



2023

KWARA STATE INVESTMENT INCENTIVES INVENTORY

A. GENERAL INFORMATION

Sl. No	Name or title of the incentive measure	Description of Incentive Benefits	Year Incentive introduced	The name of the legal document / legal reference instrument	Incentive Duration or Mode	Sector	Federal level / State Level	Implementing Agency or Comptroller Authority	Eligibility or Qualification criteria (description)	Awarding Agency or Authority in charge of allocation (if any)	List of Beneficiaries
1	Pioneer status incentive	Under IDITRA, companies engaged in industries/products appraised as 'pioneer industries/products' shall be (a) granted income tax relief for three years, which can be extended for one year, and thereafter another one year, or for one two year duration 10(2)(b) (b) IDITRA; (b) exempted from paying tax on dividends, interest, royalties, and carry-over losses to the extent of 100% of the amount of income exempted from tax (Section 17(3) IDITRA); and (c) the losses incurred during the tax relief period is also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax-exempt period.	20	Section 10 and 17 of the Supplement to Official Gazette No. 5, Vol. 51, 9th January, 1964 - Part B, L.N.2 of, 1964 - ee 400 Lg INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT (CAP. 87) Industrial Development (Income Tax Relief) (Year) Order, 1964	Tax Holiday for 3 years	Industrial Development	Federal	-Nigerian Investment Promotion Commission - Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment - Federal Inland Revenue Service	i. applications must be made within the first year of operational activities; ii. applicant must be engaged in activities listed as pioneer industry or product; iii. refer to the detailed list of pioneer industries and products in the schedule; iv. the sum total of assets of the company must be N100 million (N100 million) shall be deemed as substitutable; v. applicant must demonstrate the tangible impact its activity (project) will have on Nigeria's economic diversity and growth; Industrial and Export Development; vi. application must be made full and complete; vii. export, development and import substitution; viii. applicant must provide evidence of registration, legal and administrative compliance; viii. documentation; vi. application must make full payment of fees promptly, when due vii. during the pioneer period, a performance report must be submitted to NIPC monthly or monthly and available on NIPC website	Nigerian Investment Promotion Commission - Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment - Federal Inland Revenue Service	2
2	Rust investment allowance	Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tariff road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the appropriate rate as follows: No facilities at all 100% No water 50% No electricity 50% No tariff road 50%	20	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act, 1961 and to make other provisions relating thereto, [No. 28 of 1979, No. 11 of 2007] [Date of commencement: 1st April, 1977]	Tax Exemption with no time limit	Agriculture, Manufacturing, Health	Federal	Federal Inland Revenue Service	i. the company must be located at least 200 kilometers away from such facility; ii. the facility must be physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria; iii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated in Nigeria	Federal Inland Revenue Service	1
3	Value Added Tax Exempt on Unprocessed Food Items	Outright exemption from VAT for any unprocessed staple food item, whether or not it is packaged. This, to note, means that it must be raw and not VAT, it must be a staple food item, and it must be unprocessed. Staple food is food that can be easily stored, and eaten throughout the year by a dominant part of population. They include carbohydrates, wheat, barley, rice, potatoes, tinned food, milk, and things that do not need to be refrigerated.	19	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto, [1993 No. 102] [1st December, 1993] [Commencement]	Tax Exemption with no time limit	Agriculture and Food production	Federal	Federal Inland Revenue Service	i. To be eligible, the goods must be physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria; ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated in Nigeria	Federal Inland Revenue Service	3
	Value Added Tax Exempt on all medical and pharmaceutical products	Outright exemption from VAT for all medical and pharmaceutical products	19	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto, [1993 No. 102] [1st December, 1993] [Commencement]	Tax Exemption with no time limit	Medical and Pharmaceutical	Federal	Federal Inland Revenue Service	i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria; ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated in Nigeria	Federal Inland Revenue Service	NIL
2	Value Added Tax Exempt on all Baby Products	Outright exemption from VAT for all Baby Products	19	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto, [1993 No. 102] [1st December, 1993] [Commencement]	Tax Exemption with no time limit	Baby products	Federal	Federal Inland Revenue Service	i. To be eligible, the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria; ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated in Nigeria	Federal Inland Revenue Service	2
1	VAT Exempted on other goods	VAT Act list the following goods exempted from VAT: (a) Books and educational materials, stationery, office equipment; (b) All exports; (c) Parts and machinery imported for use in Export Processing Zones; (d) Plants, machinery and equipment purchased for utilization in gas down-stream petroleum operations; and (e) Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.	19	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto, [1993 No. 102] [1st December, 1993] [Commencement]; Finance Act 2019	Tax Exemption with no time limit	Agriculture/ Farming	Federal	Federal Inland Revenue Service	i. To be eligible, the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria; ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated in Nigeria	Federal Inland Revenue Service	1
