



Jurisdictional Issues in Tax Administration and Adjudication in Nigerian Federation: Revealing Smidgeon of Information on American Tax System for a Guide

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Abstract

From whichever angle it is viewed, tax functions not only as a generous source of revenue but also a stimulant in the process of policy formulation for overall sustainable national development. These dual roles have been largely responsible for his enhanced status in modern economy. The truth is that tax is today a beautiful bride in factors of achievable means and strategies for national growth. It cannot be gain said that economic/ socio-political well-being of a nation is usually determined by animation and effectiveness of its tax system. Hence, national strategies and actions for a virile economy are usually tax-oriented. If tax is a beautiful bride, it is not unexpected that here are numerous suitors competing to have it under their roof or at least one or some of its tentacles. This is noticeable in many nations of the world. Today, there are many instances of national against sub – national conflicts within a nation for sphere of taxable power. Even entities and institutions within the nation/sub-nation do often become unfortunate partaker in this ugly scenario. Research has shown that Nigerian tax system is not immune from this. Nigeria tax system is in many fronts besieged by jurisdictional controversies especially as they relate to administration of tax and adjudication of cases arising there from. This paper considered the controversies with a view to showing that they were needless, evitable and surmountable. It held the view that the controversies are by and large a distraction to sound canons of taxation thereby amounting to tax disincentive. It concluded by a way of recommendation that lessons from other Federal Unions especially the United States of American may be helpful to Nigeria. This research paper is basically doctrinaire relying on primary and secondary sources of research materials.

Keywords: *Tax Administration; Nigerian Federation; Revealing Smidgeon American Tax*

1.0 Introduction

Nigeria is a federation consisting of thirty-six states and a Federal Capital Territory¹. It is also provided that there ‘shall be seven hundred and sixty-eight local government areas... And six area councils...’² as shown respectively in the second column of part 1 and part 11 of the First Schedule to the constitution. Typical feature of federalism is the division of governmental powers between or among the federating units. There is a serious attempt at doing this in Nigeria. There are three powers to be shared. These are legislative, executive and judicial powers. The legislative power of the Federal Republic of Nigeria is vested in a National Assembly consisting of a Senate and a House of Representatives. That Assembly has power to make laws for the peace, order and good government of the federation or any part thereof with respect to matters contained in the exclusive legislative list found in part 1 of the Second Schedule to the constitution. This it (the National Assembly) does to the exclusion of the Houses of Assembly of States except otherwise provided in the Constitution.³ The Assembly (National) is further clothed with the power to legislate on matters contained in the concurrent legislative list specified in the first column of part II of the second schedule to the constitution to the extent prescribed in the second column opposite thereto and other matters on which it is empowered to make laws in accordance with the provisions of the Constitution⁴

The legislative powers of the states of the Federation are vested in the States’ Houses of Assembly. This power is exercised in respect of matters not included in the Exclusive Legislative List, matters contained in the Concurrent Legislative List set out in the first column of part II of the Second Schedule to the constitution to the extent thereto, and any other matter to which it is empowered to make laws in accordance with the constitution.⁵

It is important to note that in the exercise of legislative powers, the National Assembly exercises superior power a State House of Assembly in the event of conflict in the exercise of the power. This is because ‘any Law enacted by the House of Assembly of a State... Inconsistent with any law validly made by the National Assembly...shall to the extent of the inconsistency be void’.⁶ However, except as otherwise provided by the Constitution, neither the National Assembly nor a State House of Assembly is competent to exercise legislative power ‘that ousts or purports to oust the jurisdiction of a court of law or of a judicial tribunal established by law’.⁷

Attempt at dividing governmental powers in the Federal Republic of Nigeria is also judicially pursued. Adjudication is divided between courts established for the Federation and courts established for a State subject as provided by the Constitution.⁸ Same for Executive powers. The executive powers of the Federation are vested in the President⁹ while the executive powers of a State are vested in the Governor of that State which may as well be exercised directly by him or through the Deputy Governor and Commissioners of the Government of the state or officer of the public service of the state.¹⁰ However, the custodians of state executive powers should be cautious in exercising the powers in order

¹ See section 2 (2) and 3 (1) of the Constitution of the Federal Republic of Nigeria, 1999 as amended (hereinafter referred to as the Constitution unless the context admits otherwise).

² Section 3(6) of the Constitution.

³ See generally section 4 (1) – (3) of the Constitution.

⁴ Section 4(4) (a) and (b) of the Constitution.

⁵ Section .4 (6) and (7) (a) - (b) of the Constitution.

⁶ Section 4 (5) of the Constitution.

⁷ Section 4 (8) of the Constitution.

⁸ See Section 6 (1) and (2) of the Constitution.

⁹ Which may be exercised directly by him or through the Vice - President and Ministers of the Government of the Federation or Officers in the Public Service of the Federation.

¹⁰ Section 5 (1) (a) - (b) and (2) (a) - (b) of the Constitution.

not to impede or prejudice the exercise of the executive powers of the Federation nor endanger any asset or investment of the Federation in that state.¹¹ The Constitution also guarantees a local government system by democratically elected local government councils.¹² These (local government councils) equally have their sphere of influence especially as set out in the Fourth Schedule to the Constitution.¹³

The above aims at crisis - free federalism. Not only is every tier of government required to stay within its boundary in the division agenda, its respective agencies, organs and institutions are also required to do so. For example, State High Courts typically exercise jurisdiction at first instance or on appeal on matters with respect to which a House of Assembly may make laws. Even within an organ, institutions or agency in a tier of government, there may be sub-divisions. For examples, Family Court established by a state does not exercise jurisdiction on revenue matters for which revenue court are established by the state; the Supreme Court of Nigeria does not exercise original jurisdiction on criminal matters including even treason considered to be an offence against the Federation.¹⁴ In the same vein, the Sharia Court of Appeal and Customary Court of Appeal, both within a state (or Federal Capital Territory) have sub - division of judicial powers. The former exercises appellate and supervisory jurisdiction in civil proceedings involving questions of Islamic personal law in addition to such other jurisdiction as may be conferred upon it by the law of the state (or an Act of the National Assembly), the latter exercises appellate and supervisory jurisdiction in civil proceedings involving questions of customary law.¹⁵

In subject areas with elastic tentacles, division may cut across tiers, organs, institutions and agencies of government. Taxation is one of such subject areas. It has many appendages as there are many forms of tax. To mention but a few are the following:

- (a) Capital Gains Tax;¹⁶
- (b) Casino Taxation;¹⁷
- (c) Companies Income Tax;¹⁸
- (d) Personal Income Tax;¹⁹
- (e) Petroleum Profit Tax;²⁰
- (f) Stamp Duties;²¹
- (g) Tertiary Education Trust Fund;²²
- (h) Value Added Tax;²³ and so on.

