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KWARA STATE

STATE OF HARMONY



CAPITAL
Ilorin

TOTAL AREA
36,825 km²

POPULATION
3,192,900
(2016 Projection)

CURRENT GOVERNOR
AbdulRazaq AbdulRahman

MAJOR LANGUAGES
Nupe, Yoruba, Batunu,
Hausa & Boko Baro

DATE OF CREATION
27th May, 1967

POPULATION RANK
31st

LOCATION

Kwara State was created on 27th May 1967 when the Federal Military Government of General Yakubu Gowon broke the four regions that then constituted the Federation of Nigeria into 12 States. At its creation, the State was made up of the former Ilorin and Kabba province of the then Northern Region and was initially named the West Central State but later changed to Kwara, a local name for the River Niger. The capital of the State is Ilorin, which lies 306 km northeast of Lagos and 500 km southwest of Abuja.

Kwara State shares common boundaries with Niger State to the North; Oyo, Osun, Ekiti States to the South and Kogi State to the East. It maintains an international boundary with the Republic of Benin to the West. Because of its location between the Northern and Southern parts of Nigeria, Kwara State is referred to as a Gateway.

HISTORY

The territory unit now known as Kwara State emerged as one of the twelve States created on 27th May, 1967. It was first assumed the West Central State before it was later changed to

Kwara which is the local name for Niger River.

AGRICULTURE

Agriculture is the mainstay of the economy and the principal cash crops are cotton, cocoa, coffee, kolanut, tobacco, benseed and palm produce.

MINERAL RESOURCES

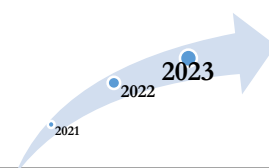
There are mineral resources in the State, amongst which are limestone, marble, feldspar, clay, kaolin, quartz and granite rocks.

PEOPLE

The main ethnic groups are Yoruba, Hausa, Fulani and Nupe. However, each of the Local Government Areas is endowed with a set of languages including bokobaru, Kambari, Ekiti and Kakanda.

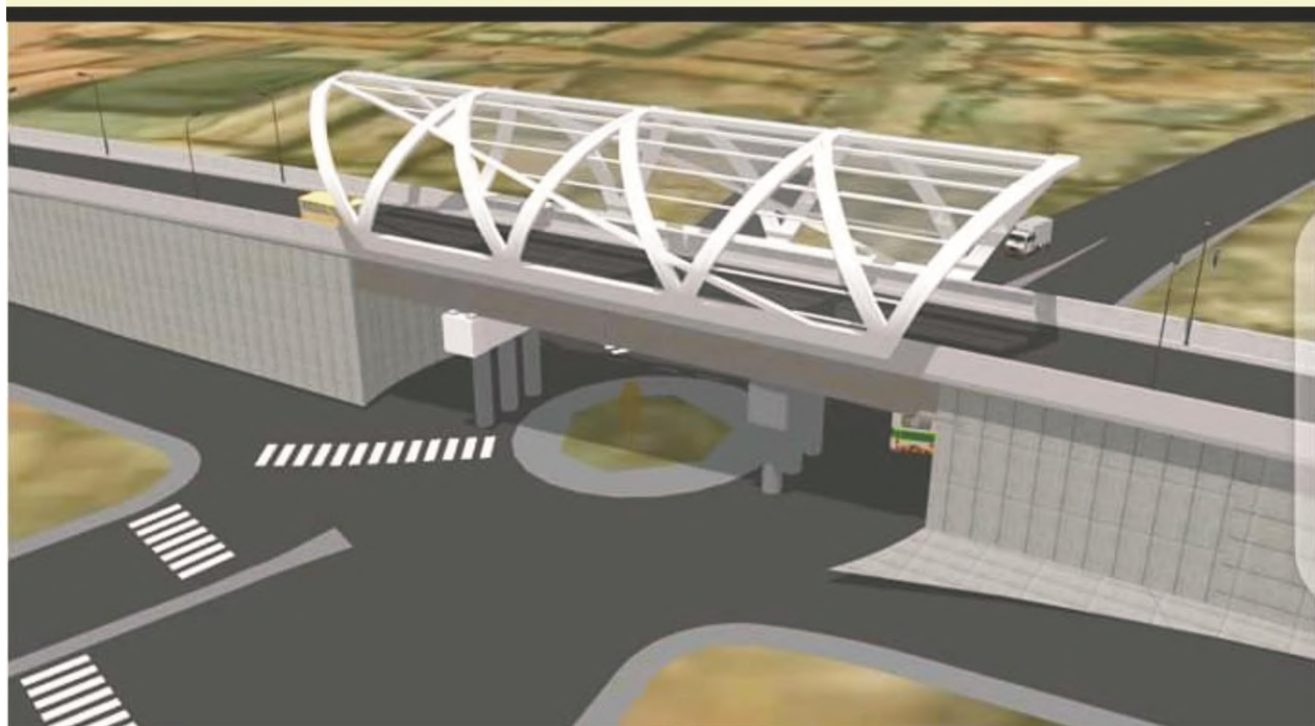
LOCAL GOVERNMENT AREAS

Asa, Baruten, Edu, Ekiti, Ifelodun, Ilorin South, Ilorin East, Ilorin West, Kaiama, Irepodun, Isin, Moro, Offa, Oke-Ero, Oyun and Pategi.





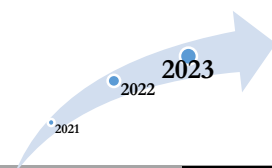
GENERAL TUNDE IDIAGBON BRIDGE AT TANKE



KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE
Mobilizing Revenue for the Strategic Development of Kwara State

www.kw-irs.com 07006959477
KwaraIRS Kwars KwaraIRS





His Excellency,
MALLAM ABDULRAHMAN ABDULRASAQ
Executive Governor, Kwara State



MR. KAYODE ALABI
Deputy Governor, Kwara State



THE MANAGEMENT TEAM



OMOLARA OJULARI
Director, Accounts and Finance
Kwara State Internal Revenue Service



OLATUNJI BALOGUN
Director, Admin & Operations
Kwara State Internal Revenue Service



SHEHU MOGAJI ABDULLAHI
Director, Legal and Compliance
Kwara State Internal Revenue Service



MOHAMMED USMAN
Director, Income Tax
Kwara State Internal Revenue Service



ABOUT

KW-IRS

The Kwara State Government, in its efforts to increase and diversify its revenue base for financial freedom and bolstered efficacy in governance, on June 22nd 2015 signed the Kwara State Revenue Administration Law, 2015 (Law No.6 of 2015).

