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A COMPENDIUM OF TAXES, LEVIES AND FEES BY STATE GOVERNMENTS ON TELECOMS OPERATORS IN NIGERIA AND ITS EFFECT ON THE NATIONAL DIGITAL ECONOMY AGENDA

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Chapter One: Introduction

1.0 Background of Study

In Eti-Osa Local Government vs Rufus Jegede & Anor, it was mentioned that taxation is the life wire of Government expenses from which a responsible Government provides for the welfare of its people. It was also said that the issue of the power to impose tax should not be allowed to degenerate into a desperate extortion, usurpation and illegitimate exploitation of the public by the said Government[1]. Multiplicity of taxes is one of the major problems facing the country, and corporate entities and individuals often complain of the ripple effects associated with it. States often complain about their fiscal responsibilities and fiscal powers or jurisdiction and in order to fill their revenue gaps, they resorted to levying certain taxes, which has led to arbitrariness, harassment and even closure of businesses. To rectify this situation, the Taxes and Levies (Approved List for collection) Decree No. 21 of 1998 was enacted[2] to clearly define the approved list of taxes for collection and by which Tier and/or Agency of Government as the Nigerian tax system faced a pack of challenges which include non-availability of tax statistics, inability to prioritize tax efforts and multiplicity of tax. Individuals and corporate bodies according to Micah, Ebere and Umobong[3], feel the ripple effects associated with duplication of tax.

The Licensees and Businesses in the Telecoms Sector of the Nigerian Telecommunications industry complain of the problem of duplicate, arbitrary and multiple taxation. The telecommunications sector globally has been identified as lending itself as a catalyst for national socio-economic development. If Nigeria is therefore to achieve its goals of a digitalized Nigeria as, triggered by the inherent capabilities of the Telecoms Sector, there is a crucial need to

[1] Dongbon-Memsem (2007) Commercial Law Reports Nigeria, Annual Review
[2] Edet (2020)
[3] Micah, L. C, Ebere, C and Umobong, A. A. (2012) Tax System in Nigeria – Challenges and the Way Forward Research Journal of Finance and Accounting, Vol 3, No 5

reexamine the complaints by the Telecommunications Operators on the scourge of multiplicity of taxes.

The economy of the world is going through consistent digital transformation at great speed, created by growth in digital technology. Digital technology is the network of the world's economic activities, professional interactions and commercial transactions which are enabled due to the growth in information and communications technologies (ICT) [4]. The result of this is amongst other innovations, the birth of the digital economy. The digital economy is the form of economic activity that arises as a result of daily online connections among businesses, people, data, devices and processes[5]. Hyper-connectivity is the backbone of digital economy, and this indicates the growing interconnectedness of machines, people and organizations, brought about by mobile technology, internet and internet of things (IoT)[6].

In 2018, it was recorded that about 2.8 billion of the people all over the world purchased their consumer goods through e-commerce which represents approximately 1.8 trillion dollars in revenue[7]. While the UK and the US account for the largest share of the e-commerce activities, in regards to consumer goods, there is still large market in developing countries like Nigeria[8]. Globally, the digital economy was estimated to account for approximately 11.5 trillion dollars as at the year 2016, which is equal to 15.5% of world's GDP, and in less than one decade, it is projected to reach 25%. Nigeria is not left behind in this trend of growth due to its heavy investment made by the Telecoms companies in the telecoms sector, which has led the expansion of ICT penetration and therefrom the expansion of the digital space in Nigeria.

[4] ibid
[5] Ajah, I. A. & Chigozie-Okwum, C. C., 2019. Prospects of ICT For Digital Growth and National Development in Nigeria. *International Multi-Disciplinary Journal,* 13(3), pp. 192-203.
[6] ibid
[7] ibid
[8] ibid

Beyond the e-commerce sector, the scope in which digital technology covers is limitless. It has become the major catalyst for growth of various businesses and services such as financial intermediation, payment solutions, computing software and hardware, networking and telecommunications, gaming, advertising, film and many more[9].

2.0 (1.1) Telecoms Reforms and Digitalisation in Nigeria

The reforms of the telecoms sector in Nigeria has brought about expansion in various digital services since the deregulation of the sector in 1992 which brought about the establishment of Nigerian Communication Commission (NCC)[10]. Since then, the NCC has continued to issue various forms of private licenses to private telecommunications operators in the country. These licenses provided the ground for private telephony Operators (PTOs) for the roll out of wireless fixed telephony lines and analogue phones. As at the period in which the country returned to democratic rule in the year 2001, the Government granted GSM licensing to three (3) major providers which are MTN, ECONET and NITEL Plc, and additionally to Globacom Ltd and EMTS (Etisalat) for GSM services, and further expanded the licence categories it offered.[11] This move by the Government has resulted in the explosion of digital penetration in the country. Since this period, Nigeria has embarked on the journey towards digital transformation which is strongly affirmed to be a catalyst for sustainable development and growth in contemporary economies. The recent statistics of NCC showed that Nigeria has been able to grow from the lowest rate of subscription of about 400,000 in the year 2000 to more than 205 million subscribers in September 2020. The Nigerian Communications Commission also found that as of September 2020, teledensity in Nigeria reached up to 107.53

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[9] The impact of digital technology usage on economic growth in Africa- By Edna Maeyen Solomon, Aaron van Klyton- Science Direct. Available at https://www.sciencedirect.com/science/article/pii/S0957178720300989

[10] Ajah & Chigozie-Okwum (2019)

[11] Ajah & Chigozie-Okwum (2019)

percent in terms of what it was in 2000, which was 0.38 percent.[12]. This large number of active lines and teledensity figures crystalize into large markets and makes Nigeria ripe for indigenous and foreign digitalization projects and processes.

Cognisant of this, in recent times, the Nigerian telecommunication sector has taken a leading role in the efforts by Government to diversify the economy of the country, and encourage sectoral growth using the instrumentality of digitalization, brought about by the technology innovations in the telecoms space. The National Digital Economy Policy and Strategy (NDEPS) for a Digital Nigeria was launched by the President Muhammadu Buhari, led Government on November, 2019 based on 8 pillars which includes Developmental Regulation; Solid Infrastructure; Digital Literacy and Skills; Soft Infrastructure; Service Infrastructure; Digital Society and Emerging Technologies; Indigenous Content Development and Adoption; Digital Services Development and Promotion[13].

This Policy and Strategy document is focused on creating an avenue for digital economy which is not independent of the traditional economy but enshrined on the interdependence of traditional economy and digitalization. The focus on ensuring growth in the National Digital Economy will also bring about improvement in the traditional economy of the nation, whilst also enabling the national foray into the global trend of service provision in the digital space. Thanks to the significant investments made in the Sector by mobile networks, the contribution of the sector to GDP has steadily increased from 7.7% in 2012 to 10.9% in the first quarter of 2020, larger than that of the oil sector which was at 9.5% in the first quarter of year 2020[14].

However, with the drive of the Government to ensure the expansion of digital space in the country, there are major bottlenecks that inhibits their achievement

[12] NCC Industry Statistics (https://www.ncc.gov.ng/statistics-reports/industry-overview#total-by-technology)
[13] Federal Ministry of Communications and Digital Economy, 2019. *National Digital Economy Policy and Strategy (2020-2030),* Abuja: Federal Ministry of Communications and Digital Economy.
[14] ibid

in reality. These comprise of inadequate infrastructure quality, high cost of infrastructural development, low voice revenues, complex policy decisions on development cohesive ICT framework for Nigeria, and high and multiple taxation, all of which act as prohibitive barriers to seamless deployment of digitalization in Nigeria.[15]. The Telecommunications Operators in Nigeria reportedly pay more than 40 different taxes and levies to different Agencies of the Government at Federal, State and Local Government levels in Nigeria[16].

According to the Tax and Enabling Business Environment in Telecoms Sector Report, these taxes and levies are significantly slowing the expansion drive of the sector in the country, inhibiting mobile penetration and digital inclusion. This the Report stated, has direct impact on the ability of the Industry to innovate; to improve data and mobile network quality; to improve penetration; to reduce prices and to effectively deploy infrastructures around the remote areas of the country[17]. It also poses direct impact on the ability of Telecommunications Operators to support nascent industries and business, further stunting the growth of the economy generally, whilst impeding the drive to achieve digital economy. When tax continues to rise, the costs which include higher cost of telecoms services, get inevitably passed to customers. As a consequence, customers are financially discouraged from taking part in the digital space.[18] Since the digital economy drive is backed by the level of penetration of telecommunications services in Nigeria, this indicates that the tax regime levied against Telecommunications Operators for the provision of telecommunications services, stands as an impediment to the achievement of the digital economy growth in Nigeria.

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[15] Ndukwe, E. C. A., 2005. *Futhering The Digital Revolution In Nigeria In The Era Of Technology Convergence.* Ile-Ife, The Obafemi Awolowo University.

[16] Areo, O., 2019. *Telcos Lament Impact Of Over 40 Taxes, Levies On Expansion Drive.* [Online] Available at: https://guardian.ng/technology/telcos-lament-impact-of-over-40-taxes-levies-on-expansion-drive/.

[17] Areo, O., 2019. Telcos Lament Impact Of Over 40 Taxes, Levies On Expansion Drive. [Online] Available at: https://guardian.ng/technology/telcos-lament-impact-of-over-40-taxes-levies-on-expansion-drive/.

[18] ibid

1.2 Role of Taxation as a Resource of Governmental Revenues

Adams Smith (1776) posited that all subjects of every State ought to contribute towards the support of the Government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State[19]. Without gainsaying, Government being a non-profit making organization needs to generate revenue from taxes and other sources to finance its budget and development plan. In view of these enormous development plans on one hand and the desire to achieve high standard of living on the other hand, taxation is an integral part of an economy[20]. It is axiomatic that taxation is a mundane social phenomenon. It is the process by which communities or group of persons are made to contribute part of their income in some agreed quantum and method for the purpose of the administration and development of society[21].

Every Government in carrying out its fiscal responsibilities provides the individuals within its area of jurisdiction the basic necessities of life[22]. Such necessities of life include rural and urban electrification, construction of roads and bridges, provision of pipe-borne water, building and maintenance of schools, establishment of hospital, payment of wages or salaries etc. It is understandable that all Governments need revenue, but the challenge is to carefully choose not only the level of tax rates but also the tax base. Governments also need to design a tax compliance system that will not discourage taxpayers from participating or limit their capacity for massive industrialization and/or digitalization.

Recent firm survey data for 147 economies show that Companies consider tax rates to be among the top five constraints to their operations and tax

[19] Michael, O., 2014. Multiple Taxation as a Bane of Business Development in Nigeria. *Academic Journal of Interdisciplinary Studies,* 3(1), pp. 121-128.
[20] Ibrahim, Z. O., 2016. The High and Multiple Taxation as An Impediment to Quality of Telecommunications Service in Nigeria: A Critical Appraisal. *International Journal of Business & Law Research,* 4(1), pp. 63-70.
[21] ibid
[22] ibid

administration to be among the top 11[23]. The amount of the tax cost for businesses matters for investment and growth. Where taxes are high, businesses are more inclined to opt out of the formal sector. A study shows that higher tax rates are associated with fewer formal businesses and lower private investment.

Some have opined that a 10-percentage point increase in the effective corporate income tax rate is associated with a reduction in the ratio of investment to GDP of up to 2 percentage points and a decrease in the business entry rate of about 1 percentage point.[24] A tax increase equivalent to 1% of GDP reduces output over the next three years by nearly 3%.[25] Research looking at multinational firms' decisions on where to invest suggests that a 1-percentage point increase in the statutory corporate income tax rate would reduce the local profits from existing investment by 1.3% on average. In addition, a 1-percentage point increase in the effective corporate income tax rate reduces the likelihood of establishing a subsidiary in an economy by 2.9%.[26] Therefore, keeping tax rates at a reasonable level can encourage the development of the private sector and the formalization of businesses. Modest tax rates are particularly important for businesses, which contribute to economic growth and employment but do not add significantly to tax revenue.[27]

1.3 Problem Statement

There are over 40 different taxes and levies meted out upon the Mobile Network Operators (MNOs) carrying out telecoms services in Nigeria. Although these taxes serve as critical sources of revenue for the various tiers of Government in Nigeria, there are nonetheless severe national consequences of over-taxation. Over taxation limits the prospects of rollout of a National digital economy's because it impedes network expansion efforts by Telecoms Operators and hinders further build out advancements and investments. It also limits Operator

[23] Areo (2019)
[24] Michael (2014)
[25] ibid
[26] Michael (2014)
[27] ibid

efforts at mobile penetration and digital inclusion as some of these taxes are being passed to consumers.

Multiple taxation inadvertedly lead to access gaps as Mobile Network Operators (MNOs) lack the resources to further grow their networks. Access gaps can be defined as the inequalities in the access to and use of Information and communication technologies which causes a digital divide[28]. Access gaps in Nigeria are worsened by exorbitant multiple taxes and often result in decline in investments by the MNOs, poor quality of service, and act as an impediment to the achievement of a Digital Economy for Nigeria.

Although the critical focus of the Nigerian Government remains economic growth, product diversification, and digitalization as a catalyst for leapfrogging Nigeria's national and sectoral development. However, the multiple taxes convexly serve as an impediment to the desire of the Nigerian Government to grow national digitalization for national economic growth as it prevents Nigeria's capacity to actualize the full prospect of the digital economy.

As literature focusing on this area of study is scant, specifically for the Nigerian telecoms sector, this Study focuses on exploring how multiple taxes and levies by Local, States and Federal Governments in Nigeria impact Nigeria's strategic focus towards a Digital Economy.

1.4 Research Objectives

The aim of this Study is to establish the quantum of charges on Telecoms companies in Nigeria by State Governments and examine its effect on the National Digital Economy Agenda. In order to achieve this aim, the following objectives were formulated:

I. To assess the level of various taxes, Levies, Permit and Fees charged on Telecoms Companies by State Governments.

[28]Taylor & Francis. 2020. *How Access Gaps Interact And Shape Digital Divide: A Cognitive Investigation.* [online] Available at: https://www.tandfonline.com/doi/abs/10.1080/0144929X.2013.833650

II. To identify States with the highest accessibility gap on Telecoms companies in Nigeria.
III. To assess the relationship between taxes charged to Telecoms companies by State Governments and the level of Access Gap in each State.
IV. To proffer recommendations that will provide policy and managerial implications for the industry and beyond and also provide a pathway for future research.

1.5 Research Questions

In order that the objectives of this study are met, the following research questions will be investigated:

I. What is the level of various taxes, Levies, Permit and Fees charged on Telecoms Companies by State Governments?
II. Which are the States with the highest accessibility gap in the Telecoms companies in Nigeria?
III. What is the relationship between tax charges asked of Telecoms companies by State Governments and the level of Access Gap in each State?
IV. What kind of guidelines would have political and managerial consequences for and outside the telecoms industry and include a pathway for future research as well?

1.6 Research Hypothesis

The following hypothesis will be tested in the course of this research;

H0: There is no significant correlation between the level and multiplicity of charges on Telecoms companies by State Government and Access Gap per State.

H1: There is a significant correlation between the level and multiplicity of charges on Telecoms companies by State Governments and Access Gap per State.

1.7 Scope of Study

The focus of this research is to explain the effects of the rates and multiplicity of charges on Telecommunications operators by State Governments and how it affects the Access Gap per State and in turn the National Digital Economy Agenda.

Chapter Two: Literature Review

2.0 Introduction

This Chapter presents the review of previous literatures regarding applicable taxes/taxing in Nigeria, and activities towards the implementation of a digital economy in Nigeria. In addition, this Chapter covers the conceptual and theoretical underpinnings of this Research as well as previous similar empirical studies that have been carried out to provide support for the views presented in this study.

2.1 Taxes

The subject of taxation has received considerable intellectual and theoretical attention in literature. Taxation is one of the most volatile subjects in governance both in the developing and developed nations. Tax refers to a "compulsory levy by a public authority for which nothing is received directly in return"[29]. According to Nightingale[30], *"A tax is compulsory contribution, imposed by Government, and while taxpayers may receive nothing identifiable in return for their contribution, they nevertheless have the benefit of living in a relatively educated, healthy and safe society*".

She further explains that taxation is part of the price to be paid for an organized society and identified six reasons for taxation; provision of public goods; redistribution of income and wealth; promotion of social and economic welfare; economic stability and harmonization; and regulation. In other words, a tax is an imposed levy by the Government against the income, profits, property, wealth and consumption of individuals and corporate organizations to enable Government obtain the required revenue to provide basic amenities, security and well-being of the citizens[31].

