



THE INITIATIVES

NATIONAL ROUNDTABLE FOR GOOD GOVERNANCE

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Communique at the end of the maiden edition of a National Roundtable for proactive laws and good governance in Nigeria, organized by the INITIATIVES, a post era and agenda setting forum of a league of cerebral legislators in nigeria's house of representatives.

topic: internally generated revenue and the challenges of national development

LEAD DISCUSSANT, MRS. IFUEKO OMOGUI-OKAURO, CHAIRMAN, FEDERAL INLAND REVENUE SERVICE (FIRS)

The 1st National Roundtable for Proactive Laws and Good Governance in Nigeria was organized on Thursday, April 24, 2008 at the International Conference Centre, Abuja by The Initiatives, a post era and agenda setting forum of a league of cerebral legislators in the Nigerian House of Representatives, who believe in the realization of vision 2020 and who are passionately committed to Good Governance in Nigeria through proactive and people oriented legislation.

The seminal topic of the 1st National Roundtable was “Internally Generated Revenue and the Challenges of National Development”

In attendance at the session were members of the Initiatives, Senators of the Federal Republic of Nigeria and Honourable members of Federal House of Representatives. The Deputy Speaker represented the Speaker, Hon. Dimeji Bankole, who was the Chairman of the session. Also in attendance were, the Chairman and senior officers of the Federal Inland

GOVERNING BOARD.

Hon. Justice Mohammed Uwais GCON - **Chairman**

His Excellency Sen. Pius Anyim - **Vice Chairman**

Chief Wole Olanipekun SAN - **Advisor**

comprehensive education of the legislators on topical national issues to facilitate excellent legislation and reduce the passing of laws with series of lacuna and those capable of causing anarchy in society. The need for this is further highlighted by the fact that handicap experienced by legislators in contributing to important national discourse when the subject of the discourse is not within their core professional competence. The Dean of the Faculty of the Initiatives then canvassed for a robust debate of the topic of the day.

The members of the Initiatives present at the 1st National Roundtable were:

1. Hon Eseme Eyiboh
2. Hon Kamil Akinlobi
3. Hon. Mikhail Bmitosahi
4. Hon. Nasiru Sule
5. Hon. Peace Nnaji
6. Hon. Patty Etete
7. Hon. Chris Ettah
8. Hon. Rufus Omeire
9. Hon Nelson Alapa
10. Hon Gabriel Edi
11. Hon Lanre Agoro
12. Hon Abbas Braimah
13. Hon Ifaluyi Isibor
14. Hon Zakariyau Galadima
15. Hon Emmanuel Jime
16. Hon Doris Uboh
17. Hon Mayor Eze
18. Hon Patrick Asadu
19. Hon Samson Osagie
20. Hon George Daika
21. Hon Abbas Lawan
22. Hon Dan Reyeniejju.

The Chairman of the Federal Inland Revenue Service, Mrs. Ifueko Omogui- Okauro commenced the session by outlining the history of the extant tax laws in the country, the insufficiency of current revenue to finance the power sector reforms alone talk less of the social, physical and security infrastructure needs of the country, the dependence of the country on a single source of revenue, the demands of the exponential population growth for more finance and the lack of a more defined constitutional framework for collection of taxes by all tiers of government with the consequence that all tiers of government are squabbling over who is entitled to collect taxes rather than concentrating on how to expend the tax base.

She outlined the efforts of the Federal Inland Revenue Service to improve internally

generated revenue (despite the existing constitutional bottlenecks). Chief among the initiatives was the presentation of four bills to the National Assembly that were passed into law in 2007, which bills are the first review of our tax laws in over twenty years and the commencement of the automation of the tax collection process for better efficiency.

While most members at the session acknowledged the efforts of the FIRS, their chief concern was with the examination of the nexus between taxation and accountability. The Chairman of the FIRS admitted that several studies have shown a direct correlation between an increase in the tax bases and judicious utilization of tax revenue. However, she pointed out that the role of the FIRS ends with the collection of taxes and other government organs were responsible for appropriation of the revenue. Bodies such as the National Assembly and the Ministry of Finance were more competent to address the issue of wastage of the revenue.

Other concerns were the issues of double taxation by different tiers of government, a defined period of tax breaks for Small and Medium Enterprises, the non-recourse of the FIRS to private tax consultants, the exclusion of the informal sector of the economy from the tax base, the apparent lack of control by the FIRS over tax issues pertaining to the NNPC.

Addressing these concerns, the Chairman of the FIRS reiterated that double taxation was a function of the overlapping activities of tax agencies of the tiers of government, which the Joint Tax Board has been addressing but with difficulty because of constitutional constraints. The review of the Constitution would be the best panacea. The exclusion of private tax consultants was in adherence to legal provisions, which mandate government organs to collect tax and also to help build the managerial capacity of the government organs. The lack of focus on the informal sector was because the need to execute the current tax reforms in order of priority. The FIRS has been battling to administer the Petroleum Profits Tax and a breakthrough was achieved in 2007. The FIRS now administers the PPT, which had hitherto been administered by the NNPC as income not as tax that should be remitted to the FIRS. Other issues were to be addressed by the National Tax Policy now in the offing.

At the end of the Roundtable, participants were unanimous that payment of tax and accurate taxation of citizens and companies operating in the country as well as proper utilization and accountability of tax collected was central to boosting national development. Participants also applauded THE INITIATIVES for its vision and prayed that it achieves its laudable objectives.