

A Comprehensive Guide for Employees, Payroll Teams, and Tax Practitioners

Understanding "Place of Residence" for Personal Income Tax in Nigeria

Under the Nigeria Tax Act 2025

📅 24 March 2026 | 11:00 AM

🗣️ Zoho Meetings (Online)

Webinar Overview



What we will cover in today's comprehensive session

Statutory Framework

Understanding the NTA 2025 and NTAA 2025 provisions on territorial attribution and residence determination

Residence Rules

The January 1 rule, qualifying and non-qualifying residences, and the availability test

Multiple Residences

Principal place of residence test and category-based determination for employees with multiple homes

Itinerant Workers

Definition, the 20-day threshold, common misunderstandings, and income-source attribution

Documentary Requirements

Evidence requirements for residence proof, ownership documents, tenancy agreements, and utility bills

Practical Case Studies

Real-world scenarios across multiple industries including oil & gas, banking, healthcare, and manufacturing

Common Pitfalls

Frequent errors to avoid and how to prevent compliance gaps in your payroll processes

Compliance Recommendations

Best practices, action items, and implementation guidance for maintaining compliance

Dispute Resolution

The role of the Joint Revenue Board of Nigeria in resolving inter-State tax disputes

Our Speakers



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First-Class B.Sc in Accounting, Associate of ICAN. Supports the firm's tax advisory practice with growing expertise in personal income tax legislation and PAYE jurisdiction analysis under the NTA 2025.


Why This Topic Matters

The hidden compliance risk in payroll operations



The Hidden Risk

Many organizations calculate PAYE correctly but remit to the wrong State. This is not a mathematical error—it is a **jurisdictional compliance risk** with serious legal consequences.

 **Legal Consequence:** Remitting PAYE to the wrong State may be treated as not having paid tax at all. The correct State authority can demand the full tax amount plus interest and penalties, while the State that wrongly received the tax may refuse to refund it.

Nigeria's Tax Landscape

36

States

+1

FCT Abuja

37

Tax Jurisdictions

Each State and the FCT operates its own **State Internal Revenue Service (SIRS)** with independent assessment and collection authority. There is no centralized national PAYE pool.

The Common Error

Wrong Assumption:

"PAYE should be remitted to the State where the employee's office is located"



Correct Principle:

PAYE must be remitted to the State where the employee is **RESIDENT**

The Compounding Cost

Incorrect remittances **accumulate over time**, creating significant exposure. A 3-year assessment period with 100 employees could result in millions of Naira in unremitted tax plus penalties.


The Nigeria Tax Landscape

Understanding the sub-national tax system structure






Sub-National Tax System

Nigeria operates a **sub-national personal income tax system** where each State Internal Revenue Service (SIRS) is responsible for assessing and collecting personal income tax from individuals resident within its territory.

-  This means there is **no central Federal pool** for PAYE remittance—each employer must determine the correct SIRS for each employee.

Employer's PAYE Obligation

The employer must remit PAYE to the SIRS of the State in which the **employee is resident**, not to the Federal Government or to a centralized pool.

-  Correct determination protects against reassessment
-  Wrong determination exposes employer to dual liability
-  Documentation is essential for audit defense

Structural Challenges

Multi-State Employers

Organizations operating across multiple States face complex compliance obligations

Mobile Workforce

Employees working across State lines create jurisdictional uncertainty

Remote Work

Post-pandemic remote work arrangements complicate residence determination

Cross-Border Employment

Foreign employers with Nigerian-resident employees face unique challenges

Compliance Risk

Incorrect determination exposes employers to **reassessment by the correct authority** and potential demands from authorities that wrongly received the tax.

Legislative Framework: NTA 2025

Nigeria Tax Act 2025 provisions on territorial attribution



Nigeria Tax Act 2025

Primary Tax Legislation

The NTA 2025 is the **primary legislation** that imposes and defines the charge to tax on individuals and entities in Nigeria. It establishes the legal basis for personal income taxation and provides the framework for determining tax liability.

