

IN THE TAX APPEAL TRIBUNAL

NORTH CENTRAL ZONE

SITTING AT JOS

ON TUESDAY, 30TH JULY 2013

BEFORE THEIR HONOURS

HON. ABRAHAM NDANA YISA
HON. OLUSOLA IBIDAPO-OBE
HON. JOSEPH O. IHEKWEREME
HON. JIBRIL NGATKYA USENI

CHAIRMAN
COMMISSIONER
COMMISSIONER
COMMISSIONER

APPEAL NO: TAT/NCZ/009/2012

BETWEEN

FEDERAL INLAND REVENUE
SERVICE.....APPELLANT

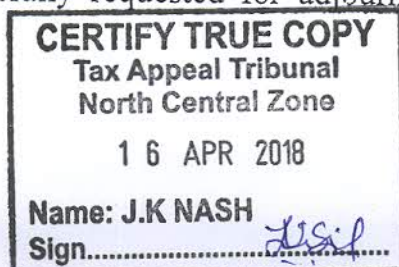
AND

1. LAFIA HOTELS
 2. THE MANAGING DIRECTOR,
LAFIA HOTELS
-RESPONDENTS

JUDGEMENT

The Parties will recall that this Tribunal had earlier pronounced judgement in this matter, in the sum of N1, 151, 546. 20 (One Million, One Hundred and Fifty One Thousand, Five Hundred and Forty Six, Twenty Kobo) only, being the outstanding principal liability of the Respondents to the Appellant as admitted by both Parties.

What remained in dispute and hence the continued pendency of this matter has being the issue of interest and penalty for which the Parties positions were not in tandem. Parties had severally requested for adjournments to enable them



reach an amicable settlement and also to enable the Respondent apply for waiver of interest and penalty from the Appellants.

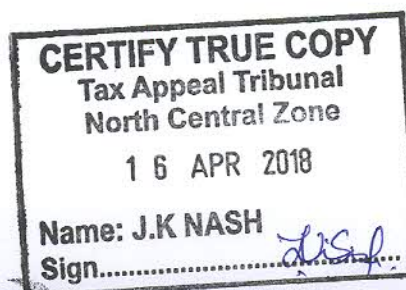
Today, Counsel to the Appellant, Nasir Ahmed Esq informed the Tribunal that based on the computations made available by the Micro and Small Tax Office (MSTO) of the Federal Inland Revenue Service, Lafia, the custodian of the tax file of the Respondents, the penalty is N70, 000.00 while the interest is N1, 129, 104.48k. Counsel consequently prayed the Tribunal to enter Judgement in that sum. Counsel further posited that since judgement has already been entered in the principal sum, Section 34 of Value Added Tax Act, Cap 6, LFN 2004 makes it mandatory for every defaulting Taxpayer to pay penalty and interest.

Responding, Counsel to the Respondent, Kayyimu Mohammed Esq, submitted that on the issue of penalty and interest, Counsel for Appellant came up with a calculation that is not very clear to the Respondents side. According to him 20% of the judgement sum amounted to N230, 309.24k interest and penalty N115, 154. 62k, bringing the total sum to N345, 463. 8k only.

Mr Ikechukwu Ilo, Officer II, Tax of the Micro and Small Tax Office (MSTO) of the Federal Inland Revenue Service, Lafia representing the Appellant explained that calculation of interest and penalty is based on the date assessment is raised and is also compounded.

Having been satisfied with the explanation, Counsel to the Respondent, Kayyimu Mohammed prayed the Tribunal to use its powers under Paragraph 15(8), 5th Schedules of FIRS Establishment Act, No.13 of 2007 and waive 70% of the amount calculated by Appellant. According to him the Respondent is ready to pay 30% of the computed figure.

Having taken into cognisance the totality of the facts and submissions in this matter, the Tribunal hereby waives 50% of the total calculation by MSTO Office and order that the Respondent pay the sum of N599, 553.74k (Five Hundred and Ninety Nine Thousand, Five Hundred and Fifty Three Naira, Seventy Four Kobo) as penalty and interest.



Legal Representation

- Nasir Ahmed Esq for the Appellant
- Kayyimu Mohammed for the Respondents

DATED AT JOS, THIS 30TH DAY OF JULY 2013



HON. ABRAHAM NDANA YISA
Chairman

