

# Federal Inland Revenue Service Circular on Withholding Tax Utilisation and K-Card Update Key Deliverables.

**TAX ALERT**

Pursuant to Section 8 of the Federal Inland Revenue (Establishment) Act 2007, the Federal Inland Revenue Service (FIRS) has released an information circular to guide all its offices, its officials, taxpayers, potential taxpayers, tax consultants, tax practitioners and the public on the withholding tax reconciliation, utilisation and K-Card update for key deliverables. The purpose of this exercise is to ensure that the WHT credit position of each tax payer is current and can be uploaded on FIRS data base.

## The Key Features of the circular are:

All take- on balances (arrears and unutilized withholding tax credits) that are to be uploaded must be reconciled and agreed by both tax office and taxpayers/representatives;

All agreed balances are to be approved by the State Coordinators of amount not above N500 million before they can be posted on the K- Card. Any amount above the threshold must be sent to the Coordinating Director (CD) /Domestic Taxes Group (DTG) for approval;

All closing balances on each tax payers updated K- Card are to be uploaded in SIGTAS not later than September 30, 2018.

It is however important to note that the WHT credit reconciliation is to end on the 30 of August 2018. Hence, all tax payers and/ or their representatives are advised to arrange a meeting with FIRS prior to the 30 August 2018.

Taxpayers are hereby advised to make themselves available to relevant FIRS office to reconcile its WHT position to avoid future disagreement.

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## **Tax Training**

11<sup>th</sup> – 12<sup>th</sup> September, 2018

For more info:

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**Managing Transaction Taxes: Understanding Monthly Tax Compliance Requirements**



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