

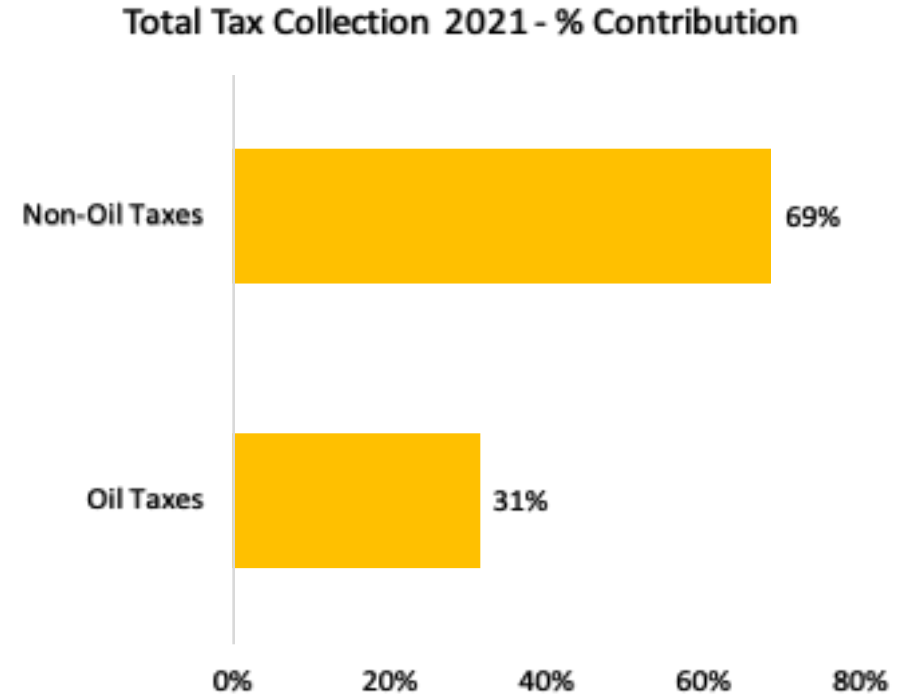
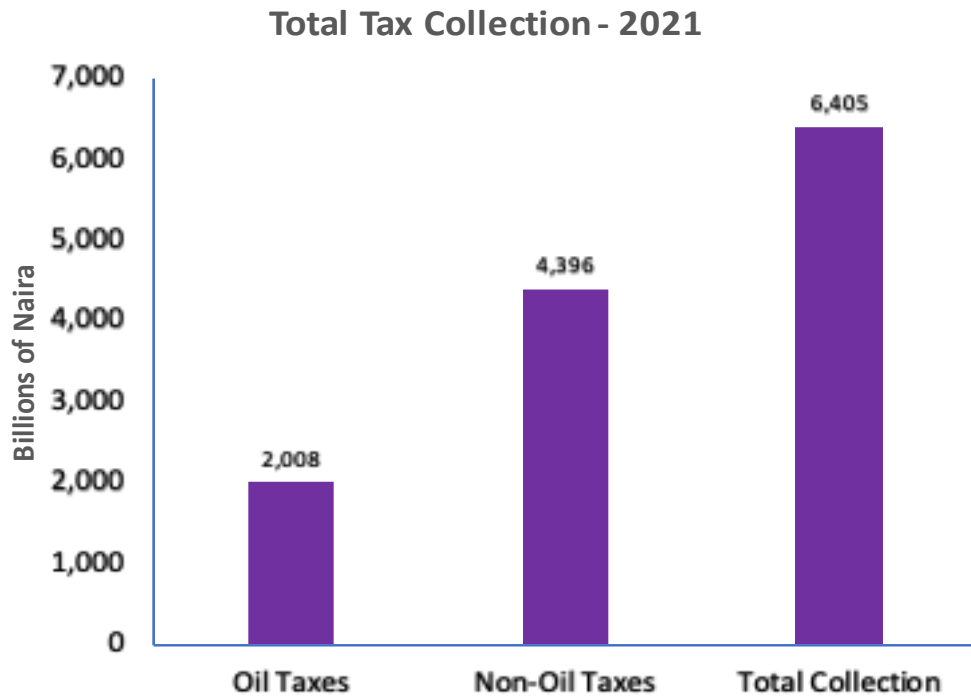
2021 FIRS PERFORMANCE UPDATE

