

OSUN STATE INVESTMENT INCENTIVES INVENTORY

A. GENERAL INFORMATION										
SN	The name or title of the	Description of Incentive Benefits	Year Incentive	The name of the legal document / legal reference instrument	Incentive Duration or Mode	Sector	Federal level / State Level	Implementing Agency or Competent	Eligibility or Qualification criteria (description)	Awarding Agency or Authority in charge of allocation
1	Pioneer status incentive	Under IDITRA, companies engaged in industries/products approved as 'pioneer industries/products' shall be (a) granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of	2011	Section 10 and 17 of the Supplement to Official Gazette No. 5, Vol. 51, 9th January, 1964—P. art B. LN.2 of, 1964" ee 4 oo Lg INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT J (CAP. 87) Industrial Development (Income, TaxRelief) (Yeast) Order, 1964	Tax Holiday for 3years	Industrial Development	Federal	- Nigerian Investment Promotion Commission Industrial Inspectorate Department, Federal	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. Kindly refer to the qualified list of industries and products on	- Nigerian Investment Promotion Commission - Industrial Inspectorate Department, Federal Ministry of Industry,
2	Rural investment allowance	Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred 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	2007	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]	Relief	N/A	Federal	Federal Inland Revenue Service	i. the company must be located at least 20 kilometres away from such facilities provided by the government; ii. cannot be enjoyed if already enjoyed provision of Section 32: Reconstruction investment allowance; iii. allowance can only be applied against the profit of	Federal Inland Revenue Service
3	Gas utilization: Investment allowance	For companies in gas utilization (downstream operations), an additional investment allowance of 35% (which shall not reduce the value of the asset) is allowed, as an alternative to the initial tax-free period granted	2007	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]	Exemption	Natural Gas	Federal	Federal Inland Revenue Service	A company which claims the incentive shall not also claim the tax-free dividend during the tax-free period	Federal Inland Revenue Service
4	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 FIRS, means that for a food item to be exempted from 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 a population.	1993	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	Food production	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a	Federal Inland Revenue Service
5	Value Added Tax Exempt on all medical and pharmaceutical products.	Outright exemption from VAT for all medical and pharmaceutical products	1993	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 Pharmaceutica l	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a	Federal Inland Revenue Service
6	Value Added Tax Exempt on all Baby Products	Outright exemption from VAT for all Baby Products	1993	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	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a	Federal Inland Revenue Service
7	VAT exempted on the other goods	VAT Act list the following goods exempted from VAT: (a) Books and educational materials, (b) Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation	1993	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	N/A	Federal	Federal Inland Revenue Service	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a	Federal Inland Revenue Service
8	VAT exempted on the specific services	VAT Act list the following services exempted from VAT; i. Medical	1993	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	N/A	Federal	Federal Inland Revenue Service	To be eligible, i. If the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service, ii. Irrespective of the jurisdiction of origin of the service, where	Federal Inland Revenue Service
9	Enhanced capital allowance (tax depreciation) regime	(a) 95% capital allowance is enjoyed in the year a 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	2007	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
10	Exemption from minimum Corporate Tax	Section 33(3) a CITA, exempts the income of a company carrying on agricultural trade from payment of minimum tax	2007	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 of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT Section 33(3) and explained in Section 14(A)Substituted by Finance	Federal Ministry of Agriculture and Rural Development
11	Company Income Tax exemption for Solid Miniral 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.	2004	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 3years	Solid Minerals	Federal	Federal Inland Revenue Service	The law specifies in which cases investors are exempted	Federal Inland Revenue Service
	95% accelerated capital allowance	Second Schedule CITA provides accelerated capital allowance at 95% of qualified capital expenditure on Mining in the first year of use of the asset.		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
13	25% of income in convertible currencies exempted from tax	Section 37 CITA allows twenty five per cent of incomes in convertible currencies derived from tourists by a hotel shall be exempt from tax.,	2004	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	Tourism/ Hospitality	Federal	Federal Inland Revenue Service	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT states that such income is put in a reserved fund to be utilised within five years for the building expansion of new hotels, conference centres and new facilities for the purpose of tourism development	Federal Ministry of Information and Culture (Nigerian Tourism Development Corporation)
14	Check-off Dues	This incentives is derived from produce Development Levy being paid by produce buyers for grading.Forty-five percent (45%) of this	2000	Executive Council conclusion No 16 of 24th july,2000	Yearly	Agriculture	State	Osun Internal Revenue Service	The incentive is given to Cocoa Farmers through All farmers Association of Nigeria (AFAN) Osun State	Ministry of Agriculture and food Security
15	Free Train Service	Free train service offered to people living within south-west ,from Lagos to Osogbo and back to Lagos during festival period.	2018	Circular	Periodically	Industry	State	Osun Internal Revenue Service	All Nigeria citizens	Ministry of commerce and Industry
16	Free lock up shops and	Provisions Free lock up shops and stores at Ayegbaju market	2018	Circular	Yearly	Industry	State	Osun Internal Revenue Service	All Traders	Ministry of commerce and Industry