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INCOME TAX (AMENDMENT) DECREE 1966

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Decree No. 65

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

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Amendments of Certain Principal Income Tax Provisions

Income chargeable.

1.—(1) Income in respect of which tax is chargeable by virtue of section 4 (1) (*b*) of the Income Tax Management Act (which relates to income chargeable to tax on any gains or profits paid or payable in money to an employee by virtue of his employment) shall include gratuities, compensations, bonuses, premiums, benefits or other perquisites allowed, given or granted by any person to an employee in relation to any service rendered in return for any gains or profits.

(2) Accordingly—

(*a*) section 4 of the Income Tax Management Act shall be amended—

(*i*) by substituting in subsection (1) (*b*) thereof for the words "which are paid or payable in money by the employer to the employee" the words "including gratuities, compensations, bonuses, premiums, benefits or other perquisites allowed, given or granted by any person to an employee" ;

(*ii*) by inserting after sub-paragraph (*iv*) of subsection (1) (*b*) thereof the following sub-paragraph—

"(*v*) any compensation for loss of employment." ; and

(*iii*) by inserting after paragraph (*c*) of subsection (2) the following paragraph—

'(*d*) "employment" includes any service rendered by any person in return for any gains or profits.' ;

(*b*) after section 4 of the Income Tax Management Act there shall be inserted sections 4A and 4B set out in Schedule 1 of this Decree. Schedule 1.

Dividends paid out of any profits and definition of "dividend". 1952 No. 10. Cap. 87

2.—(1) Without prejudice to the provisions for exemption from tax granted by or under the Aid to Pioneer Industries Act 1952, the Industrial Development (Income Tax Relief) Act, the Petroleum Profits Tax Act or any other enactment, any dividend distributed by any company to any shareholder of the company out of any profits realised by that company shall be income in the hands of the shareholder; and a company paying such dividend shall be entitled to deduct tax on payment thereof in accordance with section 34 of the Companies Income Tax Act ; and accordingly—

(*a*) in section 9 of the Income Tax Management Act—

(*i*) the whole of the proviso to subsection (1) is hereby repealed ; and

(*ii*) in subsection (2) for the words from "under the powers" to "as distributed" there shall be substituted the words "is treated as distributed under the provisions of any law in force in Nigeria imposing taxation on the profit of companies" ;

(*b*) paragraph (*iii*) of the proviso to section 10 of the Income Tax Management Act is hereby repealed ;

(*c*) the whole of the proviso to section 22 (*c*) of the Companies Income Tax Act is hereby repealed ;

(*d*) section 34 of the Companies Income Tax Act shall be amended as follows—

(*i*) in subsection (1) for the words "dividend to which the proviso to section 22 applies" there shall be substituted the words "dividend exempted from tax under the Aid to Pioneer Industries Act 1952 the Industrial Development (Income Tax Relief) Act, the Petroleum Profits Tax Act or any other enactment";

1952 No.10. Cap. 87.

(*ii*) in subsection (2) after the words "the company shall" there shall be inserted the words "be entitled to deduct tax at the rate specified in section 32 of this Act on payment of the dividend and shall".

(2) After—

(*a*) section 4 (2) of the Income Tax Management Act; and

(*b*) section 17 of the Companies Income Tax Act,

there shall respectively be inserted as section 4 (3) of the Income Tax Management Act and as a paragraph at the end of section 17 of the Companies Income Tax Act, the following—

'In this section, "dividend" means—

(*a*) in relation to a company not being in the process of being wound up or liquidated, any profits distributed whether such profits are of a capital nature or not, including an amount equal to the nominal value of bonus shares, debentures or securities awarded to the shareholders; and

(*b*) in relation to a company that is being wound up or liquidated, any profits distributed, whether in money or money's worth or otherwise, other than those of a capital nature earned before or during the winding up or liquidation.'

Interest deemed to be derived from Nigeria.

3.—(1) Section 11 of the Income Tax Management Act (which relates to income from interest on monies lent to a person in Nigeria) shall apply to a person to whom the monies are lent if he is resident or present in Nigeria at the time of the loan as it applies to a person in Nigeria.

(2) For the purposes of section 11 of the Income Tax Management Act and section 17 of the Companies Income Tax Act, the income from any interest on money lent by any individual, executor or trustee outside Nigeria to a person in Nigeria, or from any interest earned by any company shall be deemed to be derived from Nigeria if the interest is payable on money lodged at interest in Nigeria.

(3) Accordingly—

(*a*) in section 11 of the Income Tax Management Act, after the words "in Nigeria" there shall be inserted the words "(including a person who is resident or present in Nigeria at the time of the loan,)";

(*b*) after paragraph (*iii*) of that section and sub-paragraph (*iii*) of section 17 of the Companies Income Tax Act, there shall respectively be inserted the following paragraph—

"(*iv*) the interest is payable on money lodged at interest in Nigeria."

Ascertainment of income from settlement, etc.

4.—(1) Section 13 of the Income Tax Management Act (which relates to the procedure for ascertaining income in respect of a settlement, trust or estate of a deceased person) shall apply in relation to a settlement or trust made, created or administered outside Nigeria as it applies in relation to a settlement or trust made, created or administered in Nigeria; and accordingly, that section shall be amended by inserting immediately after the word "Nigeria" the words "or in the case of a settlement or trust made, created or administered outside Nigeria".

(2) For the purposes of giving effect to subsection (1) above and without prejudice to the other meanings of the expression "relevant tax authority" in section 2 of that Act, for paragraph (*iii*) of the definition of the expression there shall be substituted the following—

"a trustee of any trust or settlement—

(*a*) where all the income of the settlement or trust for a year of assessment arises in one territory, the tax authority of that territory ; or

(*b*) where the income of the settlement or trust for a year of assessment arises in more than one territory, or in any other case (where the relevant tax authority cannot be determined under any of the foregoing provisions) the Federal Board of Inland Revenue."

(3) For the Second Schedule of the Income Tax Management Act there shall be substituted the provisions set out in Schedule 2 of this Decree. Schedule 2.

Restrictions as to deductions allowable.

5.—(1) All outgoings and expenses or any part thereof that may be deducted under section 17 of the Income Tax Management Act and section 27 of the Companies Income Tax Act (which relate to deductions allowable in ascertaining income or loss of an individual or profits or loss of any company) shall be limited to outgoings and expenses or any part thereof, which are wholly, exclusively and necessarily incurred for any period for which the outgoings and expenses are incurred in the production of any income of any person other than a company or as the case may be in the production of any profits of a company.

(2) The provisions aforesaid shall be amended in the following manner, that is to say—

(*a*) in section 17 (1) of the Income Tax Management Act, for the words "all outgoings and expenses, or any part thereof wholly and exclusively incurred", there shall be substituted the words "all outgoings and expenses, or any part thereof, wholly, exclusively and necessarily incurred" ;

(*b*) in section 27 of the Companies Income Tax Act, for the words "wholly and exclusively" wherever the words occur, there shall be substituted the words "wholly, exclusively and necessarily".

Information to be delivered by bankers.

6. After section 28 of the Income Tax Management Act and section 46 of the Companies Income Tax Act, there shall be inserted as section 28A and section 46A respectively the following section—

"Information to be delivered by bankers. Cap. 188.

Without prejudice to the foregoing section, every person engaged in banking including any person charged with the administration of the Savings Bank Act shall prepare a return at the end of each month specifying the names and addresses of new customers of the bank and shall not later than the seventh day of the next following month deliver the return to a tax authority of the area where the bank operates, or where such customer is a company to the Federal Board of Inland Revenue."

Venue of offences.

7.—(1) Section 30 (2) of the Income Tax Management Act (which relates to the place of an offence) shall be amended by the insertion at the end thereof of the words "or at the place where the person charged with the offence resides or at such other place as that authority may decide".

