



# OYO STATE OF NIGERIA

## OYO STATE INTERNAL REVENUE SERVICE

P.M.B. 5147, STATE SECRETARIAT, IBADAN

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*Further correspondence on this matter  
should be addressed to the Chairman,  
Board of Internal Revenue, quoting*

*Our Ref. No:.....*

### REGULATORY PROCESSES OF WITHHOLDING TAX IN OYO STATE INTERNAL REVENUE SERVICE

#### INTRODUCTION:

Withholding Tax is a form of advance payment of income tax. It is a payment on account of the ultimate income tax liability of the taxpayer or company. Withholding tax (WHT) is not a separate tax on its own and does not confer an exemption from the filing of annual tax returns by any Individual company which had suffered WHT deductions. The WHT is normally deducted at source when payment is to be made to a beneficiary.

The organizations making the payments are required to withhold tax from such payments and pay over the withheld amounts to their respective relevant Tax Authorities on or before the 21<sup>st</sup> day of every succeeding month the receipt of payment or credit by the person or entity suffering the Tax.

#### APPLICATION OF WITHHOLDING TAX

Sections of CITA and PITA that provides for the deduction of withholding tax at the applicable components and rates as below.



## Withholding Tax Components and Rate (%):

Withholding Tax on Contract and Supplies	-	5% on contract sum
Withholding Tax on Commission	-	5% on commission Paid
Withholding Tax on Interest on Deposit	-	10% on Total Interest
Withholding Tax on Professional Fees	-	5% on Fees Payment
Withholding Tax on Director's fees	-	10% on Total Director Fees
Withholding Tax on Royalty	-	5% on Total Payment
Withholding Tax on Dividend	-	10% on Total Dividend
Withholding Tax on Rent/ Hire/lease	-	10% on total value on Rent/Hire/Lease

**Revenue Code:** The appropriate revenue codes for each of the revenue items of Withholding Tax should be used for each revenue components for the Withholding tax payment as stated below:

S/N	WHT TAX COMPONENTS	REVENUE CODE
	Withholding Tax on Contract and Supplies	4010005
	Withholding Tax on Commission	4010005A
	Withholding Tax on Interest on Deposit	4010005B
	Withholding Tax on Professional Fees	4010005C
	Withholding Tax on Director's fees	4010005D
	Withholding Tax on Royalty	4010005E
	Withholding Tax on Dividend	4010005F
	Withholding Tax on Rent/ Hire/lease	4010005G

## **Method of Payment:**

The tax deducted on Withholding Tax from individual, ventures and enterprises are paid directly to Oyo state Government designated Commercial banks with appropriate revenue code designed for each revenue items. The electronic receipt of payment will be collected from the bank within 48 hours where the payment is made or using OYIRS online payment <http://payment.oyostatebir.com>. Once the payment is made, it will reflect immediately on the REEMSONLINE, the platform designed by the State Government to monitor all the remittances. The overall process shall take effect within Two weeks or fourteen (14) days at maximum.

## **SUBMISSION OF MONTHLY RETURNS:**

The period for filing WHT monthly return is 21 days after the duty to deduct arose for] deductions from individuals and companies (Enterprises and Ventures)

In the event of failure to remit the taxes withheld within the due date, a penalty of 10% and interest at bank base lending rate of the amount not deducted/remitted shall apply in accordance with sections 76 and 77 of PITA LFN 2004, as amended

Note. that companies are required to submit, in electronic form, a schedule of all their suppliers for the month showing the tax identification number (TIN), address of the suppliers, the nature of the transaction, WHT deducted, and invoice number.

## **NOTICE OF UPCOMING CHANGES:**

In case of any likely change(s) to any of these process, you shall be given (2) two weeks' notice.

## **GENERAL INFORMATION:**

For further enquiries: Call Mr. Adio S. O on 08032822236 or send mail to [withholdingtaxesoyostateirs@gmail.com](mailto:withholdingtaxesoyostateirs@gmail.com)



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Executive Chairman