[29]James, S. & Nobes, C., 1992. *Taxation: Theory and practice.* London: Prentice Hall .
[30]Nightingale, K., 2001. *Taxation: Theory and practice.* London: Prentice Hall.
[31] ibid

2.1.1 Multiple Taxation

Multiple taxation is a phenomenon which describes an income that is subjected to tax more than once, often by two or more different authorities in a way that may be unfair or illegal. Illegality and unfairness distinguish multiple taxation from double taxation. The former often have the characteristics of being unfair and also illegal[32]. Multiplicity of taxes connotes paying similar taxes on the same or substantially similar tax base. Multiple taxes should be distinguished from numerous taxes which mean many but different taxes on different tax bases. Multiple taxations in relation to a company or individual, is a situation where the same profit or income respectively which is liable for tax in Nigeria has been subjected to tax by another tax authority in Nigeria or another country outside Nigeria.[33] In such situations, relief is usually granted to that tax payer for the earlier tax paid or to which he may be liable.[34] Specific arrangements are made with a view to preventing such multiple taxes or to provide relief against it.

Examples of multiple taxes include Companies Income Tax, Information Technology Tax (NITDA Levy), Education Tax, Nigerian Content Development Levy all of which are based on income or profits and Value Added Tax, Sales Tax and Hotel Consumption Tax which are all based on sales[35].

2.2 Taxation in Nigerian Telecoms Sector

Nigeria is governed by a Federal system and the Government's fiscal power is based on a three-tier tax structure divided among the Federal, State, and Local Governments, each of which has different tax jurisdictions[36]. The Nigerian tax system is complicated. This is because the Federal Government controls all the major sources of revenue like import and excise duties, mining rents and royalties, petroleum profit tax and company income tax, value added tax among

[32]Braithwaite, V. & Braithwaite, J., 2000. An evolving compliance model for tax enforcement. In: N. Shover & J. Wright, eds. *Crimes of privilege.* New York: Oxford University Press.
[33] ibid
[34] ibid
[35] Ibrahim (2016)
[36] ibid

other revenue sources[37]. However, although State and Local Governments impose taxes, their taxes number are minimal, which limits their ability to raise independent revenue and so they depend mostly on allocations from Federation Account to run their Governments[38].

The realization of the importance of tax system has triggered much interest, planning and restructuring in the area of developing taxation especially in developing economies like Nigeria. The commercial boom of Global system for Mobile Communication (GSM) in Nigeria in 2001 occasioned by the rapid rate of growth of the Nigerian Telecommunications sector, resulting in it being rated as the fastest growing in Africa[39]. The uptake and growth in telecommunications has not waned with various local and foreign telecommunications providing various forms of telecommunications services in Nigeria. A review of the List of Licensees on the Commission's website indicates that Nigeria currently have about 6,648 Class Licensees and 831 Individual Licensees as at November 2020[40]. This proliferation of companies interested in taking up one or more of the Commission's Licences is indicative of the strength in the Sector,[41] which has provided the background for cross sectoral growth using ICTs across Nigeria.

Consequently, the growth in this Sector has resulted in a surge in the Nigeria Government revenue generation through the taxation of telecommunications companies. Therefore, the relevance of taxation to telecommunications cannot therefore be over-emphasized as virtually all major Telecommunications Industry companies pay tax either directly or indirectly ranging from tenement rate, site installation fee, effluent etc.[42]

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[37] Salami, A., 2011. Taxation, Revenue Allocation and Fiscal Federalism in Nigeria: Issues, Challenges and Policy Options. *ECONOMIC ANNALS,* 55(189).
[38] ibid
[39]Theodore, U. & Appolos, N., 2012. Impact of Heavy Taxation on Israel During Solomonic Era: Implications for Nigerian Tax System. *Asian Economic and Financial Review,* Volume 2, pp. 337-346 .
[40] Available at https://www.ncc.gov.ng/licensing-regulation/licensing/licensees-list
[41] NCC Licensee Records. Available at https://www.ncc.gov.ng/licensing-regulation/licensing/licensees-list
[42] Theodore, U. & Appolos, N., 2012. Impact of Heavy Taxation on Israel During Solomonic Era: Implications for Nigerian Tax System. Asian Economic and Financial Review, Volume 2, pp. 337-346

The current corporate income tax rate (CIT) in any year of assessment for any Telecommunications company in Nigeria, as in other companies, is 30%, however, the CIT rate of 30% is only applicable to large companies (i.e. companies with gross turnover greater than NGN 100 million), assessed on a preceding year basis[43], payable on the profits accruing in, derived from, brought into or received in Nigeria within the year of assessment, these profits are in relation to the categories set out in the Act[44].

Generally, in Nigeria telecommunications, Company's dividends are liable to tax at source. However, dividends paid in the form of bonus share or scrip shares to individual shareholder are not subject to tax. Also, where the company is a shareholder in another company, then such dividends are excluded from the profit of the company for the purposes of computation of the tax[45]. Telecommunications network services may arise from more than one jurisdiction. A service could emanate from one jurisdiction and terminate at another jurisdiction, and between different telecommunications companies. This is particularly so given the fact that that the Companies Income Tax Act itself makes a distinction between a Nigeria companies and a foreign company. The importance of the distinction between a Nigeria company and a foreign company lies in the separate treatment for tax purposes, of the profits of the two companies[46]. Thus, for a Nigerian company which engages in telecommunications, the tax is on its global income whether or not these income have been brought into or received in Nigeria.

However, for a foreign company, only profits attributable to its operation within Nigeria are taxable. Thus, the profits of a foreign company are taxed to the extent that they are derived from sources within Nigeria. This distinction may still be fraught with difficulties, especially in respect of administering the tax and

[43] Nigeria- Corporate Taxes on Corporate Income. Available at https://taxsummaries.pwc.com/nigeria/corporate/taxes-on-corporate-income. (However, tax is charged on profits for the accounting year ending in the year preceding assessment).
[44] Salami (2011)
[45] Michael (2014)
[46] ibid

international double taxation. Undoubtedly, Double Taxation Agreements between tax jurisdictions would go a long way in resolving these problems.

2.3 Provocative Regulatory Intervention in Taxation of Nigerian Telecommunications Industry

The achievements of the Telecommunications Industry in the last ten years have invigorated the international belief that communication is a powerful and progressive tool of socio-economic development[47]. The continued boost to socio-economic development (e.g. in terms of job creation, security, and socio cohesion), the impact upon culture and quality of life and the contribution to Gross Domestic product (GDP) are gains which have been recorded by the Industry as a direct result of the advent of telecommunications services in Nigeria[48]. Unfortunately, while this sector has been a major catalyst for socio-economic development, writers have stated that various national Stakeholders have failed to recognize the pivotal role played by mobile communications to the long-term socio-economic development of the nation, and instead continue to perceive the successes of the industry as opportunity to generate short term and other immediate pecuniary benefits in the form of taxes and levies[49]. This skewed perception results in undue interference in the operations of communications networks by various strata of society, and particularly Agencies of Government.

As a result, the Sector has over the years, experienced excessive and sometimes unpleasant regulatory intervention and actions from various Ministries, Departments and Agencies (MDAS) of Government who subsequently generate revenue from the operations of telecoms operators through the imposition of High and Multiple and sometimes (though not common) illegitimate levies and taxes. The unwillingness of the Operating Companies to submit to these multiple regimes and demands often results in disruptive enforcement actions by these MDAS[50].

[4747] Ibrahim (2016)
[48] ibid
[49] ibid
[50] ibid

Network Operators continue to experience harassment, forcibly sealing of telecoms sites or removal of key components needed for site installations by MDA in a bid to compel tax compliance. These continued interference in the activities of the Telecoms Operators have resulted in disruption of services, degradation of service quality, along with a huge rise in operating expenses and the overall cost of carrying out telecommunications business in Nigeria[51].

Whereas, the Taxes and Levies (Approved Rates for Collection) Act, 1998 provides the taxes and levies to be collected by the various tiers of Government, these incidences of multiple taxation and Tax Regulations evidences the disregard of the provisions of the above Act [52]. These acts culminate in the imposition of excessive taxes and levies in the following ways (a) illegal taxes and levies (b) High or excessive tax demand when the tax is legal; (C) assessment and determination of taxes and levies (d) illegal enforcement and extra-judicial Activity and (e) unwarranted legislation[53].

A. Illegal Taxes and Levies

The Taxes and Levies (Approved rates for collection) Act 1998 provides a list of taxes and levies to be collected by all tiers of Government; Federal, State and Local. Any tax or levy outside of what the Act provides is illegal. This was handed down in the case of ETIOSA LOCAL GOVERNMENT V. JEGEDE[54]. In a bid to shore up internally generated revenues, MDAs consistently impose taxes and levies on telecommunications operation. For instance, in 2009, the Imo State Ministry of Petroleum and Environment introduced an Environmental Audit Review and Certification Fee of N30, 000 per site without the backing of any known law[55] in spite of the statutory responsibility for the conduct of an Environmental Audit under the Environmental Impact Assessment (EIA) Act being vested with the Federal Ministry of Environment (FME) or the enforcement

[51] Ibrahim (2016)
[52] ibid
[53] ibid
[54] 30 (2007) 10 NWLR P. 537 @ 545
[55] Theodore & Appolos (2012)

agency, the National Environmental Standards and Enforcement Regulations Agency (NESREA).

B. High or Excessive Tax Demand

Where the taxes or levies are legal the amount demanded is typically high and arbitrary without recourse to the provisions of law. Increases are also usually imposed annually or otherwise, without a known parameter for their determination[56].

C. Assessment and Determination of Taxes and Levies

Government at all Tiers tends to use Consultants for the purposes of improving internally generated revenue. These Consultants are typically paid a percentage of what they are able to generate. Unfortunately, this could produce a situation where Consultants conjure up arbitrary taxes and levies which are summarily imposed upon telecommunications services in their locale[57].

D. Illegal Enforcement and Extra-Judicial Activity

Quite often the collection of taxes and levies, legal or illegal, is usually done by applying unsophisticated methods which include arbitrary site or office closures, physical attacks, intimidation and arrest of personnel, threats, and seizure of equipment, among others. Several States across the country have employed and continue to exploit this approach to extract taxes and levies from Telecommunications Operators, often denying the affected Operators access to their facility sites for routine maintenance and fueling[58] which expectedly results in network outages, congestion and exacerbation of quality of service challenges as facilities run out of fuel or are otherwise prevented from carrying out routine maintenance or fault rectification.

[56] Ibrahim (2016)
[57] ibid
[58] ibid

E. Unwarranted Legislation

While Governments at the State and Local Government levels are vested with the authority to exercise powers within their locale, the Law places a limitation on such powers, to the extent that where a Federal legislation has covered the field, a State or Local Government can no longer legislate on the same issue and where they insist on doing so, it is typically declared illegal. A good example is the Lagos state Infrastructure Maintenance and Regulatory Agency (LASIMRA) Law 2004. The Agency sought to regulate telecommunications infrastructure in Lagos State and was ultimately declared illegal by the Federal High Court. In that case, the Courts court noted that with the submission of the counsel to the plaintiff and the 5th respondent, it is obvious that the main aim for the enactment of the LASIMRA is to generate revenue for the Lagos State Government by taxing the Telecoms Operators indirectly, but added that since Telecommunications Operations is under the Exclusive Legislative List and seeing no State government can make any law which is supposed to be made by the National Assembly, he therefore entered judgment in favour of the Plaintiff.[59]

2.4 Problems Associated with Multiple Regulation

Regulation of Telecommunications Sector by two or more entities often results in indiscriminate regulatory intervention by these MDAS working at cross purposes to the detriment of the affected Operators. It is not uncommon for instance to have a Telecommunications Operator receive a stop work order from either a State or Local Ministry Department or Agency (MDA) over a Right of Way (ROW) approval granted by a state or Federal MDA[60]. It is also common to have State and Local Environmental MDAs reject an Environmental Impact Assessment (EIA) certificate Issued by the Federal Ministry of Environment

[59] Available at https://www.balancingact-africa.com/news/telecoms-en/4587/lagos-state-loses-case-against-telecom-operators

[60] Areo (2019)

(FME) while they insist instead on the telecommunications Operator processing, repeating and paying again to carry out the same EIA with them.

In Kaduna State, the Kaduna State Urban and property Development Authority (KASUPDA) insisted on conducting its own EIA and disregarding the EIA earlier issued to a Telecommunications Company by the Federal Ministry of Environment (FME)[61]. The Appellate Judge's view was that both State and Local Governments have roles to play in the issuance of the EIA, however, only NESREA is empowered by law to issuance of an EIA. In this convoluted case, Kaduna State insisted that environmental matters were not part of the Exclusive List which only the Federal Government control. They further stated that on the Concurrent List, both Federal and State Governments have a role to play. Going further, they stated that environmental matters are part of the Residual List in which everyone can legislate[62]. It is no doubt the fact that the problem associated with this imbroglio usually leads to delay in project implementation which in turn causes excessive increase in the project cost, network outage and quality of service issues among others. Besides Multiple taxation, the situation often presents significant Regulatory disagreements that can ground telecommunications Operations for months at a time, often resulting in severe implications for national socio-economic growth[63].

2.5 Implication of Multiple Taxations on Quality of Telecommunications Service in Nigeria

With duplication of Federal, State and Local Government tax regimes and tax enforcement by multiple agents and Agents, Operators experience facility lock-outs to enforce compliance[64] in the collection of taxes. This usually results in degradation in network quality. For example, Operators are denied access to such sites for refueling, maintenance or fault resolution, leading to congestion and other quality of service deficiencies. The lockouts are quite often targeted at

[61] Ibid.
[62] Available at https://www.pressreader.com/nigeria/thisday/20150303/282741995259623
[63] ibid
[64] Salami (2011)

large sites[65], which effectively paralyses a good section of the network, causing complete network outage for the affected communities over an area that could stretch across as many as two or more adjoining States.

It is instructive to remark that the impacts or such network outage are not restricted to the affected telecommunications network but could indeed spread to others as those affected customers are unable to enjoy service from the other Network provider[66]. The fact that the telecommunications infrastructure is a web of interconnected elements means that failures on one service providers network will often unduly burden, congest or otherwise compromise service quality and availability on other networks, negatively affecting users on the other networks. While it has not happened in Nigeria, it is the case that a domino effect of such network disruption has brought down the national network in some countries with disastrous socio-economic consequences on them[67].

2.6 Digital Economy

The World Economic Forum and the Group of Twenty (G20) define Digital Economy as "a broad range of economic activities comprising all jobs in the digital sector as well as digital occupations in non-digital sectors"[68]. Simply put, it is any aspect of the economy that is based on or driven by digital technologies. Digital Economy refers to an economy that is based on digital computing technologies, although we increasingly perceive this as conducting business through markets based on the internet and the World Wide Web[69]. The digital economy is also referred to as the Internet Economy, New Economy, or Web Economy.

Increasingly, the digital economy is intertwined with the traditional economy, making a clear delineation harder. It results from billions of everyday online connections among people, businesses, devices, data, and processes. It is based

[65] ibid
[66] ibid
[67] ibid
[68] Chohan (2020)
[69] ibid

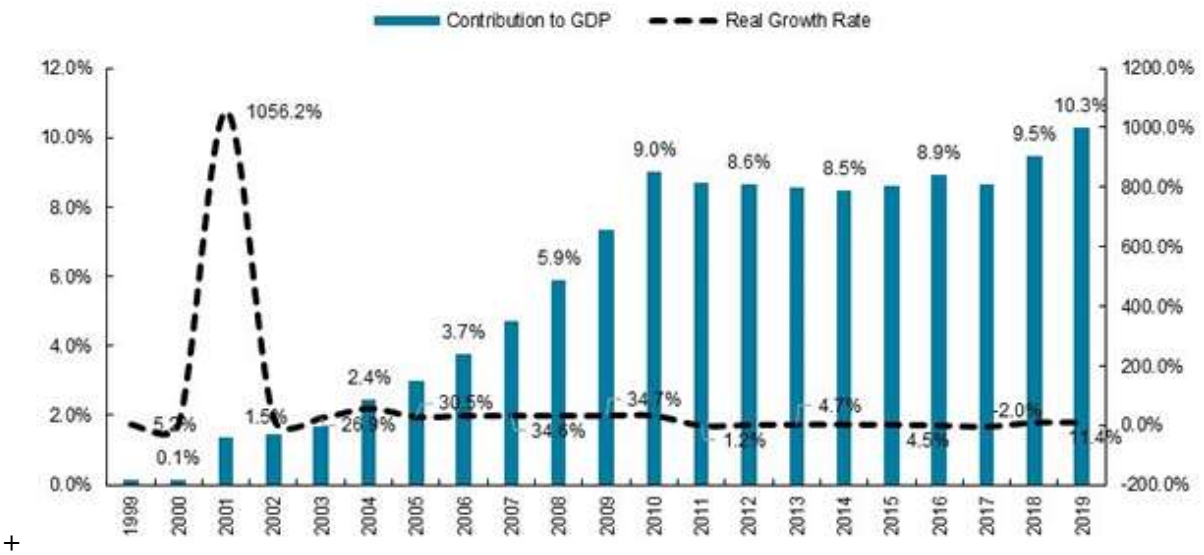
on the interconnectedness of people, organizations, and machines that results from the Internet, mobile technology and the internet of things (IoT)[70]. Digital economy is underpinned by the spread of Information and Communication Technologies (ICT) across all business sectors to enhance its productivity[71]. Digital transformation of the economy is undermining conventional notions about how businesses are structured, how consumers obtain services, information and goods and how states need to adapt to these new regulatory challenges[72]. Access to the Internet has improved productivity and stimulated creativity and the emergence of emerging technologies have provided a platform for developing countries like Nigeria to use digital technology to drive the economy.