📌 **Twelfth Schedule:** Contains detailed provisions on territorial attribution of income and residence determination for individuals working across multiple States

⚖️ Key Provisions

Charge to Tax: Defines who is liable to pay personal income tax in Nigeria

Residence Rules: Establishes criteria for determining State of residence

Itinerant Workers: Special provisions for multi-State workers

Attribution Rules: How income is attributed to specific States

📖 Territorial Attribution

The Twelfth Schedule provides the rules for determining which State has the right to tax an individual's earned income when that individual:

- ✓ Works in multiple States during the year
- ✓ Has residences in more than one State
- ✓ Has no fixed place of residence
- ✓ Changes residence during the year

🔄 Relationship with NTAA 2025

The NTA 2025 and NTAA 2025 work together—the NTA defines the charge to tax, while the NTAA governs administration and enforcement. Both contain near-identical provisions on residence.

Statutory Definition of Place of Residence



Understanding the legal definition word by word

“ The Statutory Definition

”A place **available** for his **domestic use** in Nigeria on a relevant day, and does not include any hotel, rest house or other place at which he is temporarily lodging unless no permanent place is available for his use on that day.”

📖 First Schedule, NTAA 2025, Para 12

📖 Twelfth Schedule, NTA 2025, Para 12

🔍 Word-by-Word Analysis

"Available"

The accommodation must be genuinely available for use, not merely owned or rented

"Domestic Use"

The place must be suitable for habitation, not commercial or transient accommodation

"Relevant Day"

Typically January 1 of the assessment year (or date of employment commencement)

🔑 The Core Principle

Availability, Not Presence

The accommodation must be **genuinely available** for domestic habitation on the relevant date. Physical absence does not defeat residence qualification.

- ✔ An employee on vacation abroad still has their Nigerian residence
- ✔ Temporary work assignments don't change residence
- ✔ The test is objective availability, not subjective presence

🛡️ The Safety Valve

The final clause ensures a taxpayer is **never left without a taxable domicile**—temporary lodging qualifies only where no permanent place is available.

What Qualifies as a Place of Residence



Accommodations that meet the statutory test

Owner-Occupied Residential Buildings

Properties owned by the individual or their spouse, used primarily for residential purposes. This includes:

- ✓ Family homes and primary residences
- ✓ Properties under construction (if substantially complete)
- ✓ Inherited properties available for use

Long-Term Residential Tenancies

Rental properties under formal lease or tenancy agreements, including:

- ✓ Apartments and houses under lease
- ✓ Corporate housing arrangements
- ✓ Staff quarters with long-term occupancy rights

Employer-Provided Housing

Residential accommodation provided by the employer as part of employment terms, including company flats, staff quarters, and housing allowances that secure specific residential property.

The Availability Test

For a place to qualify as residence, it must meet the **availability test**:

Physical Availability: The property must exist and be habitable

Legal Availability: The individual must have right of occupancy

Domestic Purpose: Must be suitable for residential use

Duration: Not temporary or transient in nature

Key Insight

The property **need not be the individual's sole home**, but must be genuinely available for domestic habitation. An individual can have multiple qualifying residences.

What Does NOT Qualify as Residence



Accommodations expressly excluded by the statute

Hotels and Serviced Apartments

Commercial accommodation booked for temporary stays, regardless of duration. This includes:

- ✗ Business travel hotel bookings
- ✗ Extended-stay hotel arrangements
- ✗ Serviced apartments with hotel-style services

Rationale: Tax residence should attach to a **durable connection**, not transient commercial accommodation

Rest Houses and Guest Houses

Temporary lodging facilities provided by employers or organizations for short-term occupancy:

- ✗ Company guest houses
- ✗ Site camp accommodations
- ✗ Project site quarters

Other Temporary Lodgings

Any accommodation not intended for permanent or long-term residential use:

- ✗ Short-term rentals (Airbnb, etc.)
- ✗ Friends' or relatives' spare rooms (temporary)
- ✗ Transitional accommodation during relocation

The Safety Valve Exception

The statute includes an important **safety valve**: temporary lodging qualifies **ONLY** where no permanent place is available for the individual's use on the relevant day.

Example:

A consultant who genuinely maintains no permanent home anywhere may have their hotel accommodation treated as their place of residence for tax purposes.

The January 1 Rule: Primary Determinant

The single most important rule in residence determination







The Primary Rule

Where an employee has a qualifying place of residence, the employee is deemed resident for the **entire assessment year** in the territory where that residence is located on **1 January** of that year.