The fulcrum of this paper is the analysis of the jurisdictional challenges surfacing in terms of administration of and adjudication on the subject of tax with a view to considering possible guides especially from without (outside). This paper establishes the reality of crisis ridden federalism in the administration of tax and proven cases of a divided judicature regarding the courts and tribunals saddled with judicial power over some tax matters. It is observed that these challenges have had profound effects on the workability of the basic canons of taxation thereby contributing to the menace of tax evasion and

¹¹ Section 5 (3)b (a) and (b) of the Constitution.

¹² Section 7 (1) of the Constitution.

¹³ See Section 7(5) of the Constitution.

¹⁴ Section 232 (2) of the Constitution.

¹⁵ See for examples sections 262, 267, 277 and 282 of the Constitution.

¹⁶ See Capital Gains Tax Act Cap C1 Laws of Federation of Nigeria, 2010.

¹⁷ See Casino Taxation Act Cap C3 Laws of Federation of Nigeria (LFN), 2010.

¹⁸ See Companies Income Tax Act Cap C21 LFN, 2010.

¹⁹ See Personal Income Tax Act Cap P8 LFN, 2010.

²⁰ See Petroleum Profit Tax Act Cap P13 LFN, 2010.

²¹ See Stamp Duties Act Cap 58 LFN, 2010.

²² See Tertiary Education Trust Fund [Establishment, Etc.] Act, 2011.

²³ See the Value Added Tax Act Cap VI LFN, 2010.

tax avoidance in Nigeria. It is the thesis of this paper that taking useful guides from sister federal state like the U.S.A, these challenges are quite surmountable.

2.0 Administrative Bodies Responsible for the Administration of Tax at Federal and State/Local Levels.

In line with the federal structure of the nation, Administrative Bodies are established from time to time and saddled with the responsibility to administer tax matters at the various tiers of government. These are at the Federal and State levels, not leaving behind Local Councils even though, in the strict sense of it, Local Councils are not federating partners in absolute federalism. To derive home the necessary interference, mention is made of some of these bodies.

2.1 Federal Inland Revenue Service

As the name implies, this is a federal administrative body 'charged with powers of assessment, collection of, and accounting for revenue accruable to the government of the Federation'.²⁴ The Federal Inland Revenue Service²⁵ is a body corporate with perpetual succession and a common seal, capable of suing and being sued in its corporate name and capable of acquiring, holding or disposing any property in furtherance of its functions and objects under the Act.²⁶ The object, as specified by the Act is to:

... control and administer different taxes and laws specified in the First Schedule or other laws made or to be made, from time to time, by the National Assembly or other regulations made thereunder by the Government of the Federation and to account for all taxes collected.²⁷

It shall have powers and duties conferred on it by the FIRS Act or by any other enactment or law on matters on which the National Assembly is competent to make laws.²⁸ The major power conferred on it by the FIRS Act is the power to administer all the enactments listed in the first schedule to the Act and any other enactment or law on taxation in respect of which the National Assembly may confer power on it.²⁹ Enactment listed in the first schedule include Companies Income Tax Act;³⁰ Petroleum Profits Tax Act;³¹ Personal Income Tax Act;³² Capital Gains Tax Act;³³ Value Added Tax Act;³⁴ Stamp Duties Act;³⁵ and So on. All regulations, proclamation, government notices or rules relating to the above enactments also form part of the Schedule. As expected in a Federation, all enactments and laws imposing taxes and levies within the Federal Capital Territory are part of the schedule. This is as well as 'every other law for the assessment, collection and accounting of revenue accruable to the government of the Federation as may be made by the National Assembly from time to time or regulation incidental to those laws'³⁶ conferring powers and duties of the service. The power extends even to Enactments or laws imposing

²⁴ See the preamble to the Federal Inland Revenue Service [Establishment] Act Cap F 36 LFN, 2010 hereinafter referred to as FIRS Act.

²⁵ Hereinafter referred to as the Service.

²⁶ See Section 1 (2) FIRS Act.

²⁷ Section 2 of the FIRS Act.

²⁸ See Section 1 (3) FIRS Act.

²⁹ Section 25 (1) FIRS Act.

³⁰ F n 18.

³¹ F n 20.

³² F n 19.

³³ F n 16.

³⁴ F n 23.

³⁵ F n 31.

³⁶ Paragraph 9 First Schedule to FIRS Act.

collection of taxes, fees and levies by other Government agencies and companies in respect of fees prevalent in the oil industry.³⁷

Established for the Service is a Management Board known as the Federal Inland Revenue Service Board. The FIRS Board³⁸ has overall supervision on the service as specified by the FIRS Act.³⁹ However, in exercising this managerial power, the Board is subject to the general direction of the Minister in consultation with the Executive Chairman of the Service. The Board has a Technical Committee which, *inter - alia*, advises the Board on any aspect of the functions and power of the Service under the Act.⁴⁰

A very important aspect of the above mentioned functions/duties is that of its ability to carry out such other activities that may be necessary or expedient for the discharge of all or any of its functions has been exhibited in the functions.⁴¹ One of the discerning area this function has been exhibited is in the realm of collaborating with Federating units in the Federation. For example, the Service signed a Memorandum of Understanding with the Lagos Internal Revenue Service (LIRS) on 6th February, 2023 with a view to collaborating on tax administration aimed at reducing duplication and tax compliance costs for tax payers.

2.2 State Board of Inland Revenue

State Board of Inland Revenue is established for each state of the Federation.⁴² Like the FIRS for the Federation, the State Board of Inland Revenue⁴³ has an operational arm which is called State Internal Revenue Service simply referred to as "State Service" in PITA. Both the State Board and the State Service⁴⁴ are chaired by the same person, appointed by the State Governor but subject to confirmation by the State House of Assembly. The person so appointed and confirmed is, apart from being experienced in tax matters, required to be a member of a relevant recognized professional body. Apart from the Chairman, there are other appointees who are members by virtue of public office held or appointed by the Governor on their personal merit to represent each of the Senatorial Districts in the State.⁴⁵

The major function of the State Board, apart from appointment, promotion, regulation and discipline of employees of the State Service, is to ensure the effectiveness and optimum collection of all taxes and penalties due to the State Government as provided by the applicable laws. In achieving this, the State Board is conferred with incidental powers in respect of all that may be deemed necessary and expedient to accomplish its purpose. It is also autonomous in administering the day to day affairs of the State Service as relate to its (State Service) technical, professional and administrative affairs. It may delegate its function by note in the Gazette or in writing, except those in which it is specifically prohibited from delegating by PITA.⁴⁶

2.3 Joint Tax Board

The Joint Tax Board⁴⁷ was established under section 86(1) of PITA. Perhaps for the fact that JTB consists of representatives of the Federal Government and representatives of all the Federating States⁴⁸,

³⁷ Paragraph 11 First Schedule to FIRS Act.