(2) Section 74 of the Companies Income Tax Act (which relates to the place of an offence) shall be amended by the insertion at the end thereof of the words "or at the registered office of a company or at such other place as the Board may decide".

(3) Section 62 of the Personal Income Tax (Lagos) Act (which relates to the place of an offence) shall be amended by the insertion at the end thereof of the words "or at the place where the person charged with the offence resides or at such other place as the Board may decide".

Income tax returns, etc.

8.—(1) Notwithstanding the provisions of section 44 (1) of the Companies Income Tax Act and section 24 (1) of the Personal Income Tax (Lagos) Act (which relate to the giving of a notice in writing for income tax purposes), the Federal Board of Inland Revenue shall, in April of each year of assessment, or so soon thereafter as the Board may decide, by a notice published in the Gazette and in 3 issues of each of 2 or more daily newspapers give notice that all persons liable to tax under those provisions whether personally or in any representative capacity shall, within the period limited by such notice or within such further period as the Board may for good cause allow, prepare and deliver to the Board returns for the assessment of tax for that year of assessment; and the Board shall proceed to make assessment in respect of that period after the expiration of the time allowed in such notice.

(2) Accordingly—

(*a*) in section 44 (1) of the Companies Income Tax Act and section 24 (1) of the Personal Income Tax (Lagos) Act after the words "do so by" where they occur there shall be inserted respectively the words "notice published, in April of that year of assessment or so soon thereafter as the Board may decide, in the Gazette and in 3 issues of each of 2 or more daily newspapers or by";

(*b*) in section 49 (1) of the Companies Income Tax Act at the end thereof there shall be inserted the words "or otherwise as it appears to the Board practicable so to do"; and

(*c*) in section 30 (1) of the Personal Income Tax (Lagos) Act at the end thereof there shall be inserted the words "or otherwise as it appears to the Board practicable so to do".

Deduction of tax from interest, etc.

9. After section 61 of the Companies Income Tax Act (which relates to time within which payment of tax is to be made), there shall be inserted the following section—

"Deduction of tax from interest, etc.

61A.—(1) Where any company pays any amount as interest, management fee or royalty to any other company, the company paying such amount shall upon making the payment of the amount deduct therefrom tax at the rate specified in section 32 of this Act (which prescribes the rate of tax payable by companies) and shall forthwith render an account to the Board of all the amount so deducted and every such tax shall be a debt due from that company to the State.

(2) The Board may give notice in writing to any company which pays the amount requiring the company to deduct and account for tax at a higher or lower rate than that mentioned in subsection (1) of this section or to pay the amount without any deduction of tax.

(3) If the Board is satisfied that in the case of any company the tax so deducted is in excess of the tax due from that company for any year of assessment, the Board shall upon an application made by the company refund to the applicant the amount of tax which is so in excess.

(4) The foregoing provisions of this section shall have effect notwithstanding section 61 of this Act."

Power to distrain for non-payment of tax.

10. After section 62 of the Companies Income Tax Act and section 45 (2) of the Personal Income Tax (Lagos) Act, there shall be inserted respectively as section 62A of the Companies Income Tax Act and section 45A of the Personal Income Tax (Lagos) Act the following—

'Power to distrain for non-payment of tax.

(1) For the purposes of enforcing payment of tax due from any person charged with the payment of such tax and in addition to any other power conferred under this Part where any person fails, neglects or refuses to pay any tax charged upon demand made by the Board in the manner provided in the last foregoing section of this Part, the Board may—

(*a*) for the non-payment of such tax distrain—

(*i*) the person charged by his goods or other chattels including money, bills of exchange, bonds or other securities ;

(*ii*) upon any land, premises or place in respect of which the person charged is the owner ; and

(*b*) subject to subsection (4) below, recover the amount of tax due by sale of any thing so distrained.

(2) Subject to subsection (3)(*c*) below, the powers conferred upon the Board under subsection (1) above may be exercised by any officer so authorised in writing by the Board.

Cap. 189.

(3) The Sheriffs and Civil Process Act shall apply for the purposes of this section as it applies for the purposes of levying execution against the movable or immovable property of a judgment debtor, subject to the following—

(*a*) for references to "judgment creditor" and "judgment debtor" there shall be substituted references to "Federal Board of Inland Revenue" and "taxpayer" respectively ;

(*b*) for references to "sheriff", "deputy sheriff" and "bailiff" there shall be substituted respectively references to "officer of the Federal Board of Inland Revenue so authorised" ;

(*c*) any powers exercisable by the registrar of a court or by a Magistrate by virtue of that Act shall be exercisable by an officer of the Board not below the rank of a Principal Inspector of Taxes ; and

(*d*) all or any of the forms prescribed in the Sheriffs and Civil Process Act may be applied or varied in such manner as the Board may deem necessary.

(4) The foregoing provisions of this section shall not be construed so as to authorise the sale of any immovable property without an order of a High Court.'

Certain benefits deemed to be income.

11. After paragraph 7 of the Fourth Schedule of the Income Tax Management Act there shall be inserted the following paragraph—

"8. Where in respect of any pension or provident fund any benefit is paid to an employee before the cessation of his employment with an employer, such benefit shall be deemed to be income derived by him from his employment on the date on which the benefit is paid.

Application of capital allowances to assets acquired under hire-purchase agreement, etc.

12.—(1) The provisions of the Second Schedule of the Petroleum Profits Tax Act, the Fifth Schedule of the Income Tax Management Act and the Third Schedule of the Companies Income Tax Act (which, among other things, relate to the granting of capital allowances in respect of assets acquired by an owner) shall apply and shall be deemed always to have applied in relation to any asset acquired by any hirer under a hire-purchase agreement, the terms of which provide for the use and ultimate acquisition of the asset by the hirer, as it applies to an asset acquired by any owner of an asset for the purposes of his trade or business, but shall so apply subject to the following modifications, that is to say—

(*a*) the qualifying expenditure within the meaning of paragraph 1 of the Second Schedule of the Petroleum Profits Tax Act, paragraph 2 of the Fifth Schedule of the Income Tax Management Act or paragraph 1 of the Third Schedule of the Companies Income Tax Act shall, in relation to any asset so acquired under that agreement, be limited to the amount of the instalment paid by the hirer during his basis period (within the meaning of those provisions) excluding in the computation of such qualifying expenditure any interest paid under the agreement ;

(*b*) any reference in the provisions of the Schedules aforesaid to an owner of any asset shall be construed as including a reference to a hirer under the hire-purchase agreement and as excluding a reference to the person letting the goods to the hirer under the agreement.

New rates of capital allowances.

13.—(1) In paragraph 8 (1) of the Fifth Schedule of the Income Tax Management Act and paragraph 7 (1) of the Third Schedule of the Companies Income Tax Act for the words beginning from "at the appropriate rate" to the words "year of assessment" there shall be substituted the words "at the rate specified in respect thereof in the Second Table of this Schedule, of the residue of such expenditure at the end of the basis period for that year of assessment".

(2) Paragraph 8 (2) of the Fifth Schedule of the Income Tax Management Act and paragraph 7 (2) of the Third Schedule of the Companies Income Tax Act are hereby repealed.

(3) For the provisions contained under the headings "FIRST TABLE (*Paragraph* 7)" and "SECOND TABLE (*Paragraph* 8)" of the Fifth Schedule of the Income Tax Management Act and the provisions under the headings "FIRST TABLE (*Paragraph* 6)" and "SECOND TABLE (*Paragraph* 7)" of the Third Schedule of the Companies Income Tax Act there shall be substituted the provisions set out respectively in Part I and Part II of Schedule 3 of this Decree.

Schedule 3.

