



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW
DEPARTMENT OF PUBLIC LAW**

2023_1 POP EXAMINATION.

COURSE CODE: PUL433
COURSE TITLE: LAW OF TAXATION I
CREDIT UNIT: 4
TIME ALLOWED: 3 HOURS

**Instruction: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 QUESTIONS.
ALL QUESTIONS CARRY EQUAL MARKS (15 MARKS) EXCEPT
QUESTION 1 WHICH CARRIES 25 MARKS.**

QUESTIONS:

- 1.** Chief Okezie is a popular business tycoon and a well-known social philanthropist who has various business outfit in a popular city of *Akpatakpa*. His community people have unanimously chosen him to represent them in the Federal House of Representative, a choice that was born out of his numerous achievements and community development projects which he single-handedly carried out. He has been a means of succor and source of encouragement to the less privileged in the community through his uncommon act of generosity. However, due to ignorance, Chief Okezie has been against the government which he sees as being exploitative and selfish in taxing the people. He has questioned the rationale for the imposition and collection of tax from the citizens. He has always accused the tax agencies and in several occasions threatened to sue them on the allegation of their incessant efforts to assess his income. Chief Okezie sees this move as unwarranted disturbance to his peace. As an expert, Okezie is now seeking for your legal opinion on this issue.
 - (a) As a taxation lawyer, you are required to give a legal advice to Chief Okezie on the reasons for the introduction of taxation system in the society and the likely outcome of the intending suit. **15Marks**
 - (b) Briefly state and discuss the differences between **Progressive** and **Regressive** tax systems. **10Marks**

2. For every ideal tax, there are some known vital principles or ingredients that must be present. In the light of this, state and concisely discuss any five principles of a good tax system you know. **15Marks**

3. (a) One of the ways of categorizing tax is by grouping them into “**Direct Tax**” and **Indirect Tax**”. Briefly explain and differentiate between the two. **8Marks**

(b) What is ‘tax’ bearing in mind the case law and legal scholars’ opinions on the term? **7Marks**

4. Briefly discuss the pre-colonial history of the Nigerian tax system. **15Marks.**

5. Ibrahim Mantu popularly known as ‘Ibro’ is a local business tycoon who operates a small business the native market popularly called *rambus*. The State tax authorities have been visiting Ibro’s business premises with the intention of assessing and levying tax on him of which has no objections. The two parties are currently at sea regarding the best way to assess and compute Ibrahim Mantu’s income for the current year’s tax.

(a) You are required to give legal advice to Ibrahim Mantu and the concerned tax agents on the best steps to take in assessing and commutating the Statutory Total Income for employed individual and individual businessperson like Ibro, in accordance with *section 36* of the Personal Income Tax Act (PITA) **9Marks**

(b) Income can be classified as **Earned** and **Unearned** income. State the differences between the two. **6Marks**

6. (a) List any five functions of the Federal Inland Revenue Services as contained in *section 8 of the Act*. **15Marks**