

KWARA STATE INVESTMENT INCENTIVES INVENTORY										
A. GENERAL INFORMATION										
Sl No	Name or title of the incentive measure	Description of Incentive Benefits	Year Incentive Introduced	The name of the legal document / legal reference instrument	Incentive Duration or Mode	Sector	Federal level / State Level	Implementing Agency or Competent Authority	Eligibility or Qualification criteria (description)	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—e4 on Lg INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT J (CAP. 87) Industrial Development (Income Tax/Relief) (Year) Order, 1964	Tax Holiday for 3years	Industrial Development	Federal	Nigerian Investment Promotion Commission - Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment - Federal Inland Revenue Service	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 sectoral 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. <u>Application guidelines available on NIPC's website</u>	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 paved road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the appropriate rate as follows: No facilities at all 100% No water 50% No electricity 50% No paved road 15%	2007	Section 54 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]	Tax Exemption with no time limit	Agriculture, Manufacturing, Health	Federal	Federal Inland Revenue Service	i. the company must be located at least 20 kilometres away from such facilities provided by the government. ii. cannot be enjoyed if already enjoyed provision of Section 32. Reconstruction investment allowance. iii. allowance can only be applied against the profit of the year in which such investment facility was completed.	Federal Inland Revenue Service
3	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 FRSS, 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 or 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, inned 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.]	Tax Exemption with no time limit	Agriculture and 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	Federal Inland Revenue Service
4	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.]	Tax Exemption with 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	Federal Inland Revenue Service
5	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.]	Tax Exemption with 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	Federal Inland Revenue Service
6	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 down-stream petroleum operations; and (f) Tractors, ploughs and agricultural equipment and 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.] Finance Act 2019	Tax Exemption with no time limit	Agriculture / Farming	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	Federal Inland Revenue Service
7	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.] Finance Act, 2019	Tax Exemption with no time limit	Agriculture, Hospitality, Financial Institution (Microfinance Banks and Mortgage Institution)	Federal	Federal Inland Revenue Service	To be eligible: i. If 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 Nigeria, or iii. The service is connected with existing immovable property (including the services of agents, exporters, engineers, architects, valuers, etc.) where the property is located in Nigeria. iv. It can be inferred from information provided that the consumers usual place of residence is Nigeria.	Federal Inland Revenue Service
8	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]	Year of qualifying expenditure	Agriculture	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on Agriculture	Federal Ministry of Agriculture and Rural Development
9	Exemption from minimum Corporate Tax	Section 33(3) a CITA, exempt 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 provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	Tax Exemption with 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 114(Substituted by Finance Act, 2003 s. 60)(ii) Explaining agricultural products to 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, unutilized 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.	Federal Ministry of Agriculture and Rural Development
10	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]	Tax exemption for first 4years	Solid Minerals	Federal	Federal Inland Revenue Service	All new companies going into mining of solid minerals are eligible - they must apply for the exemption Nigeria Investment Promotion Council and a Certificate shall be issued to the applicant to qualify for the exemption.	Federal Inland Revenue Service
11	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.	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]	First year of use of asset	Solid Minerals	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on mining	Federal Inland Revenue Service
12	Downward Review of Right of Way (ROW) Charges	Reduction of Right of Way fees, of laying Fibre Optic in the state from N500 to N1 per square meter	2020	<u>Executive Approval: https://rs.kw.gov.ng/wp-content/uploads/2022/12/Executive-Approval-on-Right-of-Way.pdf</u>	continuous and at any time a fibre optic is laid in the state	Telecoms	State	Kwara State Geographic Information Service/ Kwara State Internal Revenue Service	All Telecommunication companies.	Kwara State Geographic Information Service/ Kwara State Internal Revenue Service



