



LAGOS STATE GOVERNMENT

PUBLIC NOTICE



HOTEL OCCUPANCY & RESTAURANT CONSUMPTION TAX

This public notice is to provide clarification to the general public on issues relating to definitions of terms and obligations of land owners, in particular owners and/or Managers of Hotels, Events Centres, Restaurants & other Facilities of their obligations as Consumption Tax Collecting Agents.

LEGAL BASIS: HORC TAX LAW OF 2009

A. LEGAL DEFINITION OF 'HOTELS', 'EVENTS CENTRES' & 'RESTAURANTS'

Section 17 of the Hotel Occupancy & Restaurant Consumption Tax (HORC) Law (2009) describes a Hotel Facility and Events Centre as follows:

'Hotel Facility' includes a room, suite, hall, open space or other facility or resource centre which may be let out for a fee within a hotel OR other facility, under a lease, concession, permit, right of license, contract or other agreement. This includes short-let apartments, playgrounds and any other facility available for use for a fee, under a lease or permit.

'Events Centres' include halls, auditoriums, fields and places designated for public use, at a fee.

'Restaurant' includes any food sale outlet, bar, tavern, inn or café whether or not located within a hotel. This includes supermarket food courts/food section and delis with or without a sit-in facility whether or not located within a hotel.

B. COMPLIANCE REQUIREMENTS

I. The management of these establishments are obligated by Law to charge, deduct and remit their monthly consumption tax, file monthly returns and perform all other duties as detailed in the Hotel Occupancy & Restaurant Consumption Tax Law 2009 (hereafter referred to as 'HORC Law 2009') and this Public Notice.

II. COMPULSORY FILING OF FORM HCL 1

The monthly filing of returns on sales using the HCL1 form is enshrined in Section 6 (1b & 2) of the HORC Law 2009. These Sections of the Law emphasize the obligation of the taxpayer/Collecting Agent to file returns stating the total amount of payments made for all chargeable transactions, amount of tax collected and any other information required by the Agency for each reporting period.

Each calendar month is a reporting period and the taxes imposed and collected under this Law are due and payable on or before the 20th day of each calendar month.

The filing of these returns shall be enforced.

Henceforth, the filing of the monthly returns shall be strictly enforced and the full weight of the law shall be visited on erring proprietors.

III. SALES INVOICES, BILLS & RECEIPTS MUST CARRY CONSUMPTION TAX DETAILS

All Collecting Agents must ensure that their bills / invoices detail the breakdown of taxes charged on their sales. The receipts must carry the amount of Consumption Tax charged for each sale that is made on the consumption of their goods, services and the use of their facilities.

Signed

Ayodele Subair

Executive Chairman

Lagos State Internal Revenue Service

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