³⁸ Hereinafter referred to as the Board unless otherwise stated.

³⁹ Section 3 (1) FIRS Act.

⁴⁰ Section 10 (3) FIRS Act.

⁴¹ Section 8 (1) (4) FIRS Act.

⁴² See section 87 of the Personal Income Tax Act Cap P8 LFN, 2010 hereinafter referred to as PITA.

⁴³ Hereinafter called State Board unless otherwise referred.

⁴⁴ Like the FIRS and the Board.

⁴⁵ See generally section 87 (1) – (4) PITA.

⁴⁶ See generally section 88 (1) – (4) PITA.

⁴⁷ Hereinafter simply called JTB.

some have viewed it as the highest body on tax matters in Nigeria. It is chaired by the same person appointed as the chairman of FIRS. Though at inception, JTB was established primarily for the sake of uniformly in the application of Personal Income Tax, it has created a niche for itself in other areas of taxation as it now functions in advisory capacity to all the tiers of government on tax matters for efficient tax administration. This function has further endowed it with the responsibility of resolving jurisdictional conflicts on tax matters among the federating units. Furthermore, it advises the Federal Government, when requested to do so, on double taxation arrangement with other nation as well as exercise powers and duties conferred on it by Federal Government enactments imposing Company Income Tax. Though largely advisory, JTB may ‘impose its decisions on tax matters of procedure and interpretation of this Act⁴⁹ on any state for purposes of confirming with agreed procedure or interpretation’.⁵⁰

To underscore the position that it is a body belonging to the Federation and not any tier of government, it is required of the Federal Government to provide JTB an office for its operation, but the recurrent expenses incurred for that purpose and other administrative expenses are bore by the Federal and State Governments either in proportion to their respective accruelements from tax or in any other manner as may be agreed by them from time to time.⁵¹

2.4 Local Government Revenue Committee

For each of the local government areas of Nigerian thirty six states, a Local Government Revenue Committee⁵² is established.⁵³ The Committee is chaired by the respective local government supervisor for finance with three local government members as well as two other nominees of the local government chairman who are versed in revenue matters as members.⁵⁴ The Revenue Committee is saddled with the responsibility of assessing and collecting all taxes, fines and rates under its jurisdiction and accounting same as prescribed by the local government chairman. The operational arm of Revenue Committee is called the Department. The Revenue Committee administers the Department and is autonomous of the local government treasury in doing this.⁵⁵

2.5 Joint State Revenue Committee

Each State of the Federation has a Joint State Revenue Committee.⁵⁶ This consists majorly State and the respective local government representatives together with some observers such as the State Sector Commander of the Federal Road Safety Commission⁵⁷ and a representative of the Revenue Mobilization Allocation and Fiscal Commission. The major function of the Joint State Revenue Committee⁵⁸ lies in resolving and promoting tax matters of common concern to the State and respective local government authorities thereby harmonizing tax administration in the State. JRC is required not only to implement decisions of JTB but to also carry out other functions that may be assigned it by the latter. It is an advisory body to the JTB, State and local government authorities on revenue matters.

⁴⁸ See section 86 (2) (a) and PITA.

⁴⁹ PITA.

⁵⁰ Quoted for the sake of emphasis. See generally section 86 (a) – (e) PITA.

⁵¹ Section 86 (1) PITA.

⁵² Referred to simply as Revenue Committee by PITA.

⁵³ See Section 90 (1) PITA.

⁵⁴ Section 90 (2) (a) – (e) PITA.

⁵⁵ Section 91 (1) and (2) PITA.

⁵⁶ Section 92 PITA.

⁵⁷ Section 92 (a) – (g) PITA.

⁵⁸ Hereinafter referred to as Joint Revenue Committee (JRC).

3.0 Attempts at Segregating Tax Matters

Discussion so far has pin-pointed the fact that administrative machinery is key in determining tax jurisdiction in Nigeria. And the summary is that three tiers of government are clothed with taxable power, each operating within its jurisdiction. To reduce friction, attempts are made to separate tax matters based on the tiers. This is done mainly through administrative/operational segregation as well as judicial segregation.

3.1 Administrative/Operational Segregation

Segregating tax matters is not just a statutory issue, it has as well gained a constitutional flavor. And, if the concept of supremacy of Nigerian Constitution is observed here, then the constitutional provisions become most instructive here. Items 58 part 1 of the Second Schedule to the constitution i.e. Exclusive Legislative list confers jurisdiction on the Federal Government in respect of Stamp Duties, so also item 59 which confers similar jurisdiction in respect of Personal Income Tax, Companies Income Tax, Petroleum Profit Tax (all being taxes on incomes and profits) and Capital Gains Tax, unless otherwise provided by the Constitution. This also includes any matter incidental or supplementary thereto.⁵⁹ Part II of the same schedule (Concurrent Legislative List) empowers the National Assembly to cede the power of collection or administration of capital gains, income or profits of persons other than companies as well as stamp duties to the Government of a State or any other authority of a State as may be prescribed.⁶⁰ This is subject to the provision that where such power is ceded, the liability of taxable persons shall be regulated in a manner that prevents the tax being levied on the same person by more than a state.⁶¹ Same provisions exist in respect of the State House of Assembly ceding its tax powers of rate or duty collection or administration to a local government council.⁶² Tax powers of local government councils include those set out in the Fourth Schedule to the Constitution.⁶³ These include collection of rates, radio and television licenses; licensing of bicycles, non-mechanically propelled trucks, canoes, wheel barrows and carts; etc.⁶⁴

Apart from the Constitution, another very important statute on segregating the subject matter is the Taxes and Levies (Approved List for collection) Act.⁶⁵ It divides the responsibility for collecting taxes, rates and levies among the Federal Government, State Government and Local Government. The Federal Government is saddled with the responsibility of collecting taxes and levies listed in Part 1 of the Schedule to the Act while State Government and Local Government collect taxes and levies in Parts II and III of the Schedule respectively. Of Particular note here is the attempted supremacy of the Act. It provides that the Act implies ‘notwithstanding anything contained in the constitution of Federal Republic of Nigeria, ... or any other enactment or law...’.⁶⁶ it is an offence to collect or levy any tax or levy in contravention of this Act. Such infringement is liable on Conviction to ‘a fine of N50,000 or imprisonment for three years or to both such fine and imprisonment’.⁶⁷ However, the schedule to the Act may be amended by the Minister of Finance on the advice of JTB through an Order published in the Gazette.⁶⁸

⁵⁹ See item 68 Part 1 Second Schedule to the Constitution.