2.7 Digital Economy in Nigeria

In Nigeria, growth of the Digital services has been explosive at a Compound Annual Growth Rate (CAGR) of 31.8% between 2000 and 2019, driven by reforms that liberalized the sector and attracted foreign and domestic investment. From a negligible 0.1% contribution to GDP in 1999, prior to the adoption of GSM, the sector's contribution to GDP has risen to 17.83% in 2020, with nominal GDP rising 200.0x from N26.3bn to N7.4tn[73]. Interestingly, the sector has been the fastest growing at a normalized average (excluding 2000 - 2001) of 34.9% between 2000 and 2010 before moderating to an average growth of 4.6% from 2011 to 2020. The sector has also been one of the most resilient, with growth averaging 6.9% between 2017 and 2020 while also being one of the most important, with an outsized contribution to the economy's growth since the 2016 recession[74].

[70] OECD (2014)
[71] ibid
[72] ibid
[73] Ajah & Chigozie-Okwum (2019)
[74] Ajah & Chigozie-Okwum (2019)

Figure 2.1: Percentage Contribution of Telecommunications Industry to GDP and Growth Rate at Constant Prices (1999 – 2019)[75]



+

Figure 2.2 : Percentage contribution of Telecommunications Industry to GDP (2012- 2020)[76]

The telecoms industry has leveraged Nigeria's robust population, currently at over 200.0 million people, with total subscribers at 199m in 2020 from 2.3m in

[75] ibid
[76]Available at https://www.ncc.gov.ng/statistics-reports/industry-overview#view-graphs-tables-8

2002, reflecting an 18-year CAGR of 27.7%[77]. Likewise, the penetration rate measured by teledensity (measures the number of telephone lines for every 100 individuals in an area) increased from 1.9% in 2002 to 107.53% in 2020, with usage of telecoms services predominantly mobile-based. The boom in the sector has also been driven by massive investment, which has supported the deployment of network infrastructure across Nigeria while intense competition has led to the affordability of services.

However, to grow a Digital Economy in Nigeria requires huge financial investments. Both by the private sector and Governments, although most of the burden is expected to be borne by the private sector. The continued incursion by way of duplication of taxes and levies and other fees have began resulting in reduced investments in their networks by Telecoms Companies, whose primary reason for business is profit.

Today, the telecoms market is mainly oligopolistic, dominated by four players (MTNN, AIRTEL, GLOBACOM and 9MOBILE)[78]. As at 2019, MTN is the market leader ranking highest with a share of 40.34%followed by Airtel with 26.97%, Globacom with 26.48% and finally 9MOBILE with 6.21% respectively[79].

The prospects of new entry into the Industry remain limited given economies of scale and the high capacity for huge capital expenditure, research and advertising spend. Despite the significant progress made in the industry, there is still space for strong growth in the future. Broadband penetration remains low at 45.43 relative to peers such as South Africa and Egypt, suggesting that more investment is needed and there are significant earnings prospects[80]. This can be achieved where the Operators believe there is an enabling tax environment for them to do so.

[77] Ajah & Chigozie-Okwum (2019)
[78] World Bank Group (2019)
[79] Available at https://www.ncc.gov.ng/statistics-reports/industry-overview#view-graphs-tables-2
[80] World Bank Group (2019)

2.8 Empirical Review

A firm or any individual that is engaged in any business venture that earns income is subjected to tax. Ojeka[81] is of the opinion that as tax is an important source of fund for development of the economy and provision of social services, Small and Medium Enterprises (SMEs) surveyed in his work complained of excessive taxes on their businesses. They were faced with the problems of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax related issues. This was also the opinion of Adebisi and Gbegi[82] that multiple taxation has negative effect on SMEs' survival as 80% of Nigeria SMEs die before their 5th anniversary. They concluded that one major factor responsible for such untimely deaths is multiple taxation. Atawodi and Ojeka[83] asserted that taxes for SMEs have been more harmful than beneficial as they increase running costs and slow down growth.

Issues in respect of paying the same set of taxes on more than one occasion for the same business in the same period were classified as multiple taxations. In 1993, Education tax was introduced as part of corporate tax liabilities in Nigeria to fund the deteriorating educational system. Assessment of education tax goes together with the company income tax. The law regulates 2% tax on the assessable profits of companies. The National Information Technology Development Agency (NITDA) Act, LFN 2007 stipulates a levy of 1% IT Tax on the profit before tax of GSM service providers and all Telecommunication Companies, Cyber Companies and Internet providers, Pension Managers and pension related companies, . Banks other financial Institutions, and Insurance

[81] Ojeka, S. A. 2011. Tax Policy and the Growth of SMEs: Implications for the Nigerian Economy Research Journal of Finance and Accounting. 2 (2)
[82] Adebisi, J. F and Gbegi, D. O. (2013) Effect of Multiple Taxation on the Performance of Small and Medium Scale Business Enterprises. (A Study of West African Ceremics, Ajeokuta, Kogi State) Mediterranean Journal of Social Sciences Published by MCSERCEMAS-Sapienza University of Rome 4 (6)
[83] Atawodi, O. A and Ojeka, S. A (2012) Relationship between Tax Policy, Growth of SMEs and the Nigerian Economy International Journal of Business and Management; Vol. 7, No. 13

companies[84]. This provision, according to Abiola and Asiweh[85], amounts to duplications and multiplicity of tax since these companies equally pay tax as required by Companies Income Tax Act (CITA).[86]

Onyeukwu[87] while agreeing that multiple taxation is not healthy for development of corporate entities further asserted that it is a disincentive for their growth and these at times affect their corporate social responsibility where they perceive the host State Government as being unfriendly, and welcomed the establishment of the Joint Tax Board as bringing sanity to the crisscrossing demands for tax by each of these Governments.

Salami[88] asserted that there are more than 500 taxes and levies imposed by various tiers of Government in Nigeria apart from those approved by Taxes and Levies (Approved list of Collection) Act. These invariably drive up the cost of doing business and destroy investors' confidence. He further stated that multiple taxation is more common in the Local Government than other tiers of Governments.

Agbor[89] noted that the issue of multiple taxation is more pronounced in the telecommunication, hospitality and transportation businesses, and that some amount to double or multiple taxation while some are not recognized by law. For instance, only operational permits are collectible from kiosks and shops but bigger Shops after paying for business premises are also forced to pay for operational permits. Multiple taxation also manifest in the signpost/advert tax. The jurisdiction for collection of this tax is the Local Government, but the State

[84] Ibid. The NITDA Act, 2007, imposes a Levy of one per cent on the PBT of Companies and Enterprises in the technology, Financial and information businesses which annual turnover is N100million and above.
[85] Abiola, J. and Asiweh, M (2012) Impact of Tax Administration on Government Revenue in a Developing Economy – A Case Study of Nigeria International Journal of Business and Social Science Vol. 3 No. 8
[86] Multiple Taxation as a Bane of Business Development in Nigeria Oseni Michael. Available at https://pdfs.semanticscholar.org/3e0f/6cf138393b766fc6c5d7c24dcd3a58c493a3.pdf
[87] Onyeukwu, H (2010) Business Tax in Nigeria: The Controversy of Multiple Taxation Retrieved from http://works.bepress.com/humphrey_onyeukwu
[88] Salami (2011)
[89] Agbor, U. I. (2013) Getting the Money and Plummeting Business Development: A study of the Impact of Tax regime on Hospitality Industry in Calabar, Nigeria Global Journal of Political Science and Administration Vol. 1, No. 1, pp. 16-26

also collect tax on the same heading. His result shows that multiple and high rate of tax have impinged negatively on the stability of these businesses and therefore recommends the amendment of the Fourth schedule to the 1999 Constitution to prune it of excess items which the local Government uses to perpetrate multiple and excessive taxation.

There are obvious contradictions in respect of taxes collected by all the tiers of Government in Nigeria. Imposing Education tax after payment of corporate tax by companies, accepting revenue from VAT and later imposing sales tax, payment of ground rent and later demanding for tenement rates are all moving spaciously towards the multiple taxation syndromes. In some States the methods used in collecting theses taxes are high confrontational[90]. They asserted that a proper perusal of the Constitution indicates that the Local Government Councils have no powers to legislate on taxes. They can only collect taxes under the authority of a State law which might empower them to make by-laws. But in most of the 774 local Government councils in the country, arbitrary laws to generate funds are passed[91].

2.9 Demarcation

From the literature on multiplicity of taxation, it can be gleaned that the majority of the studies focused on various sectors other than the Telecommunications sector in Nigeria. As a result, this Research directs its focus towards exploring the impact multiple taxes has on the capacity of the Nigerian telecommunications Sector to usher Nigeria towards achieving the goal of a digital economy.

[90] Theodore & Appolos (2012)
[91] Theodore & Appolos (2012)

Chapter Three: Methodology

3.0 Introduction

This Chapter presents the research method adopted for the data analysis and presentation in this study. It presents the research process and approaches that was adopted in order to carry out the evaluations and achieve the result of the study.

3.1 Research Approach

There are two kinds of research approaches and they are the inductive and the deductive research. The deductive research is carried out such that the research flows from a generic view to a particular view. On the other hand, the inductive approach is adopted when there is very little or no previous information about the research interest[92]. This form of research is developed to create descriptions to develop research hypothesis, questions and theories. This study adopts the deductive research approach as it identifies the research questions and develops on previous views and existing opinions in guidance of the study.

3.2 Research Design

There are two forms of research designs, and they include the qualitative and the quantitative. . The qualitative research is the kind of research that collects data in the form of information about a specific phenomenon. It is the form of research in which data collection are mainly from views and opinions and presented in the way they are collected. Such information is non-numeric and cannot be measured. On the other hand, the quantitative research is the kind of research that focuses on quantifying its results in statistical formats[93]. The data collected in this form of research are measured and evaluated and results are inferred from the findings of the data analysis. In addition, the data collected on taxes are also in an empirical form. Therefore, this study adopts both the qualitative and quantitative research designs.

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[92]Creswell, W., 2014. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches.* Thousand Oaks: Sage Publications.

[93] May, T., 2011. *Social research: Issues, methods and research.* London: McGraw-Hill International.

3.3 Research Methods

There are two forms of research methods that can be used in this study which are the secondary and primary research. The primary research methods collect data directly from the subject of the research. It is a method in which data are collected directly as a result of the purpose of the study and not by third parties. On the other hand, the secondary research is the kind of research that collects data from already available sources[94]. It collects data that was not specifically collected for the purpose of that research but available in other works, database or archives that are accessible. These forms of data are the kind of data usually available for general use by institutions or individuals. This study adopts the secondary research method as it will collect data from existing sources to provide explanations of the research interest.

3.4 Data Collection and Analysis

The data collected for this study will be compiled from the Telecommunications Operators in Nigeria. The collected data are compiled from readily available documents that have been archived by the Operators and for record and statistical purposes. The collected data holds the State level information on charges, taxes and bills imposed by the State Governments in the country. The collected data will be analyzed with the use of graphs and tables. The graph provides a comparable element in which various aspects of taxes and coverage of telecommunications sector in Nigeria will be evaluated and summarized to identify the prevalence of each scenario per State in the country.

Most importantly, to understand the relationship between the multiplicity of taxes and coverage of telecoms services in the country, the Study identified accessibility gaps in each State and tried to analyse the extent multiple taxing by each State has impeded the Telecoms companies capabilities to provide robust telecommunications services in that locale. In addition, using a table of

[94] Bryman, A., 2012. *Social research methods*. Oxford: Oxford University Press.

accessibility gaps, identify the level of challenges to achieving a true and inclusive digital economy in Nigeria.

Moreover, a regression model was drawn to depict and evaluate the impact of taxes, bills and charges on unserved areas of the telecoms companies and the models are given below:

$$\text{unservedarea} = B_0 + \beta_1 \text{tax\&bills}_i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

$$\text{unservedarea} = B_0 + \beta_1 \text{levies}_i + \beta_2 taxes_i + \beta_3 permits_i + \beta_4 fees_i + \beta_5 others_i \ldots\ldots\ldots\ldots (2)$$

Where;

Unserved area = Unserved Area

Tax & bill = Total Charges, Tax and Bills

Equation One (1) shows the relationship between unserved area and total charges, tax & bills, while Equation Two (2) shows the relationship between unserved area and each of the variables within the total charges, tax and bills such as levies, taxes, permits, fees and other bills.

Chapter Four: Data Analysis and Discussion

4.0 Introduction

This Chapter discusses the findings of this research based on performing and implementing the research process and methodologies identified in Chapter three above. The data is presented in this Chapter in graphs and tables. The graphs are used to easily identify intensity and extent of the variables within various categories and the table shows the regression equation where the impact of taxation is evaluated on accessibility of data to enhance achievement of the digital economy goals of the Nigerian Government. The Chapter is structured according to the research questions, in the view to meet the stated objectives, as contained in Chapter one and also compare views as detailed in the literature.

4.1 Findings based on Research Questions/Objectives

4.1.1 Research Question 1: What is the level of various taxes, Levies, Permit and Fees charged on Telecoms Companies by State Governments?

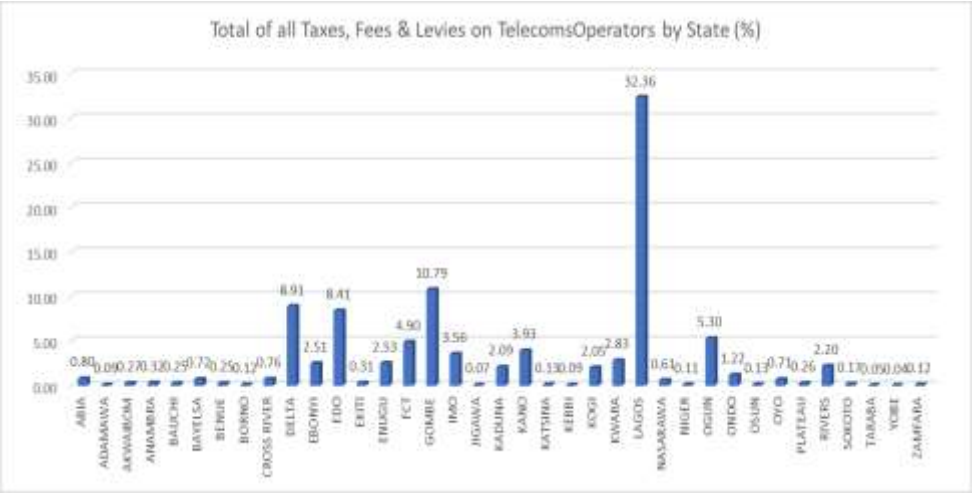
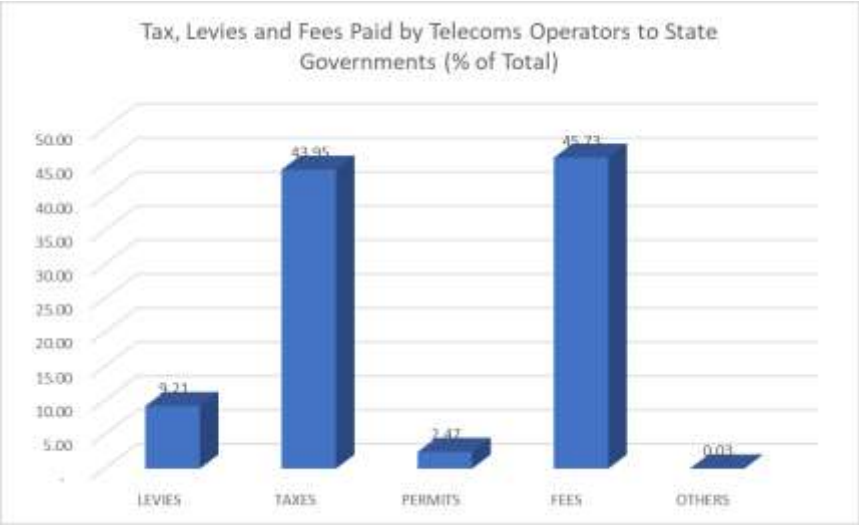


Figure 4.1: Total of All Taxes, Fees and Levies on Telecoms Operators by State

From the figure 4.1 above it can be seen that the Lagos State Government collects the highest amount of taxes, fees and levies from Telecoms Operators in Nigeria

with a percentage score of 32.36% of the total collected by all States in the country. Next to Lagos State is Gombe State which has a percentage score of 10.29% and then Delta with 8.91%. Lagos having the highest score might be due to the fact that it is the commercial hub of the country housing the largest population in Nigeria, and in addition, is the Headquarters of all the Mobile Network companies in Nigeria, with a huge roll out of terrestrial, sub terrestrial infrastructure already in place. Lagos stands to have vast amount of businesses operating within its boundaries and most of the telecommunications organization have their main operational offices within the region. Users of telecoms services of various scope are dispersed in and around the City and its environs, which makes it one of the major reasons for the concentration of telecommunications companies in the State.

