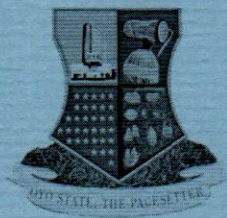


Assented to by me this... <sup>22<sup>nd</sup></sup> day of <sup>December</sup> 20 <sup>21</sup>.....

<sup>Obafemi</sup>.....

**ENGR. SEYI MAKINDE**  
His Excellency The Executive Governor



**OYO STATE OF NIGERIA**

**No.24**

**A LAW TO IMPOSE TAX ON GOODS AND SERVICES CONSUMED IN HOTELS, RESTAURANTS AND EVENTS CENTRES WITHIN OYO STATE AND FOR OTHER RELATED MATTERS**

Date of Commencement. ( )

Enactment. **ENACTED** by the House of Assembly of Oyo State of Nigeria as follows:

Short title. 1. This Law is cited as the Hotel Occupancy and Restaurant Consumption Tax Law, 2021.

Interpretation. 2. In this Law –  
“**Chairman**” means the Chairman of the Service;  
“**Commissioner**” means the Commissioner for Finance;  
“**Consumer**” includes a hotel guest or any person who makes use of a hotel, restaurant, event centre, bar, or hotel facility for a fee;  
“**Court**” means the High Court of the State;  
“**Events Centre**” includes halls, auditoriums, fields and places designated for public use at a fee;  
“**Government**” means Oyo State Government;  
“**Governor**” means the Governor of the State;

“**Hospitality Establishment**” includes hotels, motels, inns, guesthouses, restaurants, event centres, bars, cafes, nightclubs or any other establishment which offer accommodation

“**Hotel**” includes motels, guest house, apartment for short letting, tavern meeting room and functional hall, whether or not described as a hotel by the operator;

“**Hotel Facility**” includes a room, suit, hall, open space or other facility or resource centre which may be let out for a fee within a hotel or other facility covered by this Law under a lease, concession. Permit, right of license, contract, or other agreement;

“**Restaurant**” includes any food sale outlet, bar, tavern, lounge or cafe whether or not located within a hotel;

“**Service**” means the Oyo State Internal Revenue Service;

“**State**” means Oyo State of Nigeria;

“**Transferee**” includes purchaser, assignee, licensee or other successor-in-title;

“**Transferor**” Includes seller, assignor, lessor or licensor;

“**Person**” includes a body corporate.

Imposition of tax.

3. (1) There is a tax imposed on any person (referred to in this Law as “**Consumer**”) who —
  - (a) pays for the use or possession or for the right to the use or possession of any hotel, hotel facility or events centres, lounge, club: or
  - (b) purchases consumable goods or services in any restaurant in the State whether or not located within a hotel.
- (2) The amount to which this tax applies shall be the cost of facilities, consumable or personal services supplied to a consumer in, by or on behalf of the hotel, restaurant or events centre.

- The rate of tax.**            4.    (1)    The rate of tax imposed under this Law shall be 5% of the total bill.
- (2)    The rate of tax issued to the consumer excludes Value Added Tax.
- (3)    The Chairman of the Service, with the approval of the Commissioner, shall vary the rate of tax as the fiscal policy of the State demands.
- Administration.**            5.    The tax charged under this Law shall be administered by the Oyo State Internal Revenue Service (referred to in this Law as the “**Service**”)
- Collection of tax.**           6.    (1)    Any person who –
- (a)    owns, manages or controls any business; or
- (b)    supplies any goods or services chargeable under Section 3 of this Law
- shall be referred to as the Collecting Agent for the purpose of this Law.
- (2)    The Collecting Agent shall collect on behalf of the State, the tax imposed based on the total amount charged or payable by the consumer in accordance with the provisions of Section 4 of this Law.
- Registration.**                7.    (1)    As from the commencement of this Law, all hotels, restaurants, event centres (referred to in this Law as “Hospitality Establishments”) shall comply with the provisions of this Law
- (2)    Any Hospitality Establishment affected by this Law shall, within 30 days of the commencement of this Law or upon commencement of its business, register with the Service.
- (3)    Every Collecting Agent shall produce evidence of registration with the Service as a condition precedent to any contractual relationship with the Government or any of its Ministries, Departments, Parastatals or Local Government Authorities.
- Report and Remittances.**   8.    (1)    Every Collecting Agent shall -
- (a)    keep, maintain and preserve such records, books and accounts in respect of all transactions chargeable under Section 3 of this Law as the Service may prescribe;

