



FEDERAL INLAND REVENUE SERVICE
15, SOKODE CRESCENT, WUSE ZONE 5, ABUJA, NIGERIA

PUBLIC NOTICE

ENACTMENT OF THE FINANCE ACT, 2023

The Finance Act 2023, which amended certain provisions in the tax laws, was enacted on 28th May, 2023 with effective date of 1st May 2023. However, pursuant to the Finance Act (Effective Date Variation Order) 2023, the effective date was changed to 1st September 2023.

Consequently, taxpayers, tax practitioners and the general public are hereby invited to take notice that the amended provisions shall take effect as follows:

1. VAT Withheld or Collected

Section 14(3) of the VAT Act was amended to the effect that persons appointed to withhold or collect VAT shall remit the VAT withheld or collected **on or before the 14th day of the month following the month in which the VAT was withheld or collected.** Consequently, all VAT withheld or collected in August 2023 **shall be remitted to FIRS on or before the 14th of September 2023.** Similarly, VAT withheld or collected in subsequent months shall be remitted to FIRS not later than 14th day of the month following that in which the VAT was withheld or collected.

2. VAT on Items Excluded from Building

The definition of "building" was amended in Section 46 of the VAT Act to exclude any fixture or structure that can be easily removed from the land. Examples of items excluded are **radio and television masts, transmission lines, cell towers, mobile homes, caravans and trailers.** As such, all the items removed from the definition of land have become chargeable to VAT. Companies letting, trading in or providing services with such items must charge VAT at the prevailing rate with effect **from 1st of September, 2023.**

3. Rate of Tertiary Education Tax (TET)

By the amendment to Section 1(2) of TET Act, the rate of TET was changed to **3%** of assessable profits. The **new TET rate of 3%** shall take effect for TET becoming due in respect of **accounting period ending on or after 1st September, 2023.**

4. Investment Allowances and Convertible Currencies

Sections 32, 34 and 37 of the Companies Income Tax Act (CITA) granting allowances in respect of capital expenditure incurred in certain circumstances, and tax exemption on income earned in convertible currencies from tourists by hotels have been repealed. Consequently, the said allowances and tax exemption are no longer available for tax returns becoming due in respect of **accounting period ending on or after 1st September, 2023.**

Signed

**Muhammad Nami
Executive Chairman
Federal Inland Revenue Service**