(4) Paragraph 6 (2) of the Second Schedule of the Petroleum Profits Tax Act shall be amended as follows—

(*a*) in sub-subparagraph (*i*) for the word "ten" there shall be substituted the word "five" ;

(*b*) in sub-subparagraph (*ii*) for the words from "such a rate" to the end thereof, there shall be substituted the words "ten per cent of such expenditure" ; and

(*c*) in sub-subparagraph (*iii*) for the words "such a rate" to the end (including the proviso) thereof there shall be substituted the words "ten per cent of such expenditure".

(5) In the Table of the Second Schedule of the Petroleum Profits Tax Act for the figures "20", "25" and "40" there shall be substituted the figures "10", "20" and "15" respectively.

Valuation of assets.

14. After each of the following provisions, that is to say—

(*a*) paragraph 12 (2) of the Second Schedule of the Petroleum Profits Tax Act ;

(*b*) paragraph 14 (2) of the Fifth Schedule of the Income Tax Management Act ; and

(*c*) paragraph 13 (2) of the Third Schedule of the Companies Income Tax Act ;

there shall be inserted the following paragraph—

"(3) so much of sub-paragraph (1) above as relates to the circumstances for determining the value of an asset by reference to the disposal of such asset other than by way of sale shall have effect—

(*a*) in relation to any asset or the relevant interest therein disposed of, not being by way of bargain made at arm's length, or

(*b*) where the sale is between persons who are related to each other or between persons both of whom are controlled by some other person or one of whom has control over the other."

Income rate. Schedule 4.

15. For Table 1 and Table 2 of the Second Schedule of the Personal Income Tax (Lagos) Act there shall be substituted respectively Table 1 and Table 2 set out in Schedule 4 of this Decree.

Amendments of the Income Tax (Rents) Act 1965

Limitation of relief to £25,000. 1965 No. 8.

16. The relief which may be granted to any person under section 1 (1) of the Income Tax (Rents) Act 1965 (which relates to tax reliefs that may be granted in respect of rent) shall for of all years of assessment for which such relief is granted not exceed a sum of £25,000 in the case of any taxable person ; and accordingly, at the end of section 1 (1) of that Act there shall be inserted the following—

"so however that the amount which may be so left out of account shall in respect of all years of assessment for which such relief is granted not exceed £25,000".

Time for making election and disqualification, etc.

17. Section 1 of the Income Tax (Rents) Act 1965 is hereby further amended by the insertion after subsection (3) of the following subsections—

'(4) The time within which an election may for the purposes of the foregoing provisions be made shall not exceed a period of 6 months after the commencement of a year of assessment immediately following any year of assessment in which the rent is received and in respect of which rent relief is sought under this Act.

(5) Where in any year of assessment—

(*a*) any taxable person or company fails or neglects to disclose any rent received by him in respect of an eligible property in the manner prescribed by the relevant enactment or makes a false disclosure of such rent in any return or statement submitted to the Board ; or

(*b*) any taxable person or company fails or neglects to make a return of any rent received by him in respect of any eligible property when so required in the manner prescribed by the relevant enactment, whether or not any assessment has been made by the Board in respect of that rent,

that taxable person or company shall be disqualified from making any election in respect of the eligible property.

In this subsection the "relevant enactment" means section 24 of the Personal Income Tax (Lagos) Act 1961 or section 44 of the Companies

Income Tax Act 1961 as the case may be;'

Balancing charges. 1965 No. 8.

18. After section 1 of the Income Tax (Rents) Act 1965 there shall be inserted the following section—

'Balancing charges.

1A.—(1) Where in his basis period for a year of assessment the owner of an eligible property to whom relief has been granted under this Act or the Act repealed by this Act disposes of that property, a charge (hereafter called "a balancing charge") shall be made on that person for that year of the excess of the consideration received on the disposal of the eligible property over the balance of such cost of construction as qualifies for relief under this Act or the Act repealed by this Act but in respect of which relief has not been granted.

(2) Any balancing charge made under subsection (1) of this section shall not exceed the total of any reliefs granted under this Act and the Act repealed by this Act.

(3) For the purposes of the foregoing provisions, the value of an eligible property at the date of its disposal shall be—

(*a*) in the case of a sale, the net proceeds of the sale thereof ; but if the owner of an eligible property disposes of the property in a manner other than by way of bargain made at arm's length, or if the sale is between persons who are related to each other or between persons both of whom are controlled by some other person or one of whom has control over the other, the eligible property shall be deemed to be disposed of for a consideration equal to the market value of the property at the date of its disposal ;

(*b*) in a case where the eligible property or any interest therein is destroyed, or otherwise disposed of, in such circumstances that insurance or compensation monies are received by the owner thereof, the net proceeds of the insurance or compensation monies ; or

(*c*) in any other case, an amount (not exceeding the cost of construction thereof) which in the opinion of the Board is the market value of the property ;

but where the eligible property or any interest therein is disposed of together with any other asset, a just apportionment of the value of such property or interest as is properly attributable to the property or interest, as the Board may determine, shall be deemed to be the value of that property or interest.

(4) In this section—

"basis period" means, in the case of any person to whom relief has been granted under this Act or the Act repealed by this Act, his basis period for any year of assessment by reference to the income or profits of which the assessable income or assessable profits for that year fall to be computed under the provisions of section 20 of the Income Tax Management Act 1961, or section 30 of the Companies Income Tax Act 1961, as the case may be ;

1961 No. 21.
1961 No. 22.

"disposal" means—

(*a*) a sale, transfer or assignment of an eligible property or of any interest therein ;

(*b*) in relation to an eligible property, any destruction, loss, dissipation of or any other kind of damage or injury to an eligible property or any interest therein in circumstances giving rise to the receipt by the owner of insurance or compensation monies,

but does not include a gift, settlement or any devolution on a death.'

Miscellaneous Amendments

Priority of P.A.Y.E. deductions. Cap. 37.

19.—(1) There shall be included in the list of preferential payments in priority over all other taxes to be paid in the distribution of debts of a company under section 206 (1) (*a*) of the Companies Act any tax deductions made by that company under section 50 of the Personal Income Tax (Lagos) Act (which relates to deductions of tax from emoluments) which are due from the company but not exceeding tax deductions made in respect of one year of assessment; and accordingly in section 206 (1) (*a*) of the Companies Act, after the following words, that is to say, "and all", "assessed on" and "and" in the last place where it occurs, there shall respectively be inserted the following words—

(*a*) "Pay-As-You-Earn tax deductions,";

(*b*) "or due from"; and

(*c*) "in the case of Pay-As-You-Earn tax deduction, not exceeding deductions made in respect of one year of assessment, and in any other case".

(2) The tax which may be found payable by a company as respects any assets of the company distributable to shareholders of that company in accordance with section 43 of the Companies Income Tax Act shall include any tax deductions made by the company under section 50 of the Personal Income Tax (Lagos) Act; and accordingly, at the end of section 43 of the Companies Income Tax Act there shall be inserted the words "including any tax deductions made by the company under section 50 of the Personal Income Tax (Lagos) Act 1961".

Certain exemption in respect of profits of petroleum companies.

20. After section 26 (*g*) of the Companies Income Tax Act there shall be inserted the following paragraph—

"(*gg*) The profits of any company engaged in petroleum operations, within the meaning of section 2 of the Petroleum Profits Tax Act 1959, shall, in so far as those profits are derived from such operations and liable to tax under that Act, be exempt from the tax imposed under this Act; and the foregoing provisions of this paragraph shall be deemed to have come into effect on 1st January 1958."

1959 No. 15.

Taxation of income of a deceased individual. 1962 No. 35.