⁶⁰ Item 7 Part II Second Schedule to the Constitution.

⁶¹ Item 8 Part II Second Schedule to the Constitution.

⁶² See Items 9 and 10 Part II Second Schedule to the Constitution

⁶³ See Section 7 (5) of the Constitution.

⁶⁴ See paragraph 1 (b) – (k) Fourth Schedule to the Constitution.

⁶⁵ Cap T2 LFN, 2010 hereinafter referred to as Taxes and Levies Act unless otherwise stated.

⁶⁶ Section 1 (1) Taxes and Levies Act. Quoted for the sake of emphasis

⁶⁷ Section 3 (a) and (b) Taxes and Levies Act. Quoted for the sake of emphasis.

⁶⁸ Section 1 (2) Taxes and Levies Act.

In addition to the above are the tax legislations on specific subject matter on tax which confer administrative/operational jurisdiction in respect of the specific matter covered by the legislations. Section 43 of the Capital Gains Tax provides that the tax shall be under the care and management of the Board;⁶⁹ section 1 (3) of the Casino Taxation Act provides that tax under it is a debt recoverable by the Board; section 65 (1) of CITA empowers the Service to assess every company chargeable with company Income Tax while section 100 of the same Act empowers the National Assembly to, by a resolution of each of its Houses on the proposal by the president, impose, vary, withdraw or cancel rate of tax, duty or fee specified in section 29 and the Second Schedule to CITA; section 4(1) and (2) of the Stamp Duties Act give the power of stamping and collection of duties to the Federal Inland Revenue Service and the relevant state tax authority respectively;⁷⁰ section 7 of the VAT Act provides that it shall be administered and managed by the Service; etc. Virtually every subject of tax provides for its administering authority/operational body through the enabling statute.⁷¹

3.2 Judicial Segmentation of Tax Matters

As stated earlier, there are tiers and segments of Nigerian courts in line with Nigerian Federal status. Some of the judicial segments are endowed with varying judicial power over respective tax matters. Like the administrative segregation, this is also partly a constitutional issue. Again, as we shall see in the course of this research, there is a test case for the concept of constitutional supremacy.

Notwithstanding anything contrary in the constitution, section 251 confers exclusive jurisdiction on the Federal High Court (FHC) in civil cases and matters relating to the revenue of the Government of the Federation in which the Government or any of its organs or representative is a party.⁷² Same exclusive jurisdiction is conferred in respect of matters 'Connected with or pertaining to the taxation of companies and other bodies established or carrying on business in Nigeria and all other persons subject to federal Taxation'.⁷³ This jurisdiction appears sweeping, but it is not exhaustive. It is in respect of civil (not criminal) cases and matters which must relate to Federal revenue and the Government or its organ or representative must be a party. It also subjects persons (natural, corporate or non-corporate) to the jurisdiction as for the person subject to Federal taxation; not all taxation is Federal taxation. Tax matter may also be criminal in nature. The implication here is that there are other tax matters not exclusive of the FHC. Perhaps here in comes the relevance of the State High Court⁷⁴ in the adjudication of tax matters. The State High Court (SHC) has jurisdiction subject to exclusive jurisdiction granted to FHC:

...to hear and determine any civil proceedings in which the existence or extent of a legal right, power, duty, liability, privilege, interest, obligation or claim is in issue or to hear and determine any criminal proceedings involving or relating to any penalty, forfeiture, punishment or other liability in respect of an offence committed by any person.⁷⁵

This jurisdiction covers both civil and criminal matters and, in that sense, can be seen as unlimited jurisdiction subject to exclusivity status of the FHC in section 251. In that wise, SHC can be deemed to have jurisdiction in non-federal and federal taxation disclosing criminal causes and matters. This position is further fortified with the constitutional provisions to the effect that where jurisdiction is

⁶⁹ Establish pursuant to Section 3 (1) FIRS Act.

⁷⁰ In the same vein with PITA in section 86 – 93 on Personal Income Tax.

⁷¹ See also sections (1) and (2) 7 (5) of the National Information Technology Development Agency Act Cap N156LFN, 2010; sections 2, 8(b), 25(1), 68 (1) and (2) FIRS Act.

⁷² Section 251 (1) (a) of the Constitution

⁷³ Section 251 (1) (b) of the Constitution.

⁷⁴ Including the High Court of the Federal Capital Territory.

⁷⁵ Section 272 (1) of the Constitution.

conferred on a state court, such jurisdiction extends to Federal causes subject to the provisions of the Constitution.⁷⁶

Apart from the Constitution, there are some other specific tax legislations empowering specific courts and tribunals to adjudicate on certain tax matters. Provisions are also made for arbitration. On this, the FIRS Act contains what can more or less be regarded as omnibus provisions. It establishes a Tax Appeal Tribunal clothed with the jurisdiction and power to settle disputes arising from the operations of the Act and to adjudicate on disputes and controversies arising from tax laws administered by the Service as listed in the First Schedule to the FIRS Act.⁷⁷ The tax legislations, as stated earlier, include all those listed in the schedule and other legislations on taxation in which the National Assembly may confer power on the Service.⁷⁸ Both a person aggrieved by an assessment or demand notice made upon him by the service or by any of its actions or decisions under the tax laws listed in the Schedule and the Service itself when aggrieved by the non-compliance with any provision of the tax laws, may appeal to the Tax Appeal Tribunal (TAT).⁷⁹ Proceedings before TAT is deemed a judicial proceeding and TAT is deemed a civil court for all purposes.⁸⁰ Its award or judgement is enforced as if a judgement of FHC.⁸¹ However, such award or decision is appealable to the FHC.⁸² It is also required of TAT to inform appropriate criminal prosecuting authority where its adjudication discloses evidence of possible criminality,⁸³ meaning that TAT has no criminal jurisdiction.