 **Key Point:** This applies even if employment commences after 1 January—the commencement date substitutes for January 1

Legal Basis

The January 1 rule is established in both the NTA 2025 and NTAA 2025 as the **first-ranking test** for residence determination. It supersedes all other considerations including:

-  Where the employee physically works during the year
-  Where the employer's office is located
-  Mid-year changes in residence or work location
-  The proportion of time spent in each State

Why January 1?

Certainty

Provides a single, objective date that is easy to verify and document

Simplicity

Eliminates complex calculations of time spent in each State

Consistency

Same rule applies to all employees regardless of industry or role

Administrability

Easy for both employers and tax authorities to apply

Critical Implication

State revenue authorities **cannot assert jurisdiction** solely because work was performed within their State. The first-ranking test is always residential, not activity-based.

January 1 Rule: Practical Implications

How the rule applies in various scenarios



Mid-Year Relocations

An employee who relocates from one State to another during the assessment year **does not change their tax jurisdiction** for that year.

Example:

Employee lives in Enugu on January 1. In June, they relocate to Abuja. For the entire assessment year, PAYE continues to be remitted to **Enugu State IRS**.

→ The new residence in Abuja takes effect from **January 1 of the following year**.

Employment Commencing Mid-Year

For employees who start employment after January 1, the **commencement date** substitutes for January 1.

Example:

Employee starts work on March 15, with residence in Kaduna. Even if they relocate before year-end, jurisdiction remains with **Kaduna State IRS** for that year.

Multi-State Work

An employee who works across multiple States during the year has their PAYE remitted to the SIRS of their **January 1 residence**, regardless of work distribution.

Example:

Employee lives in Lagos on January 1. During the year, they work:

- 40% of time in Lagos
- 35% of time in Delta
- 25% of time in Rivers

→ **100% of PAYE goes to Lagos State IRS**

Remote Workers

For employees working remotely from a different State than their employer's location, jurisdiction is determined by the **employee's residence**, not the employer's office location.

Residence vs. Work Location

The critical distinction that determines jurisdiction



The Common Error

Many payroll systems and HR departments operate on the assumption that **PAYE should follow the work location**. This is incorrect and creates systematic jurisdictional errors.

Wrong Assumption:

"If an employee works in Lagos, their PAYE should go to Lagos State IRS"

Correct Principle:

"PAYE goes to the State where the employee is **RESIDENT** on January 1, regardless of where they work"

The Law is Clear

The NTA 2025 and NTAA 2025 establish a **first-ranking test** that prioritizes residence over work location:

First-Ranking Test: **RESIDENCE**

Where the employee has a qualifying place of residence on the relevant date



Secondary Consideration: **WORK LOCATION**

Where the employee performs their duties (irrelevant for jurisdiction)

Legal Protection

State revenue authorities **cannot assert jurisdiction** solely because work was performed within their State. The residence test takes priority.


Multiple Residences: The Principal Place Test

Determining jurisdiction when employees have multiple homes



The Scenario

An employee has **two or more places available for domestic use** in different States. The law designates one as the 'principal place of residence' using a **category-based test**.

 This test only applies when **two or more residences compete**. For single-residence employees, the primary January 1 rule applies directly.

The Category-Based Test

(a) Pensioners:

The place where the individual usually resides

(b) Earned Income Earners:

The place nearest to the individual's usual place of work

(c) Unearned Income Earners:

The place where the individual usually resides




(d) Branch/Site Workers:

The place at which the branch office or site is situated (50+ workers)

For Earned Income Earners

Most employees fall into this category. The test is:

**Principal Residence =
The residence **NEAREST** to
usual place of work**

-  What is "usual place of work"?
-  How is "nearest" determined?
-  What evidence is required?

Important Note

This test creates a **factual inquiry** rather than a purely legal one. The tax authority must identify the individual's 'usual' place of work, which may require evidence.

Principal Place Test: Earned Income Earners



Understanding the "nearest to usual place of work" test

🎯 Identifying "Usual Place of Work"

The "usual place of work" is determined through a **factual analysis** of where the employee performs their duties:

🕒 Time-Based Test

The location where the employee works for the greatest part of their working time

📍 Determining "Nearest"

"Nearest" is typically measured by:

Geographic proximity (straight-line distance)

Travel time (if significantly different from distance)

Accessibility and transportation links

⚠️ Common Scenarios

🏠 Scenario 1: Clear Principal

Employee works 80% in Lagos, 20% in Abuja. Lagos workplace is principal.