21. In section 5 of the Income Tax Act 1962 (which provides for collection of tax for which a deceased person was answerable) for subsection (3) there shall be substituted the following subsections—

'(3) Subject to the foregoing provisions of this section, where in respect of the estate of any deceased individual, probate has not been granted or letters of administration have not been taken out within six months of his death and tax has not been assessed or paid on the whole of the income derived by that individual up to the date of his death, the following provisions shall apply—

(*a*) The Board may make an assessment of the amount of

tax payable in respect of that income and cause notice of the assessment to be published in 2 issues of a daily newspaper circulating in Lagos.

(*b*) Any person claiming an interest in the estate of the deceased individual may within sixty days of the first publication of the notice of assessment lodge with the Board an objection in writing against the assessment stating fully and in detail the grounds on which he relies, and the provisions of the Personal Income Tax (Lagos) Act 1961 relating to objections and appeals shall thereupon apply in relation to the objection as if the person so claiming an interest were the taxpayer.

1961 No. 23.

(*c*) Subject to paragraph (*b*) above the notice of assessment so published shall be conclusive evidence of the indebtedness of the deceased to the Government of the Federation.

(*d*) The Board may, subject to the foregoing provisions of this section and notwithstanding paragraph (*e*) below, secure payment of the tax assessed by distress and sale of any property of the deceased in accordance with section 45A of the Personal Income Tax (Lagos) Act 1961.

(*e*) If at any time probate of the will of the deceased is granted to or letters of administration of the estate are taken out by any person, that person may, within sixty days after the date on which probate was granted or letters of administration were taken out, lodge an objection against the assessment stating fully and in detail the grounds on which he relies, and the provisions of the Personal Income Tax (Lagos) Act 1961, relating to objections and appeals shall thereupon apply in relation to the objection as if that person were the taxpayer.

(4) Where an assessment has been made in accordance with the provisions of the Personal Income Tax (Lagos) Act 1961 before the death of any person and probate has not been granted and letters of administration have not been taken out, then paragraphs (*a*) to (*e*) of section (3) above shall accordingly apply.

(5) There shall be paid in priority over all other debts in the distribution of the property of a person dying insolvent, apart from all testamentary expenses, any sum due at the date of death on account of Pay-As-You-Earn tax deductions, not exceeding in the whole tax deductions made in respect of one year of assessment.

(6) In this section "tax" and "Board" have the meanings respectively given to them in the Personal Income Tax (Lagos) Act 1961.'

Revocation of double taxation arrangement in respect of Canada. L.N. No. 11 of 1952.

22. The Double Taxation Relief (Taxes on Income) (Canada) Order in Council 1952 shall be deemed to have been revoked on 1st April 1965; and accordingly, the entries relating to that Order in Council in the Sixth Schedule of the Income Tax Management Act and in the Fourth Schedule of the Companies Income Tax Act shall be deemed to have been deleted from that date.

Minor amendments.

23. The Income Tax Management Act, the Companies Income Tax Act and the Personal Income Tax (Lagos) Act, in addition to the amendments made by the foregoing provisions of this Decree, are further amended to the extent set out in Schedule 5 of this Decree.

Schedule 5.

Definition of certain income tax Acts. 1961 No. 22. 1961 No. 21. 1961 No. 23. 1959 No. 15.

24. In this Decree—

"the Companies Income Tax Act" means the Companies Income Tax Act 1961;

"the Income Tax Management Act" means the Income Tax Management Act 1961;

"the Personal Income Tax (Lagos) Act" means the Personal Income Tax (Lagos) Act 1961; and

"the Petroleum Profits Tax Act" means the Petroleum Profits Tax Act 1959.

Citation and extent.

25.—(1) This Decree may be cited as the Income Tax (Amendment) Decree 1966.

(2) This Decree shall to the extent that it relates to taxation of the income of persons other than companies apply to the Federal territory only, and subject as aforesaid, shall apply throughout Nigeria.

Commencement etc.

26.—(1) Except as provided by or under sections 20 and 22 above, so much of the provisions of this Decree as relate—

(*a*) to taxation of the profits of companies shall be deemed to have come into effect on 1st October 1966 and shall, as from that date, have effect in relation to the unexpired period of the year of assessment 1966 to 1967 and subsequent years of assessment;

(*b*) to taxation of the income of persons other than companies shall have effect as respects the year of assessment beginning on 1st April 1967 and subsequent years of assessment.

(2) Nothing in this Decree shall be construed as enabling the conviction of any person for a criminal offence on account of any act or omission which did not constitute such an offence when it took place or as authorising the imposition of a heavier penalty than that in force when the offence was committed.

(3) In this Decree, "year of assessment" means a year beginning on the 1st day of April and ending on the 31st March in the following calendar year.

SCHEDULES

SCHEDULE 1 *Section* 1

PROVISIONS TO BE INSERTED IN ACCORDANCE WITH SECTION 1

PROVISIONS FOR VALUATION OF BENEFITS

General provisions as to valuation of benefits.

4A.—(1) Where an employer incurs any expense in the provision of any benefit or perquisites in accordance with section 4 (1) (*b*) of this Act, other than the provision of living accommodation to which section 4B below relates, the following provisions shall apply—

(*a*) in any case where any asset which continues to belong to an employer is used wholly or partly in the making of such provisions, he shall be deemed to incur an annual expense in connection therewith of an amount equal to 5 per cent of the amount expended by him in acquiring the

asset, but if that amount cannot be so ascertained, 5 per cent of the market value of the asset at the time of the acquisition, as determined by the relevant tax authority ;

(*b*) in a case where any sum by way of rent or hire is payable by the employer in respect of any such asset, he shall be deemed to incur an annual expense in connection with the making of such provisions equal to the annual amount of the rent or hire expended by him on the asset ; and

(*c*) in any other case, the employer shall be deemed to incur annual expense in connection with the making of such provisions equal to the annual amount expended thereon by him.

(2) The employee shall be treated as being in receipt (in addition to any other emoluments) of emoluments equal to the annual amount so deemed to be incurred by the employer under subsection (1) above reduced by so much (if any) of the said expense as is made good to the employer by the employee.

(3) The provisions of subsections (1) and (2) of this section shall not apply to expenses incurred by an employer—

(*a*) in connection with the provision of meals in any canteen in which meals are provided for the staff generally or of luncheon vouchers for his employees if those vouchers are not assignable by an employee to whom they are issued ;

(*b*) in the provision of any uniform, overall or other protective clothing ;

(*c*) where such expenses are reasonable removal expenses which may or may not include a temporary subsistence allowance incurred by the employer by reason of a change of the employee's employment which requires such employee to change his place of residence,

and the employee shall not be treated as being in receipt of any remuneration in respect of any such benefits.

(4) Any reference in this section to expenses incurred in connection with any matter includes a reference to a proper proportion of any expenses incurred partly in connection with that matter.

(5) Any reference in this section to anything provided for an employee shall, unless the reference is expressly to something provided for the employee himself, be construed as including a reference to anything provided for the spouse, family, servant, dependant or guest of that employee in relation to any service rendered by the employee to the employer.

Valuation as to living accommodation.

4B.—(1) Where any premises in Nigeria are made available to the occupier by reason of his or his wife's holding an office or employment and—

(*a*) the occupier pays no rent for the premises, or

(*b*) the rent which the occupier pays for the premises is less than the annual value of the premises ;

the employee shall be treated as being in receipt (in addition to any other emoluments) of emoluments at an annual rate equal to the annual value of the premises, as determined under subsection (2) of this section reduced by the annual amount of rent which the occupier pays for the premises.

(2) In this section, "the annual value of the premises" means—

(*a*) in relation to premises subject to any law governing assessment of local rates, the annual value of the premises as determined for purposes of local rates under that law ;

(*b*) in any other case, the annual value as determined by the relevant tax authority,

and a reference in this section to annual value shall include a reference (where applicable) to such proper proportion of the annual value—

(*i*) in relation to a period of occupation within a year ;

(*ii*) in relation to the part of the premises occupied ; or

(*iii*) in relation to both a period of occupation within a year and the part of the premises occupied,

as may be determined by the relevant tax authority.