With the signing of this law, the Kwara State Internal Revenue Service was birthed and the old Kwara Board of Internal Revenue became defunct.

Kwara State Internal Revenue Service (KW-IRS), as established by this Law, became the sole entity responsible for the effective and efficient administration of tax and related matters on behalf of the Kwara State Government with the following mandates Vision & Mission Statement:

MANDATE

- To maintain the integrity of the tax laws and processes by eliminating all instances of multiple taxation;
- To assist the State Government to attain specific economic and social policies, systems and targets; and
- To stimulate voluntary compliance so as to advance maximum representation of the populace in executive decision making.

VISION

To mobilize revenue for the strategic development of Kwara State.

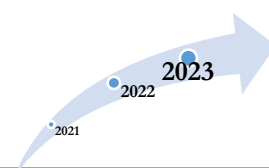
MISSION

To serve the residents of Kwara State using the most convenient strategies that will add value and integrity to the revenue mobilization process and actualize the developmental objectives of the Government.

CORE VALUES

S Service
H Honesty
I Integrity
R Responsibility
T Trust

The Management is led by Shade Omoniyi who was appointed the Executive Chairman on 1st October, 2019.





ABOUT

KW-IRS



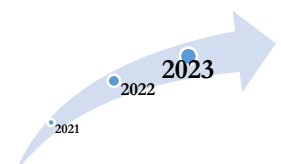
In its continuous efforts to enact growth, profitability, and cost savings, the Kwara State Internal Revenue Service, (KW-IRS), in the year 2018, got certified into two International Standards (ISO 9001: 2015 - **Quality Management System** and ISO 22301:2012 - **Business Continuity Management System**).

ISO certification is important for reducing waste. It allows workforce to be more efficient and help increase the control of business processes.

ISO 9001:2015 seeks to achieve an impeccable Customer Satisfaction, while **ISO 22301:2012** seeks to achieve Business Continuity, even in the most challenging and turbulent periods.

KW-IRS BUSINESS CONTINUITY POLICY

The Service is committed to **sustainability of the culture of excellence** in rendering tax administration and revenue collection services, and in **building systems and processes that promote continuity of business based** on international standards - **ISO 22301:2012 Business Continuity Management System (BCMS)**.





ABOUT

KW-IRS

KW-IRS BUSINESS CONTINUITY OBJECTIVES

- To **develop, implement, maintain, monitor, review and continually improve a Business Continuity Management System** that enhances the actualization of corporate objectives of KW-IRS annually.
- Inspire the confidence of KW-IRS stakeholders.
- Protect the KW-IRS **availability of critical activities and services**.
- **Improve the response time to incidents and disasters**.
- Assure effective management of Business Continuity of KW-IRS in line with best practices and ISO/IEC 22301.
- Ensure that the **Service has full confidence in providing business continuity in the event of a crisis** through regular exercising of plans.
- Ensure compliance of Business Continuity for a project, delivery of service or product anywhere we operate.
- **Enhance the reputation and image of KW-IRS**.

KW-IRS QUALITY MANAGEMENT SYSTEM POLICY (ISO 9001:2015)

Kwara State Internal Revenue Service (KW-IRS) is committed to the provision of quality revenue administration and collection services to its customers as established by the Kwara State Revenue Administration Law No. 6 of 2015 as amended.

KW-IRS has established quality objectives at all levels in the organisation, committed to satisfying applicable requirements and to continual improvement of our Services.

We constantly engage competent taxpayer centred workforce and utilize technologies that promote efficiency across all operating areas of the Service.

KW-IRS is resolute in complying with the requirement of ISO 9001 standard and to continually improve the effectiveness of Quality Management System.





ABOUT

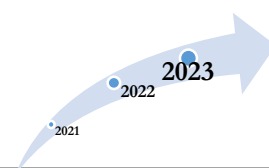
KW-IRS

KW-IRS QUALITY OBJECTIVES

- To maintain the integrity of tax laws by **eliminating all instances of multiple taxation**.
- To ensure **efficiency of revenue collection processes and quality service** to all customers.
- To improve the Internally Generated Revenue Collection so as **assist the State Government attain specific economic and social policies, systems and targets**.
- To **stimulate voluntary compliance** so as to advance maximum representation of the populace in executive decision.

ISO certification is important for reduction of waste. It allows workforce to be more efficient and help increase the control of business processes.

ISO 9001:2015 seeks to achieve an impeccable Customer Satisfaction while ISO 22301:2012 seeks to achieve Business Continuity even in the most challenging and turbulent periods.





ABOUT

KW-IRS

SWOT ANALYSIS FOR KW-IRS

STRENGTHS

- Good Leadership
- Human Capital
- Technology
- Conducive working environment
- Adequate working tools and logistics
- Population of the State

WEAKNESS

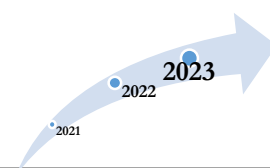
- Poor tax compliance by taxpayers
- Data base
- Societal hostility
- High Expectations from the society
- Lack of high industrial activities in the State

OPPORTUNITIES

- Data base improvement
- Positive change in government policy (e.g. Finance Act 2020)
- Full automation of MDAs Collections
- Enactment of law on Solid minerals
- Population of the state in terms of economic activities
- Full coverage of Informal Sector (Ticketing model across the State)
- Recovery of back duty from FMDAs
- Nigeria Electricity Management Company (NELMCO) revenue recovery on assets of the State in use by PHCN
- Full coverage of Hospital collections
- Harmonized Payment Portal for State Institutions
- Kwara State Judiciary Reforms
- Kwara State Geographic Information Service (KW-GIS) – Property Tax enhancement
- Telecoms (Land use law enactment for the State)
- Cashless plan

THREATS

- Local Government collections (Multiple Taxation)
- Competition from neighbouring States
- Social and political unrest
- Economic downturn
- Pandemic



1.0

EXECUTIVE SUMMARY



It is indeed a noble idea for the Kwara State Government to come up with a 10-year Sustainable Development Plan (SDP). In line with the vision of the State Government to grow IGR to 50% of the State total revenue in 2030, Kwara State Internal Revenue Service being an Agency of the Government, developed a 3-year Medium Term Strategic Revenue Growth plan in which it bench-marked 25% revenue growth to shore up the State revenue.

The average of the IGR ratio to total revenue between 2016-2020 is 38%, however, KWIRS being a target driven organization developed a road map to systematically and strategically key into the State's SDP of 2030 in phases.