- (b) update on a daily basis the records, books and accounts referred to under this Section;
- (c) subject to the provisions of subsection (3) of this Section, pay to the designated account of the State Government, the tax collected during the preceding reporting period; and
- (d) file with the Service, a report stating –
  - (i) the total amount of payments made for all chargeable transactions during the preceding reporting period;
  - (ii) the amount of tax collected by the agent during the reporting period; and
  - (iii) any other information required by the Service to be included in the report

(2) For the purpose of this Law, each calendar month is a reporting period and the taxes collected under this Law is due and payable on or before the 10<sup>th</sup> day of the month following the reporting period.

(3) The tax collected under this Law shall be a debt due to the State and recoverable by the Service from the Collecting Agents.

Access to books  
& records.

9. An authorised officer of the Service –
- (1) may enter any premises on which he reasonably believes that a person is carrying on business in order to ascertain that the provisions of this Law is being complied with by the occupier of the premises or other person; and
  - (2) shall at any reasonable time of the day be given access to all books and records of any hospitality establishment offering chargeable goods and services for the purpose of verifying facts necessary to determine the amount due and payable to the Government under this Law.

Payment of  
estimated amount.

10. Where a Collecting Agent fails to make a return or remittance as required under this Law or where his returns are not substantiated by records, the Service may make an estimate of the total amount of tax due and may order by a demand notice that the estimated amount be remitted to the Government within 21 days of the date of service of the demand notice

Interest on Remittance.

11. All taxes that are not remitted to the designated account of the Government within the time allowed, shall in addition to other penalties prescribed by this Law, bear interest at the rate of 5% per annum above the prevailing Central Bank of Nigeria Minimum Rediscount Rate as determined at the time of actual remittance.

Penalties.

12. (1) Any Collecting Agent who fails to file a report and remit taxes collected within the time allowed by subsection (2) of Section 8 of this Law, shall, in addition to interest payable under section 11 of this Law, pay a penalty of 10% of the amount of tax due.

(2) Any Director, Manager, Agent or Employee of the Collecting Agent who fails to comply with the provisions of this Law, commits an offence and is liable on conviction to imprisonment for 5 years or a fine of not more than N2,000,000.00 or both.

Tax collection  
on determination or  
transfer of business.

13. (1) When a Hospitality Establishment covered under this Law is sold or otherwise disposed of, the transferee shall withhold such amount of the collection or purchase price already due to other consideration as is sufficient to offset all payments due to the Government under this Law, unless upon the determination, the Transferee has provided a receipt issued by the Service showing that the amount due at the date of transfer had been paid or that no amount was due.

(2) A Transferee of a chargeable facility who fails to comply with the provisions of subsection (1) of this Section shall be liable to pay the amount due to the designated Government account and Sections 11 and 12 of this Law shall apply as if he was already operating the hotel business as at the time the payments were due.

(3) The Transferee of a chargeable facility shall request from the Service, a certificate stating that no tax is due or stating the amount of tax due from the facility at the date of transfer.

(4) In the case of a request made under subsection (3) of this Section, the Service shall issue the certificate within 30 days of receiving the request or within 30 days after the day on which the relevant record of the business is made available for audit, whichever is later, but in either event, the Service shall issue the certificate within 60 days of the date of request.

(5) In the absence of wilful concealment of fraud, the period of limitation during which the Service may assess tax against a transfer or under this section is 6 years from the date when the transferor

disposes the chargeable facility or when a determination is made against the transferor, whichever event occurs later.

Appeal Process.