2	VAT Act exempted on specific services	VAT Act list the following services exempted from VAT: 1. Medical services; 2. Services rendered by Microfinance Banks, People's Banks, and Mortgage Institutions; 3. Plays and performances conducted by educational institutions as part of learning; and 4. All exported services. 5. Tuition relating to the nursery, primary, secondary and tertiary education. 6. Airline transportation tickets issued and sold by commercial airlines registered in Nigeria. 7. Hire, rental or lease tractors, ploughs and other agricultural equipment for agricultural purposes.	19	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto, [1993 No. 102] [1st December, 1993] [Commencement]; Finance Act, 2019	Tax Exemption with no time limit	Agriculture, Hospitality, Financial Institution (Microfinance Banks and Mortgage Institution)	Federal	Federal Inland Revenue Service	i. To be eligible, the service is rendered in Nigeria by a person physically present in Nigeria at the time of supply; ii. inspection of the jurisdiction of origin of the service, where the service is rendered in a foreign country, the service is rendered in Nigeria at the time the service is rendered, or the service is consumed in Nigeria or whether or not the legal or contractual obligation to render such service arises in Nigeria or the service is rendered in Nigeria; iii. the service is connected with existing immovable property (including the services of operating, maintaining, repairing, cleaning, values, etc.); where the property is located in Nigeria; iv. can be inferred from information provided that the consumer usual place of residence is Nigeria	Federal Inland Revenue Service	2
	Enhanced capital allowance (tax depreciation) regime	(a) 50% capital allowance is enjoyed in the year qualifying expenditure is incurred pursuant to Paragraph 24 Table 1 & 2 Second Schedule of CITA (b) Companies engaged in wholly agricultural activities are entitled to unrestricted capital allowances pursuant to Paragraph 24 (7) CITA (c) Companies engaged in wholly agricultural activities are entitled to carry forward utilized capital allowances indefinitely.	20	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto, [No. 28 of 1979, No. 11 of 2007] [Date of commencement: 1st April, 1977]	Year of qualifying expenditure	Agriculture	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on Agriculture	Federal Ministry of Agriculture and Rural Development	NIL
1	Exemption from minimum Corporate Tax	Section 33(3) of CITA, exempts the income of a company carrying on agricultural trade from payment of minimum tax	20	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto, [No. 28 of 1979, No. 11 of 2007] [Date of commencement: 1st April, 1977]	Tax Exemption with no time limit	Agriculture	Federal	Federal Inland Revenue Service	Conditions, manner and procedure for exercising the right of exemption as regulated by the COMPANIES INCOME TAX ACT Section 33(3) and explained in Section 11(4) [Substituted by Finance Act, 2020's (b)(ii)] Explaining agricultural products to include (a) primary crop products comprising the production of raw, crude or dried fruits, but excluding any intermediate products or any other associated manufactured or derivative crop product; (b) primary livestock products comprising the production of live animals and their products, such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other associated manufactured or derivative livestock products; (c) primary forestry products comprising the production of timbers of various kinds, such as firewood, charcoal, uncultivated materials gathered and processed products of woods, including seeds and saplings; (d) mining products comprising the final processing of timber and any other manufactured or derivative timber products; and (e) primary fishery products comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any manufactured or derivative fish product."	Federal Ministry of Agriculture and Rural Development	1
2	Company Income Tax Exemption for Solid Minerals mining	Section 36 Company Income Tax Act provides that a new company going into the mining of solid minerals shall be exempt from tax for the first three years of its operation.	20	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto, [No. 28 of 1979, No. 11 of 2007] [Date of commencement: 1st April, 1977]	Tax exemption for first 3 years	Solid Minerals	Federal	Federal Inland Revenue Service	All new companies going into mining of solid minerals are eligible, they must apply to the Federal Inland Revenue Service and a certificate shall be issued to the applicant to qualify for the exemption.	Federal Inland Revenue Service	2
3	5% accelerated capital allowance	Second Schedule CITA provides accelerated capital allowance at 5% of qualified capital expenditure on Mining in the first year of use of the asset.	20	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the COMPANIES INCOME TAX ACT 1961 and to make other provisions relating thereto, [No. 28 of 1979, No. 11 of 2007] [Date of commencement: 1st April, 1977]	First year of use of asset	Solid Minerals	Federal	Federal Inland Revenue Service	All companies that incur qualifying capital expenditure on mining	Federal Inland Revenue Service	NIL
3	Downward Review of Right of Way (ROW) Charges	Reduction of Right of Way fees, of laying Fibre Optic in the state from N5000 to N1 per square meter	20	Executive Approval - https://e-kwara.nigerianrevenuecommission.gov.ng/Content/Upload/2022/12/Executive-Approval-Right-of-Way.pdf	continuous and at any time afterropic is laid in the state	Telecoms	State	Kwara State Geographic Information Service/ Kwara State Internal Revenue Service	All Telecommunication companies.	Kwara State Geographic Information Service/ Kwara State Internal Revenue Service	3