Figure 4.2: Fraction of Tax, Fees and Levies paid by Telecoms Operators to State Government in Nigeria

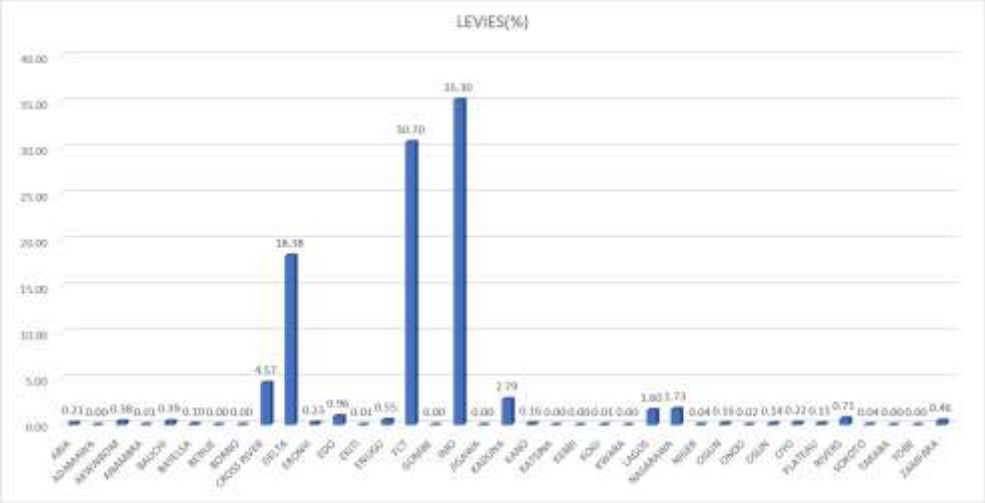


From Figure 4.2 above, it can be seen that Fees constitute the highest outlay that Telecoms Operators pay to State Governments in Nigeria. About 45.73% of the bills levied by the State Governments comes in form of fees, closely followed

by Taxes at 43.95%. Following on to that are Levies at 9.21% and Permits at 2.47%. Other bills holds the least totally just 0.03%.

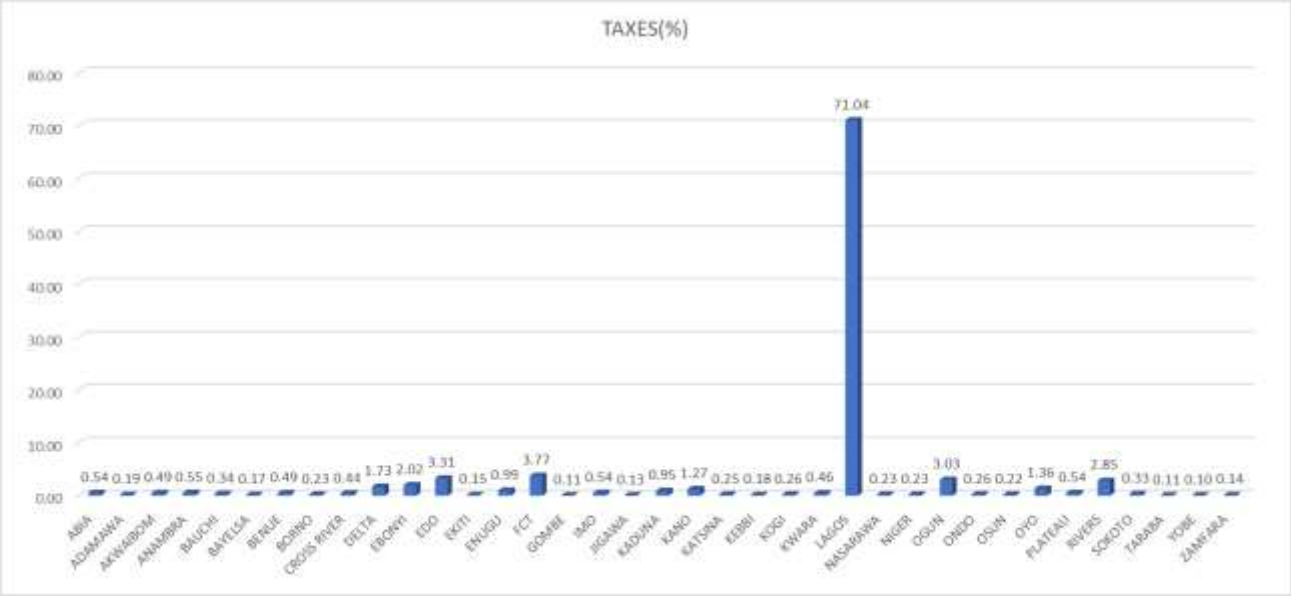
This implies that the State Governments tend to bill telecommunications companies with high taxes and Fees, but lower levies and permits. As permits and Levies are usually one-off payment within a specified time period, a lower percentage is understandable. However, Taxes and Fines are usually recurrent and charged on recurrent business transactions which could explain why they make up the bulk of the fees being collected by the Government from Telecoms companies.

Figure 4.3: Levies Collected by State Government from Telecoms Operators in Nigeria



From Figure 4.3 above, it can be seen that Imo State collects the highest number of Levies from Telecoms Operators which is 35.3% of the total levies collected, followed by the Federal Capital Territory (FCT) with a score of 30.7% and then Delta State with 18.38%. All other States received between 0 and 5% on lev

Figure 4.4: Taxes Collected by State Government from Telecoms Operators in Nigeria



From Figure 4.4 above, it can be seen that Lagos States receives 71.04% of the total Taxes collected by all States from the Telecoms Operators. All other States receive just below 4% of taxes in general. This stands to reason as earlier identified with Lagos State being the major commercial hub of the country and where majority of the various Telecommunications services are mainly prominent in the country. Therefore, such trend could be expected as more taxes will definitely be raised as a large percentage of Telecommunications business operations continue to be carried out within the State.

Figure 4.5: Permits Collected by State Government from Telecoms Operators in Nigeria

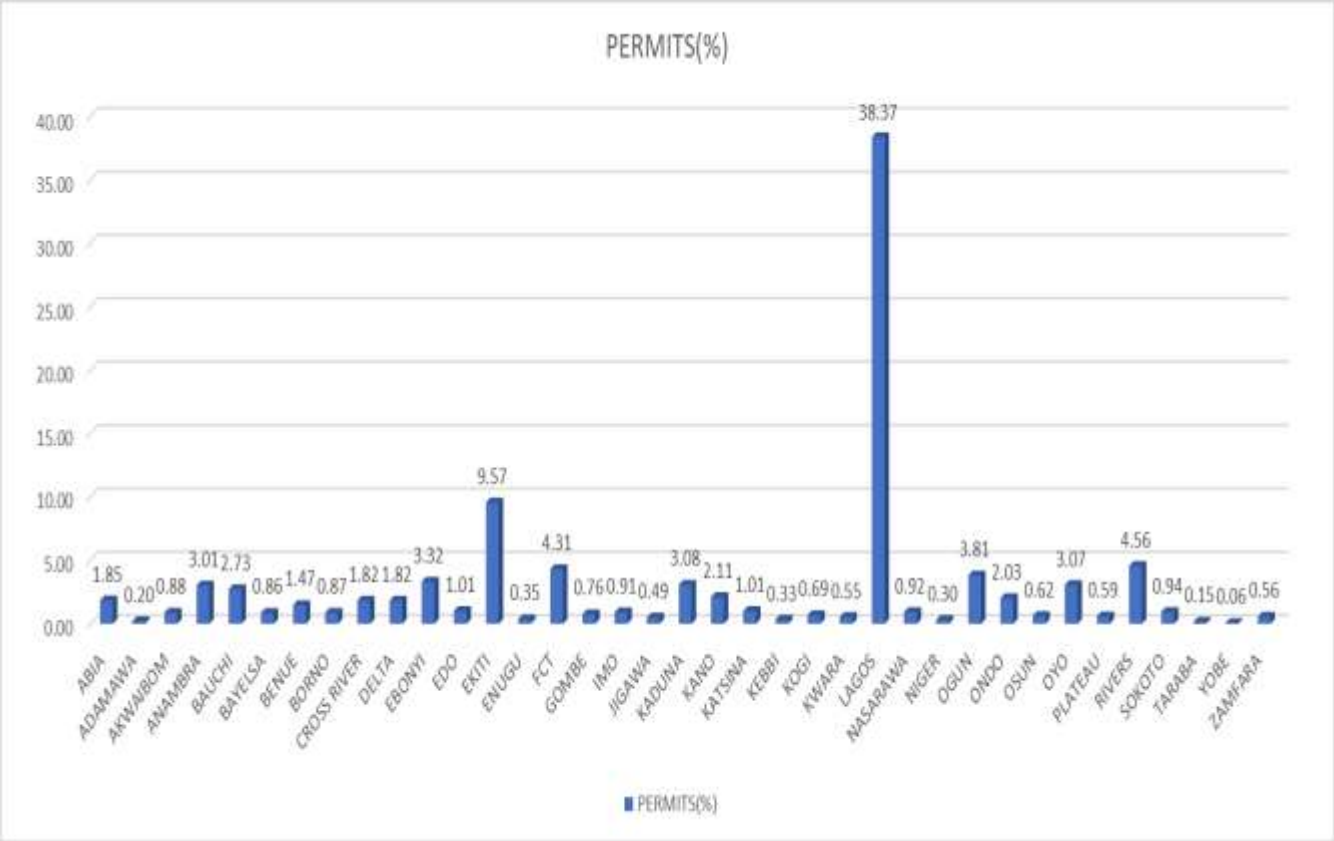
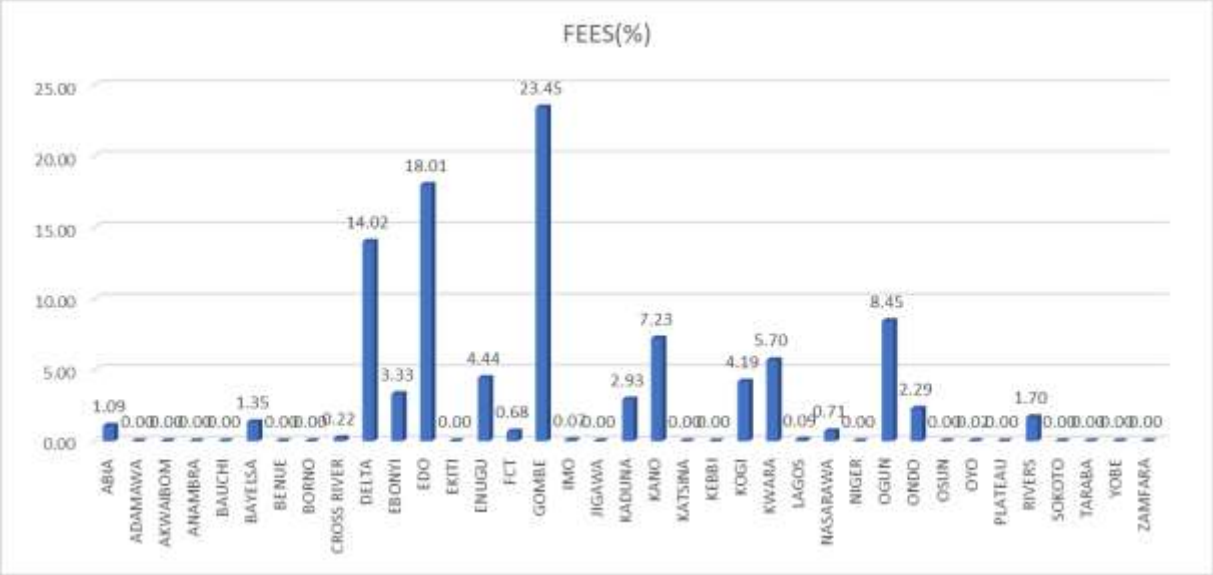


Figure 4.5 above shows that Lagos State receives the highest amount of funds for permits ranging to 38.37% of the total for all States, followed by Ekiti States which receives 9.57%. All other States mostly trends below 5%.

Figure 4.6: Fraction of Levies Collected by State Government from Telecoms Operators in Nigeria



From Figure 4.6 above, it can be seen that Gombe State receives the highest Fees collected by State Governments in Nigeria with a percentage of about 23.45% followed by Edo State at 18.01%, and then Delta State at 14.02%. The rest of the States are within 0 to 10%

Figure 4.7: Other Fees Collected by State Government from Telecoms Operators in Nigeria

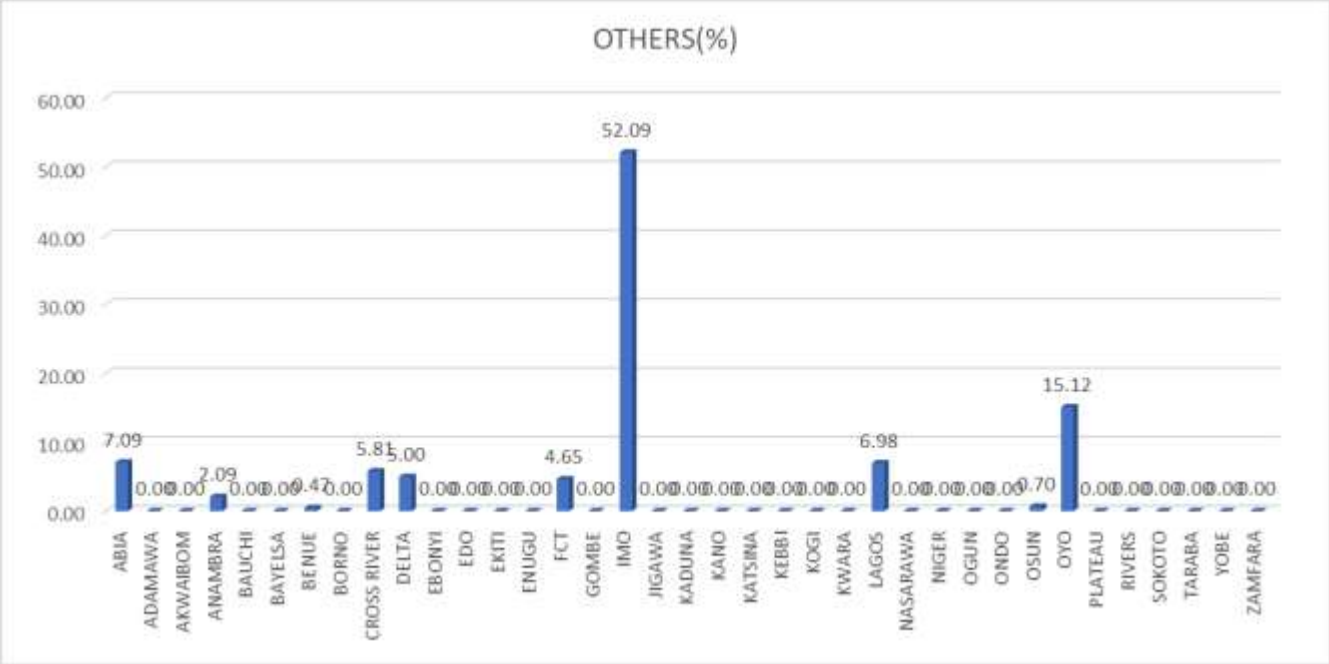
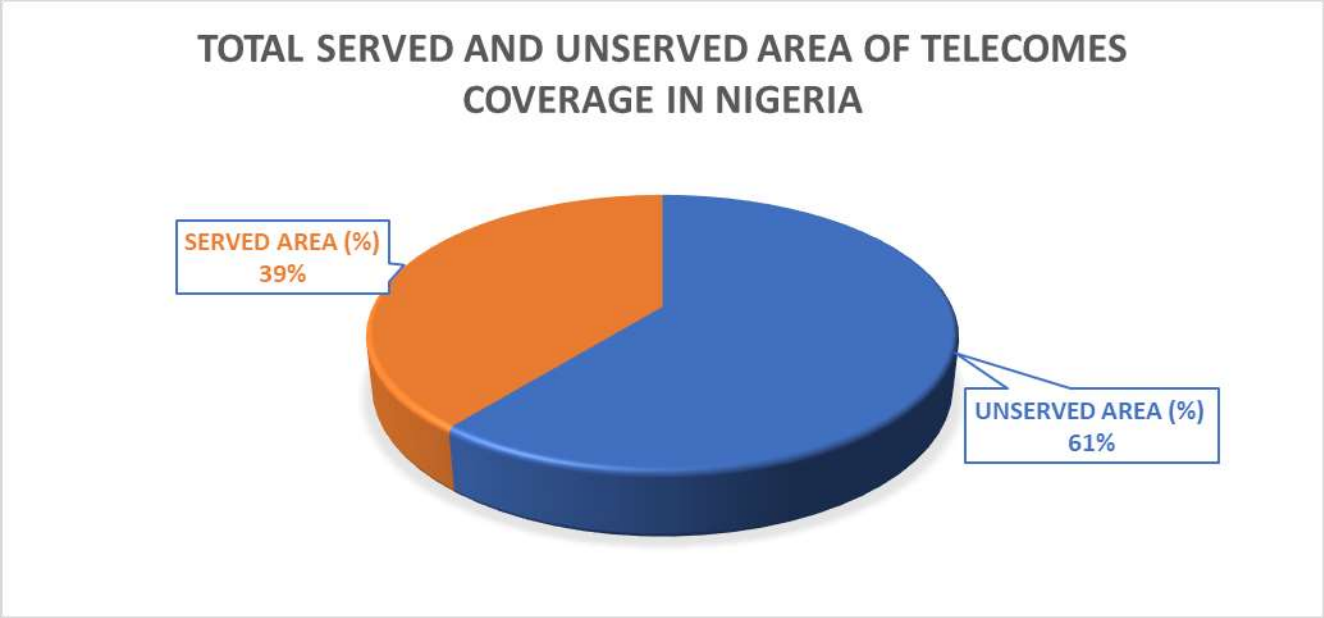