(3) Subsection (1) of this section shall apply to an occupier being a woman as it applies to an occupier being a man with the substitution of "her husband" for "his wife" and that subsection shall accordingly be so construed.

SCHEDULE 2 *Section* 4

PROVISIONS TO BE SUBSTITUTED IN ACCORDANCE WITH SECTION 4

SETTLEMENTS, TRUSTS AND ESTATES

PART I.—GENERAL

1. Subject to Part II and notwithstanding Part III of this Schedule, the income of a settlement or trust shall for all the purposes of this Act be deemed to be the income of the settlor or person creating the trust, as the case may be, if—

(*a*) that settlor or person retains or acquires an immediately exercisable general power of appointment over the capital assets of the settlement or trust or over the income derived therefrom ; or

(*b*) that settlor or person makes use directly or indirectly, by borrowing or otherwise, of any part of the income arising under the settlement or trust ; or

(*c*) the settlement or trust is revocable in circumstances whereby that settlor or person, or the spouse thereof, resumes control over any part of the income or assets comprised therein :

Provided that a settlement or trust shall not be regarded as revocable solely by reason of the fact that any income or assets comprised therein may revert to that settlor or person, or the spouse thereof, in the event of a beneficiary predeceasing that settlor or person, or of the happening of an uncertain event upon which the settlement or trust is limited.

2.—(1) For the purposes of this Part and Part III of this Schedule the income of a settlement or trust, other than a settlement or trust to which the provisions of paragraph 1 above apply, or of the estate of a deceased individual shall be so much of that income as is derived from any source in Nigeria and any such income brought into or received in Nigeria.

(2) The amount of the said income (hereafter referred to as the "computed income") of each period of twelve months ending on the thirty-first day of March in each year shall be ascertained as though the provisions of Parts II and III of this Act applied thereto and—

(*a*) there shall be deducted—

(*i*) any expenses of the trustee or executor relative to the settlement, trust or estate which are authorised by the terms of the deed of settlement or trust, or of the will, as the case may be ;

(*ii*) any annuity of fixed annual amount paid out of the income of the settlement, trust or estate in accordance with the provisions of such deed or will ; and

(*b*) if the said income includes any gains or profits from any trade, business, profession or vocation, or any rents or premiums, there shall be added or deducted as the case may require any sums which would have been added or deducted for the next following year of assessment under the provisions of Part V of this Act if the income from those sources had been the assessable income of an individual for that year ascertained under the provisions of section 20 (1) of this Act.

3. The computed income of any year of a settlement, trust or estate shall be apportioned for assessment in the following manner—

(*a*) where—

(*i*) the terms of the deed of settlement or trust or of a will provide that the whole income of the settlement, trust or estate after deduction of any authorised expenses or annuities of fixed amount is to be divided in specific proportions among the beneficiaries entitled thereto, from time to time ; or

(*ii*) by operation of law, upon any intestacy, the income of an estate is to be divided in the manner referred to in sub-paragraph (*a*) (*i*) of this paragraph,

the income of each such beneficiary of any year from the settlement, trust or estate shall be his similarly apportioned share of such computed income;

(*b*) Where a trustee or executor has discretion to make any payment (other than a payment on account) to a beneficiary out of the income of a settlement, trust or estate in such amount as he sees fit from time to time, then the amount of any such payment to a beneficiary made in the course of any year shall be treated as income of that year which is assessable to tax in the hands of that beneficiary, and out of the remainder of the computed income after deducting the aggregate amount of all such payments during any year there shall be apportioned to each beneficiary who has any specified proportional interest in the income of the settlement, trust or estate so much thereof as is obtained by applying such proportion to that remainder :

Provided that if such aggregate amount exceeds the computed income, the amount of each such payment to be treated as income in the hands of a beneficiary under this sub-paragraph shall be reduced proportionally so that the aggregate of the amounts as so reduced does not exceed the computed income ;

(*c*) any remainder of the computed income of a settlement, trust or estate of any year after deducting all amounts apportioned to beneficiaries, or treated as income in the hands of beneficiaries under the provisions of sub-paragraph (*b*) of this paragraph shall be apportioned to the trustee or executor for assessment in his name as trustee of the settlement or trust or as executor of the estate.

PART II.—SPECIAL PROVISIONS AS TO SETTLEMENT ON UNMARRIED CHILDREN

4.—(1) Notwithstanding any other provision of this Act where, by virtue or in consequence of any settlement and during the life of the settlor any income is paid to or for the benefit of a child of the settlor in any year of assessment, the income shall, if at the time of payment the child was an infant and unmarried, be treated for all the purposes of this Act as the income of the settlor for that year and not as the income of any other person.

(2) Income paid to or for the benefit of a child of a settlor shall not be treated as provided in sub-paragraph (1) of this paragraph for any year of assessment in which the aggregate amount of the income paid to or for the benefit of that child, which but for this sub-paragraph, would be so treated by virtue of sub-paragraph (1) of this paragraph, does not exceed ten pounds.

(3) This paragraph shall not apply in relation to any income arising under a settlement in any year preceding a year of assessment if the settlor is not in Nigeria at any time during that year of assessment, or is not in Nigeria for a period or periods amounting to one hundred and eighty-three days or more during that year of assessment.

5. For the purposes of paragraph 4 above—

(*a*) income which, by virtue or in consequence of any settlement may become payable or applicable to or for the benefit of a child of the settlor in the future (whether on the fulfilment of a condition or on the happening of a contingency, or as the result of the exercise of a power or discretion conferred on any person, or otherwise) shall be deemed to be paid to or for the benefit of that child ; and

(*b*) any income dealt with as aforesaid which is not required by the settlement to be allocated, at the time when it is so dealt with, to any particular child or children of the settlor shall be deemed to be paid in equal shares to or for the benefit of each of the children to or for the benefit of whom or any of whom the income or assets representing the income will or may become payable or applicable.

6.—(1) Where, by virtue of paragraph 4 above any income tax becomes chargeable on and is paid by the settlor, he shall be entitled—

(*a*) to recover from any trustee or other person to whom the income is payable by virtue or in consequence of the settlement the amount of the tax so paid ; and

(*b*) for that purpose to require the relevant tax authority to furnish to the settlor a certificate specifying the amount of income in respect of which he has so paid tax and the amount of the tax so paid,

and any certificate so furnished shall be conclusive evidence of the facts appearing therein.

(2) Where the settlor obtains from any trustee or other person a payment in excess of the amount he is entitled to recover by virtue of sub-paragraph (1) of this paragraph then, an amount equal to the excess shall be paid by him to the trustee or other person to whom the income is payable by virtue or in consequence of the settlement, or, where there are two or more such persons, the amount shall be apportioned among those persons as the case may require.

(3) If any question arises as to the amount of any payment or as to any apportionment to be made under sub-paragraph (2) of this paragraph, that question shall be decided by the relevant tax authority and its decision thereon shall be final and not subject to an appeal or any review whatsoever by any court of law.

7.—(1) In the case of any settlement where there are more than one settlor, paragraph 4 above shall, subject to the provisions of this paragraph, have effect in relation to each settlor as if he were the only settlor.

(2) In the case of any such settlement as aforesaid, income originating from that settlor or person may, for the purposes of the said paragraph 4, be taken into account, in relation to any settlor, as income paid by virtue or in consequence of the settlement to or for the benefit of a child of the settlor.