- The year 2021 was a critical one for tax administration in Nigeria. In line with the law, 2021 corporate income tax revenue was based on business profits of 2020.
- In year 2020, the country entered into economic recession for the second time in 5 years. The recession was caused by a 5-month lockdown occasioned by the Coronavirus pandemic. To compound the economic challenges of Covid-19, business activities were disrupted by the End-SARS protests.
- Due to the recession, many businesses struggled to survive with very few reporting profits. The base for corporate tax was grossly eroded due to losses and business failures.
- Upon the coming into office of the current Management, FIRS began strategic administrative and operational reforms including implementation of new policies that would improve its capacity to achieve its mandate.
- The deployment of the new automated tax administration system (the “TaxPro Max”) in June 2021 was a game-changer. With the solution, taxpayers experienced ease of registration, reporting, payment and issuance of Tax Clearance Certificates while the Service experienced greater efficiency in the deployment of resources thereby leading to improved revenue collection.

FIRS 2021 Performance Update

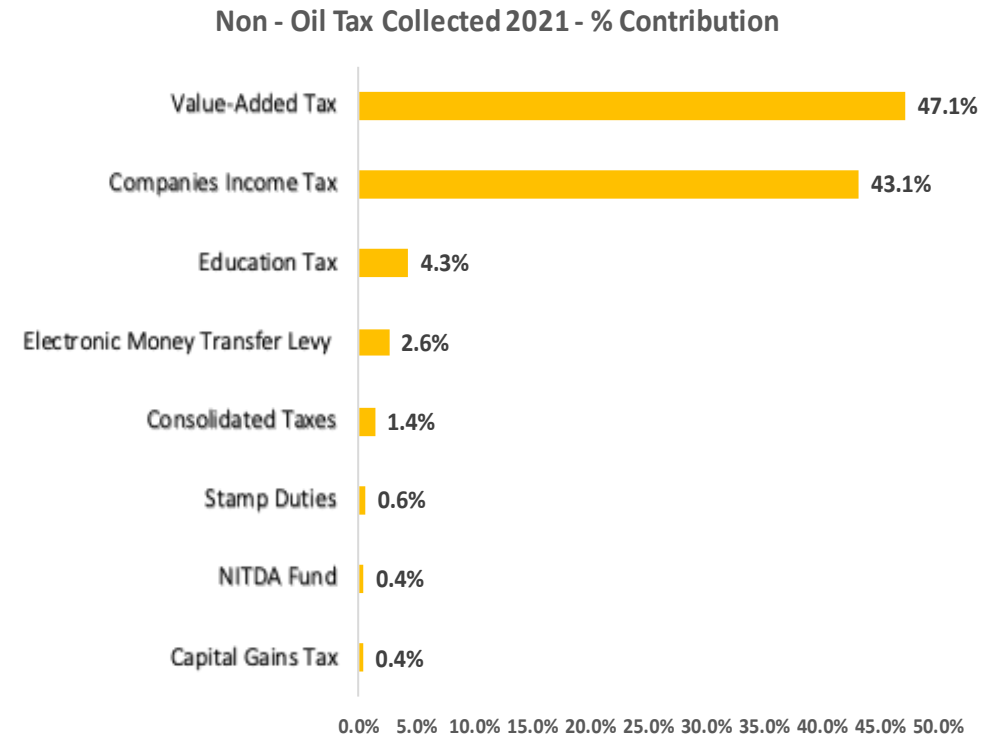
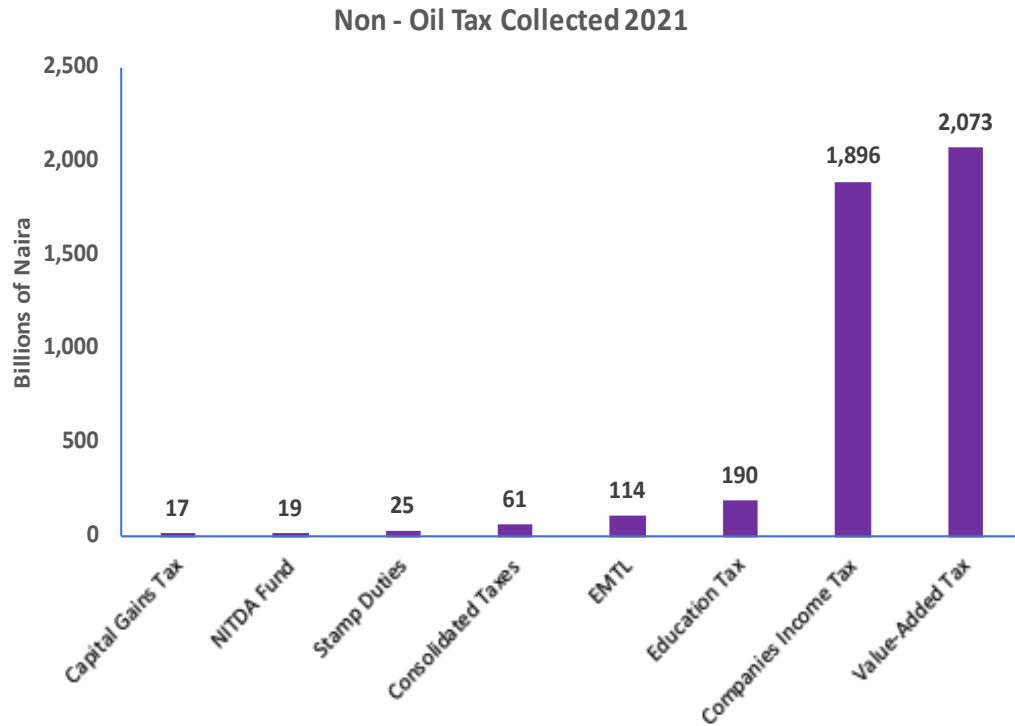
- The year was indeed very challenging but it opened a new vista of opportunities leading to very encouraging results.
- A major setback faced by the Service, and which negatively affected the full implementation of its reforms, efficiency and achievements was the very strong opposition mounted against its statutory mandate by certain interests. The controversies created dilemmas for many taxpayers as regards the competent authority for tax payment and compliance.
- Notwithstanding the limitations faced as a result of the challenges, the Service achieved over one hundred percent of its 2021 collection target.
- The performance would have been exceptional but for the unexpected distractions.

