

**IN THE TAX APPEAL TRIBUNAL
IN THE NORTH EAST ZONE
HOLDEN AT BAUCHI
ON 29TH DAY OF MARCH, 2012.**

BEFORE: HON. SULEMAN AUDU	-	CHAIRMAN
HON. HALIMA SA'ADIYYA MOHAMMED	-	MEMBER
HON. ALH. ALIYU ABBAS BELLO	-	MEMBER
HON. CHIEF NGOZI AMALIRI	-	MEMBER
HON. CHIEF SUNDAY IDAM ISU	-	MEMBER

BETWEEN:

FEDERAL INLAND REVENUE SERVICEAPPELLANT

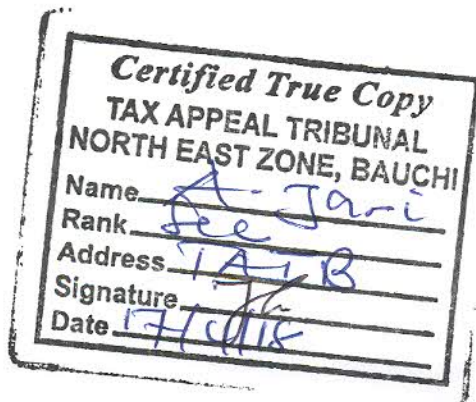
AND

BAUCHI STATE URBAN DEVELOPMENT BOARD

.....RESPONDENT

APPEARANCE:

- 1. ALI A. ALHASHIM ESQ appearing with,
OYINTARE POBENI, for the Appellant.**
- 2. SM SAMBOUWAL, S.S.C.I,
For the Respondent.**



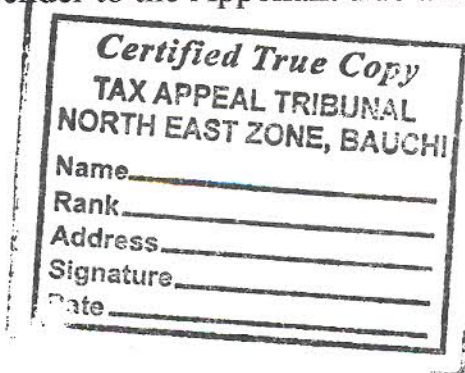
JUDGEMENT

In this appeal, the Appellant is claiming the sum of Ninety four million, nine hundred and fifty two thousand, three hundred and forty six naira, three hundred and fifty six naira, forty eight kobo (₦94, 952, 346.48K).

The said sum he said is for withholding tax and value added tax for the period 2004, 2005 and 2006. The Appellant said that despite several demand notes, including a reminder, the Respondent refused to pay. He explained that demand notes dated 25/07/07, 07/10/08 and 12/11/10 are attached to his notice of Appeal and marked Exhibits ‘A’, ‘A¹’, and ‘A²’ respectively. In addition to the above Exhibits ‘A’ series, there is also Exhibit ‘B’ which is the Audit findings being the basis for assessing the Respondent for the periods 2004 – 2006 in the sum of ₦94, 952, 346.48K.

The Appellant also contends that by virtue of S.I (1) of the Federal Inland Revenue Service (Establishment) Act of 2007, it is empowered to do such things as may be necessary or expedient for the proper assessment and collection of value added tax, company income tax, etc. He said that the Appellant is also empowered by the Act to conduct routine monitoring and compliance exercise.

He averred that the Respondent is an organization registered under the Companies and Allied Matters Act with its head office at Bello Kirfi Road, Bauchi in Bauchi State. He said that by virtue of this the Respondent has become a taxable person and is liable to render to the Appellant true and accurate monthly and yearly returns.



He further averred that the 14 days given to the Respondent to pay the money has elapsed, hence the appeal to this Tribunal to recover the sum of ₦94, 952, 346.48 which has become a debt due to the Federal Government of Nigeria.

He filed along with the Notice of Appeal, witness statement on oath.

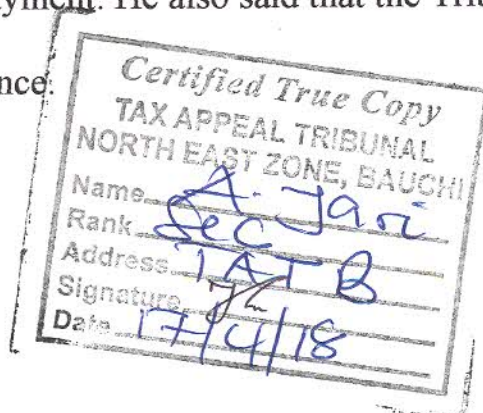
The Respondent on the other hand did not file any objection to the claim. So in essence he has admitted it.

Learned counsel for the Appellant informed the Tribunal that on the last adjourned date the Tribunal made an order to the effect that the Respondent shall pay 50% of his outstanding debt liability in the sum of (₦56, 530, 750.69K) on or before 7th December, 2011.

He said that the Respondent did not comply with this order. As a result he urged the Tribunal to order the Respondent to pay the entire liability.

The Respondent however, told the Tribunal that in compliance with the previous order it has made a part payment of the sum of Thirty eight million, seven hundred and seventy-eight thousand, four hundred and forty-five naira (₦38, 778, 445.00).

Learned counsel for the Respondent also said that on no occasion did the Tribunal make an order that they should pay 50% of their debt liability as claimed by learned counsel for the Appellant. He said that the Tribunal even appreciated their good effort for making such payment. He also said that the Tribunal urged them to expedite action in paying the balance.

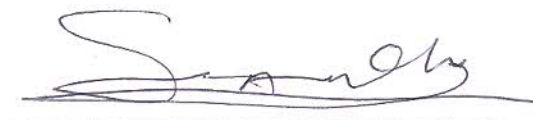


Learned counsel for the Respondent informed the Tribunal that the Respondent did not deduct the VAT which they are now owing the Federal Government. He said that there was down payment to contractors by the previous leadership of the Respondent. The payments he said were guaranteed by Banks. So he said it deductions were made they were paid to the Banks, but not to the Respondent directly, but that when the present administration came on board it made a policy to the effect that all payments should have its VAT deducted and that circular letter to that effect was given to all Ministries and Government Parastatals and commissions, etc.

He therefore appealed to the Tribunal to give them time so as to pay up.

He suggested any period after the 2012 budget is passed into law by the House of Assembly of Bauchi State.

The Tribunal after listening to both parties hereby order that the balance of the tax liabilities of the Respondent shall be paid within two weeks after the year 2012 budget is passed into law by the said House of Assembly.



CHAIRMAN