The first, second and third phase for KW-IRS is 2021-2023, 2024-2027 and 2028-2030 respectively to ensure the State's IGR is 50% of the total revenue of the State, with a growth target of 25% year-in and year-out, using the average of 2019 and 2020 as the base year for 2021.

Year 2020 ought to have been the base year, but the performance of the Service was affected by Covid-19, where the second quarter performance of the Service for year 2020 was zero.

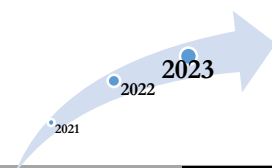
Upon re-opening of operations, the Service was operating at 60% capacity level. This greatly affected our annual performance of 2020. Hence, 2020 was not a good base for projection rather the average of both 2019 and 2020 was used.

This plan is not only projecting the revenues, but equally projecting strategies on how to achieve cashless revenue administration on or before 2023 and the human capital growth within the same time span.

Even though the 2021 revenue budget for the State was **₦28,199,910,200.00** in our part in KW-IRS, we decided to use the averages of 2019 and 2020 and grow it by 25% thus giving ourselves a target of **₦31,489,097,399.05** for 2021, while 2022 and 2023 will be **₦39,361,371,748.81** and **₦49,201,714,686.02** respectively, representing 25% growth rate.

Looking at the trend analysis of the Service from 2012 to 2020, the average growth rate for the Service was 16%, hence, the reason for 25% growth rate. See the table below.

The average of 2019 & 2020 collections is about **₦25billion**. We are using this average as our benchmark for the 3-year projection. Below is the projection detail.



EXECUTIVE SUMMARY

IGR TREND AND GROWTH PROJECTION IN KWARA STATE (2012 – 2023)

Year	IGR (₦ billion)	Growth	Average Growth
2012	11	-	
2013	13	18%	9%
2014	14	8%	13%
2015	8*	-43%	-18%
2016	17	*113%	35%
2017	19	12%	63%
2018	23	21%	17%
2019	**25/30	9%	15%
2020	19	-24%	-8%
2021	31	25%	1%
2022	39	25%	25%
2023	49	25%	25%

Year	IGR (billion)	%Growth
2019	30,744,462,321.91	-
2020	19,638,093,516.56	-36%
2021	31,489,097,399.05	25%
2022	39,361,371,748.81	25%
2023	49,201,714,686.02	25%

* In 2015, all collections were half-year thus the growth of 113% in 2016 should not have been the correct growth.

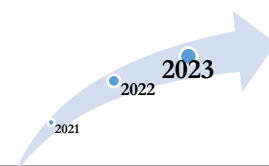
** There was an extra-ordinary collection item of ₦5billion in 2019.



EXECUTIVE SUMMARY

IGR PROJECTION IN KWARA STATE (2012 – 2023)

REVENUE HEADS	2021	2022	2023
Direct Assessment (PIT)	487,325,000.00	609,156,250.00	761,445,312.50
Withholding Tax	2,177,000,000.00	2,721,250,000.00	3,401,562,500.00
Pay-As-You-Earn	5,827,123,350.00	7,283,904,187.50	9,104,880,234.38
Gaming and Pool Betting	30,000,000.00	37,500,000.00	46,875,000.00
Development Levy	450,000,000.00	562,500,000.00	703,125,000.00
P-A-Y-E Recoverable	1,700,000,000.00	2,125,000,000.00	2,656,250,000.00
Informal Sector	239,050,000.00	298,812,500.00	373,515,625.00
Tax Audit	1,835,779,620.49	1,836,601,189.55	1,837,628,150.88
MDA's	19,071,523,820.00	23,800,073,498.25	30,316,432,863.20
Total	31,817,801,790.49	39,274,797,625.30	49,201,714,685.96



EXECUTIVE SUMMARY

This 25% growth target will be achieved through the ongoing reforms in the Service. These reforms include but are not limited to:

- Reviewed and streamlined processes by elimination of duplicate processes and merging of all related revenue generating departments, with only Income Tax and MDAs Directorates as the only revenue collecting directorates, thereby reducing the cost of operations and blocking revenue leakages.
- Full implementation of the Finance Acts.
- TAMA Reforms and Revalidation
- Full automation of all Business Processes.
- Harmonized Billing System to ensure legitimate taxes are levied on taxpayers and collected into the coffers of the State Government.
- Integration of all existing sub-systems to our platforms such as Vehicle Inspection Services (KWAVIS), AutoReg for Motor Licensing and Kwara State Geographical Information System (KW-GIS) for property related matters and Tertiary Institutions payment platforms in the State, among several others.
- Relationship and Advocacy through robust tax advocacy and sensitization campaigns through all mediums of communication in the State, such as Print, Broadcast and the Service Online platforms.
- Functional 13 Area Offices outside the State capital (Asa, Baruten, Edu, Ekiti, Ifelodun, Irepodun, Isin, Kaiama, Moro, Offa, Oke-Ero, Oyun and Pategi LGAs) to offer tax related services to taxpayers at their various locations without the need to contact the head office in Ilorin.
- Enlisting of new Tax Payers all the time.
- Raising of fair and realistic assessment for the HNIs in the State.
- Creating enabling laws and domesticating others for effective operations.

Cashless Revenue Administration: KW-IRS is targeting a cashless revenue administration on or before 2023. KW-IRS being a customer-centric organization, is pursuing a Seamless Tax Administration (STA) that will make tax payment convenient to its customers in line with global best practice. The Service is working round the clock to achieve a Cashless Revenue Service come 2023. This target can be achieved by sustaining the current automation drive of its internal business processes and enlightenment on all its Stakeholders to take advantage of the innovations. All revenue collection points across the State shall be provided with Point of Service (POS), Mobile POS (mPOS) and any other technological means that will make tax payment seamless to all its customers. This includes but is not limited to proposed KW-IRS Tax Application (KW-IRS tax app), see Appendix A.

- Continuous engagement of critical stakeholders in the State for feedback and reviews of various helpful policies to expand the tax net and improve the revenue of the State.

On the strategies to adopt in actualizing this target, we have the Business Overview, Business Aim and the Market Potentials to explain them.

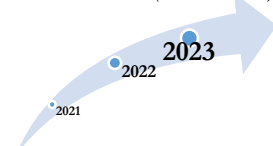
With this new approach of steering the affairs of KW-IRS, it is our belief, that revenue performance of the State will shore up and the generated revenues would be appropriately reported and accounted for.