Figure 4.7 above shows that Imo State collects the highest of Other forms of fees from the Telecoms Operators in the State which is about 52.09% of the total of all other States. They are followed by Oyo State at 15.12% and others generally are below 2%.

These results have shown that while all States charge Telecommunications Companies taxes and levies, few States have exorbitant charges such as Lagos State, Imo State, Delta State, Gombe State, Edo State, Oyo State and a few others, representing sometimes 30% of all of all Fees, Levies, Permits and Taxes charged by all the 36 States of Nigeria.

4.2 Research Question Two: Which of the States with the highest accessibility gap in the Telecoms companies in Nigeria?

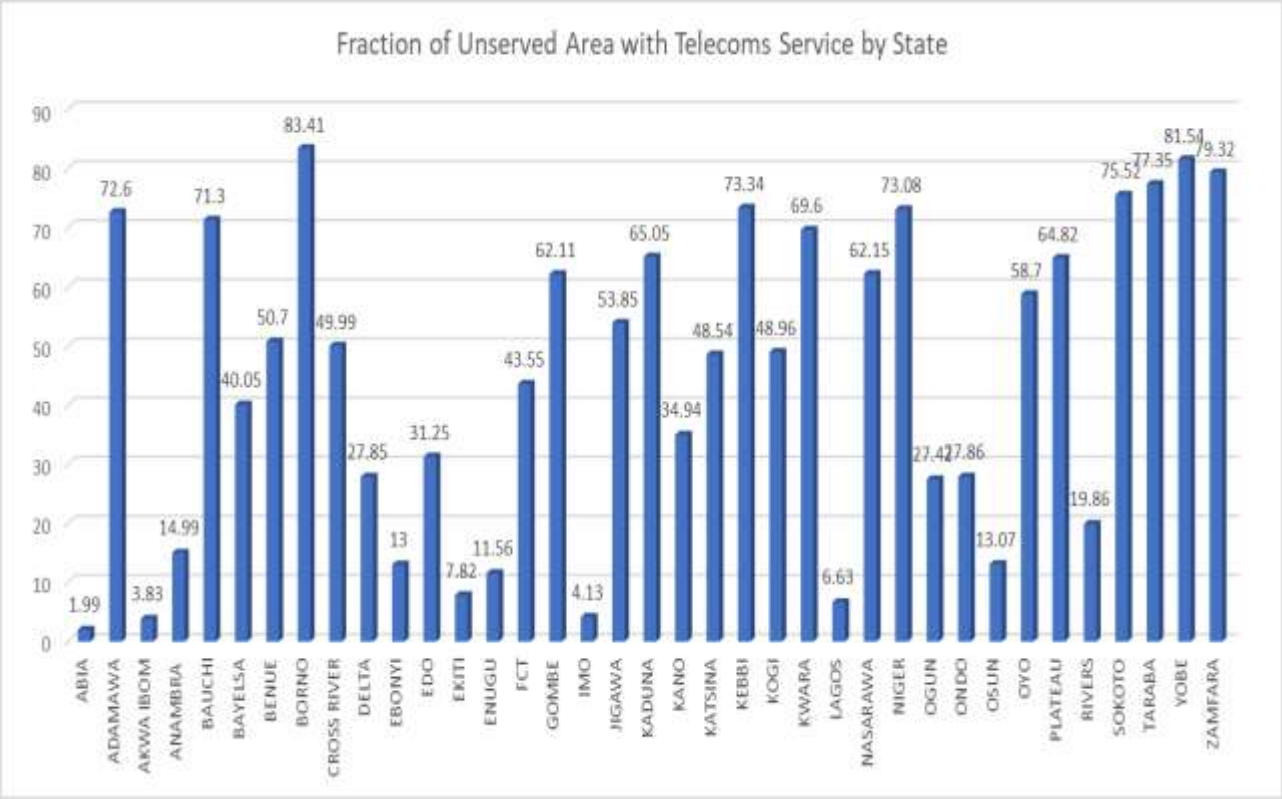
Figure 4.8: Total Served and Unserved Area of Broadband Telecoms Services in Nigeria



From Figure 4.8 above, it can be found that 61% of the areas of the States in Nigeria are unserved with telecommunication services in Nigeria where 39% are fully served. This supports the proposition of Ajah & Chigozie-Okwum that in spite of the significant progress made in the Telecom Industry in Nigeria, there is still space for strong growth in the future. Broadband penetration remains weak at 45% as at 2020 relative to peers such as South Africa and Egypt, suggesting that more investment is needed and there are significant earnings prospects[95]. The unserved area by Telecommunications Operators in the country is still wide and therefore there is still huge prospect for investment and higher profitability in the country.

[95] Ajah & Chigozie-Okwum (2019)

Figure 4.9: Fraction of Unserved Areas by Telecoms Services by States in Nigeria



Looking at the figure above, it can be found that majority of the States have high amount of areas unserved by telecommunications services. Borno State has the highest gap at 83.41%, and many others experience huge unserved areas. This is with exception of Abia State which only have 1.99% unserved area; followed by Akwa Ibom with 3.83%; Imo state with 4.13%; Lagos with 6.63%, and Ekiti with 7.82%. The rest of the States possess at least double figures percentages and have relatively low coverage areas due to high levels of unserved regions within their States.

4.2.3 Research Question Three: What is the relationship between tax charges to Telecoms companies by State Governments and the level of Access Gap in each State?

Table 4.1: Regression Result for Unserved Area and Total Taxes and Bills

Dependent Variable: Access Gap; Independent Variable: Taxes and Bills			
Variable	Coefficient	P>|t|	R-squared
Tax & bills	-5.81	0.014	0.0884

The result presented above is derived by statistical evaluation using Stata (statistical software) for evaluating the regression on the data presented in Table1 and 2 in the Appendix.

The Table 4.1 above shows the regression result which depicts the impact of total taxes and bills on the extent at which areas within States are unserved with Telecommunications services. From the result, it can be seen that taxes and bills (Tax & bills) generally tend to have a negative (-5.81) impact on underserved area (unserved area) and this relationship is statistically significant at 5% significant level ($P<0.05$). For instance, the table shows that a unit increase in taxes and bills will bring about 5.8 reduction in the level of access gaps and this has a 95% (5% significant level) of chances to be true in any cases.

As a result, we reject Hypothesis 0 which asserts that there is no significant correlation between the level and multiplicity of charges on Telecoms companies by State Government and Access Gap per State. We therefore accept H1 that here is a significant correlation between the level and multiplicity of charges on Telecoms companies by State Governments state Governments and Access Gap per State.

This indicates that the combination of all bills, taxes, levies, fees and other bills charged by a State on the Telecommunications Companies impacts on the level of unserved area within that State. This could be as a result of the fact that the more the Telecommunications Company expands within the State, the more taxes, levies and other fees they have to pay to the State Government. Therefore, the more these taxes and fees are paid could be a reflection of their expansion in that State, and therefore, the higher the served areas.

However, with this result, one cannot possibly identify if it was the tax, levies, fees, permits or other bills that influenced the result. However, this was explained in Table 4.2 below which shows the regression result between unserved area (unserved area) and levies, taxes, permits, fees and other bills.

Table 4.2: Regression Result for Relationship between Unserved Area and Levies, Taxes, Permits, Fees and Other Bills

Dependent Variable: Unserved Area			
Variables	**Coefficient**	**P>|t|**	**R-Squared**
Levies	-0.0000166	0.172	0.25
Taxes	0.0000217	0.021	
Permits	-0.0008792	0.008	
Fees	-0.0000133	0.018	
Others	-0.0069511	0.057	

The result presented above are derived by statistical evaluation using Stata (statistical software) for evaluating the regression on the data presented in Table1 and 2 in the Appendix.

From the table above, it can be found that there is no statistically significant relationship between unserved area and levies paid by Telecoms Operators and unserved area at 5% significance level ($P<0.05$), but all other variables such as taxes, permits, fees and other bills are statistically significant. From the result, it can be seen that taxes charged by the State Government have a positive relationship (0.0000217) with unserved area.

This indicates that the higher the taxes the higher the level of unserved area. This shows that taxes hinder the expansion of Telecommunications Industry towards areas that are unserved and as a result might hinder the achievement of digital economy. It is because the higher the unserved areas in any State or region, the longer it would take to achieve digital services in those areas, as the digital economy rides on the availability of network services in any given State and/or Region. Moreover, permits have negative (-0.0008792) impact on unserved area which indicates that the higher the permits, the lower the level of unserved area. From intuition it can be seen that permits are usually for an expansion or investment phase, where a Telecoms company might want to get permit to carry out some operation or begin a function within a specific area which could actually expand the area coverage of their services and therefore stands as a reduction factor for unserved area. Therefore, it should be expected that the more Telecommunications Operators apply for permits the more the unserved area should be reduced within each State.

Fees and other bills also have negative impact (-0.0000133 and -0.0069511 respectively) on unserved area. From all the factors or variables, it is only Tax that have a contributory significance towards unserved area and therefore can be seen as a hindrance factor in such regards.

From the result, it should be noted that States like Lagos State where Telecoms Operators pay the highest fees for permits should expect further and faster pace of expansion and lesser level of unserved area. Nevertheless, Lagos also collects the highest taxes from the Telecommunications Companies. As a result, lower unserved area could be understood in such State due to it being the commercial hub of the country. Gombe State receives the highest fees at about 23.45% of the total, followed by Edo State at 18.01% and then Delta at 14.02%. They should also experience lower unserved areas. Imo State collects the highest of other forms of bills from the Operators of telecoms services in the States at about 52.09% of the total of all states, followed by Oyo state at 15.12% and others generally are below 10% and they should have lower unserved area.

Chapter Five: Conclusion and Recommendations

5.0 Conclusion

The results of this Study show taxes charged by State Governments on Telecommunications Operators in Nigeria have a negative impact on their expansion and coverage of unserved area. This was shown in the positive relation that existed between State level Taxes and high unserved areas within the State. Nevertheless, other bills and charges such as Fees, Permits and Others have a positive impact and result in lower unserved areas within the State. Levies as studied do not have a statistically significant impact on unserved areas.

Multiple taxation and regulation of Telecommunications operations cause illegal and high taxations and often result in extra judicial enforcements. It brings about Regulatory discord which prevents business planning and forecasting and does not make for healthy investment decisions. It contributes to the degradation of quality of services that are counterproductive to the growth of conducive socio-economic activities. They also compromise public Safety, Security and the maintenance of law and order. It diminishes the impact of the Telecommunications Sector as an economic enabler by precipitating business losses that inhibit economic development and disrupt social cohesion. It further limits tax revenues to Government by constraining the potential of the telecommunications sector to contribute through direct and indirect value addition to the national economy. Finally, it is a major threat to the actualization of the broadband plan for Nigeria which automatically impacts on the planned digital economy for Nigeria as the digital economy is expected to ride on the broadband platform.

There is no better time than now for a review of the Government policy on taxation in order for the overall socio-economic benefits accruable to Nigeria through the Telecommunications Sector, to be fully realized. Government clearly

has a right to impose taxes on businesses that operate and benefit from the public amenities, infrastructure and social services it provides. The expectation however is that a balance can be struck between the legitimate expectations of Government and the certainty and fairness Businesses expect for them to pursue and achieve their business objectives. Uncertainties over taxes and levies affect investment decisions and the anticipated taxes and levies are expectedly built into the cost of services and products and ultimately passed on to subscribers.

There is therefore a need for urgent action on multiple taxation of the Telecoms Industry. While the negative consequences of multiple and illegitimate levies/taxes is not borne solely by the Telecommunications Industry, it is nonetheless strongly recommended that due to the critical nature or services provided by the Telecommunications Sector to the entire Nigerian economy, there is a need for urgent action to address the taxation challenges in order to avoid a slump in the telecommunications sector and Nigeria in general.

5.1 Recommendations

5.1.1 Research Question Four: What kind of guidelines would have political and managerial consequences for and outside the telecoms industry and include a pathway for future research as well?

From the findings and conclusion of this study, it can therefore be recommended that:

I. Taxes in the Telecommunications Industry should be aligned with other industries and in line with international best practices.

II. As evidence indicates that reducing taxes on Telecommunications firms will increase penetration, inclusion, mobile usage and Government tax revenues, Policy amendments which align Nigeria's current economic realities to fiscal priorities such as lower taxes to support the Telecommunications Sector in its role as Nigeria's economic catalyst, should be spearheaded as a matter of national urgency.

III. Further Consultancy studies should be carried out focusing on how charges and taxes affect the contribution of the Telecoms Sector to the GDP using time series data. It is also possible that further study takes a similar step using panel data which will collect data across the State over a specific period of time to better understand how multiple taxation affect the expansion of telecoms services over a period of time.

IV. Government should pursue the implementation of the National Tax Policy and the meeting of the Nigeria Governors Forum should ensure the implementation of the resolution of the National Executive Council on Multiple Taxation and Regulation. Taxes and levies should be rationalized to ensure the overall growth and financial viability of the telecoms sector.

V. There is need to set up a Telecom Finance Corporation on the principle to provide additional investment for the industry.

Appendix

Table 1: Charges and Bills by State and MNOs

The following data was gotten directly from the respective Service Providers who sent the information to the Commission following official request.