(3) References in this paragraph to income originating from a settlor shall include references to the following, that is to say—

(*a*) income from property which that settlor has provided directly or indirectly for the purposes of the settlement ; and

(*b*) income from property representing that property including accumulated income from that property ; and

(*c*) income from so much of any property which represents both property provided as aforesaid and other property as, on a just apportionment, represents the property so provided.

8. In this Part —

"child" includes a stepchild, an adopted child and an illegitimate child ;

"settlement" includes any disposition, trust, covenant, agreement, arrangement or transfer of assets ;

"settlor", in relation to a settlement, includes any person by whom the settlement was made or entered into directly or indirectly, and in particular (but without prejudice to the generality of the foregoing) includes any person who has provided or undertaken to provide funds directly or indirectly for the purpose of the settlement, or has made with any other person a reciprocal arrangement for that other person to make or enter into the settlement.

PART III

SUPPLEMENTARY PROVISIONS

9. For the purposes of this Act, where any assets of a trade or business, profession or vocation form part of the estate of a deceased individual, being assets in respect of which an annual allowance may be claimed in arriving at the total income of that individual for the year of assessment in which he died, the provisions of the Fifth Schedule of this Act shall apply in the following manner —

(*a*) notwithstanding any provision of the said Schedule, no balancing allowance or charge shall be given or made to that individual in respect of those assets for that year ; and

(*b*) the estate shall be deemed to have incurred qualifying expenditure on the acquisition of each such asset equal in amount to the residue of the expenditure on the asset on the day following the death of the individual ; and

(*c*) in the event of the disposal of the asset on or after that day, any addition to be made by way of a balancing charge in computing the income of the estate shall be made by reference to the sum of all allowances or deductions made in respect of the asset to the individual and to the estate.

10. Any individual in receipt of an annuity of fixed annual amount paid out of the income of any settlement, trust or estate shall be assessable to tax upon the full amount of the annuity.

11. The income arising from any settlement, trust or estate assessable to tax under any provision of this Schedule in the hands of any trustee, executor, beneficiary or annuitant for any year of assessment shall be the amount of the income ascertained under the foregoing provisions of this Schedule of the year preceding that year.

12. Where the income of a settlement, trust or estate of any year includes any income which has borne tax in Nigeria or elsewhere, whether by deduction or otherwise, the provisions of Part VI of this Act with respect to any relief to be given or repayment to be made shall apply as though the whole of the taxed income were receivable by the persons to whom the computed income of that year is apportioned under the provisions of paragraph 3 of this Schedule either—

(*a*) in due proportion to their respective shares therein ; or.

(*b*) where sub-paragraph (*b*) of paragraph 3 of this Schedule applies in proportion to their shares in the remainder of the computed income as therein specified,

and where there is no computed income, the relief or repayment shall be given or made to the trustee or executor for the account of the settlement, trust or estate.

For the purposes of this paragraph references to an individual in Part VI of this Act shall be deemed to include references to a trustee or executor.

13. Subject to the foregoing provisions of this Schedule, every trustee, of a settlement or trust, and every executor, shall be answerable for all things to be done in connection with the tax to, and any income apportioned to a trustee or executor shall be assessable by, the relevant tax authority in relation to that settlement, trust or estate.

14. A trustee of a settlement or trust in Nigeria, and the executor of an estate in Nigeria shall prepare accounts of the income from all sources of the settlement, trust or estate for successive periods to the thirty-first day of March in each year, and to the date on which the assets of the settlement, trust or estate are finally distributed.

15. An appeal against the inclusion of any income of a settlement, trust or estate in any assessment to tax, by whatever tax authority it may have been made, shall lie only in accordance with the appeal provisions of the income tax law of the territory to the tax authority of which the trustee or executor is answerable for the relevant year of assessment under the provisions of paragraph 13 above.

SCHEDULE 3

Section 13

Capital Allowances
Provisions to be substituted in First Tables

Part I

	Rate per centum
"Qualifying Expenditure in respect of :—	
Qualifying Building Expenditure	Nil
Qualifying Industrial Building Expenditure ..	10
Qualifying Mining Expenditure	20
Qualifying Plant Expenditure	15
Qualifying Plantation Expenditure	10"

PROVISIONS TO BE SUBSTITUTED IN SECOND TABLES

PART II

	Rate per centum
"Residue of Qualifying Expenditure in respect of :—	
Qualifying Building Expenditure	2
Qualifying Industrial Building Expenditure ..	5
Qualifying Mining Expenditure	10
Qualifying Plant Expenditure	10
Qualifying Plantation Expenditure	10"

SCHEDULE 4 *Section* 15

NEW TABLES TO BE SUBSTITUTED AS MENTIONED IN SECTION 15

"TABLE 1 INCOME RATE

On Total Income	*Amount of Income Rate*
	£ s d
Not exceeding £100	0 10 0
Exceeding £100 but not exceeding £200	1 0 0
Exceeding £200 but not exceeding £203	1 0 0 plus ½ of the excess over £200.
Exceeding £203 but not exceeding £300	3 0 0
Exceeding £300 but not exceeding £400	4 0 0
Exceeding £400	5 0 0

TABLE 2 INCOME TAX

Income to be taxed	*Rate of Tax*
	£ s d
For every pound of the first £1,000	0 2 6
For every pound of the next £400	0 3 6
For every pound of the next £400	0 4 6
For every pound of the next £1,000	0 6 0
For every pound of the next £1,000	0 7 6
For every pound of the next £1,000	0 9 3
For every pound of the next £5,200	0 11 6
For every pound exceeding £10,000	0 15 0"

SCHEDULE 5 *Section* 23

MINOR AMENDMENTS

INCOME TAX MANAGEMENT ACT 1961
(1961 No. 21)

Provisions affected	*Extent of Amendment*
Section 28 (3)	after the word "information" wherever the word occurs *insert* the words "(including name and address)".

Provisions affected	*Extent of Amendment*
Paragraph 1 of the Fourth Schedule	*delete* "section 17" *insert* "section 17 (1)".
Paragraph 6 (*b*) of the Fifth Schedule	*delete* sub-subparagraphs (*iii*), (*iv*), (*vii*) and *renumber* sub-subparagraphs (*v*), (*vi*), and (*viii*) as (*iii*), (*iv*) and (*v*) respectively.

COMPANIES INCOME TAX ACT 1961
(1961 No. 22)

Section 3 (2) (*a*)	*delete* the words "Deputy Chairman" and *insert* the words "two Deputy Chairmen".
Section 3 (2) (*e*)	*delete* the whole.
Section 3	after subsection (4) *insert* the following new subsection— "(5) Notwithstanding that the Legal Adviser to the Board is at any time a member of the Board, he may appear for and represent the Board in his professional capacity in any proceedings in which the Board is a party; and the Legal Adviser shall not in such circumstances give evidence on behalf of the Board."
Section 3	after subsection (5) *insert* the following subsection— "(6) The Secretary shall summon a meeting of the Board whenever the business requiring its attention so warrants, or upon any request of a member; and a majority decision of the members on any matter obtained by him in written correspondence shall be treated in all respects as though it were a decision of the Board in actual meeting unless any member has requested the submission of that matter to such meeting."
Section 31	after subsection (5) *insert* the following subsection— "(6) Notwithstanding any other provision of this Act where it appears to the Board that the true amount of the total profits of any company chargeable with tax cannot in any case be readily ascertained the Board may, if it thinks fit, assess and charge that company on a fair and reasonable percentage of the turnover of the trade or business carried on by it in Nigeria."
Section 46 (1) (*d*)	after the word "information" wherever the word occurs *insert* the words "(including name and address)".
Paragraph 5 (*b*) of the Third Schedule	*delete* sub-subparagraphs (*iii*), (*iv*), (*vii*) and *re-number* sub-subparagraphs (*v*), (*vi*) and (*viii*) as (*iii*), (*iv*) and (*v*) respectively.