Thank you all and God Bless

Shade Omoniyi

Executive Chairman,

Kwara State Internal Revenue Service (KW-IRS)



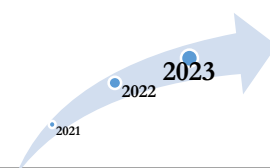


Kwara State Internal Revenue Service- KW-IRS as the sole Agency with the Statutory right to Mobilize Revenue for the Strategic Development of the State, intends to grow the State's Internally Generated Revenue from 2021 - 2023 by 25% year in, year out using the average performance of 2019 and 2020 as the based year for 2021.

This will be achieved through the implementation of Finance Act; full automation of all collections from MDAs; reduction in the use of consultants in its tax drive; adoption of conference assessment for all High Net-worth Individuals (HNIs) in the State so as to raise fair and realistic assessment for the HNIs in the State; taking taxation to the door steps of all residence of Kwara State by enhancing Area Offices across the State; blocking of leakages in all revenue points in the State; mobilizing the untapped revenue potentials across the State; adoption of the canon of convenience approach of taxation by bringing-in daily or weekly ticketing models in the Informal sector; approaching the huge potentials in property tax scientifically through the Kwara State Geophysical Information System (KW-GIS) data collection system; increasing the tax base of the Service through daily enlisting of new tax payers; conducting tax auditing by reducing tax evasion and melting out penalties to all tax defaulters appropriately; ensure all enforceable cases are enforced in line with law and by having Stakeholders engagement across board (Associations, Traditional Institutions. etc). Tax education and Advocacy on potential tax payers and training and re-training of staff of the Service in order to enhance staff performance in the drive of revenue.

The expected growth target for the Service in 2021 is bench marked from the average performance of 2019 and 2020. In 2019, the Service performance was **₦30,744,462,321.91** and 2020 performance was **₦19,638,093,516.56**. The average of the 2 years was **₦25,191,277,919.24**. With the growth projection of 25% per year using the average of 2019 and 2020, in 2021, the projected revenues will be **₦31,489,097,399.05** while in 2022 and 2023, it will be **₦39,361,371,748.81** and **₦49,201,714,686.02** respectively.

Year 2020 should have been the appropriate base year however, the Service performance was affected by COVID-19. This necessitated the adoption of the average of 2019 and 2020 performances.



In the next three years 2021-2023, the Service will engage a comprehensive set of value added Customer-centric aggressive tax drives across all the revenue collecting directorates. This will center particularly on **process - automation, people - convenience and trainings for staff and advocacy across the Service**. The Business Aim has the following approach.

3.1 CORPORATE DEPARTMENT:

This is one of the departments in Income Tax Directorate. This Department will grow its revenue across all its products by 324% in 2021 and by 25% in 2022 and 2023 respectively as the case may be. See details below.

A. One of its products is Direct Assessment for High-Net worth Individuals (HNIs), which it intends to grow by 803% in 2021 and by 25% each in 2022 and 2023 as the case may be.

- This will be achieved by harnessing the untapped potentials of Personal Income Tax (PIT) of HNIs through proper classification of the HNIs.
- Conducting conference assessment of the HNIs.
- Facilitating a breakfast for Top HNIs in the state with the Executive Governor as a means of patronizing them and educating them on why they have to pay the appropriate taxes to the state.
- The Service will then sanction the defaulting tax payers with interest and penalties and subsequently enforcing tax defaulters in the state.

B. The department intends to grow the With Holding Tax (WHT) collections by 251%.

- This will be achieved by ensuring all state contracts and procurements are awarded to Business Enterprises and Ventures.
- This can be achieved through collaboration with relevant MDAs.
- Moreover, the department will intensify efforts to make sure the WHT on Rent in the state is collected through stake holders' engagement like land lords and NBA for their support.

C. Gaming and Pool Betting by 161% in 2021 and 25% or as the case may be in 2022 and 2023 respectively.

- This is achievable through Enactment of Gaming and Pool Betting law or granting an Executive Order for the collection of rates and fines;
- Synergy with Other Gaming Boards/Revenue Authorities in the country;
- Develop Expertise through Training and Exchange of Information with Experts in the Sector.

D. Development Levy to grow by 31%.

- This will be achieved by the Implementation of Deduction of Development Levy at the Local Government Councils and Other Relevant MDAs and same be transferred to Area offices across the state to drive.

E. PAYE recoverable by 50% in 2021 through improved synergy with Abuja Liaison Office by ensuring that PAYE liabilities of N1.7b by FMDAs is remitted appropriately.**For details, see Appendix B.****3.2 INFORMAL SECTOR****A. This is another revenue collecting department in the Income Tax Directorate.**

- The Department intends to grow the Micro Business collections by 80.23% in 2021 and 25% in 2022 and 2023 respectively or as the case may be.
- This can be achieved through the reclassification of tax payers in different Associations within the Micro Business sectors;
- Adopting a Route Ledger Approach to uncover new tax payers especially in Medical Diagnostic Centres across the State.

B. Markets collections to grow by 83.20% in 2021 and by 25% in 2022 and 2023 respectively or as the case may be.

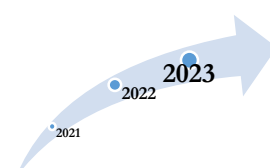
- This will be achieved through adopting one of the canon of taxation of convenience by embarking on ticketing model across collections in this sector.
- The success of the collections hinge on government support, relationship management, training and re-training of staff and stake holders' engagement.

C. The collections from the Artisans group to grow by 145.02% in 2021 and 25% in 2022 and 2023 respectively.

- The particular untapped potentials here is the skilled Artisans and vocational centers across the State. This potential can be actualized by having stakeholders' engagement, adopting ticketing models, advocacy and enforcement.
- In summary, the informal sector department will grow the performance for 2021 by 102.8% in 2021 and by 25% for 2022 and 2023 respectively or as the case may be.

For details, see Appendix B1.**3.3 MINISTRIES****A. This department will grow its revenue by 66% in 2021 or as the case may be and by 25% in 2022 and 2023 respectively or as the case may be.**

- This can be achieved through the use of Harmonized Billing system;
- Relationship management.
- Automation of all revenue sources.
- Creation of inter-ministerial committee, Tax Education and sending of bulk SMS to the tax payers.



BUSINESS AIM

- B. Contracts and Contractors Related Revenue to be reviewed.**
- Ensure all contractors have a registered business address in the state so as to collect business premises revenue, validation of all tender fees.
 - Letter of non-indebtedness from KWIRS to be a condition for payment of retention fee for all contracts executed in the State.
- C. Mining Sector will be one of the areas whose revenue potentials will be maximized optimally.**
- This can be achieved through liaising with the Mineral Resource and Environmental Committee (MIRENCO) alongside with the Ministry of Enterprise to unlock the revenue potential.

