

Nasarawa State Investment Incentive Inventory

S N	The name or title of the incentive measure	Description of Incentive Benefits	Year Incentive Introduced	The name of the legal document / legal reference instrument	Incentive Mode and Duration	Sector	Federal level / State Level	Implementing Agency or Competent Authority	Eligibility or Qualification criteria (description)	Beneficiaries	Awarding Agency or Authority in charge of allocation (title)
1	Pioneer status incentive	Under IDITRA, companies engaged in industries/products approved as 'pioneer industries/products' shall be (a) granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of two years (Section 10(2)(a)(b) IDITRA); (b) exempted from paying tax on dividends paid by the pioneer company during the pioneer period to the extent that they are paid out of income exempted from tax (Section 17(3) IDITRA); and (c) the loss incurred during the tax relief period is also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax-exempt period.	2011	Section 10 and 17 of the Supplement to Official Gazette No. 5, Vol. 51, 9th January, 1964—Part B. LN.2 of, 1964” ee 4 oo Lg INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT J (CAP. 87) Industrial Development (Income. Tax Relief) (Yeast) Order, 1964	Mode Tax holiday Duration - 3 years	Industrial Devt.	Federal	Nigerian Investment Promotion Commission - Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment - Federal Inland Revenue Service	<ul style="list-style-type: none"> i. Applications must be made within the first year of operational activities. ii. Applicant must be engaged in activities listed as pioneer industry or product. Kindly refer to the qualified list of industries and products on NIPC's website. iii. A non-current tangible asset of over one hundred million naira (N100 million) shall be deemed as satisfiable. iv. Applicant must demonstrate the tangible impact its activity (project) will have on Nigeria's economic diversity and growth, industrial and sectorial development, employment, skills and technology transfer, export development and import substitution. v. applicant must provide evidence of all required legal and regulatory compliance documentation. vi. Applicant must make full payment of fees promptly, when due. vii. During the pioneer period, a performance report must be submitted to NIPC annually for monitoring and evaluation purposes. Application guidelines available on NIPC website 	45	Nigerian Investment Promotion Commission -Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment -Federal Inland Revenue Service
2	Rural investment allowance	Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred road for the purpose of a trade or business, such company shall enjoy an additional	2007	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the	Mode -Relief Duration - Year of facility/infr astruc ture	Rural Infrastruc ture Develop ment	Federal	Federal Inland Revenue Service	<ul style="list-style-type: none"> i. The company must be located at least 20 kilometers away from such facilities provided by the government; ii. Cannot be enjoyed if already enjoyed provision of Section 	25	Federal Inland Revenue Service

		allowance under the Second Schedule of CITA at the appropriate rate as follows: No facilities at all 100% No water 30% No electricity 50% No tarred road 15%		Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	completion only					32: Reconstruction investment allowance; iii. Allowance can only be applied against the profit of the year in which such investment (facility) was completed.		
3	Gas utilization : Investment allowance	For companies in gas utilization (downstream operations), an additional investment allowance of 35% (which shall not reduce the value of the asset) is allowed, as an alternative to the initial tax-free period granted	2007	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Mode -Tax Exemption Duration - 3-5years	Natural Gas	Federal	Federal Inland Revenue Service	A company which claims the incentive shall not also claim the tax-free dividend during the tax-free period	15	Federal Inland Revenue Service	
4	Value Added Tax Exempt on Unprocessed Food items	Outright exemption from VAT for any unprocessed staple food item, whether or not it is packaged. This, to FIRS, means that for a food item to be exempted from VAT, it must be a staple food item, and it must be unprocessed. Staple food is food that can be easily stored, and eaten throughout the year by a dominant part of a population. They include carbohydrates, wheat, barley, rice, potatoes, tinned food, milk, and things that do not need to be refrigerated.	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Mode - Tax exemption Duration - no time limit.	Food production	Federal	Federal Inland Revenue Service	To be eligible, i. The goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. The beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	20	Federal Inland Revenue Service	

5	Value Added Tax Exempt on all medical and pharmaceutical products.	Outright exemption from VAT for all medical and pharmaceutical products	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Mode - Tax exemption Duration - no time limit.	Medical and Pharmaceutical	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	10	Federal Inland Revenue Service
6	Value Added Tax Exempt on all Baby Products	Outright exemption from VAT for all Baby Products	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Mode - Tax exemption Duration - no time limit.	Baby products	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or Installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	8	Federal Inland Revenue Service
7	VAT exempted on the other goods	VAT Act list the following goods exempted from VAT; (a) Books and educational materials, (b) Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment; (c) All exports; (d) Plants and machinery imported for use in Export Processing Zones; (e) Plants, machinery and equipment purchased for utilization in gas downstream petroleum operations; and (f) Tractors, ploughs & agricultural equipment & implements purchased for agricultural purposes.	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Mode - Tax exemption Duration - no time limit.	Education, Agriculture Medical/ Pharmaceutical and Natural Gas	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	22	Federal Inland Revenue Service