S/N	STATE	MNOs	CHARGES					
1	ABIA		LEVIES	TAXES	PERMITS	FEES	OTHERS	Total
		AIRTEL	790,375	-	3,500,000	50,000	305,000	4,645,375
		MTN	1,563,963	6,058,289	2,503,000			10,125,252
		GLO						-
		9MOBILE	25,000	1,800,000	-	120,000	-	1,945,000
		I.H.S		26,250,000		72,000,000		98,250,000
		ALTON						-
		ATCON						-
		VDT		237,801				237,801
		A.T.C	400,000	30,000	600,000	-	-	1,030,000
TOTAL			2,779,338	34,376,090	6,603,000	72,170,000	305,000	116,233,428
2	ADAMAWA	AIRTEL	-	-	-	-	-	-
		MTN		4,236,915	120,750			4,357,665
		GLO						-
		9MOBILE	-	100,000	-	-	-	100,000
		I.H.S		7,240,000				7,240,000
		ALTON						-
		ATCON						-
		VDT		215,996				215,996
		A.T.C	-	25,000	600,000	-	-	625,000
TOTAL			-	11,817,910	720,750	-	-	12,538,660
3	AKWAIBOM	AIRTEL	1,300,000	-	2,506,831	200,000	-	4,006,831
		MTN	3,525,000	1,925,304	2,000			5,452,304
		GLO						-
		9MOBILE	100,000	130,000	-	-	-	230,000
		I.H.S		28,860,000				28,860,000

		ALTON						-
		ATCON						-
		VDT		234,228				234,228
		A.T.C	150,000	70,000	620,000	-	-	840,000
TOTAL			5,075,000	31,219,532	3,128,831	200,000	-	39,623,363
4	ANAMBRA	AIRTEL	170,000	-	3,005,410	150,000	90,000	3,415,410
		MTN		2,960,563	7,003,202			9,963,765
		GLO						-
		9MOBILE	-	3,000,000	-	60,000	-	3,060,000
		I.H.S		28,640,000				28,640,000
		ALTON						-
		ATCON						-
		VDT		521,487				521,487
		A.T.C	-	45,000	750,350	-	-	795,350
TOTAL			170,000	35,167,050	10,758,962	210,000	90,000	46,396,012
5	BAUCHI	AIRTEL	150,000	-	5,005,682	5,000	-	5,160,682
		MTN	5,000,000	5,977,901	4,001,366			14,979,267
		GLO						-
		9MOBILE	10,000	5,000,000	150,000	-	-	5,160,000
		I.H.S		10,920,000				10,920,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C	-	20,000	600,000	-	-	620,000
TOTAL			5,160,000	21,917,901	9,757,048	5,000	-	36,839,949
6	BAYELSA	AIRTEL	1,100,000	-	1,250,000	50,000	-	2,400,000
		MTN		2,374,642	1,003,000			3,377,642
		GLO						-
		9MOBILE	-	-	-	140,000	-	140,000
		I.H.S		8,400,000		89,124,380		97,524,380
		ALTON						-
		ATCON						-
		VDT						-

		A.T.C	200,000	50,000	812,500	-	-	1,062,500
TOTAL			1,300,000	10,824,642	3,065,500	89,314,380	-	104,504,522
7	BENUE	AIRTEL	-	-	1,000,000	10,550	20,000	1,030,550
		MTN		2,471,977	3,002,500			5,474,477
		GLO						-
		9MOBILE	-	6,000,000	1,000,000	-	-	7,000,000
		I.H.S		22,300,000		150,000		22,450,000
		ALTON						-
		ATCON						-
		VDT	6,000	31,455				37,455
		A.T.C	-	30,000	250,000	-	-	280,000
TOTAL			6,000	30,833,432	5,252,500	160,550	20,000	36,272,482
8	BORNO	AIRTEL	-	-	2,702,264	10,000	-	2,712,264
		MTN		7,196,152	1,500			7,197,652
		GLO						-
		9MOBILE	10,000	1,220,000	-	-	-	1,230,000
		I.H.S		5,560,000				5,560,000
		ALTON						-
		ATCON						-
		VDT		341,174				341,174
		A.T.C	-	20,000	400,000	-	-	420,000
TOTAL			10,000	14,337,326	3,103,764	10,000	-	17,461,090
9	CROSS RIVER	AIRTEL	340,000	-	2,511,233	100,000	250,000	3,201,233
		MTN	60,250,000	7,097,695	3,003,965			70,351,660
		GLO						-
		9MOBILE	-	100,000	-	80,000	-	180,000
		I.H.S		20,340,000		14,500,000		34,840,000
		ALTON						-
		ATCON						-
		VDT		89,567				89,567
		A.T.C	200,000	67,000	1,000,000	-	-	1,267,000
TOTAL			60,790,000	27,694,262	6,515,198	14,680,000	250,000	109,929,460
10	DELTA	AIRTEL	500,000	-	3,012,123	5,000,000	215,000	8,727,123

		MTN	244,100,000	79,419,925	2,502,705			326,022,630
		GLO						-
		9MOBILE	-	703,000	-	-	-	703,000
		I.H.S		28,520,000		921,750,000		950,270,000
		ALTON						-
		ATCON						-
		VDT		1,295,326				1,295,326
		A.T.C	-	40,000	1,000,000	5,000	-	1,045,000
TOTAL			244,600,000	109,978,251	6,514,828	926,755,000	215,000	1,288,063,079
11	EBONYI	AIRTEL	-	-	-	-	-	-
		MTN	3,000,000	1,981,571	10,352,692			15,334,263
		GLO						-
		9MOBILE	-	-	-	-	-	-
		I.H.S		7,280,000		220,000,000		227,280,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C	-	119,239,821	1,500,000	-	-	120,739,821
TOTAL			3,000,000	128,501,392	11,852,692	220,000,000	-	363,354,084
12	EDO	AIRTEL	295,000	-	3,107,311	-	-	3,402,311
		MTN	12,450,000	14,553,776	3,491			27,007,267
		GLO						-
		9MOBILE	-	1,010,000	-	60,000	-	1,070,000
		I.H.S		25,080,000		1,190,520,000		1,215,600,000
		ALTON						-
		ATCON						-
		VDT		363,265				363,265
		A.T.C		169,145,168	500,000	5,000	-	169,650,168
TOTAL			12,745,000	210,152,209	3,610,802	1,190,585,000	-	1,417,093,011
13	EKITI	AIRTEL	100,000	-	30,125,710	250,000	-	30,475,710
		MTN		859,630	3,004,000			3,863,630
		GLO						-
		9MOBILE	10,000					10,000

		I.H.S		8,660,000				8,660,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C	-	30,000	1,050,000	-	-	1,080,000
TOTAL			110,000	9,549,630	34,179,710	250,000	-	44,089,340
14	ENUGU	AIRTEL	360,000	-	100,000	100,000	-	560,000
		MTN	6,475,000	37,634,918	502,000			44,611,918
		GLO						-
		9MOBILE	500,000					500,000
		I.H.S		25,065,000		293,500,000		318,565,000
		ALTON						-
		ATCON						-
		VDT		412,348				412,348
		A.T.C		40,000	665,000			705,000
TOTAL			7,335,000	63,152,266	1,267,000	293,600,000	-	365,354,266
15	FCT	AIRTEL	589,956	-	9,381,210	-	200,000	10,171,166
		MTN	2,979,007	172,319,309	6,002,807			181,301,123
		GLO						-
		9MOBILE	405,000,000	27,750,000				432,750,000
		I.H.S		37,170,000		45,000,000		82,170,000
		ALTON						-
		ATCON						-
		VDT	111,928	2,388,143				2,500,070
		A.T.C		30,000				30,000
TOTAL			408,680,891	239,657,451	15,384,017	45,000,000	200,000	708,922,359
16	GOMBE	AIRTEL	-	-	5,714	-	-	5,714
		MTN		2,002,008	2,400,507			4,402,515
		GLO						-
		9MOBILE	-	150,000	-	-	-	150,000
		I.H.S		4,530,000		1,550,262,324		1,554,792,324
		ALTON						-
		ATCON						-

		VDT						-
		A.T.C		25,000	300,000			325,000
TOTAL			-	6,707,008	2,706,221	1,550,262,324	-	1,559,675,553
17	IMO	AIRTEL	500,000	-	503,814	100,000	2,240,000	3,343,814
		MTN	469,357,408	16,051,590	1,501,512			486,910,510
		GLO						-
		9MOBILE		400,000		300,000		700,000
		I.H.S		17,785,000		??"?		17,785,000
		ALTON						-
		ATCON						-
		VDT		241,187				241,187
		A.T.C		30,000	1,250,000	4,281,600		5,561,600
TOTAL			469,857,408	34,507,778	3,255,326	4,681,600	2,240,000	514,542,112
18	JIGAWA	AIRTEL	-	-	-	-	-	-
		MTN		3,148,804	474			3,149,278
		GLO						-
		9MOBILE	-	30,000	-	-	-	30,000
		I.H.S		4,830,000				4,830,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C		30,000	1,750,000			1,780,000
TOTAL			-	8,038,804	1,750,474	-	-	9,789,278
19	KADUNA	AIRTEL	-	-	5,326	-	-	5,326
		MTN	37,196,024	29,841,946	10,006,143			77,044,113
		GLO						-
		9MOBILE	-	11,800,000				11,800,000
		I.H.S		17,820,000		194,000,000		211,820,000
		ALTON						-
		ATCON						-
		VDT	7,000	761,808				768,808
		A.T.C			1,000,000			1,000,000
TOTAL			37,203,024	60,223,754	11,011,469	194,000,000	-	302,438,247

20	KANO	AIRTEL	476,050	-	5,725,861	-	-	6,201,911
		MTN	1,591,000	57,122,785				58,713,785
		GLO						-
		9MOBILE	75,000	375,000	60,000	3,700,000		4,210,000
		I.H.S		23,400,000		474,000,000		497,400,000
		ALTON						-
		ATCON						-
		A.T.C		35,654	1,750,000			1,785,654
TOTAL			2,142,050	80,933,439	7,535,861	477,700,000	-	568,311,350
21	KATSINA	AIRTEL	-	-	900,000	-	-	900,000
		MTN		1,498,507	1,500,494			2,999,001
		GLO						-
		9MOBILE	-	-	-	-	-	-
		I.H.S		14,200,000				14,200,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C		30,000	1,200,000			1,230,000
TOTAL			-	15,728,507	3,600,494	-	-	19,329,001
22	KEBBI	AIRTEL	-	-	420,000	-	-	420,000
		MTN		2,442,957	444			2,443,401
		GLO						-
		9MOBILE	-	-	-	-	-	-
		I.H.S		8,800,000				8,800,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C		30,000	750,000			780,000
TOTAL			-	11,272,957	1,170,444	-	-	12,443,401
23	KOGI	AIRTEL	-	-	1,500,000	-	-	1,500,000
		MTN		2,854,211	201,800			3,056,011
		GLO						-
		9MOBILE	120,000	-	-	-	-	120,000

		I.H.S		13,560,000		277,200,000		290,760,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C		40,000	749,000			789,000
TOTAL			120,000	16,454,211	2,450,800	277,200,000	-	296,225,011
24	KWARA	AIRTEL	-	-	506,688	10,000	-	516,688
		MTN		13,737,956	755,500			14,493,456
		GLO						-
		9MOBILE		650,000	2,500			652,500
		I.H.S		14,600,000		377,011,474		391,611,474
		ALTON						-
		ATCON						-
		VDT		486,655				486,655
		A.T.C		40,000	700,000			740,000
TOTAL			-	29,514,611	1,964,688	377,021,474	-	408,500,773
25	LAGOS	AIRTEL	5,958,503		66,189,903	3,270,000	300,000	75,718,406
		MTN	15,304,110	4,435,867,132	68,913,263			4,520,084,505
		GLO						-
		9MOBILE		11,400,000	200,500		-	11,600,500
		I.H.S		66,120,000				66,120,000
		ALTON						-
		ATCON						-
		VDT	53,500	48333650.13 2558250		2,788,478		2,841,978
		A.T.C	40,000	35,000	2,007,250			2,082,250
TOTAL			21,356,113	4,513,422,132	137,000,000	6,058,478	300,000	4,678,136,723
26	NASARAWA	AIRTEL	-	-	-	-	-	-
		MTN	23,000,000	3,847,127	2,643,000			29,490,127
		GLO						-
		9MOBILE	-	25,000	-	-	-	25,000
		I.H.S		11,000,000		46,960,000		57,960,000
		ALTON						-
		ATCON						-

		VDT						-
		A.T.C		30,000	656,000			686,000
TOTAL			23,000,000	14,902,127	3,299,000	46,960,000	-	88,161,127
27	NIGER	AIRTEL	320,000	-	200,000	200,000	-	720,000
		MTN	150,000	3,089,458	71,200			3,310,658
		GLO						-
		9MOBILE	-	1,500,000	-	-	-	1,500,000
		I.H.S		10,200,000				10,200,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C		30,000	800,000			830,000
TOTAL			470,000	14,819,459	1,071,200	200,000	-	16,560,659
28	OGUN	AIRTEL	-	-	5,000,000	-	-	5,000,000
		MTN	2,104,721	150,203,070	7,255,351			159,563,142
		GLO						-
		9MOBILE		5,200,000	200,500		-	5,400,500
		I.H.S		35,805,000		558,496,500		594,301,500
		ALTON						-
		ATCON						-
		VDT		1,111,425				1,111,425
		A.T.C			1,143,000			1,143,000
TOTAL			2,104,721	192,319,495	13,598,851	558,496,500	-	766,519,567
29	ONDO	AIRTEL	-	-	5,889	150,000	-	155,889
		MTN	300,000	3,372,176	6,003,075			9,675,251
		GLO						-
		9MOBILE		2,100,000	111,200		-	2,211,200
		I.H.S		10,775,000		151,320,000		162,095,000
		ALTON						-
		ATCON						-
		VDT		406,337				406,337
		A.T.C		30,000	1,120,000			1,150,000
TOTAL			300,000	16,683,513	7,240,164	151,470,000	-	175,693,677

30	OSUN	AIRTEL	-	-	5,674	-	30,000	35,674
		MTN	1,900,000	2,230,984	1,011,186			5,142,170
		GLO						-
		9MOBILE		3,720,000	201,500			3,921,500
		I.H.S		8,300,000		250,000		8,550,000
		ALTON						-
		ATCON						-
		VDT						-
		A.T.C		30,000	1,010,000			1,040,000
TOTAL			1,900,000	14,280,984	2,228,360	250,000	30,000	18,689,344
31	OYO	AIRTEL	331,285		4,930,521	1,000,000	650,000	6,911,806
		MTN	2,583,122	57,637,035	5,000,000			65,220,157
		GLO						-
		9MOBILE		8,250,000	101,500			8,351,500
		I.H.S		18,973,180				18,973,180
		ALTON						-
		ATCON						-
		VDT		1,770,728				1,770,728
		A.T.C		40,000	920,000			960,000
TOTAL			2,914,407	86,670,943	10,952,021	1,000,000	650,000	102,187,371
32	PLATEAU	AIRTEL	150,000		1,750,000	125,000	-	2,025,000
		MTN	1,810,000	19,748,440	302,555			21,860,995
		GLO						-
		9MOBILE	-	20,000	-	-	-	20,000
		I.H.S		13,710,000				13,710,000
		ALTON						-
		ATCON						-
		VDT		507,484				507,484
		A.T.C		25,000	40,000			65,000
TOTAL			1,960,000	34,010,923	2,092,555	125,000	-	38,188,478
33	RIVERS	AIRTEL	300,000	-	7,337,040	1,130,000	-	8,767,040
		MTN	8,300,000	137,863,665	8,017,679			154,181,344
		GLO						-

		9MOBILE	600,000	800,000	-	-	-	1,400,000
		I.H.S		40,520,000		111,000,000		151,520,000
		ALTON						-
		ATCON						-
		VDT		1,648,795	80,000			1,728,795
		A.T.C	200,000	50,000	860,000			1,110,000
TOTAL			9,400,000	180,882,460	16,294,719	112,130,000	-	318,707,179
34	SOKOTO	AIRTEL	-	-	695,257	-	-	695,257
		MTN	470,000	10,823,355	1,751,600			13,044,955
		GLO						-
		9MOBILE	-	700,000	-	-	-	700,000
		I.H.S		9,150,000				9,150,000
		ALTON						-
		ATCON						-
		VDT		254,309				254,309
		A.T.C		28,000	900,000			928,000
TOTAL			470,000	20,955,663	3,346,857	-	-	24,772,520
35	TARABA	AIRTEL	-	-	-	-	-	-
		MTN		1,877,285	1,600			1,878,885
		GLO						-
		9MOBILE	-	40,000	-	-	-	40,000
		I.H.S		4,892,000				4,892,000
		ALTON						-
		ATCON						-
		VDT			150,000			150,000
		A.T.C		20,000	400,000			420,000
TOTAL			-	6,829,285	551,600	-	-	7,380,885
36	YOBE	AIRTEL	-	-	-	-	-	-
		MTN		1,999,393	690			2,000,083
		GLO						-
		9MOBILE	-	500,000	-	-	-	500,000
		I.H.S		3,630,000				3,630,000
		ALTON						-

		ATCON						-
		VDT						-
		A.T.C		25,000	200,000			225,000
TOTAL			-	6,154,393	200,690	-	-	6,355,083
37	ZAMFARA	AIRTEL	8,423	-	320,000	-	-	328,423
		MTN	6,128,120	4,645,734	1,700			10,775,554
		GLO						-
		9MOBILE	-	500,000	-	-	-	500,000
		I.H.S		3,960,000				3,960,000
		ALTON						-
		ATCON						-
					85,000			85,000
		A.T.C		28,000	1,600,000			1,628,000
TOTAL			6,136,543	9,133,734	2,006,700	-	-	17,276,977

Table 2: Total Served and Unserved Area by State

The data was sourced from the USPF Arm of the Nigerian Communications Commission.

