

TAX APPEAL TRIBUNAL
SOUTH EAST ZONE
HOLDEN AT ENUGU

8TH JULY, 2014

APPEAL NO: TAT/SEZ/005/14

BETWEEN:

FEDERAL INLAND REVENUE LIMITED APPELLANT

AND

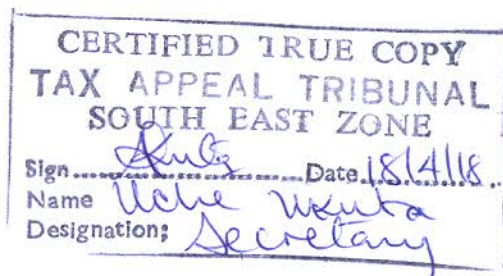
EBONYI HOTELS LIMITED RESPONDENT

Chairman: Professor C.J. Amasike
Commissioners: Dr. [Mrs.] Josephine A.A Agbonika
Professor Eddy Omolehinwa
Chief Ngozi Amaliri

Representation:

Counsel for the Appellant: Haruna Musa

Counsel for the Respondent: V.C. Okechukwu



JUDGMENT

This action was commenced against the Respondent on the 12th of May 2014, in line with the provisions of the Tax Appeal [Procedure] Rules 2010, at the Tax Appeal Tribunal [TAT], sitting in Enugu. The Appellant claimed the sum of Seven Million Four Hundred and Seventy Six Thousand Nine Hundred and Eleven naira Fifty Six Kobo [N7,476,911.56] only as an audit assessment tax liability as Value Added Tax [VAT] for the period November 2006 – February 2011 from the Respondent.

The matter came up the first time on the 19th of June 2014 for mention. Counsel for both parties were present at the Tribunal. On that day, after hearing the parties, Counsel for the Respondent appealed to the Tribunal to grant them the leave for an out of Tribunal. He promised that payment would commence within period of negotiation for settlement and the Tribunal granted the Respondent's application and the matter was adjourned to the 8th day of July 2014 for report of settlement. This matter came up the second time on the 8th of July 2014,

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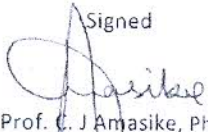
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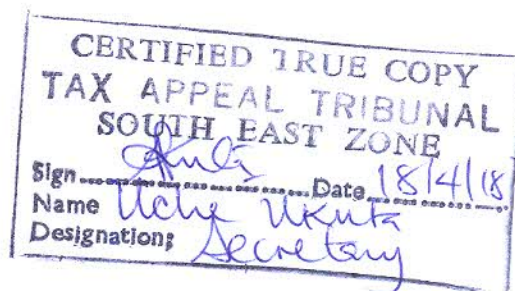
for report of settlement. Counsel for both parties were present at the Tribunal. The Appellant Counsel told the Tribunal that the Respondent had admitted his tax liability but the payment plan presented by the Respondent was not accepted by them. In reply, the Respondent Counsel told the tribunal that they had admitted liability but wanted to liquidate the tax liability by monthly installment of Two Hundred Thousand [N 200,000.00] as the Ebony State was not financially in a position to pay the entire sum at once. Arguing his case further he told the Hon. Tribunal that they had already paid Five Hundred Thousand Naira [N 500,000.00] as a show of good faith.

The Hon. Tribunal after listening to the argument of both Counsel held that since the Respondent was not contesting the tax liability and that the tax liability had been outstanding for 8 years, it would be unreasonably and unfair to further stretch the liquidation period as granting the application of the Respondent to pay Two Hundred Thousand Naira [N 200,000.00] per month would amount to liquidifying the balance of the tax liability in 35 months.

But taking into cognizance that the Counsel for the Respondent had passionately appealed for installmental payment in view of the financial position of the Ebony State Government - the owners of the Respondent hotel, it is hereby ordered that the balance of the tax liability Six Million Nine Hundred and Seventy Six thousand Nine Hundred and Eleven Naira Fifty Six Kobo [N 6,976,911.56] be liquidated within the next three [3] months from the date of this judgment.

The Parties may appeal this Judgment if they so desire.

Signed

Prof. C. J. Amasike, Ph. D
Chairman
Dated: 8th Day Of July, 2014.



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