For details see Appendix C

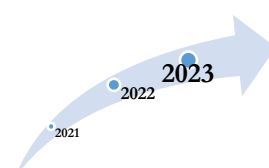
3.4 INSTITUTIONS

- A. This is one of the departments in MDAs. It is responsible for the reporting of revenues from Tertiary Institutions in the State.**
- B. Synchronization of all Tertiary Institution payment platforms with KW-IRS platform**
- As means of shoring up the revenues from the Tertiary Institutions across the State, the payment platforms of the Institutions in the State would be synchronized with that of the KW-IRS so as to have the actual revenues of the Institutions in real time.
 - Moreover, providing advice to the Institutions to implement key investment areas in terms of entrepreneurship development so as to increase revenue and reduce their dependence on government subventions and amount of loans from financial institutions.
 - With this, the Service will maintain the budgetary provisions of the Institutions 100% in 2021 and grow it by 25% in 2022 and 2023 respectively.

For details, see Appendix C1

3.5 STAMP DUTY

- A. This department is saddled with the responsibility of collecting Stamp Duty for the State.**
- The department intends to grow stamp duty collection by 344% in 2021 and 25% by 2022 and 2023 respectively. This will be achieved through ensuring all contract agreements in MDAs pay stamp duty; implementation of enabling laws on penalties and fines and review of rates.
 - Tenancy Agreement between Individuals, Group of Individuals, Enterprises and Business Ventures and Legacy (Immovable) to pay stamp duty.
 - This can be achieved by partnering with Bureau of Lands in providing the Service with database of valuation of properties in the State in order to ascertain the actual Ad-valorem Stamp Duty transactions.
 - Collaborating and engaging land owners, Estate Surveyors and Estate valuers in implementing Stamp Duty Act in all estate related documents and transactions.





BUSINESS AIM

B. Commercial Sales Agreement, Share Capital, Certificates, Statutory declarations all to pay stamp duty.

- This can be achieved by engaging of Estate Valuers, Estate Managers, Landlords Associations and Property Owners in implementing Stamp Duty on all instruments executed by them.
- Liaise with Road Taxes Department in ensuring tax payers pay Stamp Duty on the agreements brought forth for processing at the MLA unit for sales of vehicles.

For details, see Appendix C2

3.6 PROPERTY TAX

A. This department is responsible for the collection of land related charges and rates.

- The department intends to grow its revenue by 100% in year 2021 or as the case may be and by 25% or more in 2021 and 2023 respectively.
- This can be achieved by harnessing the huge untapped potentials in the land sector.
- The potential to be harnessing include re-establishment of survey beacon's fees, caveat emptor fees, earning from Mass Titling Scheme; re-certification of C of O; Deed of assignment; Capital Gain Tax; Land Charge Collection from Private Estate and Shop Complexes in L.G.As.
- These huge untapped potentials can be actualized through collaboration with all relevant MDAs and Stakeholders, automation, proper classification of bills and sectorization, advocacy, and relationship management.

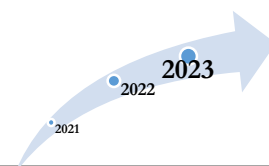
For details, see Appendix C3

3.7 PARASTATALS

A. The department intends to grow its revenue from Government parastatals by 100% in 2021 or as the case may be and 25% in 2022 and 2023 respectively.

- The actualization of this growth target hinges fundamentally on government policy direction and pronouncement in some areas.
- There are untapped potentials in the State Media Agencies; Radio Kwara, Herald and Kwara Television which require complete system over haul to encourage public patronage.
- Kwara State Water Corporation & Rural Water Supply and Sanitation Agency; this untapped potential too can be actualized by expanding the area of coverage of water distributions.
- Automation and advocacy.
- Kwara State Hospital Management Bureau is another area where revenues can be maximized through automation.
- Relationship management.
- Refurbishing of existing equipment.
- Kwara State Sports Council and Kwara United Football Club too require automation to drive the revenue potentials.

For details, see Appendix C4



BUSINESS AIM

3.8 ROAD TAXES

A. This is another department in MDAs and it intends to grow the road taxes revenue by 30% in 2021 or as the case may be and by 25% in 2022 and 2023 respectively or as the case may be.

- This target can be achieved through automation of Hackney Permit; Motor Dealership License Renewals; encouraging Fleet licensing and Renewals.

For details, see appendix C5

3.9 TAX AUDIT

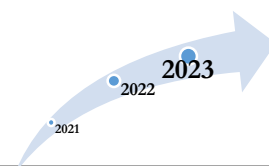
This is one of the departments that can actualize the Growth Plan of the Service. Currently, the department was able to establish liabilities of ₦1,835,779,620.79 through Annual Return Audit, Back Duty Audit (PAYE) and Back Duty Audit (WHT on BANK INTEREST). The actualization of the established liabilities depends partly on the Legal and Enforcement Department through enforcement, while the remaining part can be through relationship management. The department will harness the following untapped potentials:

- Ensure that Penalty for non-filing of Annual Returns is implemented in line with law
- Penalty for Falsification of Tax Information is implemented in line with law
- The use of Tax Audit and Monitoring Agents (TAMA) – The use of TAMA in carrying out Back Duty Audit of organizations especially those in the private sector will go a long way in assisting the Service to recover a lot of under/non-remittances.
- Local Government Councils Back Duty Audit – The Back Duty Audit of the Local Government Councils in the State has been outstanding for over six years.
- Recovery of Established Liabilities of the SMDAs – There had been liabilities established by the Department with respect to PAYE and other revenue items against some Government organizations which up till this moment, recovery is yet to be made. Example is the case of ₦4.2billion established against the SUBEB in 2017 which up till now is unresolved. This requires an urgent and proactive approach to actualize the liability.

In an effort to maximize these huge tax potentials, the following strategies will be explored

- Conducting in-house and external training for capacity building of staff.
- Strict adherence to tax laws, Service policies and Standard Operating Procedures.
- Ensuring timely conclusion on hard-to-complete tax matters and forward case to the Legal & Compliance Directorate for enforcement.
- Engagement of Tax Audit and Monitoring Agent (TAMA) in the Tax Audit Process.
- Synergy between the Department and other relevant Departments.
- Using Relationship Management to resolve issues on Taxpayers objections especially on disputed liabilities through TARC Meetings and consultation with higher authorities.
- TAMA Reform and Re-validation

For details, see appendix D



3.10 ZONAL COORDINATOR KWARA SOUTH IGR PROJECTION (2021 - 2023)

REVENUE HEAD	2021	2022	2023
Corporate	766,393,019.79	957,991,274.74	1,197,489,093.42
Informal	58,429,523.80	73,036,904.75	91,296,130.94
Ministries	99,740,433.22	124,675,541.53	155,844,426.90
Parastatal	201,603,599.39	252,004,499.24	315,005,624.05
Road Taxes	63,254,774.38	79,068,467.98	98,835,584.97
Property	47,216,580.97	59,020,726.21	73,775,907.76
Total	1,236,637,931.55	1,545,797,414.44	1,932,246,768.05

The above IGR projections for Kwara South shall be achieved with the involvement and engagement of all stakeholders in the business of revenue generation using the most convenient strategies. Kwara South area offices have six different Units – Corporate, Informal, Ministries, Parastatal, Road Taxes and Property.