Total Tax – Cash Collection 2021



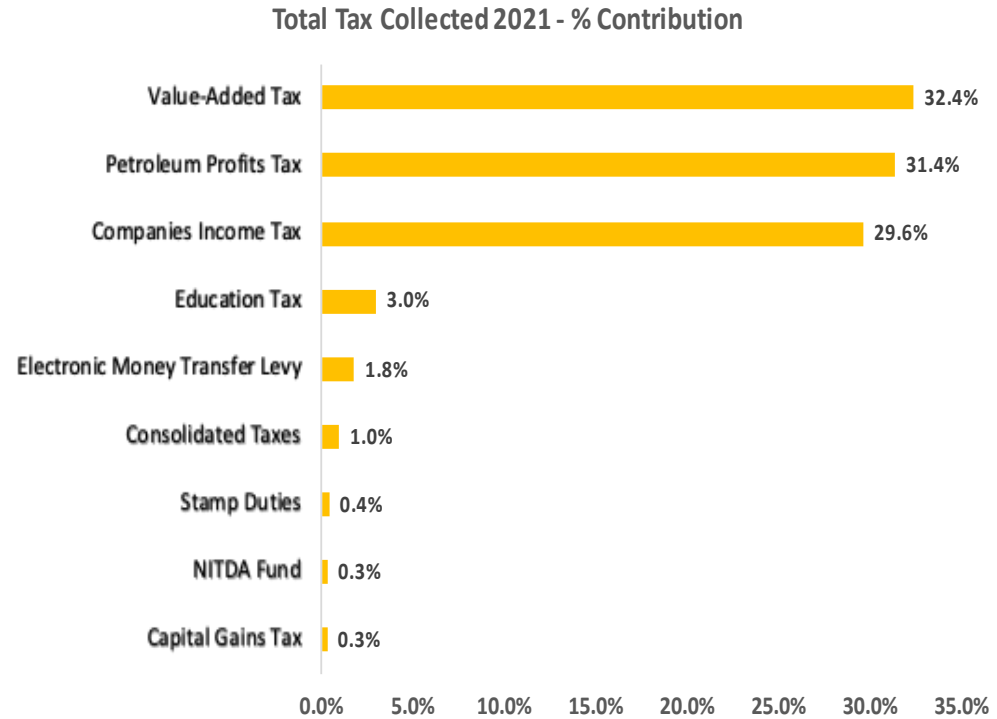
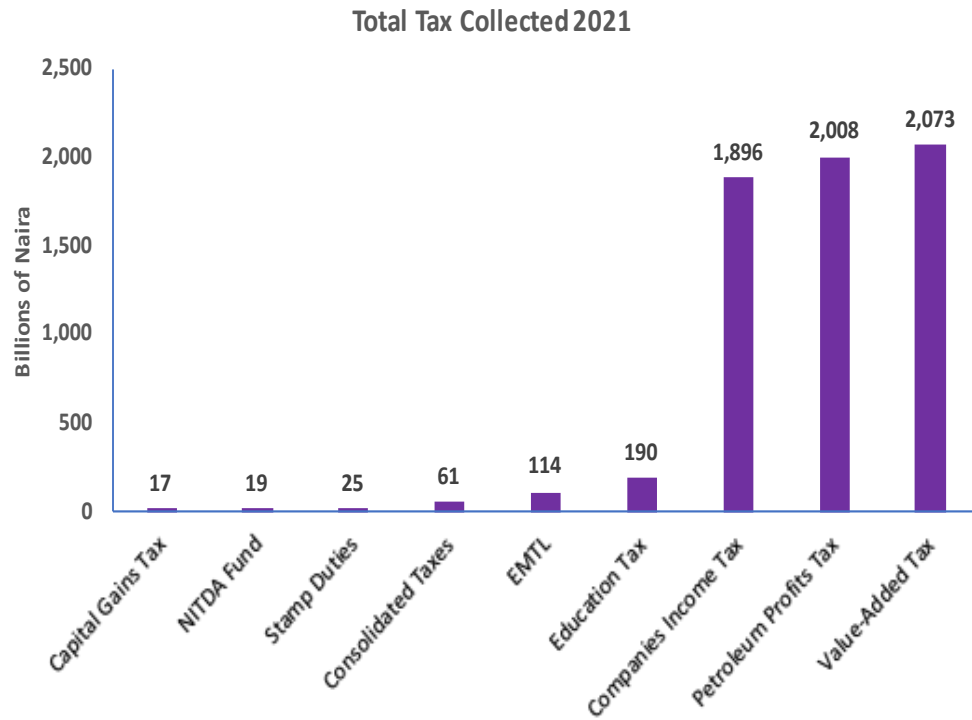
- In 2021, FIRS collected **N6.405** trillion in both oil (**N2.008** trillion) and non-oil (**N4.396** trillion) revenues as against a target of N6.401 trillion.
- Non-oil sector contributed 68.64% of the total collection in the year, while oil sector’s contribution was 31.36% of total collection.