Worthy of mention here is the superiority of FIRS Act to the tax laws mentioned in the First schedule to FIRS Act. They are to be read, subject to the provisions of the FIRS Act and any inconsistency⁸⁴ is resolved in favour of FIRS Act.⁸⁵

Yet most of the other tax laws contain provisions on tax adjudication, some in conformity with, some in variation. Section 4 of the Industrial Inspectorate Act⁸⁶ (ITA) provides that an aggrieved person to a finding of the Director⁸⁷ of Industrial Inspectorate Division established under section 1 of the Act may require that the matter submitted to arbitration.⁸⁸ For this purpose, a sole arbitrator appointed by the Minister of Industries and agreed to by the Director and disputing party decides on the dispute. His valuation and award is binding and final as between the affected parties. Here, the arbitration and conciliation Act becomes applicable.⁸⁹ In the case of personal Income Tax Act, while it provides that TAT established under the FIRS Act has power to entertain all cases arising from its (PITA) operation, appeal in respect of assessment by a relevant tax authority to counter artificial or fictitious transaction affecting the interest of more than a tax authority lies to the Federal High Court at the instance of the person assessed to tax.⁹⁰ It is difficult to understand the departure of the latter (appeal on assessment) from the former (all cases arising from the operation of PITA). The FHC approach is also prescribed by the Petroleum Profit Tax Act (PPTA). Appeal against assessment of Appeal commissioners under section 41 of the Act lies to the federal High Court (FHC) at the instance of the aggrieved company or a person in

⁷⁶ Section 286 (1) and (2) of the Constitution.

⁷⁷ Section 59 (1) and (2) FIRS Act. See also Fifth Schedule to the Act.

⁷⁸ E.g. Personal Income Tax, Company Income Tax, Petroleum Profit Tax, VAT, etc. See Fn 29 above.

⁷⁹ See Paragraph 13 and 14 Fifth Schedule FIRS Act.

⁸⁰ Paragraph 20 (3) Fifth Schedule FIRS Act.

⁸¹ Paragraph 16 (2) Fifth Schedule FIRS Act

⁸² Paragraph 17 Fifth Schedule FIRS Act.

⁸³ Paragraph 12 Fifth Schedule FIRS Act.

⁸⁴ Including those of any other law apart from tax enactments in the schedule to FIRS Act.

⁸⁵ Section 68 (1) and (2) FIRS Act.

⁸⁶ Cap I8LFN, 2010 hereinafter referred to as IIA.

⁸⁷ In respect of investment valuation of any matter concerning his undertaking.

⁸⁸ Section 4 (1) ITA.

⁸⁹ See generally Section 4 (1) – (4) ITA.

⁹⁰ See Section 60 and 18 PITA respectively.

whose name a company is assessed or the board.⁹¹ However, the provisions of the Act does not affect criminal proceedings pursuant to any other Act or law.⁹² For VAT, aggrieved taxable person on his assessment may appeal to FIRS and thereafter appeal to TAT if not satisfied with the decision of FIRS.⁹³ However, unpaid tax, penalty or interest after the specified period for payment is recoverable by the Service through proceedings in the Value Added Tax Tribunal.⁹⁴ At best, provisions as to the Value Added Tax Tribunal can only apply in abeyance since Value Added Tax Act Cap. VILFN, 2010 makes no provisions to for VAT Tribunal due to the dissolution of the Tribunal It is reasonable to assume that unpaid tax, penalty, or interest is recoverable in the same manner, most other taxes are recoverable, as we shall see in due course. The Tertiary Education Trust Fund (Establishment Etc.) Act, 2011(TETFUND) provides for the jurisdiction of Federal High Court for offences under the Act.⁹⁵ The Stamp Duties Act favours the High Court of the State in which the assessment was made for a person aggrieved with the assessment by a Commissioner of Stamp Duties.⁹⁶ For the Company Income Tax Act (CITA) and Casino Tax Act, appeals and objections are as provided in the FIRS Act⁹⁷ i.e. to TAT.

One area of Judicial power that is of huge importance to tax authorities is the recovery of tax. For this, Companies Income Tax Act provides that action to recover tax by the service may be brought in a court of competent jurisdiction, which includes a magistrate's court provided the amount claimed does not exceed the jurisdiction of the court.⁹⁸ Some of the other tax laws align with this.⁹⁹ What do we say of this? Conferring judicial power on magistrate court on tax matters? Strictly speaking, this is not so. Power conferred here, it is submitted, is in respect of liquidated debt which could be regarded as sum certain.

3.3 State of the Attempts at Segregation

The major motive of the above-mentioned attempts is to attain an equilibrium tax system among the Nigerian Federating units free of jurisdictional controversies in its administration and adjudication. Unfortunately, this has not been achieved. Despite the various attempts, jurisdictional controversy remains a pullulating phenomenon in the administration and adjudication of tax matters in Nigeria. This is evidence in Plethora of cases in Nigerian courts emanating from jurisdictional matters relating to taxation. In the case of *A. G. Lagos State V. Eko Hotels and 1 other*,¹⁰⁰ the controversy was as to whether remittance of money collected as tax from the customers of the first respondent was payable to the Federal Board of Inland Revenue as VAT or to the Lagos State Government as Sales Tax. The Federal Board of Inland Revenue was the second respondent in the case before the Supreme Court of Nigeria. Cases like *Aberuagba V. A.G. Ogun State*¹⁰¹, *Nigerian Softs Drinks Limited V. A. G. Lagos State*¹⁰² were of the same pattern. Most disturbing of recent was the Value Added Tax controversy between the Federal Government and the Rivers State Government in which a Federal High Court in suit no FHC/PH/CS/149/2020 ruled that it was unconstitutional for the Federal Government to claim exclusive jurisdiction for collection of VAT through the Federal Inland Revenue Service. To underscore the uncertainty in the system and tax payers' confusion as to the tax authority to which taxes may be paid despite the attempted segregation, Rivers and Lagos State Government immediately enacted their VAT Laws with Lagos State VAT rate standing at 6 percent against Federal Government's 7.5 percent rate.

⁹¹ Section 42 (1) – (4) PPTA.

⁹² Section 59 PPTA.

⁹³ Section 20 (2) – (4) VAT Act.

⁹⁴ Section 20 (1) VAT Act.

⁹⁵ Section 12 TETFUND Act.

⁹⁶ Section 21 (1) Stamp Duties Act.

