

# LIRS Issues Public Notice on New TIN Registration

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## Background

The Lagos State Internal Revenue Service (LIRS) on 30 May 2019 issued a Notice informing the public of the new Tax Identification Number (TIN) which will be issued to every individual, registered business and incorporated companies. The issuance of the new TIN follows the deployment of a new tax administration system by the LIRS called the Lagos State Government Electronic Banking System (LASG-EBS) and the merging of the LASG-EBS Taxpayers Identification Digit (PID) with the Joint Tax Board (JTB) nationwide TIN. The new TIN which will provide individuals and companies access to the LASG-EBS will be biometric based and will also be linked to the Bank Verification Number (BVN) of the individuals or companies.

## Benefits

The integration of the LASG-EBS PID with the JTB nationwide TIN and the subsequent issuance of a new TIN will:

- Facilitate seamless sharing of taxpayer's data with the JTB, State Internal Revenue Services and other stakeholders;
- Eliminate multiple payer Ids;
- Simplify registration of taxpayers;
- Encourage ease of doing business; and
- Reduce the cost of compliance borne by the taxpayer and the tax authorities etc.

## Requirements for obtaining new TIN

Access to the LASG-EBS platform for all transactions including issuance of new TIN, payment of taxes, registration etc. will require BVN validation. All employers are therefore required to include the BVN of employees on their electronic tax clearance certificate (e-TCC) application forms before submission to the LIRS for processing. All self-employed individuals are also required to provide their BVN to the LIRS. This would assist the LIRS in creation of the new TIN.

## Legal Basis for BVN Request

Section 47 of the Personal Income Tax Act (PITA) 2011 gives the LIRS the authority to request for any information from any person for the purposes of obtaining full information in respect of his or her income or gain.

The LIRS has assured taxpayers of the security of the BVNs in their custody in accordance with Section 48 of PITA 2011 which does not allow the LIRS to disclose the BVNs except:

- In any legal proceeding arising from PITA; or
- To any tax authority ; or
- In accordance with any provision of an arrangement, with respect to taxes, made with any other country.

## Effective date

The LIRS is yet to announce the start date for the issuance of the new TIN as the merging of the LASG-EBS PID with the JTB's TIN is still ongoing. However, taxpayers are required to start submitting BVNs immediately to the LIRS.

## Takeaway

The move towards an integrated TIN is reflective of the government's desire to ease doing business and also encourage federal and state authorities to collaborate more in order to ensure a more efficient and effective tax administration system in the Country. The deployment of the LASG-EBS and the integrated TIN should provide a platform for proper and easy tax administration for the LIRS if implemented well and will provide both the LIRS and also taxpayers' access to tax records and payments.