



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
FACULTY OF LAW
DEPARTMENT OF PUBLIC LAW
2017_2 EXAMINATION QUESTIONS
JANUARY 2018

COURSE CODE: PUL433

COURSE TITLE: LAW OF TAXATION 1

TIME ALLOWED: 2 ½ HOURS

**INSTRUCTION: ANSWER QUESTION 1 (ONE) AND ANY
OTHER 3 (THREE) QUESTIONS. (QUESTION
1 (ONE) ATTRACTS 25 MARKS)**

1. Chike and Umaru are two close friends who have been overtly opposed to the idea of taxing the citizens. They have in many occasions argued against the introduction of tax system into the Nigerian society. To them, tax has no benefits whatsoever to the masses as the proceeds therefrom are only used to enrich the government and its officials. Consequent on this reasoning, both Chike and Umaru have over four years refused to pay their taxes and deliberately eluded tax agents for proper assessment and taxing.

- (a) As a student of law of taxation, give a legal advice to Chike and Umaru on the reason(s) for the introduction of taxation system and show the overriding importance of taxation to the general society.
- (b) What is the possible legal implication of Chike and Umaru's actions?

2. (a) Define the term 'Tax'

(b) State at least five ingredients of an ideal/good tax.

3. (a) Obikpo Nigerian PLC is a popular and registered company operating in Enugu Nigeria. The tax authority in Enugu is making serious efforts to assess and determine the tax payable by Obikpo Nig. PLC for the year 2017. As a student of law of taxation, advice the tax authority on the best way to assess and duly tax Obikpo Nig. PLC.

(b) Mention any two types of income you know.

4. (a) What do you understand by ‘deduction allowable’ according to section 20 of the Personal Income Tax Act?

(b) List any five expenses which are allowable and deductible in tax assessment according to section 20 of the Company Income Tax Act.

5. There are two components of any taxation system of a given society. These include the relevant law guiding the system and the administration of the said laws. With this in mind, succinctly discuss any three relevant tax laws in Nigeria.

6. Romchi has come to seek your advice on what seems to be an injustice by the State tax agents. The tax agents in his State have severally demanded for the detail of Romchi’s registered business which has been making wave in the town. Romchi has vehemently argued that the tax agents should have nothing to do with his registered business which according to him is not a person and no tax should be levied on it by the government.

(a) From the above complaint, who is an ‘assessable person’ in the law of taxation?

(b) List at least five ‘taxable persons’ you know.

