



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW
DEPARTMENT OF PUBLIC LAW
2020_1 EXAMINATION

COURSE CODE: PUL433

COURSE TITLE: LAW OF TAXATION 1

CREDIT UNITS: 4

TIME ALLOWED: 3 HOURS

INSTRUCTION: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 (THREE) QUESTIONS. (QUESTION 1 (ONE) ATTRACTS 25 MARKS, WHILE OTHERS ARE 15 MARKS EACH)

1. Progressive Welfare Age Grade constitutes of able-bodied young men of Umuebe Community. It is the youth wing of the traditional authority of Umuebe Community. The Progressive Age Grade is so vibrant and has been commended for series of developmental projects. Just recently, it embarked on the building of a gigantic Town Hall for town meetings and other programmes involving the community. To this effect, the Age Grade after due consultation with the entire leadership of the community, has concluded to tax every member of the group in order to raise fund for the building. In keeping with their decision, each member is to pay a sum of N20, 000.00 for this gigantic project. However, Comrade *Olokolo* has challenged the decision of the Age Grade arguing that the proposed collection amounts to tax, which according to him is the exclusive reserve of the government. *Olokolo* as a local activist is making serious plans now to drag the community heads and the Age Grade officials to court over the matter.
 - (a) In order to clarify the issues, with the aid of case law and other authorities, supply at least three working definitions of the term 'tax.' **12 Marks**
 - (b) From the definitions above, advise Comrade *Olokolo* on when a levy can be regarded as tax. **8 Marks**
 - (c) Differentiate between neutrality and certainty of tax. **5 Marks**
2. It has been stated that the introduction of the concept of tax portends good omen to our modern society. In fact, the importance of tax to our contemporary society cannot be overemphasized. It therefore behooves the Nigerian society to ensure that the best tax system is entrenched and applied for a better and economic vibrant nation. As a way of encouraging the Nigerian citizens to pay their tax always, carefully discuss the importance of tax in an egalitarian society. **15 Marks**
3. Tax is broadly categorized into two. Vividly discuss them. **15 Marks**

- 4.(a) Tax has been hailed for its numerous benefits to any national economy. However, for a successful operation and implementation of every tax system, two components are indispensable and must be adequately considered by the concerned authority. Identify and briefly discuss these components of tax. **10 Marks**
- (b) State five relevant tax authorities you know. **5 Marks**
- 5.(a) Give a brief definition and ascertainment of Income Tax. **10 Marks**
(b) There are two basis period for determination of assessable income. Mention them. **5 Marks**
6. Write short note on Tax Concessions as a form of deduction allowance. **15 Marks**