Non-Oil Revenue by Tax Types – Cash Collection 2021



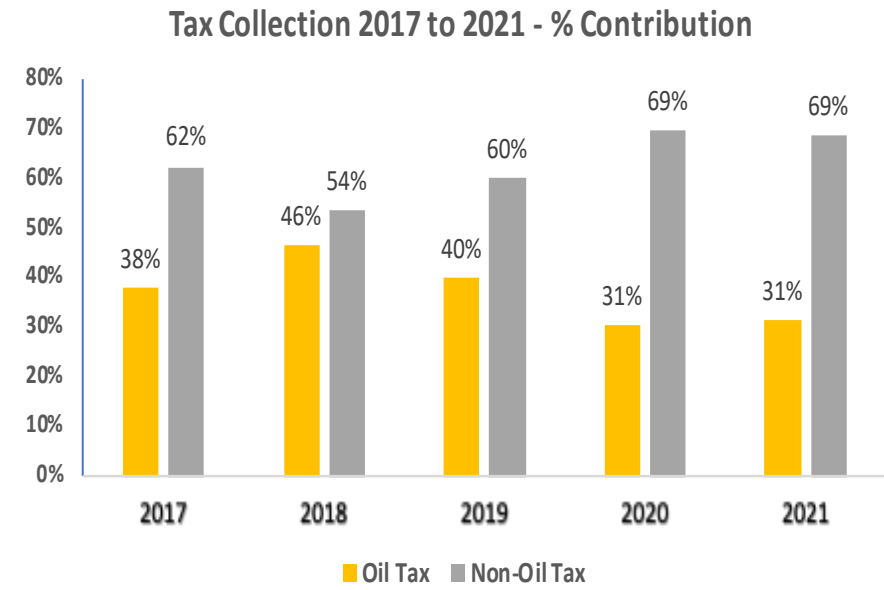
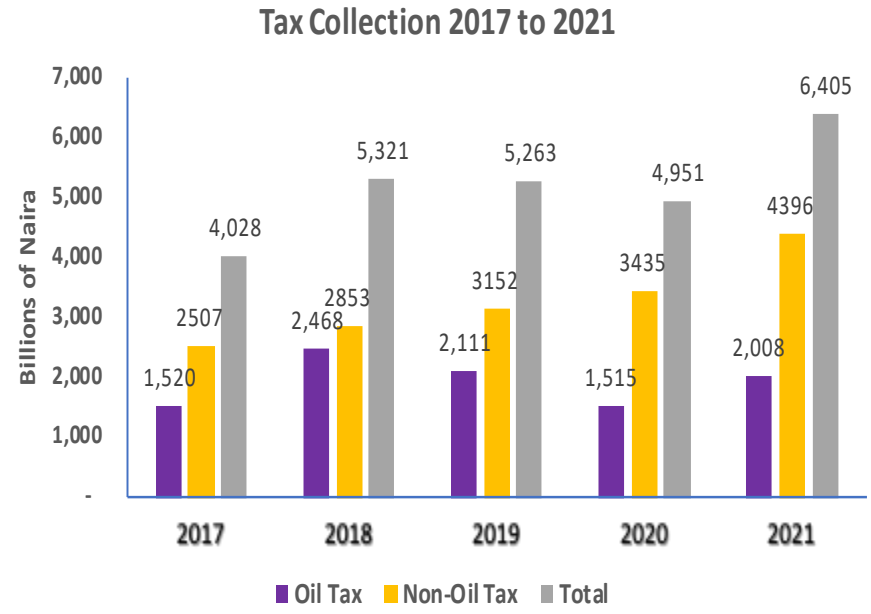
- Companies Income Tax ₦1.896 trillion; VAT ₦2.07 trillion; Electronic Money Transfer Levy ₦114 billion; and Earmarked Taxes ₦208.8 billion (NITDA Fund & Education Tax) were the major non-oil taxes.

