

IN THE TAX APPEAL TRIBUNAL
SOUTH EAST ZONE
HOLDEN AT ENUGU

APPEAL NO: TAT /SEZ/OO9/12

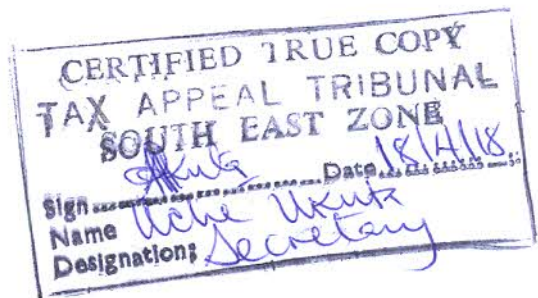
FEDERAL INLAND REVENUE SERVICEAPPELLANT

VS

QUIXOTEL HOTELS LIMITED RESPONDENT

BEFORE THEIR HONOURS

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



Representation:

Mr. Haruna Musa & Mrs. Ngufan Nwogu-Ikojo appearing for the Appellant.

Prince Charles Ibeh, appearing with Mr. J.I.Onyiagwachukwu Esq. for the Respondent.

JUDGMENT

This appeal was brought before the Tax Appeal Tribunal [TAT] South East Zone, Enugu by Haruna Musa, Counsel to **Federal Inland Revenue Service** on the 10th of May 2012 against the Management of **Quixotel Hotels Limited** at 81 Ogui Road, Enugu, Nigeria as the **Respondent**.

The Appellant claimed against the Respondent the sum of Nine Million, One Hundred and Fifty Four Thousand, Four Hundred and Eighty One Naira Forty Seven Kobo (9,154,481.47k) only as tax liability on Company Income Tax (CIT), Education Tax (EDT) and Value Added Tax (VAT) respectively for the period 2001 – 2011.

The matter came up the first time on 28th June 2012 for mention. Counsel for both parties were present. Respondent told the Tribunal that they have made some payments. Tribunal permitted parties to go and reconcile records and report back to the Tribunal. Matter was adjourned to the 15th of August 2012 for report of settlement or hearing.

This matter came up the second time on the 15th day of August 2012. Counsel for the Appellant was present, but no representation for the Respondent. Tribunal adjourned the matter to the 13th of September 2012 for report of settlement or hearing.

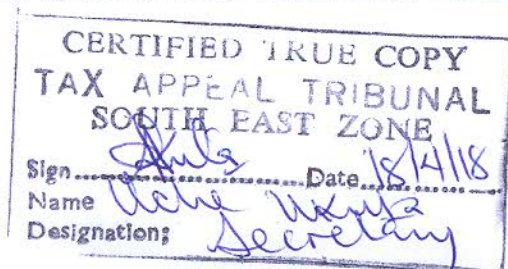
The matter came up the third time on the 13th of September 2012. Counsel for the Respondent was present but no representation for the Appellant. Tribunal was made to understand that the Appellant Counsel had a medical emergency. The Respondent Counsel informed the Tribunal that settlement is ongoing between the parties, that at the next adjourned date they would file a draft of Terms of Settlement before the Tribunal. Matter adjourned to the 31st of October for report of settlement.

The matter came up the fourth time on 31st of October 2012. Counsel for both parties were present. The Appellant Counsel told the Tribunal that in the course of searching the FIRS payment web -portal they noticed that there were some payments made by the Respondent that were outside the period of litigation. Based on that, they were unable to come to a conclusion. They asked for a short adjournment to enable them conclude. Application was granted. Matter adjourned to 27th of November 2012 for report of settlement.

This matter came up the fifth time on the 27th of November 2012. Counsel for the Appellant was present but no representation for the Respondent. The Tribunal was served with a letter from the Respondent giving reasons for his absence. The Appellant Counsel informed the Tribunal that parties were yet to settle because payments made by the Respondent did not correspond with the period under litigation. The Appellant Counsel applied for an adjournment to enable parties reconcile documents. Matter adjourned to 17th of January 2013 for further report of settlement

Matter came up the sixth time on the 25th of June 2013. Counsel for both parties were present. Respondent Counsel informed the Tribunal that they have made several payments, but pleaded with the Tribunal to grant them one more adjournment to enable them file terms of Settlement. Matter adjourned to 23rd of July 2013 for further report of settlement.

This matter came up the seventh time on the 23rd of July 2013. Counsel for both parties were present. Respondent informed the Tribunal that a new policy came from the Head Quarters of Federal Inland Revenue Service saying that before anyone embarked on negotiation for going into discussion for Settlement that an approval must be given from the head quarters. The Respondent presented the Tribunal with a payment plan, but the Tribunal rejected it because it was not signed. The Appellant Counsel informed the Tribunal that parties have agreed on Three Million Seven Hundred Thousand (N3, 700,000.00) as the



Respondent's liability. The Respondent Counsel informed the Tribunal that they had made some payments out of the Three Million Seven Hundred Thousand (N3, 700,000.00) that the current balance is One Million, Three Hundred and Fifteen Thousand Naira. The matter was adjourned to 18th of September 2013 for further report of settlement.

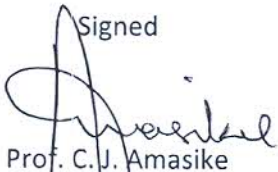
The matter came up the 8th time on the 18th of September 2013. Counsel for both parties were present. The Respondent Counsel told the Tribunal that he had paid up. The Tribunal requested to see the original copies of receipts evidencing payments. Matter adjourned to 22nd of October 2013 for further report of settlement.

On 22nd of October 2013, the Tribunal was presented with original and duplicate copies of receipts evidencing payments by the Respondent. The Tribunal then requested the Appellant to verify whether or not those were from FIRS and they confirmed that they were indeed from FIRS.

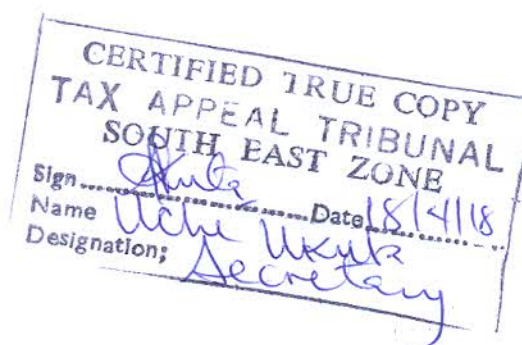
The Tribunal being satisfied that the Respondent has fully liquidated all outstanding tax liabilities for the period 2001 – 2011, accordingly ordered and directed as follows:

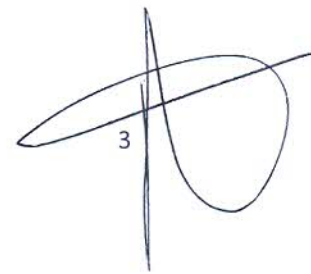
1. That the Respondent having paid the entire tax liabilities of Three Million Seven Hundred Thousand Naira to the Federal Government of Nigeria arising from Company Tax Income [CIT], Education Tax [ET] and Value Added Tax [VAT] for the period 2001 – 2011, is hereby discharged of its tax liabilities for the period 2001 - 2011 for which it was sued in this tribunal.
2. That the Appellant shall forthwith stop the prosecution of the Respondent in respect of the tax liabilities in the subsisting case.

The parties may appeal this Judgment if they so desire.

Signed

Prof. C. J. Amasike
Chairman
Tax Appeal Tribunal [S.E.Z]

Date: 18/12/2013




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