



Tax Flash

COA orders States to maintain status quo on VAT administration

The Court of Appeal (COA) sitting in Abuja, today, 10 September 2021, ordered both Rivers and Lagos States to maintain *status quo* on the collection of Value Added Tax (VAT) pending the resolution of the Federal Inland Revenue Service (FIRS)'s appeal of the Federal High Court (FHC)'s judgment in the case between the *Attorney General of Rivers State vs FIRS & Attorney General of the Federation*.

The FHC sitting in Port Harcourt had earlier delivered a judgement nullifying the VAT Act Cap V1, LFN 2004 and dismissed the subsequent application for stay of execution of the judgment filed by the FIRS. Consequently, the Rivers State Government had directed the immediate implementation of its VAT Law. The Lagos State Governor had also, earlier in the day, signed the State VAT Bill into law before the COA's order was issued.

The COA's order, effectively halts the implementation and enforcement of both Rivers and Lagos State VAT Laws pending the decision of the appeal. Taxpayers may continue to file and remit their VAT payable to the FIRS pending the final resolution of the appeal by the COA.

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