⁹⁷ See for examples section 6 (3) Casino Act

⁹⁸ Section 87 (1) and (2) CITA.

⁹⁹ In the same vein with PITA in sections 86 – 93 on Personal Income Tax.

¹⁰⁰ [2018] 7 NWLR (pt. 619) 518 (SC).

¹⁰¹ [1997] NRLR 1 (SC).

¹⁰² [1987] 2 NWLR (pt. 57) 444.

Even at that, ‘the Federal Inland Revenue Services did not refrain from threatening whoever paid VAT to any authority other than itself’.¹⁰³

Unfortunately, this orgy of controversy has extended to judicial intervention in resolving tax disputes, especially in relation to the extent of jurisdiction of various tax tribunals established from time to time. The typical one here was the Value Added Tax Tribunal established under the Second Schedule to VAT Act. While it lasted, there existed a sort of cat and mouse relationship between it and the regular courts (especially the Federal High Court). This is in spite of the fact that tribunals are constitutionally recognized and conferred with power of adjudication.¹⁰⁴ But in respect of the Value Added Tax Tribunal, the main issue was whether it could exercise jurisdiction on issues touching on the Federal revenue in the face of the constitutional provisions conferring exclusive jurisdiction on the Federal High Court in civil cases and matters relating to the revenue of the Government of the Federation in which the said Government or any organ thereof or a person suing or being sued on behalf of the said Government is a party’.¹⁰⁵ The Court held it could not in the case of *Stablimi Vision Limited VFBIR*.¹⁰⁶ This decision appeared to have been followed in the case of *Cadbury (Nig.) PLC VFBIR*¹⁰⁷ where the Court of Appeal nullified a recovery proceeding before the VAT Tribunal on the ground that the VAT Tribunal had no jurisdiction to sit on VAT matters since they touched on Federal Revenue exclusively reserved for the Federal High Court.

Today, the VAT Tribunal has been replaced with the Tax Appeal Tribunal.¹⁰⁸ Tax Appeal Tribunal is no longer solely for VAT. It now encompasses major tax related matters as earlier pointed out. One of the grounds of attacks unleashed on it (VAT Tribunal) was the finding that it was not an Administrative Tribunal for having appeal against its decision lying directly to the Court of Appeal instead to the Federal High Court. Perhaps as a response to this, appeal against the decision of TAT now lies to the Federal High Court.¹⁰⁹ But this appears to be new wine in old bottles. Right of appeal is limited to decisions on point of law. Appeals usually arise either on point of law or fact. The implication of this is that where the grounds of appeal are matters of fact, the dissatisfied person is not covered by the appeal window provided above. The reasonable inference here is that fifth schedule to FIRS Act is not conferring jurisdiction on TAT on certain matters bordering on tax laws listed therein but as well making its decisions on those matters final where they are strictly matters of fact and not of law. Then we are back to square one concerning the controversies surrounding the constitutionality of the jurisdiction of the dissolved Value Added Tax Tribunals on matters touching on the Federal Revenue, and that is even if not worse. Of further concern is that it is not only in TAT that such constitutionality controversy harboring protective collusion exists. There are many other in some tax laws. Perhaps suffice to mention Industrial Inspectorate Act (IDA) which makes investment valuation by the sole arbitrator appointed by the Minister (through agreed to by the Director and the disputing party) and award therein binding and final as between the parties.¹¹⁰

¹⁰³ See S.F. Ojomu, ‘Modern Trends in Optimizing Fiscal Policy and the Economy via Taxation: Wither Nigeria?’ [2023] (13) (3) *Serbian Research Journal of Education, Humanities and Developmental Studies*.

¹⁰⁴ See Section 36 (1) of the Constitution.

¹⁰⁵ Section 251 (1) (a) of the Constitution.

¹⁰⁶ [2009] 23 NWLR (pt. 1157) 220.

¹⁰⁷ [2010] NWLR (pt.117) 561.

¹⁰⁸ See Order 5 Tax Appeal Tribunals (Establishment) Order, 2009.

¹⁰⁹ See paragraph 17 Fifth Schedule FIRS Act.

¹¹⁰ Section 4(1) – (4) IDA.

4.0 Analysis of Factors Behind Pullulation in Controversies in Adjudication and Administration of Taxes.

In the course of this research, certain factors have been identified as the overriding factors responsible for the increased intensity in the controversies surrounding administration and adjudication of tax matters. The major ones are here underlisted:

i. Faulty Federalism

The kind of federalism Nigeria practises can at best be described as a bastardized form of federalism. It is a federalism in which the central government is entrusted with almost every power except those powers it is willing to concede to the other federating units. A typical example can be seen in the recent judgement of the Nigerian Supreme Court attempting to establish a direct link between the Local Councils and the Central Government. In Undiluted federalism, the prerogative for the creation and maintenance of Local Councils belongs to the State. There is a rumor attempt by the National Assembly to make law establishing a central electoral body to conduct election into local councils in Nigeria in spite of the constitutional provisions to the effect that ‘the Government of every state shall, subject to section 8 of this Constitution, ensure their¹¹¹ existence under a Law which provides for the establishment, structure, composition, finance and functions of such councils’.¹¹² While the attempt at establishing a central electoral body for local councils may at this stage be dismissed as a rumor, not a few have welcomed the idea. This idea of polluted federalism runs through every strata of Nigerian federalism leading in some cases to no clear-cut provisions on some matters, tax inclusive e.g. Value Added Tax.

ii. Dwindling Oil Revenue

before now, Nigeria was almost a mono-economy nation. Oil has been at the centre stage of revenue drive resulting in all the tiers of government focusing on oil money with little or no attention to other sources. However, vagaries in international oil prices especially in time of lull in the market has taught Nigeria a bitter lesson on how not to relent too heavily on a sole outlet for revenue generation. The main fall out of this is that there is now increasing look at non-oil revenue sources with the resultant effect of conscious struggle among the tiers of government to harness hitherto neglected avenues for resources. This cannot but create a scramble for control of linkages to resources among the tiers.

iii. Inconsistency and Inelegancy Legislative Drafting

This appears to be the greatest undoing in tax administration and adjudication today. Some of the provisions are inelegantly drafted and so easily lead to equivocation and/or inconsistency. For example, section 106A of PITA provides to that:

106A (2) The National Assembly may upon a proposal by the president, impose reduce, withdraw or cancel any rate of tax duty or fee chargeable as specified in section 40 and Second Schedule of this Act and in accordance with section 59(2) of the 1999 Constitution.