STATE	STATE AREA	UNSERVED AREA	SERVED AREA
ABIA	4901.55	97.65	4803.90
ADAMAWA	38471.40	27930.00	10541.40
AKWA IBOM	6777.14	259.63	6517.51
ANAMBRA	4808.84	721.08	4087.76
BAUCHI	49256.00	35119.40	14136.60
BAYELSA	9424.68	3774.93	5649.75
BENUE	31155.90	15796.40	15359.50
BORNO	74221.50	61911.00	12310.50
C/ RIVER	21618.00	10807.30	10810.70
DELTA	17229.40	4798.67	12430.73
EBONYI	6410.95	833.64	5577.31
EDO	19772.60	6178.74	13593.86
EKITI	5859.98	458.25	5401.73

ENUGU	7643.82	883.42	6760.40
FCT	7693.41	3350.37	4343.04
GOMBE	17762.40	11032.30	6730.10
IMO	5181.00	213.75	4967.25
JIGAWA	24057.50	12955.10	11102.40
KADUNA	45151.00	29369.90	15781.10
KANO	20918.30	7309.53	13608.77
KATSINA	24491.20	11888.00	12603.20
KEBBI	37089.60	27200.20	9889.40
KOGI	29439.90	14412.60	15027.30
KWARA	34192.30	23798.30	10394.00
LAGOS	3674.33	243.56	3430.77
NASARAWA	27088.00	16834.90	10253.10
NIGER	73304.70	53574.60	19730.10
OGUN	16927.90	4641.43	12286.47
ONDO	15150.40	4221.48	10928.92
OSUN	8661.76	1131.73	7530.03
OYO	28080.10	16483.40	11596.70
PLATEAU	26979.60	17489.20	9490.40
RIVERS	10441.10	2073.23	8367.87
SOKOTO	33041.00	24951.20	8089.80
TARABA	59956.70	46374.90	13581.80
YOBE	46021.00	37526.10	8494.90
ZAMFARA	34532.60	27390.90	7141.70
TOTAL	927,387.56	564,036.79	363,350.77

MTN Nigeria Communications PLC
Corporate Head Office:
MTN Plaza, Falomo Ikoyi, Lagos.
P.M.B. 80147 Adeola Odeku Post Office, Victoria Island, Lagos, Nigeria
Website: www.mtnonline.com
RC 395,010

6th March 2020

The Executive Vice Chairman/Chief Executive Officer
Nigerian Communications Commission
423 Aguiyi Ironsi Street
Maitama District
Abuja.

Dear Sir,

RE: REQUEST FOR INFORMATION

We refer to the Commission's letter dated 11th February, 2020 on the above subject.

Please find attached the requested data on Taxes, Levies, Permits and Fees, etc, paid by MTN Nigeria to State Governments in Nigeria, for the period ending 2019. Kindly note that the requested data have been provided in rates per demand across the states, including the FCT, Abuja.

Should you require further clarification regarding the provided information, kindly contact our **Oluwaseye Oyelowo (Manager, States & Local Government Affairs) on +2348032001095**.

While thanking the Commission for its continuous to the telecommunications industry development, please accept the assurances of our highest regard at all times.

Yours faithfully,
For: MTN Nigeria Communications PLC

Ikenna Ikeme
General Manager, Regulatory Affairs

Johnson Oyewo
Snr. Manager, Regulatory Affairs

MTN DATA								
S/N	STATE	TAXES		LEVIES		PERMIT		REMARK (Indicate if payment is one-off or annually
		Name	Amount (N)	Name	Amount (N)	Name	Amount (N)	
1	Abia	Withholding Tax	257,500.00	Noise Pollution	893,000	Signage&Advert	2,500,000.00	Per Rates
		PAYE	5,800,789.07	Radio & TV	50,000	Rigt Of Way	3,000.00	Per Rates
				Land use charge	120,963			
				Tenement rate(1 office)	500,000			
2	Adamawa	Withholding Tax	1,138,272.26			Rigt Of Way	750.00	Per Rates
		PAYE	3,098,642.46			Signage&Advert	120,000.00	Per Rates
3	Akwa-Ibom	PAYE	1,925,303.64	Tenement Rate	3,525,000	Rigt Of Way	2,000.00	Per Rates
4	Anambra					Signage&Advert	7,000,000.00	
		PAYE	2,960,563.29			Rigt Of Way	3,202.00	Per Rates
5	Bauchi	Withholding Tax	2,984,127.37	Signage	5,000,000	Rigt Of Way	1,366.00	Per Rates
		PAYE	2,993,773.47			Signage&Advert	4,000,000.00	Per Rates
6	Bayelsa	Withholding Tax	899,999.99			Right of Way	3,000.00	Per Rates
		PAYE	1,474,641.99			Signage&Advert	1,000,000.00	Per Rates
7	Benue					Signage&Advert	3,000,000.00	
		PAYE	2,471,976.50			Right of Way	2,500.00	Per Rates
8	Borno	Withholding Tax	4,295,697.12			Right of Way	1,500.00	Per Rates
		PAYE	2,900,454.79					Per Rates
9	Cross-River	Withholding Tax	650,793.70	Tenement rate(1 office)	150,000	Right of Way	3,965.00	Per Rates
				Business premises fees	100,000			
		PAYE	6,446,901.20	Effluent/Pollution	60,000,000	Signage&Advert	3,000,000.00	Per Rates
10	Delta	Withholding Tax	253,750.00	Infrastructure levy	243,000,000	Right of Way	2,705.00	Per Rates
				Tenement rate(1 office)	600,000			
		PAYE	79,166,174.57	Sanitation Fees	500,000	Signage&Advert	2,500,000.00	Per Rates
11	Ebonyi					Signage&Advert	1,000,000.00	
		PAYE	1,802,999.49			Right of Way	2,692.00	Per Rates
		Withholding Tax	178,571.43	Teement Rate Oredo LG	3,000,000	Signage&Advert	9,350,000.00	Per Rates

S/N	STATE	TAXES		LEVIES		PERMIT		REMARK (Indicate if payment is one-off or annually
		Name	Amount (N)	Name	Amount (N)	Name	Amount (N)	
12	Edo			Tenement rate(2 offices)	1,300,000			
		PAYE	14,553,775.62	Signage &Advert (21LGAs)	11,150,000	Right of Way	3,491.00	Per Rates
13	Ekiti					Signage&Advert	3,000,000.00	
		PAYE	859,629.95			Right of Way	4,000.00	Per Rates
14	Enugu	Withholding Tax	7,129,390.67			Rght of Way	2,000.00	Per Rates
		PAYE	30,425,527.56	Ground rent & LUC (2 offices)	3,475,000	Signage&Advert	500,000.00	Per Rates
		Telecom Tax	80,000.00	Waste management	3,000,000			Per Rates
15	FCT	Withholding Tax	16,828,189.43	Tenement Rate (4 offices)	2,200,582	Signage&Advert	5,000,000.00	Per Rates
				Ground rent(2 offices)	228,425	Parking permit	1,000,000.00	1 location
				Operation/Business Permit	350,000	Right of Way		
		PAYE	155,491,119.22	Radio & TV	200,000	Right of Way	2,807.00	Per Rates
16	Gombe	Withholding Tax	922,222.40			Right of Way	507.00	Per Rates
		PAYE	1,079,786.02			Signage&Advert	2,400,000.00	Per Rates
17	Imo	Withholding Tax	25,000.00	Tenement Rate	45,000,000	Signage&Advert	1,500,000.00	Per Rates
				Tenement Rate(1 office)	400,000			
		PAYE	16,026,590.44	Pest Control/Fumigaton (8years Levies)	423,957,408	Right of Way	1,512.00	Per Rates
18	Jigawa	Withholding Tax	1,922,223.11			Right of Way	474.00	Per Rates
		PAYE	1,226,580.42					Per Rates
19	Kaduna	Withholding Tax	1,240,476.41	Ground Rent	235,485	Right of Way	3,885.00	Per Rates
		PAYE	27,924,627.62					Per Rates
				Sanitation Fees	750,000	Signage&Advert	10,000,000.00	Per Rates
		Withholding Tax	676,842.22	Tenement for LGA's	31,450,000	Right of Way	2,258.00	Per Rates
				Ground rent & LUC(2 offices)	2,640,539			

S/N	STATE	TAXES		LEVIES		PERMIT		REMARK (Indicate if payment is one-off or annually
		Name	Amount (N)	Name	Amount (N)	Name	Amount (N)	
20	Kano			Tenement rate(2 offices)	1,125,000			
				Sanitation Fees	336,000			
				Radio / TV (2 offices)	100,000			
		PAYE	57,122,785.07	Annual Admin Levy	30,000			Per Rates
21	Kastina	Withholding Tax	622,222.22			Right of Way	494.00	Per Rates
		PAYE	876,285.10			Signage&Advert	1,500,000.00	Per Rates
22	Kebbi	Withholding Tax	1,555,555.54			Right of Way	444.00	Per Rates
		PAYE	887,401.61					Per Rates
23	Kogi	Withholding Tax	166,666.66			Right of Way	1,800.00	Per Rates
		PAYE	2,687,544.65			Signage&Advert	200,000.00	Per Rates
24	Kwara	Withholding Tax	11,934,000.00			Right of Way	5,500.00	Per Rates
		PAYE	1,803,956.20			Signage&Advert	750,000.00	Per Rates
25	Lagos	Withholding Tax	254,312,335.18			Right of Way	6,263.00	Per Rates
				Reinstatement	13,000	Signage&Advert	65,550,000.00	Per Rates
				LUC(8 offices)	12,781,110	Parking permit(8 offices)	3,357,000.00	
				Radio & Tv (11 offices)	2,400,000			
				Business premises fees	70,000			
		PAYE	4,181,554,796.36	Annual Admin Levy	40,000			Per Rates
26	Nasarawa	Withholding Tax	488,888.89	Convulsion Fees	23000000	Fiber ROW renewal	2,641,900.00	Per Rates
		PAYE	3,358,238.41			Right of Way	1,100.00	Per Rates
27	Niger	Withholding Tax	1,200,000.11	Mobile Advert(suleja)	150,000	Right of Way	1,200.00	Per Rates
		PAYE	1,889,458.36			Signage&Advert	70,000.00	Per Rates
28	Ogun	Withholding Tax	852,380.95			Signage&Advert	7,000,000.00	Per Rates
				LUC(1 office)	254,721	Parking permit	250,000.00	
				Radio & TV	350,000			
		PAYE	149,350,688.96	Planning Permit Per BTS	1500000	Right of Way	5,351.00	Per Rates
29	Ondo	Withholding Tax	594,444.45	LUC(1 office)	300,000	Right of Way	3,075.00	Per Rates
		PAYE	2,777,731.89			Signage&Advert	6,000,000.00	Per Rates
30	Osun	Withholding Tax	166,667.00	Infrastructure Inspection Per Site	1400000	Right of Way	6,850.00	Per Rates
		PAYE	789,316.89			Signage&Advert	1,000,000.00	Per Rates
		Withholding Tax	1,275,000.00	Setback & Parking per office	500,000	Right of Way	4,336.00	Per Rates

S/N	STATE	TAXES		LEVIES		PERMIT		REMARK (Indicate if payment is one-off or annually
		Name	Amount (N)	Name	Amount (N)	Name	Amount (N)	
31	Oyo			Radio & TV(3 offices)	700,000			
				Business premises fees	500,000			
		PAYE	57,637,034.89	LUC(3 offices)	1,383,122	Signage&Advert	5,000,000.00	Per Rates
32	Plateau	PAYE	19,748,439.65	Tenement rate	1,500,000		300,000.00	Per Rates
				Business premises fees	10,000			
				Radio & TV Per Office	300000	Right of Way	2,555.00	Per Rates
33	Rivers	Withholding Tax	1,984,290.18	Tenement Rate(5 offices)	3,800,000.00	Signage&Advert	5,000,000.00	Per Rates
				Business premises fees	500,000.00	Parking permit	3,013,632.00	3 locations
		PAYE	135,879,374.59	Development fee (State wide)	4000000	Right of Way	4,047.00	Per Rates
34	Sokoto	Withholding Tax	5,888,889.20	Sanitation Fees	70,000	Right of Way	1,600.00	Per Rates
		PAYE	4,934,465.51	Tenement rate	400,000.00	Signage&Advert	1,750,000.00	Per Rates
35	Taraba	Withholding Tax	200,000.00			Right of Way	1,600.00	Per Rates
		PAYE	1,677,285.15					Per Rates
36	Yobe	Withholding Tax	1,327,779.43			Right of Way	690.00	Per Rates
		PAYE	671,613.35					Per Rates
37	Zamfara	Withholding Tax	3,580,556.31	Fibre Ground rent (Per State)	61,328,120	Right of Way	1,700.00	Per Rates
		PAYE	1,065,178.05					Per Rates
	Total		5,308,974,184.26		962,617,474	0	160,348,751	0

S/N	STATE	TAXES (N)	LEVIES (N)	PERMITS (N)	FEES (N)	REMARK (Please indicate if payment is one-off or annually)
1.	Abia	Advertisement/Signages - N1,700,000.00.			Sanitation & Waste Management - N120,000.00 (A).	
		Business Premises - N50,000.00 (A).	Property rate - N25,000.00 (A).			
		Radio and TV - N50,000.00 (A).				
2.	Adamawa	Advertisement/Signages - N50,000.00. Business Premises - N50,000.00 (A).				
3.	Akwa Ibom	Business Premises - N10,000.00 (A).	Economic Development Levy - N100,000.00.		Urban Development/ Pollution & Effluent discharge (Under contention)	
		Radio/TV & Signpost - N120,000.00 (A).				
			Development Levy/Shop rate (Under contention).			

4.	Anambra	Advertisement/Signages – N3,000,000.00 (A).			Fumigation (Under contention)	
					Sanitation & Waste Management – N60,000.00 (A).	
5.	Bauchi	Advertisements/Signages (Bauchi Local Government)- N5,000,000.00 (A).	Business Premises registration N10,000.00.	Shop Rates – (Bauchi Local Government) - N150,000.00.		
6.	Bayelsa				Sanitation & Waste management - N140,000.00 (A).	
7.	Benue	Advertisements/Signages (Makurdi Local Government) - N2,000,000.00 (A). Advertisements/Signages (Gboko Local Government) - N2,000,000.00 (A). Advertisements/Signages (Vandekiya Local Government) - N2,000,000.00 (A).		Operational Permits (Vandekiya Local Government)- N1,000,000.00 (A). Makurdi Local Government. Gboko Local Government.		
8.	Borno	Tenement rates - N1,000,000.00 (A). Advertisements/Signages - N100,000.00 (A). Operational Permits	Business Premises – N10,000.00 (A).			

		N120,000.00 (A).				
9.	Cross River	Business Premises – N100,000.00 (A).		Environmental Health Certificate Permit (Under contention).	Refuse Disposal (Sanitation) Fees – N80,000.00 (A).	
10.	Delta	Advertisement/Signages – N703,000.00 (A).				
11.	Ebonyi					
12.	Edo	Advertisement – N1,000,000.00 (A).			Sanitation & Waste Management Fees N60,000.00 (A).	
		Business Premises – N10,000.00 (A).				
13.	Ekiti	Business Premises – N10,000.00 (A).	Fire Service.	Right of Way.	Environmental/ Waste Management Fees.	
		Tenement Rates.	Social Service.	Planning Permit.	Effluent Discharge.	
		Advertisement/Signages.	Employee Development.	Parking Permit.	Building Fitness.	
		Shop Rate.	Way Leave.	Operational Permit.	Capitation Fees.	
		Radio & TV.		Hawking Permit.	Infrastructure Maintenance.	
				Borehole License.	Environmental Ecological Fees.	
				Workshop/ Warehouse License.	Sewage Fees.	

