



# LAGOS STATE GOVERNMENT

## PUBLIC NOTICE



### PROCESS OF OBTAINING TAX CLEARANCE CERTIFICATE (TCC)

The Lagos State Internal Revenue Service (LIRS) is issuing Public Notice to the general public on the process of obtaining Tax Clearance Certificate (TCC) through its end-to-end tax administration platform – eTax.

#### **Background**

Pursuant to Section 85 of the Personal Income Tax Act 2004 (as amended), the relevant tax authority is obligated to issue a TCC to a person who has fully paid income tax for the three years immediately preceding the current year of assessment or no tax is due from his/her income or the person is not liable to tax for any of the three years.

The TCC is expected to be issued by the relevant tax authority within two weeks of demand by the person or give such person reasons for denial of issuing the TCC. Section 85 (4) of PITA 2004 (as amended) further stipulates the transactions for which the TCC must compulsorily be tendered before such transactions can be initiated/concluded.

#### **Legal Basis**

1. Section 85 of the Personal Income Tax Act, 2004 (as amended):

#### **Implication**

Taxpayers now have the capability to obtain Tax Clearance Certificate in compliance with the above provisions through LIRS eTax Platform.

Every Ministry, Department, Agency or Commercial Bank and Similar Organization, having any business dealing with any person is expected to demand for the TCC as a condition precedent to doing such business. Verification of the genuineness of TCC tendered by such person can conveniently be done by scanning the QR Code imprinted on the TCC or authenticating the Certificate Number, as outlined in the Step-by-Step Guide on Generating TCC (available on LIRS website – [www.lirs.gov.ng](http://www.lirs.gov.ng)). This is without prejudice to their statutory obligation of notifying the issuing authority (LIRS) of the details of taxpayers that tendered the TCC. Failure to do this amount to an offence punishable pursuant to Section 85 (9) of PITA 2004 (as amended).

The taxpaying public is hereby notified of this seamless self-service facility, particularly employers of labor and other agents of collection obligated to deduct tax at source, as they shall not be issued the TCC if they fail to deduct and remit taxes they are obligated to deduct, even if such person has discharged his/her own tax liability pursuant to Section 85 (6) of PITA 2004 (as amended).

Furthermore, the Agency shall promptly invoke all powers conferred on it by the Act including but not limited to those in Section 85 (7) and (9) of PITA 2004 (as amended), in prosecution of crimes relating to the issuance, demand and failure to remit tax as related to the TCC and other related crimes.

Similarly, agents of collection are to note the above for deduction of WHT payments made to any individual or non-limited liability entity resident in Lagos State on account of all taxable income.

#### **Compliance Requirements**

##### **1. Compulsory Filing of Annual Income Tax Returns**

- a. All employers of labor must compulsorily file annual income tax returns (for the last 3 years) in respect of employment income of employees (inclusive of compensation for loss of office) through our eTax platform, with the link [www.etax.lirs.net](http://www.etax.lirs.net)
- b. Every taxable person must compulsorily file their annual income tax returns (for the last 3 years) on all sources of income (inclusive of the employment income filed by his/her employer and income from other sources) through our eTax platform, with the link [www.etax.lirs.net](http://www.etax.lirs.net)

**NOTE: False declaration of income in the annual income tax returns is a criminal offense, for which defaulters would be prosecuted.**

##### **2. Upload Profile Picture**

All TCC require the taxpayer's recent passport photograph as a means of identification and validation.

##### **3. Update Your Address**

Address field is an important field which must be updated prior to the application (Street Name, Number, State, LGA and LCDA).

##### **4. Tax Assessment for the last 3 years**

All applicants must have received tax assessments raised by the Agency for the last 3 years, pursuant to the income tax returns filed by the applicant.

##### **5. Full Payment of Tax Due**

All persons are expected to fully pay tax due for the last 3 years immediately preceding the current year or declare such income in the annual income tax returns filed to determine if no tax is due on such income, and make a demand for the TCC.

**NOTE: A bill reference MUST be generated for all outstanding assessments, before payments can be made for the assessments raised.**

For further enquiries, please call 0700-CALL LIRS (0700 2255 5477) or visit [www.lirs.gov.ng](http://www.lirs.gov.ng) for a 'Step-by-Step Guide on Generating the TCC'.

Signed

**Ayodele Subair**

**Executive Chairman**

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