This appears to be unmindful of the fact that Taxes and Levies (Approved List for collection) Act has divided personal income tax collection between the Federal Government and the State.¹¹³ Now, the question is if the power to collect some parts of personal income tax is statutorily ceded to the states in a specific manner, can the National Assembly still exercise the sweeping power of withdrawal, cancellation, reduction, imposition conferred by section 106A above? This is particularly so considering the wordings of section 2 of the Taxes and Levies Act to the effect that notwithstanding the provisions of

¹¹¹ That is, local councils.

¹¹² Section 7 (1) of the Constitution.

¹¹³ See item 8 part 1 and item 1 part 11 of the Schedule to the Tax and Levies Act respectively.

any other statute (including even the Constitution) 'no person other than the appropriate tax authority, shall "assess"¹¹⁴ or collect, on behalf of the Government, any tax or levy listed in the schedule to this Act'.¹¹⁵ This implies that power to collect incorporates power to assess. This is also evident in section 43 of the Capital Gains Tax which endorses similar provisions despite the fact that Capital Gains Tax is subject to the collection of the Federal and State Governments.¹¹⁶ Casino Taxation Act throws a heavier challenge. Despite the fact that Tax and Levies Act does not confer power of collection (including assessment) on the Federal Government but the State,¹¹⁷ the sweeping power of the former exist at least in areas of recovery of the Tax, prosecution and liability.¹¹⁸

Regrettably, the challenge is not limited to statutory inelegance and equivocation. There are glaring inconsistencies. For example, it is difficult to see how sections 1 and 2 of the Taxes and Levies Act will override the Constitution despite the Supremacy of the latter affirmed in its section 1(1) - (3). Agreed that it was a legislation enacted by the military, there have being ample chances to amend the offensive provisions contained therein. At least there was amendment to the Act in 2015 i.e. Taxes and Levies (Approved List for collection) Act (Amendment) Order, 2015. Also, the Federal High Court will continue to jealously guide its exclusive jurisdiction in civil cases and matters relating to the revenue of the Government of the Federation¹¹⁹ notwithstanding anything contained in any Tax Law.¹²⁰ In the same vein, provisions in the tax laws abridging right to fair-hearing will continue to suffer judicial disapproval for being inconsistent with section 36 of the Constitution. This is a kind of controversy provisions contained in for examples paragraph 17 of the Fifth Schedule to FIRS Act allowing appeal from the decision of TAT only on point of law and section 4 of the Industrial Inspectorate Act making investment valuation of the sole administrator and award therein binding and final on the parties will generate.

iv. Political Ego and Rascality Established on Supercilious Perception of Authority

There is too much triumphalism in the relationship between higher and lower authorities in Nigeria. While the Federal authority perceives the states as juniors in federal association, States perceive the local councils as existing by their (states) grace. And so, the tendency for the higher to encroach on the authority of the lower is real and alive. That is why for example unperturbed by the outcry of the local councils and in spite of the statutory provisions to the contrary, states continue to collect motor park levies and wrong parking charges to the detriment of Local Councils saddled with that responsibility.¹²¹ Of recent, the federal government proclaimed it's resolve to save the local councils from the state governments.¹²² Let it be added that the Federal Government may as well need to act to save a local council from itself as we have many Local Councils Development Areas (LCDA) within some local government in many states of Federation.

v. Penchant for Quasi-Judicial Administrative Bodies in Preference to Full Fledge Judiciary

Due to the level of control been exercised by the administration on administrative bodies exercising quasi-judicial power, there is growing love for their establishment especially under military administrations while it is not totally out of place to establish quasi-judicial bodies since it may be constitutional to do¹²³, that cannot be used to displace omnibus provisions on judicial powers contained in

¹¹⁴ Quoted for the sake of emphasis.

¹¹⁵ Section 2 (1) of the Taxes and Levies Act.

¹¹⁶ See item 6 part 1 and item 3 Part 11 of the Schedule to Taxes and Levies Act.

¹¹⁷ Item 5 Part 11 of the Schedule to Taxes and Levies Act.

¹¹⁸ See Sections 13, 23 and 25 of the Casino Taxation Act.

¹¹⁹ To which most civil cases and matters on federal taxes belong.

¹²⁰ Consider section 251 (1) of the Constitution along this line of argument.

¹²¹ See for examples items 9 and 16 Part 111 of the Taxes and Levies Act.

¹²² Sometimes with steps not in tandem with Federalism.

¹²³ See for example section 36 of the Constitution.

section 6 of the Constitution which confer on the courts the authority to exercise judicial powers. This is more so when those courts are listed as superior courts with unlimited jurisdiction. So, if administrative body should ever exercise judicial power, it should be for the sake of convenience when it appears that no other things will do. Courts are not expected to surrender their judicial powers to administrative bodies or tribunals at the whims and caprices of the administration as could be seen above in the TAT and Federal High Court relationship.

vi. Corruption, Idleness and Favouritism

There is a systemic corruption in Nigeria in which no strata is spared. This appears to be very pronounced in administration as well as Judiciary and bodies exercising quasi-judicial power. The prospect of gratification from the exercise of power has made many a judicial or administrative body to lust for jurisdiction, especially the not so busy ones, even when it is glaring to them that they lack authority to adjudicate on or administer a subject matter of tax. Where not for graft, the temptation to intentionally assume jurisdiction wrongly to favor or protect certain interests or tendencies is usually alive today. This reasoning cannot be dismissed as being exaggerated in a nation where ordinary chieftaincy matter (as in Kano State) and defection of certain members of House of Assembly (as in Rivers State) are tearing the State High Court and the Federal High Courts apart.

No doubt, the above and other factors too numerous to mention constitute heavy challenges to the smooth course of tax jurisdiction. The challenges, if left unaddressed are bound to make tax system in Nigeria less effective and less sub optimal. They encourage tax evasion and avoidance. This research holds the opinion that one of the best ways to address the challenges is to tap from a federal model where this appears, though not perfectly, to have been better done than Nigeria Globally United States of America is considered by many as one of the best models of federalism, hence the resolve of this research paper to highlight a few points about American tax system considered apt for our purpose.

5.0 Low Down on American Tax System

But for recent events and episode in that Federation, USA (as United States of America is fondly called) has displaced impressive knowledge of Democratic Federalism from which most other nations of the world may tap. To avoid over concentration of powers, the US Constitution clearly divides the government into three branches i.e. legislative, executive and judicial. Also, states possess a large measure of sovereignty side by side with the national government with each having its sphere of responsibilities though with overlapping areas between the three jurisdiction i.e. federal, state and local jurisdictions.

