



QUALITY EDUCATION FOR DEVELOPMENT

EDO UNIVERSITY LAW JOURNAL

VOL. 1, 2018

CONTRIBUTORS AND ARTICLES

Beyond Sentencing: An Assessment of the Theories of Punishment Under Nigerian Criminal Law <i>Omolade Oniyinde Ph.D, Preseley Efe Idahosa, Taiye Joshua Omidoyin</i>	1-14
An Analysis of Municipal and International Taxation of NIGERIA Entertainers and Sportsmen <i>E.A. Adesina, Olufemi Abifarin Ph.D, J.O. Olatoke Ph.D SAN and N.O.A Ijaya,</i>	15-44
A Comparative Analysis of Control of Public Funds by the Legislature. <i>Banji Aderemi Ph.D, R. O. Moses-Oke and Funmilola Akeremi</i>	45-80
Examination of Corporate Best Practices in Multi-Generational Family Businesses in Nigeria and Trans-Generational Transfers <i>Ngozi Oluchukwu, Odiaka.</i>	81-110
Dissolution of Statutory Marriage in Nigeria; Always Remainder One <i>Osaghale D. M. Ph.D</i>	111-135
Doctrine of Priority of Estate and It's Application to Specific Statutory Land Transactions in Nigeria <i>Dr. Solomon O. Afolabi, Ph.D</i>	136-158
Sexual Harassment: A Commentary on the Position of the Law in Nigeria <i>Ananrewaju Aladeitan and Everate Ikoko</i>	159-174
A Critical Analysis of the Edo State Private Properties Protection Law 2017. <i>Oaithimire Idemudia Edetalehn</i>	125-188
A Critical Appraisal of the Merits and Demerits of Litigation AND Arbitration in Nigeria's Justice Delivery System. <i>Uwakwe Abugu^{Ph.D} & Ikechukwu Ogu Ph.D</i>	189-217
The Fulani Herdsmen as Terrorists Within Nigerian Law: An Exposition <i>N.O.A. Ijaiya Ph.D, E. A. Adesina & Olufemi Abifarin Ph.D.</i>	218-247
Appraisal of Nigeria Communication Policy: Legal and Political Permutations <i>Andrew Asan Ate Ph.D, Moses Ogunade.</i>	248-261
The Legal Framework for Tax Dispute Resolution <i>Idachaba Martins Ajogwu</i>	262-282
Legal Framework Governing Relationship Between Oil Industry and Host Communities in Nigeria: An Appraisal. <i>Florence U. Masajuwa Ph.D</i>	283-314
Governmental Intervention in Corporate Governance of Corporations, A Panacea to Corporate Failures <i>Obasi Maurice N. Ph.D</i>	315-330
Examination of the Legal Frame Work of Tax Incentives in Nigeria. <i>Abanikanda Happiness Wuraola AND Folarinde Ayobami</i>	331-349
Legal Environment for Privatization in Nigeria* <i>Shittu A Bello and Ayodeji Bello.</i>	350-365
Recognition and Enforcement of Arbitral Award: Football Arbitration in Perspective <i>Olowononi, Emmanuel Oluwafemi</i>	366-384
An Assessment of the Nigerian Pension Regime <i>Simon Imoisi Ph.D</i>	385-411

AN ANALYSIS OF MUNICIPAL AND INTERNATIONAL TAXATION OF NIGERIA ENTERTAINERS AND SPORTSMEN

By

E.A. Adesina, Department of general studies Lagos state polytechnic, Ikorodu, Lagos. Olufemi Abifarin Ph.D College of Law Joseph Ayo Babalola University Ikeji- Arakeji, J.O. Olatoke Ph.D SAN Faculty of Law University of Ilorin and N.O.A Ijaya, Faculty of Law Unilorin, Ilorin

Abstract

This paper looks at the entertainment industry in Nigeria and its tax potentials. It also looks at the sport industry which is also a form of entertainment. The entertainment industry including Sport has become a money spinner for the participants and the government at the federal, state and local level should work-out a way to tap from this industry in form of tax that will eventually be used to develop infrastructure. Each participant in the industry is expected to have a tax identification number (TIN) so as to make it easy to assess and collect the tax. The paper concludes that if the tax potential of the industry is fully explored, Nigeria will not have problem of financing her budget. Both local and foreign loans will be minimised or out rightly avoided if we manage the tax from these sectors with administrative dexterity and transparency.

Keywords: *Taxation, entertainment, sportsmen assessment and collection.*

Introduction

It is obvious today that the mono-product economy of Nigeria is no longer feasible or sustainable. Nigeria needs to change from its hitherto position of total reliance on oil revenue. Most states in Nigeria today cannot pay salaries. Even the federal government is not spared in the scarcity of fund. The 2017 budget is a deficit budget just like its predecessor. The federal government is now thinking of borrowing money both locally and

from international financial institutions to finance the budget, leading to a situation where 60% of the budget is used to service debts.⁵²

There is also the issue of infrastructural decay in the power Sector, bad roads, no portable water and health centres. Poverty in the land has prevented Nigerian from patronising cultural and sport tourism.