STRATEGIES

Corporate

- Encourage Mandatory Submission of PAYE Remittance Schedules and Nominal Roll for Collection of Receipt and e-TDS respectively.
- To intensify effort on implementation of deduction of Development Levy at the Local Government Councils
- To Improved synergy with Head Office.
- Pursuance and collection of maximum revenue from PAYE and PIT revenue lines shall continue.

Informal

- Replication of Ticketing Model for the payment of personal income tax through tax advocacy, relationship management, training and retraining of staff and with government pronouncement.
- Intensify effort to break away tax payment through Association by serving individual NOA/DN with appropriate assessment based on income of members of such associations.
- To bring convenience into payment and collections processes, engage Stakeholders.
- Enforcement of tax.
- To adopt ticketing model also for other LGA, Artisan group and Trucks owners.
- To intensify efforts towards the collection of revenue from the skilled Artisan and Vocational centres through stakeholders engagement, monitoring and enforcement

Harmonized Bill

- Priority will be on generation of harmonized bills for schools, hotels, hospitals, gas stations, bakeries, business premises and pure water factories to improve our collections based on update of valid and existing data from area offices.

BUSINESS AIM



Property Tax

- The huge potential in this revenue head shall be tapped with the assistance of Head Office Property Department to provide bills for collections in our area offices.
- Land Charge Collection from Private Estate and Shop Complexes in L.G.As.
- Consolidation of bills of property owners who have more than one property to reduce cost of bill distribution and revenue collection process.
- Harmonization of landed property related revenue lines on a single bill for ease of collection.

Parastatals (Hospital Management Bureau)

- Automation of all hospital collections to eliminate cash collections totally

Enforcement

- Enforcement shall continue on a quarterly basis to get required revenue from taxpayers who want to avoid tax payment.

Enumeration/Database

- To collaborate with Research Department for data update.

Enlistment of New Taxpayers

- To intensify effort on the enlistment of taxpayers to increase the database.

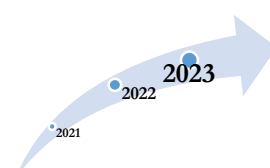
Relationship Management

- Using relationship management and collaboration with relevant stakeholders to get desired results.

For details, see appendix E

3.11 ZONAL COORDINATOR KWARA NORTH IGR PROJECTION (2021 - 2023)

REVENUE HEAD	2021	2022	2023
Corporate	474,748,582.95	593,435,728.69	741,794,660.86
Informal	17,973,235.00	22,466,543.75	28,083,179.69
Ministries	50,643,763.58	63,304,704.48	79,130,880.59
Parastatal	105,680,500.67	132,100,625.84	165,125,782.30
Road Taxes	32,209,239.17	40,261,548.96	50,326,936.20
Property	47,556,881.57	59,446,101.96	74,307,627.45
Total	728,812,202.94	911,015,253.68	1,138,769,067.09





BUSINESS AIM

The above IGR projection for Kwara North shall be achieved with the involvement and engagement of all stakeholders in the business of revenue generation using the most convenient strategies. Kwara North area offices have six different Units – Corporate, Informal, Ministries, Parastatal, Road Taxes and Property.

STRATEGIES

Corporate

- Encourage Mandatory Submission of PAYE Remittance Schedules and Nominal Roll for Collection of Receipt and e-TDS respectively.
- To intensify effort on implementation of deduction of Development Levy at the Local Government Councils
- To Improved synergy with Head Office.
- Pursuance and collection of maximum revenue from PAYE and PIT revenue lines shall continue.

Informal

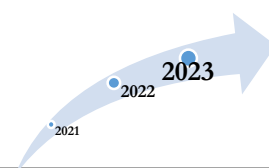
- Replication of Ticketing Model for the payment of personal income tax through tax advocacy, relationship management, training and retraining of staff and with government pronouncement.
- Intensify effort to break away tax payment through Association by serving individual NOA/DN with appropriate assessment based on income of members of such associations.
- To bring convenience into payment and collections processes, engage Stakeholders.
- Enforcement of tax.
- To adopt ticketing model also for other LGAs, Artisan group and Trucks owners.
- To intensify efforts towards the collection of revenue from the skilled Artisan and Vocational centres through stakeholders engagement, monitoring and enforcement.

Harmonized Bill

- Priority will be on generation of harmonized bills for schools, hotels, hospitals, gas stations, bakeries, business premises and pure water factories to improve our collections based on update of valid and existing data from area offices and to further improve data collection across all the area offices.

Property Tax

- The huge potential in this revenue head shall be tapped with the assistance of Head Office Property Department to provide bills for collections in our area offices.
- Land Charge Collection from Private Estate and Shop Complexes in L.G.As.
- Consolidation of bills of property owners who have more than one property to reduce cost of bill distribution and revenue collection process.
- Harmonization of landed property related revenue lines on a single bill for ease of collection.



Parastatals (Hospital Management Bureau)

- Automation of all hospital collections to eliminate cash collections/leakages totally

Enforcement

- Enforcement shall continue on quarterly basis to get required revenue from taxpayers who want to avoid tax payment.

Enumeration/Database

- To collaborate with Research Department for data update.

Enlistment of New Taxpayers

- To intensify efforts on the enlistment of taxpayers to increase the database.

Relationship Management

- Using relationship management and collaboration with relevant stakeholders to get desired results.

For details, see appendix E1

4.0 MARKET POTENTIALS

The market potentials of the Service hinges on its ability to grow the tax payers database and collecting all collectibles within the ambit of the law. The growth in the tax payers is the responsibility of every staff of KWIRS but to be reported by Assessment Department. The projected population of the State as at 2021 was put at 3,9m people with 21.1% unemployment rate.