PERSONAL INCOME TAX (LAGOS) ACT 1961
(1961 No. 23)

Provisions affected	*Extent of Amendment*
Section 15	after paragraph (*d*), *insert* the following paragraph— "(*e*) the income of any taxable person whose total income for a year of assessment does not exceed £300."
Section 18	*delete* the words "three hundred" and *insert* the words "two hundred".
Section 19 (*c*) (*i*)	*delete* the words "one hundred and ninety pounds" and *insert* the words "ninety pounds".

DATED at Lagos this 1st day of December 1966.

LIEUTENANT-COLONEL Y. GOWON,
Head of the Federal Military Government,
Supreme Commander of the Armed Forces,
Federal Republic of Nigeria

PUBLISHED BY AUTHORITY OF THE NATIONAL MILITARY GOVERNMENT OF NIGERIA
AND PRINTED BY THE MINISTRY OF INFORMATION, PRINTING DIVISION, LAGOS

THE ENTERTAINMENT TAX DECREE 1966

ARRANGEMENT OF SECTIONS

Section

1. Entertainment tax and mode of imposition.
2. Admission by subscription etc.
3. Payment of tax where entertainments are diverse etc.
4. Power to add to classes of entertainment and tax.
5. Exemption of certain forms of entertainment.
6. Power to waive payment of tax.
7. Power for police and others to enter places of entertainment.
8. Penalties for forgery of dies etc. and fraud.
9. Penalty for entry without payment of tax.
10. Search warrant.
11. Regulations.
12. Interpretation.
13. Citation, etc.

SCHEDULE—Rates of Tax

Decree No. 66

[*See section* 13 (1)]

Commencement.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

Entertainment tax and mode of imposition.

1.—(1) Subject to the provisions of this Decree, where at any place of entertainment to which the public or members of the public are invited, provision as to entry is made, so however that—

(*a*) payment is by way of prescribed or fixed charge, or

(*b*) contribution after entry is invited or made towards expenses or otherwise howsoever, or

(*c*) any payment or contribution in respect of the entry is to be waived, refunded, or reduced at any time in favour of persons who are members of the place of entertainment,

and the entertainment provided is not otherwise exempted under this Decree, there shall be levied and paid a tax to be called an entertainment tax at the rate prescribed in the Schedule to this Decree; and entry to the place of entertainment shall be refused by or in the name of the proprietor unless tender is made of the entertainment tax before entry, or the Permanent Secretary to the Ministry of Finance (in this Decree hereafter referred to as "the Permanent Secretary") has previously approved arrangements for the furnishing to him by the proprietor of returns of payment, and the giving of security for the payment of the entertainment tax.

(2) Accordingly, a person liable to be refused admission by the proprietor or his agent without pre-payment shall not be admitted to the entertainment—

(*a*) save on production of a numbered ticket or receipt as evidence of payment of the appropriate charge and of the prescribed tax, or

(*b*) through a turnstile or other mechanical contrivance which automatically registers the number of persons entering by that means.

(3) Where entertainment tax is paid otherwise than by a numbered ticket or receipt and the proprietor fails to pay the entertainment tax as directed by the Permanent Secretary, the entertainment tax may be recovered as a civil debt by the State.

Admission by subscription etc.

2. Subject to the provisions of this section, where admission to a place of entertainment is paid by means of a lump sum—

(*a*) as a subscription, donation, or contribution to any club, association or society, or

(*b*) for a season ticket, or

(*c*) for a series of entertainments or an entertainment during a certain period of time,

entertainment tax shall be paid on the amount of the lump sum.

Payment of tax where entertainments are diverse etc.

3. If the Permanent Secretary is of opinion that the payment of a lump sum or any payment for a ticket represents payment for privileges, rights or purposes additional to or otherwise than for the purposes of designated entertainment, or relates to admission to a place of entertainment during any period before the commencement of this Decree and for which entertainment tax has not been paid thereafter, the tax shall be charged on such an amount as appears to the Permanent Secretary to represent the right of admission to a place of entertainment in respect of, or to the extent to, which entertainment tax is, or should be payable.

Power to add to classes of entertainment and tax.

4. The Federal Executive Council may by order published in the Gazette add to the classes of entertainment in the Schedule to this Decree or add to, increase or reduce any entertainment tax in respect of any item therein.

Exemption of certain forms of entertainment.

5.—(1) Tax under this Decree shall not be charged on any payment for admission to a place of entertainment if the Permanent Secretary on application to him in writing is satisfied-

(*a*) that the net proceeds are to be devoted to philanthropic or charitable purposes ; or

(*b*) that the entertainment is of a wholly educational character ; or

(*c*) that the entertainment is provided for artistic, literary or scientific purposes by a society, institution or committee not conducted or established for profit ; or

(*d*) that the entertainment is an agricultural, horticultural or poultry exhibition held under the auspices of a society or association approved by the Federal Executive Council ; or

(*e*) that the entertainment is provided by or on behalf of a school or other educational institution, and

(*i*) the school or institution is not conducted or established for profit, and

(*ii*) the entertainment is provided for the sole purpose of promoting some object or or for the benefit of the school or institution.

(2) Application for approval of the Permanent Secretary shall be in writing addressed to him in his official capacity and,—

(*a*) if the application relates to subsection 1 (*a*) above the Permanent Secretary may call for a detailed statement of account and may challenge any item of expenditure which in his opinion is inadmissible, and

(*b*) if the application relates to subsection 1 (*b*) above and is rejected by the Permanent Secretary the applicant may appeal in writing to the Federal Executive Council whose decision shall be final.

Power to waive payment of tax.

6. The Federal Executive Council may waive payment of entertainment tax on admission to any place of entertainment in cases where the Permanent Secretary is not satisfied under section 5 of this Decree; but subject thereto entertainment tax properly payable under subsection (1) (*a*) of the said section 5 shall be paid as directed by the Permanent Secretary.

Power for police and others to enter places of entertainment.

7.—(1) Any superior police officer in uniform and any public servant duly authorised in writing by the Permanent Secretary may enter any place of entertainment during the course of any entertainment, and at other times as may be reasonable, for the purposes of checking due compliance with the requirements of this Decree and of regulations made thereunder.

(2) Any person who prevents or obstructs a superior police officer or public servant acting under the provisions of subsection (1) of this section shall be guilty of an offence and liable on conviction to a fine of twenty pounds or to imprisonment for a term of one month.

8. Any person who—

Penalties for forgery of dies etc. and fraud.

(*a*) with intent to defraud, counterfeits or forges any die, stamp or impression or imports or exports or has in his possession, custody, power or control any counterfeited or forged die, stamp or impression used to denote that the tax payable under this Decree has been paid, shall be guilty of an offence and liable on conviction to imprisonment for a term of not less than three years or more than ten years ;

(*b*) practises or is concerned in any fraudulent act, contrivance or device, with intent to avoid payment of entertainment tax, shall be guilty of an offence and liable on conviction to a fine of one hundred pounds or imprisonment for a term of six months, or to both.

9. If any person is admitted to any place of entertainment without payment of entertainment tax the person admitted and the proprietor shall be jointly and severally guilty of an offence and liable on conviction,—

Penalty for entry without payment of tax.

(*a*) in the case of the person so admitted, to a fine of five pounds or to imprisonment for a term of seven days, and

(*b*) in the case of the proprietor, to a fine of fifty pounds or to imprisonment for a term of six months and in addition the proprietor shall pay double the entertainment tax which should have been paid.