All the tiers of government in Nigeria need money to deliver on their constitutionally assigned mandates. This means that the government must think outside the box by exploring other options in form of taxation. A widening of the tax base⁵³ promoting voluntary tax Compliance,⁵⁴ giving of tax amnesty⁵⁵ and operating a database of actors and actresses, our sportsmen and women both within and outside the Country with a view to assessing and accessing their Income for tax purposes is therefore imperative.⁵⁶

Under the various existing tax laws in Nigeria the entertainment and sport industry can contribute greatly to the development of the economy through the Companies Income Tax, Personal Income Tax, Value Added Tax, Capital Gains Tax and Stamp duty.⁵⁷

⁵² Olufemi Abifarin et al, Diversification of Nigerian economy: Exploring the non-oil sector and luxury tax options, *Abuad Law Journal* vol 1 No 4 (2017) David Ogah oil price slump: Exports canvas Tax option 'The Guardian 13 December 2015 p 49

⁵³ Luke Onyekakeyah States Finance crunch and diversification of the Economy *The Guardian* 8 December 2016 p 19.

⁵⁴ Olufemi Abifarin Tax Incentive as catalyst for voluntary tax compliance *EKSU L.J* vol. 6 (2015) p 195

⁵⁵ Olufemi Abifarin Tax Amnesty as Catalyst for Economic Development of Nigeria *Confluence Journal of Jurisprudence and National Law* vol. 7 No 1(2014) P 12

⁵⁶ Oluseye Arowolo, Yomi Olugbenro and Patrick Nzeh Taxation of Entertainers and Sportsmen in Nigeria *The Guardian* 8 May 2017 p 35

⁵⁷ Section 3 of Personal Income Tax Act, section 1 of the Value Added Tax Act, Section 1 & 2 of Capital Gain Tax, and Section 23 of Stamp Duties Act

MEANING AND NATURE OF ENTERTAINMENT

What is entertainment and who is an entertainer?

Entertainment is described as things such as films, television performances, etc. that are intended to amuse or interest people while entertainer is described as someone whose job is to tell story, sing etc. in order to entertain people.⁵⁸

Sport on the other hand is described as a physical activity in which people compete against each other. Sport is for recreation, entertainment and Tourism.⁵⁹ People pay for ticket to watch matches and people also pay for bets on who wins a game. Income from these could be taxed. The individual Sportsman or woman pays Personal Income Tax too. Entertainment law is the field of law dealing with the legal and business issues in the entertainment industry such as film, music and theatre and involving the representation of artists and producers, the negotiation of contracts and the protection of intellectual property rights including the settlement of disputes in the industry either by litigation or by alternative dispute resolution method.⁶⁰ This is different from the Entertainment Tax law of Lagos State that seeks to register and tax restaurants and hotels in Lagos State.⁶¹

Tax as Constitutional Obligation

Section 24 (f) of the 1999 constitution enjoins all citizens of Nigeria to declare his/her income honestly, and pay his/her tax promptly. As an African, the African Charter provides that every individual has a duty to work to the best of his ability and competence and to pay taxes imposed by law in the interest of the society.⁶² While the protocol to Africa Charter on Human and people's Right provides that states shall ensure the equal

⁵⁸ Longman Dictionary of Contemporary English New Edition Pearson Education Ltd UK 2007

⁵⁹ Ibid

⁶⁰ Black's Law Dictionary Eight Edition Thomson West UK 1990

⁶¹ Entertainment Tax Law of Lagos State 2007

⁶² Article 28 (b) of Africa Charter of Human and People's Right

Other matters: There will be sensitisation for professionals and taxpayers in general. About 7,500 Community Tax Liaison Officers (CTLO) are being recruited and trained for this purpose. Effective July 2017, every Thursday will be declared as '**Tax Thursday**' to focus on tax matters.

As a fall-back option, government would rely on various international conventions and multilateral agreements to obtain information required for prosecution of defaulting taxpayers or those who make false declarations.

An international forensic and asset tracing company has been engaged to support this process.

Given the state of the economy in view of the huge fall in oil revenue, ballooning budget deficit and rising debt servicing cost, it is not surprising that government is taking a drastic measure to change the country's tax narratives.

We encourage taxpayers to embrace this opportunity to correct any areas of non-compliance with their tax obligations and hold government accountable for effective utilisation of revenue collected.

Concluding Remarks

The government should strive to get a database of our entertainers and sportsmen and women with a view to giving them Tax Identification Number (TIN). The government should also monitor their activities, performances and shows with a view to taxing their Incomes as at when due in order to avoid tax evasion, fraud or misinformation.

The government should also cooperate and collaborate effectively with those countries Nigeria has Double Taxation Treaty with other countries where Nigeria entertainers and sportsmen and women operate which the country does not have Double Taxation Treaty with yet.

The Federal Inland Revenue Service should also cooperate and collaborate with State Inland Revenue Boards or Services in