As at today, there are 5,624 corporate tax payers' data and 21,712 Informal sector tax payers' data in the Service with a total of 27,336 tax payers. While this may be commendable, however, there is still lot of work to be done considering the possible taxable population in the state, hence the need to be more aggressive in bringing taxable residence in to the tax net. Therefore, the Service will grow the tax net by 25% or more in 2021, 35% in 2022 and 50% in 2023. By the end of 2023, we will have about 74,000 tax payers in our data base.

The Service will grow the tax payers' database at least by 6,834 taxpayers in 2021 and by 11,960 by 2022 and by 23,065 by 2023.

For the purpose of collecting appropriate taxes from the tax payers, there will be re-classification of both the existing and the potential new tax payers appropriately. Tax payers hiding under Informal sector will be re-classified appropriately.

SOURCES OF DATA

SOURCES OF THE DATA

At every point of revenue collection, a well-designed form **MUST** be filled pertaining the bio-data of the Taxpayer.

- Research Department (data gathered)
- Kwara State Geographic Information Service (KW-GIS)
- All KW-IRS Service Touch points
- Bureau of Public Procurement
- All political parties database
- MDAs
- Corporate Affairs Department (walk-in and online customers)
- Any other source

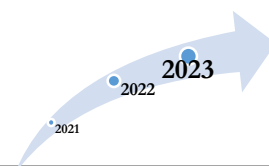
In an effort to maximize these huge tax potentials, the following strategies will be explored:

- Conduct in-house and external training for capacity building for staff.
- Strict adherence to tax laws, Service policies and Standard Operating Procedures.
- Ensure timely conclusion on hard-to-complete tax matters and forward cases to the Legal and Compliance Directorate for Alternative Dispute Resolution (ADR) enforcement.
- Engagement of Tax Audit and Monitoring Agent (TAMA) in the Tax Audit Process.
- Synergy between the Service and other relevant Departments of Government.
- Relationship Management to resolve issues on taxpayers objections especially on disputed liabilities through Tax Audit Reconciliation Committee (TARC) meetings and consultation with higher authorities.
- TAMA Reforms and Re-validation

For details, see appendix F



**Kwara State Internal Revenue Service (KW-IRS) Corporate Head Office,
27, Ahmadu Bello Way, Ilorin, Kwara State.**



RELATIONSHIP AND ADVOCACY PLAN

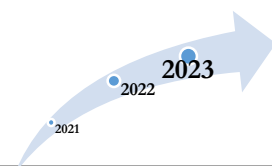
5.0 RELATIONSHIP AND ADVOCACY PLAN

As a means of actualizing the 3 Years Strategic Plan, the Service will embark on a series of Relationship and Advocacy which will include but is not limited to Community Impact Programs which will be categorized in to 6Es - Education, Empowerment, Employment, Environment, Enterprise and Energy.

- i. **Education:** The service intends to purchase, brand and distribute items such as school bags, shoes, socks, cardigans, water bottles, books for school children in the Local Government Areas in the three Senatorial Districts of the State. Tax Club Quiz Competition for schools in the State with cash and educative materials as rewards for students and teachers with project execution for schools shall be employed. Similarly, training of artisans at the International Vocational, Technical and Entrepreneurship College (IVTEC) in use of modern technology tools to improve their skills on their daily handiwork.
- ii. **Empowerment:** The service will liaise with Informal Sector Department of the Service, Stakeholders, Associations in the State to get lists of compliant members and provide them with some work tools such as sewing machines, hair dryers, vulcanizing machines, make up kits etc to be presented to them in order to drive voluntary tax compliance in the State.
- iii. **Employment:** The Service will engage both Government and private environmental workers for the clean-up exercise of refuse dumps at selected locations across the State. Engagement of direct labour for some of the Community Impact Programmes (CIPs) from communities where projects are to be sited within the State would be given more consideration.
- iv. **Environment:** The Service will collaborate with the Ministry of Environment and Health to conduct sanitation exercises in selected towns across the three Senatorial Districts of the State to clear refuse dumps. Furthermore, the Service intends to sink boreholes in selected LGAs across the State and also collaborate with the Ministry of Health to conduct free eye tests, vaccination for children in selected LGAs in Kwara South and North.
- v. **Energy:** The Service intends to install solar street lights in selected State tertiary institutions, hospitals and markets and also energize transformers in selected LGAs and communities across the three Senatorial Districts of the State.
- vi. **Enterprise:** Distribution of jumbo size umbrellas to marketers, artisans, construction of ultra-modern toilets in markets to be managed and maintained by market executives and Ministry of Business, Innovation and Technology. Partnership with Associations on improving skills and knowledge on their handiwork towards building an economically stable State.

Tax advocacy and sensitization through jingles, audio, visual, graphics, broadcast, print and online media/platforms shall be continually employed to communicate benefits of tax compliance and other activities of the Service in the State. Introduction of technology in all business activities of the Service will bring about ease of doing business and boost dissemination of required information. It is our hope that all of these will assist the Service in actualizing its revenue generation mandate.

For details, see Appendix F



HUMAN CAPITAL STRATEGIC DEVELOPMENT PLAN

6.0 HUMAN CAPITAL STRATEGIC DEVELOPMENT PLAN

In its desire to grow strategically, the Service decided not to have a Revenue Growth plan alone, but also a Human Capital Development plan. This plan will indicate how the Service intends to grow its human capital both in quantity, in terms of recruitment and quality, in terms of training. The plan will look into the appraisal process for the purpose of redefining it through budget setting, budget distributions to staff at the beginning of the year, appraisal communication and reporting.

- i. **Training and Re-Training of Staff:** Training needs will be determined for capacity building for both local and International.
- ii. **Succession Plan:** The Service will develop a succession plan for the purpose of business continuity.

For details see Appendix G



Kwara State Internal Revenue Service (KW-IRS) Office (Phase III) Irewolede Road, Ilorin, Kwara State.

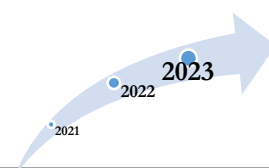


10-YEAR SUSTAINABLE DEVELOPMENT PLAN

7.0 10 – YEAR SUSTAINABLE DEVELOPMENT PLAN OF KWARA STATE

It is indeed a noble idea for the Kwara State Government to come up with a 10-year Sustainable Development Plan (SDP). In line with the vision of the State Government to grow IGR to 50% of the State total revenue in 2030, Kwara State Internal Revenue Service being an Agency of Government, developed a 3-year Medium Term Strategic Revenue Growth Plan in which it bench-marked 25% revenue growth so as to shore up the State's revenue.

