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**Developing harmonised tax laws in Nigeria**

GEMS3 project, Improving tax compliance and administration in Nigeria

Nigeria’s tax system is riddled with inefficiencies which make tax administration and taxpayer compliance costly for all concerned. We are working with the federal government, state governments and local governments across Nigeria to promote private sector development by harmonising taxes across the country, making it easier for taxpayers to comply and more efficient for all levels of government to administer the tax system. Harmonisation involves policy, legal and administrative reform, including automation of tax payments.

We have assisted all government tiers with policy reform including VAT, income tax, property tax and a range of fees and levies at local government level. This required a joined-up analysis of the cost of implementing taxes in the context of the revenue they generated and ultimately the rationalising of taxes at local government level to remove nuisance taxes. We have developed harmonised laws at state and local government level which are being rolled out gradually across the country. These harmonised laws dramatically reduce the numbers of taxes being levied, removing duplicate taxes that were previously levied by more than one government tier. We have trained tax officers in the implementation of the newly harmonised laws and have sensitised taxpayers to the new tax regimes using a variety of culturally appropriate communication channels, ranging from drama in markets, more prominent displays of official tax schedules, radio jingles and SMS messages.

Taxpayers are already reporting a lower compliance burden and tax administrators find the newly harmonised laws much easier to implement.