14. (1) Any person aggrieved by any assessment made by the Service under this Law, shall within 14 days of being notified of such a decision, write to the Chairman requesting the Service to review, amend or reverse the assessment.
- (2) Upon the receipt of such notice, as mentioned above, the Service may reconsider, affirm or amend its assessment and notify the complainant of its decision.
- (3) Where upon a review, the Service serves on the complainant a notice of refusal to amend, a complainant who is dissatisfied by the refusal may institute an action in the Court.
- (4) Where the person served with an assessment or his authorized representative fails to contest the assessment within the period allowed by subsection (1) of this Section, the assessment shall be deemed to be final and conclusive.

Jurisdiction of the court.

15. (1) The High Court of the State (**referred to in this Law as “the Court”**) shall have jurisdiction over matters under this Law.
- (2) The Service may institute an action in Court for the recovery of taxes, interests and penalties due under this Law.
- (3) Where an application is made to the Court that there is reasonable cause for suspecting that a Collecting Agent or any other business organization or person is in contravention of any provision of this Law, the Court may make an order upon such terms as it deems fit to -
- (a) prevent concealment of the fraud or dissipation of monies due to the Government; or
  - (b) authorize officers of the Service to enter the premises of the suspect at any reasonable time accompanied by any law enforcement agent to -
    - (i) inspect the premises for any evidence of contravention; and
    - (ii) seize any books of account, records or other things by which the liability of the Collecting

Agent, business organization or other person may be established.

(4) Any person who knowingly gives false information commits an offence and is liable on conviction to imprisonment for a period of 6 months or a fine of not more than N500,000.00 or both.

Power to  
distrain for  
non-payment  
of tax.

16. (1) Without prejudice to any other power conferred on the Service for the enforcement of payments due to Government under this or any other Law, where an assessment has become final and conclusive and a demand notice has been served on a person to make payment, if payment is not made within the time allotted by the demand notice, the Service may apply to the Court for the purpose of enforcing payment of the tax due to distrain -
- (a) defaulter by his goods or other chattels, bonds or other securities; or
  - (b) upon the relevant facility or other place in respect of which the defaulter is the owner, and subject to the provisions of this section, recover the amount of tax due by sale of any of the things so distrained.

(2) The Service, to distrain under this Section, shall be in such form as the Court may direct.

and that authority shall be sufficient warrant to levy by distrain, the amount of tax due.

(3) For the purpose of levying a distrain under this Section, the Service as authorized by the Court, may execute a warrant of distrain, and if necessary enter any building or place at any reasonable time for the purpose of levying the distrain and may call to his assistance, any law enforcement agency whose duty, when so required, shall be to aid and assist in the execution of the warrant of distrain and levying the distrain.

(4) Items recovered under this Section may, at the cost of the defaulter, be kept for 14 days and at the end of that time, if the amount due in respect of the tax, cost and charges incidental to the distrain are still not paid, may subject to the provisions of subsection (6) of this Section, be sold at any time thereafter.

(5) Out of the proceeds of a sale under this Section, there shall be paid, the cost or charges incidental to the sale and keeping and the amount due in respect of tax:

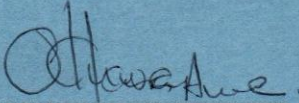
Provided that the balance (if any) shall be payable to the defaulter on demand being made by him or on his behalf.

(6) Nothing in this Section shall be construed as authorizing the sale of any immovable property without an Order of the Court, made in application in such form as may be prescribed by the Rules of Court.

Power to make  
regulations.  
due

17. The Chairman, with the approval of the Commissioner, may make regulations for the determination, collection and remittance of taxes due under this Law and for the proper administration of this Law.

This printed impression has been carefully compared by me with the Law which has been passed by the Oyo State House of Assembly and found by me to be a true and correct printed copy of the Law.



.....  
**Mrs. Yetunde Oludara Awe**  
**Clerk of the State**  
**House of Assembly**



.....  
**Rt. Hon. Ogundoyin Adebo Edward**  
**Speaker of the State**  
**House of Assembly**