8	VAT exempted on the specific services	VAT Act list the following services exempted from VAT; 1. Medical services; 2. Services rendered by Microfinance Banks, People's Banks, and Mortgage Institutions; 3. Plays and performances conducted by educational institutions as part of learning; and 4. All exported services. 5. Tuition relating to the nursery, primary, secondary and tertiary education. 6. Airline transportation tickets issued and sold by commercial airlines registered in Nigeria 7. Hire, rental or lease tractors, ploughs and other agricultural equipment for agricultural purposes.	1993	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the Administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.] Nigeria, or	Mode - Tax exemption Duration - no time limit.	Education, Agriculture, Medical/ Pharmaceutical and Natural Gas	Federal	Federal Inland Revenue Service	A company is eligible if; i. the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service, ii. Irrespective of the jurisdiction of origin of the service, where the services is rendered to a person physically present in Nigeria at the time the service is rendered, or the service is consumed in Nigeria or whether or not the legal or contractual obligation to render such service rests on a person within or outside where the property is located in Nigeria. iv. it can be inferred from information provided that the consumers usual place of residence is Nigeria; immovable property (including the services of agents, experts, engineers, architects, valuers, etc.);	5	Federal Inland Revenue Service
9	Enhanced capital allowance (tax depreciation) regime	(a) 95% capital allowance is enjoyed in the year a qualifying expenditure is incurred pursuant to Paragraph 24 Table 1 & 2 Second Schedule of CITA (b) Companies engaged in wholly agricultural activities are entitled to unrestricted capital allowances pursuant to Paragraph 24 (7) CITA (c) Companies engaged in wholly agricultural activities are entitled to carry forward unutilized capital allowances indefinitely.	2007	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Duration - Year of qualifying expenditure	Agriculture	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on Agriculture	5	Federal Ministry of Agriculture and Rural Development
10	Exemption from minimum Corporate Tax	Section 33(3) a CITA, exempts the income of a company carrying on agricultural trade from payment of minimum tax	2007	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other	Mode - Tax exemption Duration - no time limit.	Agriculture	Federal	Federal Inland Revenue Service	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT Section 33(3) and explained in Section 11(4) [Substituted by Finance Act, 2020 s. 6(b) (ii)] Explaining agricultural products to	12	Federal Ministry of Agriculture and Rural Development

				provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]					include (a) primary crop production comprising the production of raw crops of all kinds, but excluding any intermediate or final processing of crops or any other associated manufactured or derivative crop product; (b) primary livestock production comprising the production of live animals and their direct produce such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other associated manufactured or derivative livestock product; (c) primary forestry production comprising the production of timbers of various kinds such as firewood, charcoal, uncultivated materials gathered and other forestry products of all kinds, including seeds and saplings, but excluding the intermediate and final processing of timber and any other manufactured or derivative timber product; and (d) primary fishing production comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any other manufactured or derivative fish product.”		
11	Company Income Tax exemption for Solid Mineral mining	Section 36 Company Income Tax Act provides that a new company going into the mining of solid minerals shall be exempt from tax for the first three years of its operation.	2004	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Mode - Tax exemption Duration - First 3 years	Solid Minerals	Federal	Federal Inland Revenue Service	The persons eligible for the fiscal regime set out in this Part of this Act shall include companies or enterprises engaged in mining operations legally and licensed	14	Federal Inland Revenue Service 14

12	95% Accelerated capital allowance	Second Schedule CITA provides accelerated capital allowance at 95% of qualified capital expenditure on Mining in the first year of use of the asset.	2004	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Duration - First year of use of asset	Solid Minerals	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on mining	20	Federal Inland Revenue Service
13	25% of income in convertible currencies exempted from tax	Section 37 CITA allows twenty five per cent of incomes in convertible currencies derived from tourists by a hotel shall be exempt from tax.	2004	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Mode - Tax exemption Duration - no time limit.	Tourism/ Hospitality	Federal	Federal Inland Revenue Service	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT states that such income is put in a reserved fund to be utilized within five years for the building expansion of new hotels, conference centres and new facilities for the purpose of tourism development.	12	Federal Ministry of Information and Culture (Nigerian Tourism Development Corporation)
14	Bonus for early filing of self assessment return	A person who files a return under sections 41 and 44 of this Act within the time specified for filing of the return shall, if there is no default in the payment arrangement, be granted a bonus of one per cent of the tax payable	1993	Personal Income Tax Act PERSONAL INCOME TAX ACT An Act to impose income tax on individuals, communities and families and on executors and trustees, and to provide for the assessment and collection and administration of the tax. [No.	Mode - Bonus Duration - Applicable on Filing	Entrepreneurs and MSME	State	Nasarawa Internal Revenue Service	All enterprises and individuals who file returns early and correctly are eligible	350	Nasarawa State Internal Revenue Service