- The average of the IGR ratio to total revenue within 2016-2020 is 38%. However, KWIRS being a target driven organization decided to come up with strategies to achieve the 2022-2030 SDP of the state. The SDP is broken in three phases. Phase one, 2021- 2023; phase two 2024-2027; and phase three 2028-2030.
- To achieve the said target, KWIRS will lean on the effort of the government on ease of doing business in Kwara to attract investment through which both PIT and PAYE can be effectively mobilized. Secondly the huge potentials of the property tax of the state will be fully tapped into, through the KW-GIS drive. Moreover, by 2029, the Service is targeting capturing all the labour force of the state in to the tax net and hence sustain it by 2030 and beyond.
- The Service shall employ the strategy of **THINK TAX AND ACT TAX** by all political office holders and employees of the state through continuous tax advocacy and education, hence that will encourage residence of Kwara State to **“PLAY THEIR PART AND PAY THEIR TAX.** The tax compliance rate as at today is very low in the state hence the tax gap is huge. To avert that situation, both the employees and the political officer holder of the state must think tax and act tax.
- The current effort of automating the collections of the MDAs in the state must continue and be sustained. Technology is the future of any committed organization. Hence, the Service will ride on the efficiency of technology to drive its collections in the MDAs though which the revenue leakages will be minimized.
- It is a known fact that most tax payers in the state are in the informal sector, hence record keeping is very poor. KWIRS being a tax administrative office that is customer-centric; the Service will employ the full implementation of the Flexible Presumptive tax rate so that tax payment will be equitable, economical and fair to all its stake holders. Tax payment is subject to income, however, most informal sector businesses don't keep proper records of their income. Subjecting them to administrative assessment might not be too fair, hence the need to fully implement a Flexible Presumptive Tax Rate so that the tax non-compliance rate will reduce.
- Targeting 50% IGR ratio to total revenues of the state, it means we can't keep the status quo, tax administration needs to be dynamic. We have to come up with innovative ways to maximize revenue potential of the state. As such, all areas that require administration of laws shall be fully utilized. Tax advocacy and education shall be thoroughly employed to increase the tax compliance rate in the state.



ISO CERTIFICATION

- Training and re-training of the staff shall be a unique force to drive the vision of 50% IGR to total revenue by 2030. With the dream and desire to take over or eliminate the roles of consultants in our tax drive, it means training and re-training shall be the tool to employ to optimize the full potentials of the staff of KW-IRS.

For details, see appendix H

8.0 ISO CERTIFICATION PLAN

As part of the effort of the Service to provide quality services, improved taxpayers confidence and satisfaction, promote its image and sustain business operation model, the Service in June 2018 subjected its processes and operations to the certification of the ISO 9001 (Quality Management System) and ISO 22301 (Business Continuity Management System). The Service trained 60 staff as ISO champions in both certifications with two Coordinators and Team Leads to drive the ISO processes. The desire to maintain and improve these certifications made the **Executive Chairman, Shade Omoniyi** include it in this maiden 3-year Strategic Development Plan of the Service. The desire is to improve on activities of the Service and the management, to impress the certification and its inherent standards on all processes and procedures of the Service. Similarly, to make sure that all standards are not only theoretical but practical in all activities of the Service, the international standards were translated into value through excellent customer relationship and satisfaction, enhanced revenue through automation and quality staff recruitment. Training of more hands in ISO certifications to cover all areas of the Service is a part of things to be done within the next three years.

For details, see appendix I



BCMS CERTIFICATE

PECB MS

BEYOND
RECOGNITION

CERTIFICATE

PECB MS hereby certifies that the management system of

Kwara State Internal Revenue Service

27 Ahmadu Bello Way, Ilorin, Kwara State, Nigeria

Has been assessed and found to be in accordance
with the management system requirements in

ISO 22301:2019

Certification Scope:

Revenue Administration And Collection

Nick Hundozi
Senior Business &
Operations Director

Certificate No.	C530-BCMS17-C2-12-21
Certified since	2018-11-27
Valid from	2021-12-02
until	2024-11-26

**Subject to annual surveillance audits*

This certificate can be validated by email request at: ms@pecb-ms.com

www.pecb-ms.com



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KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE
Mobilizing Revenue for the Strategic Development of Kwara State

www.kw-irs.com 07006959477
KwaraIRS Kwirs KwaraIRS



2023

2022

2021



QMS CERTIFICATE

PECB MS

BEYOND
RECOGNITION

CERTIFICATE

PECB MS hereby certifies that the management system of

Kwara State Internal Revenue Service

27 Ahmadu Bello Way, Ilorin, Kwara State, Nigeria

Has been assessed and found to be in accordance
with the management system requirements in

ISO 9001:2015

Certification Scope:

Revenue Administration And Collection

Nick Hundozi
Senior Business &
Operations Director

Certificate No.	C539-QMS212-C2-12-21
Certified since	2018-12-06
Valid from	2021-12-13
until	2024-12-05

**Subject to annual surveillance audits*

This certificate can be validated by email request at: ms@pecb-ms.com

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KW-IRS

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2023

2022

2021

A 3-YEAR STRATEGIC REVENUE GROWTH PLAN

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COMMUNITY IMPACT PROGRAMMES

CIPs

COMMUNITY IMPACT PROGRAMMES



Various CIP Projects embarked by the Service



CONCLUSION

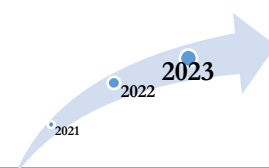
3-YEAR STRATEGIC PLAN FOR KW-IRS

As the sole agency of Government saddled with the responsibility of revenue generation for Kwara State, with administrative and financial autonomy, the Kwara State Internal revenue Service (KW-IRS) owes the duty of supporting the transformations and developmental goals of the Government of the day.

Transparency and accountability to our esteemed taxpayers and the general public remains our hallmark. We are resolute in remaining on top of our job to mobilize revenue for the strategic development of our dear State – Kwara, with continuous collaboration with all stakeholders, ensuring customers' satisfaction by putting taxpayers as our principal focus for excellent service delivery in achieving greater feats.

KW-IRS has evolved in the first four years to become a self-sustaining agency and now, it is strategically growing and improving on its efficiency to deliver on its mandate, with continuous review of the law that set it up for required modification to meet up with the current and best practices of revenue administration. With the head office of KW-IRS in Ilorin, the Kwara State capital and the 7th largest city in Nigeria, the Service aims to be the leading revenue generating agency in the Northern region with a view to compete with other top States in the country.

For us at Kwara State Internal Revenue Service, there is no going back on our reforms towards revenue enhancement through the People, Process and Technology (PPT) model to meet up with the demanding challenges of revenue generation.



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