act shall apply by virtue of and under Regulation 4 hereof, the Act shall be read and construed with the following modifications:—

Modification of Act in its application to those payments.

(a) in place of the provision of paragraph (1) of subsection (1) of section one of the Act the following provision shall be substituted:—

(i) payment of rent not made in advance in a case where the payment does not exceed the cost of construction.

(b) in place of the words “a payment made by way of rent paid in advance” where those words occur in subsection (1) of section two of the Act there shall be substituted the following words. “a payment of rent not made in advance”.

6. (a) In its application to payments to which the Act shall apply by virtue of and under Regulation 4 hereof, a series of payments of rent not made in advance may, be deemed by the Board to be a single payment for the purposes of subsection (2) of section one of the Act.

Series of payment to be construed as single payment.

(b) Where in pursuance of the provision of the foregoing Regulation a series of payments is deemed by the Board to be a single payment as aforesaid then the series of payments shall be treated as a single payment for all purposes of the Act and for the purposes of these Regulations.

7. In respect of payments to which the Act shall apply by virtue of and under Regulation 4 hereof, the Income Tax (Rents) Regulations, 1964 shall be read, construed and applied as if—

Modification and application of L.N. 27 of 1964 to payments other than rents paid in advance

(a) the provisions of Regulation 5 (a) thereof were deleted;

(b) Wherever they occur in those Regulations, the words “single payment” meant, when appropriate, a series of payments to which Regulation 6 hereof applies;

(c) in place of the words "a payment by way of rent paid in advance" where those words occur in Regulation 4, thereof, the following words "a payment of rent not made in advance" were substituted.

MADF at Lagos, the 6th day of March, 1964.

F. S. OKOTIE-EBON,
Federal Minister of Finance

EXPLANATORY NOTE

The purpose of these Regulations is to provide for the application of the Income Tax (Rents) Act, 1963, subject to the modification as provided under these Regulations, to payments of rent not made in advance.