				104 of 1993.] [Date of commencement : 25th August, 1993] [Amended by Finance Act, 2019 s.31]							
15	Development levy, premium, and ground rent and land charges	Reduction of outstanding payments on development levy, premium, and ground rent and land charges	June, 2023	1st June, 2023 to 31st August 2023	Mode - Bonus Duration - Applicable on condition	Public	State	NAGIS	All enterprises and individuals who pay development levies, premium and ground rent, and land charges are eligible	125	NAGIS
16	Gross income	Consolidated relief allowance	1993	Section 33 (1) PITA allows a Consolidated Relief Allowance of N200,000 subject to a minimum tax of 1% of gross income whichever is higher, with the balance taxable in accordance with the Income table in the Sixth schedule to this Act	Mode - Bonus Duration - Applicable on Filing	Entrepreneurs and MSME	Federal	Nasarawa Internal Revenue Service	All enterprises and Individuals who fall under this category are eligible	85	Nasarawa State Internal Revenue Service
17	Gross Income	Returns not to be filed where income is N30,000 or less	1993	Section 43 PITA: no return of income shall be filed by a person whose only source of income in any year of assessment is employment in which he earns N30,000 or less from that source.	Mode - Bonus Duration - Applicable on Filing	Entrepreneurs and MSME	Federal	Nasarawa Internal Revenue Service	All enterprises and individuals who qualify are eligible	75	Nasarawa State Internal Revenue Service

18	Income exemption from tax	Income exempted	1993	Section 19(1) PITA specifies several incomes that are exempted from tax, in the Third Schedule to the Act.	Mode - Tax exemption Duration	Entrepreneurs and MSME	Federal	Nasarawa Internal Revenue Service	All enterprises and individuals who qualify are eligible	65	Nasarawa State Internal Revenue Service
19	Interest on loan granted by banks	Exemption of interest on loan granted by banks	1993	Section 19(7) PITA exempts interest on any loan granted by a bank to a person engaged in: <ul style="list-style-type: none"> • agricultural trade or business; and • the fabrication of any local plant and machinery. 	Mode - Bonus Duration - Applicable on Filing	Entrepreneurs and MSME	Federal	Nasarawa Internal Revenue Service	All enterprises and individuals who qualify are eligible	15	Nasarawa State Internal Revenue Service
20	Dividend from tax	Exemption of dividend from tax	1993	The Third Schedule PITA lists incomes exempted from Personal Income Tax Paragraph 25 of the Third Schedule PITA exempts some dividends from tax: <ul style="list-style-type: none"> • Dividends paid to a person by a company incorporated in Nigeria, provided that: • the equity participation of the person in the company paying the dividends is either wholly paid for in foreign currency or by assets brought 	Mode - Tax exemption Duration of 5 years	Entrepreneurs and MSME	Federal	Nasarawa Internal Revenue Service	All enterprises and individuals who qualify are eligible	24	Nasarawa State Internal Revenue Service

into Nigeria between 1 January 1987 and 31 December 1992; and

- the person to whom the dividends are paid owns not less than 10 per cent of the equity share capital of the company.

For the purpose of the exemption referred to in 1), the dividend tax-free period shall commence from the year of assessment following the year in which the new capital is brought into Nigeria for the real purpose of the trade or business in Nigeria of the company paying the dividends and shall continue for five years if the company paying the dividends is engaged in agricultural production within Nigeria or processing of Nigerian agricultural products produced within Nigeria or production of petrochemicals or liquefied natural gas, and in any

				other case, the tax-free period shall be limited to three years.							
21	Relief from tax chargeable in Nigeria on capital gains	Double taxation relief	1993	Section 41 CGTA: Any arrangement set out in an order made under Section 38 PITA and Section 45 CITA so far as they provide (in whatever terms) for relief from tax chargeable in Nigeria on capital gains by virtue of this section, have effect in relation to CGT.	Mode - Tax exemption Duration	Entrepreneurs and MSME	Federal	Nasarawa Internal Revenue Service	All enterprises and individuals who qualify are eligible	35	Nasarawa State Internal Revenue Service
	Equity participation in cash	Equity participation in cash or kind not exceeding 49.9% of the total equity in the relevant investment	2021	Nasarawa State Investment and Development Agency Law 2020 Part VIII: 34: Nasarawa State Investment and Development Agency Law 2020	Equity participation in the project - No time limit	No specification	State	Nasarawa Investment & Development Agency	Entities that submit formal requests and demonstrate the capacity to execute projects	1	Nasarawa Investment and Development Agency

	Land allocation for investment	Equity participation in cash or kind not exceeding 49.9% of the total equity in the relevant investment	2021	Nasarawa State Investment and Development Agency Law 2020 Part VIII: 34: Nasarawa State Investment and Development Agency Law 2020	Equity participation in the project - No time limit	No specification	State	Nasarawa Investment & Development Agency	Entities that submit formal requests and demonstrate the capacity to execute projects	9	Nasarawa State Ministry of Lands & Urban Development
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