10.—(1) Where there is reasonable cause to suspect that there is on any land or premises any unauthorised document, die, stamp or impression capable of being used for the purpose of providing means of admission to any place of entertainment, any magistrate may, on information laid, issue a search warrant in respect thereof, and any building or place belonging to or occupied by or under the control of the person suspected may be searched accordingly ; and any document, die, stamp or impression there found and appearing to be material evidence and whether or not of the commission of any offence against this Decree, may be seized and detained, and thereafter if so ordered by the court, destroyed.

Search warrant.

(2) If any document, die, stamp or impression is seized under this section, the onus of proof of lawful user shall lie upon the person in whose custody or apparent custody the thing seized was at the time of seizure.

11.—(1) The Federal Executive Council may make regulations generally for the purposes of this Decree and without prejudice to the generality hereof, regulations may provide—

Regulations.

(*a*) for the numbering, supply, custody, and use of stamped or perforated tickets evidencing payment ;

(*b*) for the use of tickets covering on their face the admission to places of entertainment of more than one person, the calculation of the tax thereon, and as the case may be, for the payment on the transfer from one place, or part of a place, of entertainment, to another ;

(*c*) for securing proper records of admission by means of turnstiles or other mechanical contrivances, and for control of their use where entry into a place of entertainment is automatically registered ;

(*d*) for the annual registration of night clubs on payment of a fee to be prescribed, not exceeding in any one case £10.

(*e*) for exempting from entertainment tax any particular class of entertainment affected by this Decree either absolutely or for a time certain subject to qualifications.

(2) Regulations made under subsection (1) of this section may provide for the imposition of penalties of a fine not exceeding fifty pounds or of imprisonment for six months, or of both.

Interpretation.

12.—(1) In this Decree unless the context otherwise requires,—

"admission" does not include entrance into a place of entertainment as a performer under special engagement arranged by or on behalf of the proprietor;

"casino" means any duly licensed building or part of a building to which members of the public authorised by the licensee have access for the purpose, among other things, of playing at prescribed games of chance;

"entertainment" means the viewing of or participating in any pastime in or at any place of entertainment for payment, but does not include any pastime for charitable purposes;

"pastime" includes any game of chance or dance not being a dance provided for cultural or traditional purposes;

"night club" includes any place of entertainment where the means of entertainment is provided by or on behalf of the proprietor, to which the public resort after the onset of darkness until closing time;

"payment" means payment for admission, with entertainment tax added or adjusted under this Decree, and includes any payment where admission to one part of a place of entertainment is allowed without the addition of entertainment tax, so however that any other form of entertainment may thereafter be viewed or participated in only after payment of entertainment tax under this Decree;

"place of entertainment" means any building or land to which the public resort in fact though not necessarily as of right, whether or not such place is registered for the purpose, or licensed for the sale of intoxicating liquor, under any enactment, and includes a casino and a night club;

"proprietor" in relation to any entertainment means any person responsible for the management thereof, or reasonably appearing so to be until proved to the contrary.

(2) Where in any place of entertainment being a casino or night club, entry is made before the onset of darkness, any member of the public (not being connected with the management) so entering shall, if thereafter remaining on or in the place of entertainment, be deemed to have entered after the onset of darkness.

(3) Nothing in this Decree shall be so construed as to require payment of entertainment tax where admission to a place of entertainment is to view any cultural or traditional pastime as representative of Nigerian Art.

Citation etc.

13.—(1) This Decree may be cited as the Entertainment Tax Decree 1966 and shall come into operation on a date to be fixed by the Federal Executive Council by notice published in the Gazette.

(2) This Decree shall apply to the Federal territory only.

Cap. 60.

(3) The Entertainment Tax Act is hereby repealed.

SCHEDULE

Section 1 (1)

RATES OF TAX

Type or class of Entertainment	*Rate of Tax*
Cinematograph Exhibitions, Night Clubs and Casinos	(*a*) Where the amount of the payment, excluding the amount of tax, does not exceed 6*d* . . . . 1*d*; (*b*) Exceeds 6*d* . . . . . 1*d* for the first 6*d* and 1*d* for every 6*d* or part of 6*d* over 6*d*.
Horse-racing	Ten per cent of the gross proceeds received from payments for admission to a racecourse.

DATED at Lagos this 1st day of December 1966.

LIEUTENANT-COLONEL Y. GOWON,
Head of the Federal Military Government,
Supreme Commander of the Armed Forces,
Federal Republic of Nigeria

PUBLISHED BY AUTHORITY OF THE FEDERAL MILITARY GOVERNMENT OF NIGERIA
AND PRINTED BY THE MINISTRY OF INFORMATION, PRINTING DIVISION, LAGOS

Decree No. 67

[*1st December* 1966]

Commencement. 1965 No. 18.

WHEREAS in accordance with section 4 of the Constitution of the Federation, the Allocation of Revenue (Constitutional Amendment) Act 1965 came into operation on 9th December 1965, but was not implemented as regards the financial year 1965-66 :

And whereas it is expedient to cancel the operation of the said Act as regards that financial year :

NOW THEREFORE the Federal Military Government hereby decrees as follows :—

Commencement of 1965 No. 18.

1.—(1) Sections 1 and 2 of the Allocation of Revenue (Constitutional Amendment) Act 1965 shall be deemed to have come into force on 1st April 1966 and shall accordingly be treated as never having applied as regards the financial year 1965-66.

(2) Section 3 of the said Act of 1965 (which provides for sections 1 and 2 thereof to be deemed to have come into force on 1st April 1965) and, in section 4 (2) of that Act, the words from "and" onwards are hereby repealed ; and in the long title of that Act the words "with effect from 1st April 1965" shall be omitted.

Citation and extent.

2. This Decree may be cited as the Allocation of Revenue (Commencement) Decree 1966 and shall apply throughout Nigeria.

DATED at Lagos this 1st day of December 1966.

LIEUTENANT-COLONEL Y. GOWON,
Head of the Federal Military Government,
Supreme Commander of the Armed Forces,
Federal Republic of Nigeria

PUBLISHED BY AUTHORITY OF THE FEDERAL MILITARY GOVERNMENT OF NIGERIA AND PRINTED BY THE MINISTRY OF INFORMATION, PRINTING DIVISION, LAGOS

Decree No. 68

[1*st December* 1966] Commencement.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1.—(1) As from the commencement of this Decree any shotgun (not being an automatic or semi-automatic shotgun) which is provided with any kind of mechanical reloading device shall be a prohibited firearm for the purposes of the Firearms Act. Amendment of Schedule of Firearms Act. Cap. 69.

(2) Accordingly the Schedule of the Firearms Act is hereby amended as follows—

(*a*) in paragraph 8 of Part I, the words "including automatic and semi-automatic shotguns" (which were inserted by paragraph (*c*) of section 4 of the Firearms (Amendment) Decree 1966) are hereby repealed ; and 1966 No. 31.

(*b*) for paragraph 1 Part II there shall be substituted the following paragraph—

"1. Shotguns other than—

(*a*) automatic and semi-automatic shotguns ; and

(*b*) shotguns provided with any kind of mechanical reloading device." ;

and in section 4 of the Firearms (Amendment) Decree 1966, the said paragraph (*c*) and the word "and" at the end of paragraph (*b*) are hereby repealed.

2. This Decree may be cited as the Firearms (Amendment) (No. 3) Decree 1966 and shall apply throughout Nigeria. Citation and extent.

DATED at Lagos this 1st day of December 1966.

LIEUTENANT-COLONEL Y. GOWON,
Head of the Federal Military Government,
Supreme Commander of the Armed Forces,
Federal Republic of Nigeria

EXPLANATORY NOTE

(*This note does not form part of the above Decree but is intended to explain its purposes*)

This Decree amends the Firearms Act so as to include in the category of prohibited firearms for the purposes of that Act not only (as at present) automatic and semi-automatic shotguns but also shotguns provided with a "pump-action" or other mechanical reloading device.

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