



GOVERNMENT OF EBONYI STATE OF NIGERIA

OFFICE OF THE GOVERNOR

GOVERNMENT HOUSE, P.M.B 0020, ABAKALIKI

4th December, 2023.

GOVERNMENT OF EBONYI STATE OF NIGERIA EXECUTIVE ORDER NO.....2023

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

WHEREAS:

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

I **RT. HON. BLDR. FRANCIS OGBONNA NWIFURU**, Governor of Ebonyi State PURSUANT TO THE AUTHORITY VESTED IN ME BY THE CONSTITUTION OF THE FEDERAL REPUBLIC OF NIGERIA 1999 (AS AMENDED) AND RELEVANT LAWS OF EBONYI STATE AS GOVERNOR OF EBONYI STATE, I, HEREBY ORDER AS FOLLOWS:

1. APPLICABILITY

- I. This executive order applies to all firms, business owners, employers, and employees in Ebonyi State whose monthly income is less than N50,000 and below, as stipulated in the Revenue Waiver/Reliefs

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

2. CATEGORIES AND TAX RATE

- I. Small businesses within this presumptive income tax regime shall be classified into three distinct categories: traders, manufacturers and service providers, each with a monthly income of N 50,000 and below.
- II. The uniform tax rate for each category which has been carefully selected to balance revenue generation for the government and ease the tax burden of small businesses.

3. IMPLEMENTATION

- I. The Ebonyi State Internal Revenue Services (EBSIRS) is tasked with the effective implementation, administration and enforcement of this presumptive tax collection
- II. Presumptive taxes will be reflected in demand notices generated by EBSIRS. However, any income of firms, business owners, employers and employees below N 50,000 shall be exempt from any tax deductions in Ebonyi state.
- III. EBSIRS shall collaborate with relevant business associations, traders, professionals and chambers of commerce to ensure widespread awareness and understanding of the new tax regime.
- IV. Business owners, employers/employees whose monthly income is N 50,000 are covered by this executive order in compliance with the Revenue Waiver/Reliefs.

4. COMPLIANCE AND ENFORCEMENT

- I. Small businesses within this regime are required to maintain records of their incomes and submit an annual declaration of turnover to the EBSIRS.
- II. EBSIRS shall conduct periodic audits to verify the accuracy of declarations made by small businesses under this regime.
- III. In case of discrepancies or non-compliance, EBSIRS will provide businesses with a reasonable opportunity to rectify errors before applying penalties.

IV. EBSIRS shall establish a simplified process for businesses to seek clarification or resolution of any dispute related to their presumptive tax obligations

5. REVIEW OF TAX RATES

- I. To ensure alignment with prevailing economic conditions, the tax rate may be subject to periodic review by the EBSIRS in consultation with relevant stakeholders.
- II. EBSIRS shall engage with business associates, tax experts and other stakeholders to get feedback and make informed adjustments to tax rates if necessary.

6. INSTITUTIONAL CAPACITY BUILDING

- I. EBSIRS shall conduct training programs and workshops to equip its personnel with the necessary skills to effectively administer and oversee the presumptive income tax regime.
- II. Small business owners shall be provided with educational materials and workshops to enhance their understanding of the new tax system, ensuring widespread compliance.

7. PROMOTION OF DIGITAL PAYMENTS

- I. To leverage technology and enhance efficiency while reducing administrative burdens, EBSIRS shall promote the use of digital payment platforms for filing and paying the presumptive income tax
- II. Incentives such as discount or waivers may be offered to businesses consistently utilizing digital payment methods for their tax obligation

8. EFFECTIVE DATE OF ORDER

This executive order shall take effect immediately upon issuance.

In witness whereof I have set my hands and official seal this 4th day December, 2023.



HIS EXCELLENCY,

RT. HON. FRANCIS OGBONNA NWIFURU FNIQB, FCAI, GGCEHF

GOVERNOR, EBONYI STATE.