Tax system in America is fashioned along this line. Article 1 section 8 Clause 1 of the American Constitution empowers the Congress to lay and collect taxes, duties, imposts and excise for the purpose of paying the debts and maintain the common welfare and defence of the US. This gives the Congress enormous tax Powers which it has exercised from time to time to raise revenue from varying sources such as individual and corporate. Incomes, payroll and excise taxes, estate and gift taxes. Such taxes are collected on its behalf by the United States Internal Revenue Service.

No doubt, this power appears sweeping and encompassing¹²⁴, but it is not without limitation and has been so limited by the courts in many instances especially as to the manner of exercise the power and the subject matter involved.¹²⁵ Due principally to this limitation, the power is incapable of being pressed

¹²⁴ See for example *Brushaber v Union Pac R.R.* 240 U.S.1 at page 12 [1916].

¹²⁵ See for example the cases of *Balley v Drexed Furniture Company* 259 U.S. 20at 36 - 37 [1922]; *United States v Constatine* 296 US 287 at 293 – 294(1935). Cases cited with approval in Constitution Annotated, ‘Overview of Taxing Clause’ <<https://constitution.congress.gov>>accessed 27 June 2024.

to use to suffocate other tiers of government. Today in USA, there is considerable liberality in favour of each level of government in determining the scope and manner of taxation. Both the states and national government levy income tax in varying forms with the resultant effect that a tax payer files both Federal and State income tax returns which may be due the same day. Even at that, there are some states in US without a state income tax.¹²⁶ Also, there are Federal and State excise taxes, estate and gift taxes.

Interestingly, most federal revenue comes from income taxes and there is no Value Added Tax i.e. national sales tax does not exist. In America, the VAT which is a serious matter of conflict between the States and Federation in Nigeria, is administered by the states and local governments in form of sales tax which the tax varying from state to state. Sale tax is so liberalized in US to the extent that Cities and Counties allowed to impose addition to the State Sales tax and keep the difference.¹²⁷ Perhaps important to add is that not only are the state rules as to taxable income differ from Federal rules, State taxes are considered in general as deductible expenses when computing liability for federal taxes¹²⁸ subject to limitation that may be imposed.¹²⁹

In the adjudication of tax matters, there is a clear cut allocation of judicial responsibility in US. The US Tax court¹³⁰ specializes only on Federal tax cases at the trial level and is complimented by the US District Court and Court of Federal Claims. While undoubtedly a Federal Court, the US Tax Court has jurisdiction over tax matters arising from different locations in the country. Appeals from the decisions of the three courts lie. to the United States Courts of appeals. The Courts of Appeals jurisdiction is streamlined in a manner that reduces conflict and controversy among the Courts. For examples, the Court of Appeal that hear appeals from US Tax Court is the Court of Appeal for the Circuit in which the tax payer resides; appeal from the District Court decision is decided by the Court of Appeal in the Circuit the District Court seats, the US Court of Federal Claims decisions lies to the Court of Appeal for the Federal Circuit. Yet none of these Appeal Courts has a finality of decision as their decisions are subject to the US Supreme Court.¹³¹ This is to say that there are at least five clear Federal Courts exercising original and appellate jurisdictions on tax matters up to the Supreme Court unlike the Nigerian case with undue premium on administrative body sometimes clothed with finality of decision contrary to constitutional provisions.

6.0. Summary, Recommendations and Conclusion

This paper has established the reality of jurisdictional controversies in administration and adjudication of tax matters in a Federal Nigeria. It has also pinpointed major factors exacerbating the controversies. It argues that leaving the situation unaddressed is a recipe for inequitable and ineffective tax system. It portrays American tax model in better light than that of Nigeria. It is in the light of the above that the paper recommends as follows:

- (1) The best approach in solving a problem is by identifying the root cause of a problem. Factors escalating judicial/administrative controversies in tax matters have been identified in this research. It is recommended that proper steps are taken to address those factors. This will among other steps entail proper update on tax legislations to avoid confusion, inelegance and inconsistency. A statute that continues to refer to an institution already deleted or expunged by subsequent legislations gives evidence of lack of proper update. This is seen, for example in section 43(2) of the Capital Gains Tax Act (CGTA) which makes appeal against any assessment

¹²⁶ See for examples States like Texas and South Dakota.

¹²⁷ See generally 'Taxation in United States' available at <en.m.wikipedia.org>

¹²⁸ F n 127

¹²⁹ For example the Tax Cuts and Jobs Act of 2017 imposing a maximum of 10,000 dollars deduction from 2018 – 2025.

¹³⁰ Hitherto known as Board of Tax Appeals prior to 1943.

¹³¹ See generally U.S. Tax Courts <<https://guides.11.georgetown.edu.ng>>

in respect of Capital Gains Tax lie to the Body of Appeal Commissioners established under section 71 of CITA despite that body being deleted in that section of CITA: despite Order 5 of the Tax Appeal Tribunals (Establishment) Order, 2009 which provides that 'pending proceedings before the dissolved Body of Appeal Commissioners and Value Added Tax Tribunals are hereby transferred to Tax Appeal Tribunals'. This portrays lack of currency in some tax legislations. Proper steps will also entail adherence to substances of true federalism, avoidance of Political ego and rascality among tiers of government as well as concerted efforts by the various tiers of government to initiate manageable and equitable new heads of revenue to reduce the scramble for the existing ones.

- (2) No country is comfortable with being a copycat of another country. But we are now in a global world where no country operates in isolation of others. That the world is now a stage has enabled countries to tap useful tips from others especially in matters that are more or less of universal dimension such as federalism. It is on the basis of this that this paper recommends useful lessons from the American tax system in a federal government highlighted above for adoption in Nigeria. While this paper does not call for Zombie-like adoption, there is no way the American model enumerated above can be totally devoid of any useful lesson to a Federal State like Nigeria. Good lessons therein can be adopted with necessary modifications to suit peculiar circumstances.

This paper is concluded on a cautionary note that it does not portray exhaustive knowledge of the matters being discussed. Of course the paper will be seen to have met its objective in a happier mood if it provokes further thoughts and research on the subject matter of discussion. However, the research is of firm believe that much could be achieved in tackling jurisdictional problems in tax adjudication and administration if proper consideration is given to observations, findings and recommendations highlighted in the paper. Problems of jurisdiction in tax matters are not insurmountable problems.

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