Total Tax by Tax Types– Cash Collection 2021



- The Service also issued certificates for the sum of **₦147.8 billion** tax credit to private investors and NNPC for road infrastructure under the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme created by Executive Order No. 007 of 2019.

Total Tax Collection 2017 - 2021

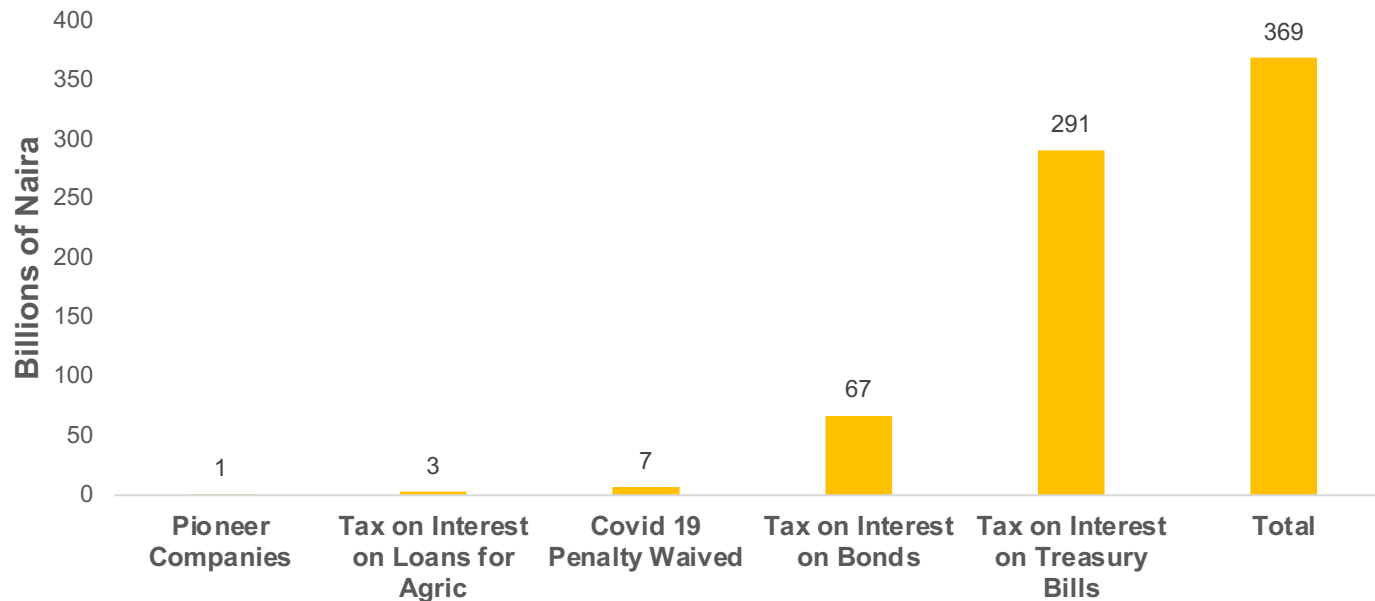


- The graphs above show the consistent increase in tax collection from the non-oil sectors of the economy from 38% in 2017 to 69% in 2021. In the year 2021 for instance, the Service collected a sum of **₦4.396** trillion as non-oil taxes compared to **₦2,507** trillion collected in 2017.
- This feat was made possible due to the adoption of the in-house built TaxPro Max Solution and other strategic reforms implemented by the Service.

Taxes Waived in 2021

- The above total cash collection is exclusive of the following non-cash collections for the year 2021:

Taxes Waived - 2021



- Tax waivers granted by Government was to support businesses operating in preferred sectors such as manufacturing, agriculture, etc.

- The achievements recorded in 2021 were made possible by the sense of patriotism of our esteemed taxpayers, cooperation and support of relevant stakeholders and loyalty and dedication of officers of the Service.

Muhammad Nami
Executive Chairman, Federal Inland Revenue Service