					Gaseous Emission.	
14.	Enugu	Telecom Infrastructure tax - Telecom Infrastructure/antennae (Under contention).	Social Services Contributory levy (Under contention).		Environmental Development (Under contention).	
			Advertisement/ Shop Rate (Enugu North LGA) N500,000.00 (A).		Economic Development Levy & Effluent Discharge (Under contention).	
					Assessment fees, Renewal fees for Installation, Effluent permit, development levy, Registration Fee and renewal of registration (Under contention).	
					Pest vector control, fumigation and sanitation fees (Under contention).	
					Sanitation and Waste management – N720,000.00 (A).	
15.	FCT	Advertisements/Signages – N7,000,000.00 (A). Sanitation N250,000.00 (A). Parking Permit	Right Of Way for Ducts N500/m. N405,000,000.00			

		N2,000,000.00 (A). Operational Dues (Under contention) (7,500,000) (A). Tenement Rate N8,500,000 (A). Fumigation Certificate N2,500,00.00 (A).	(A).			
16.	Gombe	Advert and Signboard Permit, Operational Permit, Environmental Hazard, Capitation Rate, Tenement Rate, Sewage and Refuse Disposal, Radio and Television Rate N150,000.00 (A).				
17.	Imo	Signages – N300,000.00 (A).	Infrastructural Development levy (Under contention).	Sanitation, Fumigation, Infrastructure, Loading and Offloading, Business Premises/ Advert, Operational Permit (Under contention)	Sanitation and Waste management – N300,000.00 (A)	
		Business Premises – N100,000.00 (A).			Health Registration Fee and renewal,	

					Annual Food Inspection and Food Safety fee, Quarterly Abatement of Nuisance fee, Annual Health Hazards/Body Safety and First Aid Box, Annual Workshop/ Certification fee (Under contention).	
					Abatement of Nuisance Notice (Under contention).	
		Ideato South LGA: Advert and Signboard Permit, Operational Permit, Environmental Hazard, Capitation Rate, Tenement Rate, Sewage and Refuse Disposal, Radio and Television Rate (Under contention).			Sewage and Refuse Disposal (Under contention).	
		Owerri West LGA: Advert and Signboard Permit, Operational Permit, Environmental Hazard, Capitation Rate, Tenement Rate, Sewage and Refuse Disposal, Radio and				

		Television Rate (Under contention).						
		Ngor Okpala LGA: Advert and Signboard Permit, Operational Permit, Environmental Hazard, Capitation Rate, Tenement Rate, Sewage and Refuse Disposal, Radio and Television Rate (Under contention).						
18.	Jigawa	Mobile Advertising Commercial (Under contention).						
		Advert and Signboard Permit, Operational Permit, Environmental Hazard, Capitation Rate, Tenement Rate, Sewage and Refuse Disposal, Radio and Television Rate N30,000.00 (A).						
19.	Kaduna	Administrative fees N118,800,00.00 (A) - (Under contention).						
20.	Kano	Operational Permit, Environmental Hazard, Capitation Rate, Sewage	Advert and Signboard Permit, Operational Permit,	Parking permit Nasarawa-	Advert and Signboard Permit -			

		and Refuse Disposal, Radio and Television Rate (Under contention). Nasarawa Local Government N175,000.00 (A). Nasarawa Local Government -Tenement Rate N200,000.00 (A).	Environmental Hazard, Capitation Rate, Tenement Rate, Sewage and Refuse Disposal, Radio and Television Rate (Under contention). KMC Local Government N75,000.00 (A).	N20,000.00. KMC-N20,000.00. Dala -N20,000.00.	N3,700,000.00.	
21.	Katsina					
22.	Kebbi					
23.	Kogi	Employee Contributory Levy - N60,000,00.00 (A). Social Services Contributory Levy - N60,000,000.00 (A). (Under contention).				
24.	Kwara	Business Premises - N10,000.00 (A). Tenement Rates - N30,000.00 (A). Advertisement/Signages - N600,000.00 (A).	Fire Service (Under contention). Social Service (Under contention). Employee Development	Right of Way - N2,500.00 (O). Planning Permit Parking Permit (Under contention).	Environmental/ Waste Management Fees (Under contention). Effluent Discharge (Under contention). Building Fitness (Under contention).	

		(Under contention).			
	Shop Rate - N10,000.00 (A).	Way Leave (Under contention).	Operational Permit (Under contention).	Capitation Fees (Under contention).	
	Radio & TV.		Hawking Permit (Under contention).	Infrastructure Maintenance (Under contention).	
			Borehole License (Under contention).	Environmental Ecological Fees (Under contention).	
			Workshop/ Warehouse License (Under contention).	Sewage Fees (Under contention).	
				Gaseous Emission (Under contention).	
25.	Lagos				
	Business Premises - N100,000.00 (A).	Fire Service.	Right of Way - N500.00 (O).	Environmental/ Waste Management Fees.	
	Tenement Rates - N50,000.00 (A).	Social Service.	Planning Permit.	Effluent Discharge.	
	Advertisement/Signages - N11,000,000.00 (A).	Employee Development.	Parking Permit - N100,000.00 (A).	Building Fitness.	
	Shop Rate - N50,000.00 (A).	Way Leave.	Operational Permit - N100,000.00 (A).	Capitation Fees.	
	Radio & TV - N200,000.00 (A).		Hawking Permit.	Infrastructure Maintenance.	
			Borehole License.	Environmental	

							Ecological Fees.	
26.	Nasarawa					Workshop/ Warehouse License.	Sewage Fees.	
		Mobile Advert - N25,000.00.					Gaseous Emission.	
27.	Niger	Advertisement/Signages - N1,500,000.00.						
28.	Ogun	Business Premises - N100,000.00 (A).	-	Fire Service.		Right of Way - N500.00 (O).	Environmental/ Waste Management Fees.	
		Tenement Rates - N50,000.00 (A).	-	Social Service.		Planning Permit.	Effluent Discharge.	
		Advertisement/Signages - N5,000,000.00 (A).	-	Employee Development.		Parking Permit - N100,000.00 (A).	Building Fitness.	
		Shop Rate - N50,000.00 (A).		Way Leave.		Operational Permit - N100,000.00 (A).	Capitation Fees.	
		Radio & TV.						
29.	Ondo	Business Premises	-	Fire Service.		Right of Way	- Environmental/	
						Hawking Permit.	Infrastructure Maintenance.	
						Borehole License.	Environmental Ecological Fees.	
						Workshop/ Warehouse License.	Sewage Fees.	
							Gaseous Emission.	

		N10,000.00 (A).		N1,200.00 (O).	Waste Management Fees.	
30.	Osun	Tenement Rates - N10,000.00 (A).	Social Service.	Planning Permit.	Effluent Discharge.	
		Advertisement/Signages - N2,000,000.00 (A).	Employee Development.	Parking Permit - N100,000.00 (A).	Building Fitness.	
		Shop Rate - N50,000.00 (A).	Way Leave.	Operational Permit - N10,000.00 (A).	Capitation Fees.	
		Radio & TV - N30,000.00 (A).		Hawking Permit.	Infrastructure Maintenance.	
				Borehole License.	Environmental Ecological Fees.	
				Workshop/ Warehouse License.	Sewage Fees.	
		Business Premises - N20,000.00 (A).	Fire Service.	Right of Way - N1,500.00 (O).	Environmental/ Waste Management Fees.	Gaseous Emission .
		Tenement Rates - N50,000.00 (A).	Social Service.	Planning Permit.	Effluent Discharge.	
		Advertisement/Signages - N3,600,000.00 (A).	Employee Development.	Parking Permit - N100,000.00 (A).	Building Fitness.	
		Shop Rate - N50,000.00 (A).	Way Leave.	Operational Permit - N100,000.00 (A).	Capitation Fees.	
		Radio & TV.		Hawking Permit.	Infrastructure	

31.	Oyo	Business Premises - N100,000.00 (A).	Fire Service.	Borehole License.	Environmental Ecological Fees.	Maintenance.		
		Tenement Rates - N50,000.00 (A).	Social Service.	Workshop/ Warehouse License.	Sewage Fees.			
		Advertisement/Signages - N7,750,000.00 (A).	Employee Development.	Right of Way - N1,500.00 (O).	Environmental/ Waste Management Fees.			
		Shop Rate - N50,000.00 (A).	Way Leave.	Parking Permit - N100,000.00 (A).	Effluent Discharge.			
		Radio & TV - N200,000.00 (A).		Operational Permit - N100,000.00 (A).	Building Fitness.			
				Hawking Permit.	Capitation Fees.			
				Borehole License.	Infrastructure Maintenance.			
				Workshop/ Warehouse License.	Environmental Ecological Fees.			
32.	Plateau	Mobile Advertisements - N20,000.00.			Sewage Fees.			
33.	Rivers	Tenement Rate -	Fire Service charge		Gaseous Emission.			

		N800,000.00 (A).	- N600,000.00 (A).			
34.	Sokoto	Advertisements/Signages - N7,500,000.00.				
		Advertisements/Signages - N500,000.00.				
		Harmonised Rates - N200,000.00.				
35.	Taraba.	Operational dues - N40,000.00.				
36.	Yobe	Tenement Rates - N500,000.00.				
37.	Zamfara	Advertisements/Signages - N500,000.00.				

S/N	STATE	TAXES (₦) TENEMENT RATE	LEVIES (₦)	PERMITS (₦)	FEES (₦)	OTHERS (Please specify) (₦)	REMARKS (Please indicate if payment is one-off or annually)
1.	Abia	Tenement Rate - 30,000 (per site)	Local Government Development Levy - 400,000 (per site build)	600,000 (per site build)			Tenement Rate is paid annually while Permit Fee and Local Government Development Levy is one-off
2.	Adamawa	Tenement Rate - 25,000 (per site)		600,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
3.	Akwa Ibom	Tenement Rate – 70,000 (per site)	Local Government Development Levy - 150,000 (per site build)	620,000 (per site build)			Tenement Rate is paid annually while Permit Fee and Local Government Development Levy is one-off
4.	Anambra	Tenement Rate - 45,000 (per site)		750,350 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off.
5.	Bauchi	Tenement Rate - 20,000 (per site)		600,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
6.	Bayelsa	Tenement Rate - 50,000 (per site)	Local Government Development Levy - 200,000 (per site build)	812,500 (per site build)			Tenement Rate is paid annually while Permit Fee and Local Government Development Levy is one-off
7.	Benue	Tenement Rate - 30,000 (per site)		250,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
8.	Borno	Tenement Rate - 20.000 (per site)		400,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
9.	Cross River	Tenement Rate - 67,000 (per site)	Local Government Development Levy - 200,000 (per site build)	1,000,000 (per site build)			Tenement Rate is paid annually while Permit Fee/Local Government Development Levy is one-off

10.	Delta	Tenement Rate - 40,000 (per site)		1,000,000 (per site build)	Sanitation Fee – 5,000 (per site)		Tenement Rate and Sanitation Fee are paid annually while Permit Fee is one-off
11.	Ebonyi	Tenement Rate - 40,000 (per site)		1,500,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off.
12.	Edo	Tenement Rate – 40,000 (per site)		500,000 (per site build)	Sanitation Fee – 5,000 (per site		Tenement Rate and Sanitation fee are paid annually while Permit Fee is one-off
13.	Ekiti	Tenement Rate - 30,000 (per site)		1,050,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
14.	Enugu	Tenement Rate - 40,000 (per site)		665,000 (per site build)			Tenement Rate is paid annually while Permit fee is one-off
15.	FCT	Tenement Rate - 30,000 (per site)		950,000/ 1,650,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
16.	Gombe	Tenement Rate – 25,000 (per site)		300,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
17.	Imo	Tenement Rate - 30,000 (per site)		1,250,000 (per site build)	Fumigation Fee - 4,821,600 (annually)		Tenement Rate and Fumigation Fees are paid annually while Permit Fee is one-off
18.	Jigawa	Tenement Rate - 30,000 (per site)		1,750,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off.
19.	Kaduna	No specific amount has been fixed as Tenement Rate		1,000.000 (per site build)			Tenement Rate for Kaduna State is a contentious issue since 2016 as State Government is demanding ₦100,000 per site
20.	Kano	Tenement Rate - 35,654 (per site)		1,750,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
21.	Katsina	Tenement Rate – 30,000 (per site)		1,200,000 (per site build)			Tenement Rate is paid annually while Permit fee is one off
22.	Kebbi	Tenement Rate - 30,000 (per site)		750,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off.

23.	Kogi	Tenement Rate - 40,000 (per site)		749,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
24.	Kwara	Tenement Rate - 40,000 (per site)		700,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
25.	Lagos	Land Use Charge – 35,000	Annual Administrative Fee - 40,000 (per site build)	957,250 as Permit Fee and 1,050,000 as Site Assessment Report Fee ("SAR") (per site build)			Land Use Charge and Annual Administrative Fee are paid annually while Permit Fee and SAR Fee is one-off
26.	Nasarawa	Tenement Rate - 30,000 (per site)		656,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
27.	Niger	Tenement Rate- 30,000 (per site)		800,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
28.	Ogun	No specific amount has been fixed as Tenement Rate/Land Use Charge at the moment		793,000 as Permit Fee and 350,000 as SAR Fee (per site build)			Tenement Rate in Ogun State is still a contentious issue. Ministry of Finance had taken over, but no rate has been fixed. Permit Fee and SAR Fee are one-off
29.	Ondo	30,000 (per site)		1,120,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
30.	Osun	Land Use Charge - 30,000 (per site)		1,010,000 (per site build)			Land Use Charge is paid annually while Permit Fee is one-off
31.	Oyo	Tenement Rate - 40,000 (per site)		920,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
32.	Plateau	Tenement Rate - 25,000 (per site)		400,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
33.	Rivers	Tenement Rate - 50,000 (per site)	Local Government	860,000 (per site build)			Tenement Rate is paid annually while Permit Fee and Local

34.	Sokoto	Tenement Rate - 28,000 (per site)	Development Levy – 200,000 (per site build)	900,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
35.	Taraba	Tenement Rate - 20,000 (per site)		400,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
36.	Yobe	Tenement Rate - 25,000 (per site)		200,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off
37.	Zamfara	Tenement Rate - 28,000 (per site)		1,600,000 (per site build)			Tenement Rate is paid annually while Permit Fee is one-off

S/n	STATE	TAXES (₦)	LEVIES (₦)					PERMITS (₦)				FEES (₦)			OTHERS (please specify) (₦)							REMARKS (Please indicate if payment is one-off or annually)
			Shop/Kiosks Rates	Tenement Rate/Land Use	Sanitation and Waste Management	Development levy	Infrastructure Development	Right-of-Wey (Per meter)	Signage and Advertisement	Shop Signage	Annual admin fee/Per Site	Parking	Business Premises Registration and Renewal	Radio and TV license	Environment Health Certificate	Environment Dev levy	Fumigatio Permit/Lice nse	Operational fee	Borehole	Capitatio n	Pollution/ Effluent	Fire Service	Environment fees (EIA/EA)	AS payment demands are yearly
1	Abia																							
2	Adamawa			490,375			300,000							50,000				100,000	55,000	50,000	100,000			
3	Anambra				120,000	50,000			3,500,000															
4	Akwa Ibom		400,000	700,000	100,000	100,000		5,410 6,831	3,000,000 2,500,000				150,000 100,000	100,000						60,000	100,000	30,000		
5	Bauchi			150,000				5,682	5,000,000				5,000											
6	Bayelsa				1,000,000		100,000		1,250,000				50,000											
7	Benue								1,000,000				19,550											
8	Borno							2,269	2,700,000				10,000									20,000		
9	Cross River		170,000		120,000	50,000		11,233	2,500,000				100,000				100,000							
10	Delta				500,000			12,123	3,000,000				5,000,000		150,000		100,000		35,000		30,000	50,000		
11	Ebonyi																							
12	Enugu				3,000,000	60,000		7,311	3,100,000				100,000											
13	Edo				295,000			5,710	3,000,000															
14	Ekiti			100,000				4,710	9,376,500			120,000	250,000				200,000							
15	FCT		150,000	439,956				5,714																
16	Gombe							3,814	500,000				100,000		600,000		1,540,000							
17	Imo				100,000		400,000																	
18	Jigawa							5,826																
19	Kaduna							5,861	5,000,000			720,000												
20	Kano			476,050					900,000															
21	Katsina								420,000															
22	Kebbi								1,500,000															
23	Kogi							6,688	500,000															
24	Kwara							11,163	59,888,740		40,000	6,250,000	10,000											
25	Lagos			5,958,503						200,000				3,270,000		200,000	100,000							
26	Nasarawa																							
27	Niger		200,000		120,000				5,000,000				100,000	100,000										
28	Ogun							5,889					150,000											
29	Ondo							5,674																
30	Osun			331,285				7,833	4,422,688			500,000	1,000,000									30,000		
31	Oyo		50,000	100,000					1,700,000	50,000			100,000	25,000								700,000	450,000	
32	Plateau			300,000				8,700	6,000,000			1,328,340	1,130,000											
33	Rivers							5,257	690,000															
34	Sokoto																							
35	Taraba																							
36	Yobe																							
37	Zamfara							8,423	320,000															

Chapter Six: REFERENCES

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