⚖️ Scenario 2: Equal Distribution

Employee works 50% in each location. Other factors (contract, reporting line) determine "usual" place.

🔄 Scenario 3: Rotating Schedule

Employee rotates monthly between sites. The "base" location (where they report, receive instructions) is usual place.

Case Study: Oil & Gas Worker

Multiple residences scenario – Petroleum Engineer



Employee Profile

Name

David Etim

Role

Petroleum Engineer

Employer

International Oil Company

Annual Salary

₦45,000,000

Work Pattern

Offshore facility (Rivers)

60%

Port Harcourt office

25%

Lagos (home visits)

15%

Multiple Residences

Residence 1: Family Home

Location: Lekki Phase 1, Lagos

Ownership: Owned with spouse

Use: Family lives here; David visits monthly

Residence 2: Work-Site Accommodation

Location: Port Harcourt, Rivers State

Ownership: Company-provided apartment

Use: David stays here during work rotations

Jurisdictional Analysis

Step 1: Identify multiple residences

Lagos (family home) and Rivers (work accommodation)

Step 2: Determine usual place of work

Rivers State (85% of work time)

Step 3: Apply principal residence test

Principal residence = nearest to usual place of work

Step 4: Determine principal residence

Rivers State (Port Harcourt accommodation)

Case Study: Banking Executive

Multiple residences with predominant work location



Employee Profile

Name

Amaka Nwosu

Role

Regional Director

Employer

Tier-1 Commercial Bank

Region

South-West Nigeria

Work Pattern

Lagos head office

75%

Branch visits (various States)

20%

Abuja (CBN meetings)

5%

Multiple Residences

Residence 1: Primary Home

Location: Ikoyi, Lagos State

Ownership: Owned apartment

Use: Weekday residence; close to Lagos office

Residence 2: Family Home

Location: Maitama, Abuja (FCT)

Ownership: Family property

Use: Weekend visits; family lives here

Jurisdictional Analysis

Step 1: Multiple residences exist

Lagos (weekday) and Abuja (weekend/family)

Step 2: Identify usual place of work

Lagos State (75% + reporting location)

Step 3: Apply nearest residence test

Lagos residence is nearest to usual place of work

Step 4: Principal residence determination

Lagos State (Ikoyi apartment)

Case Study: Weekend vs. Weekday Residence



The "5-day vs. 2-day" residence scenario

Employee Profile

Name

Emmanuel Adeleke

Role

Account Manager


Employer

Telecom Company

Work Location

Lagos Island


Weekly Pattern

 Monday - Friday

5 days

Location: Lagos (near office)

Accommodation: Rented apartment in Lekki

 Saturday - Sunday

2 days

Location: Ibadan, Oyo State

Accommodation: Family home (owned)

The Question

Which is Emmanuel's principal place of residence?

- He spends **more nights** in Lagos (5 days)
- But his **family home** is in Ibadan
- His **usual place of work** is Lagos

Jurisdictional Analysis

Step 1: Multiple residences exist

Both Lagos and Oyo qualify as places of residence

Step 2: Identify usual place of work

Lagos Island (100% of work time)

Step 3: Apply nearest residence test

Lagos residence is nearest to usual place of work

Understanding Itinerant Workers

The most misunderstood category in tax residence



👤 Statutory Definition

An individual (other than a government security officer) who works at any time in any State during a year of assessment for wages, salaries, or a livelihood derived from **work performed in more than one State**, provided that the individual works for a minimum of **20 days** in at least **three months** of that assessment year.

⚠️ **Exclusion:** Government security officers are subject to a separate centralized PAYE arrangement

☰ Why This Definition Matters

- ✔️ Triggers special tax residence rules
- ✔️ Determines PAYE attribution methodology
- ✔️ Affects compliance obligations across States
- ✔️ Impacts documentary evidence requirements

✖ Critical Misunderstanding

✖ Wrong Assumption:

"Any employee who travels between States for work is an itinerant worker"



✔ Correct Understanding:

The **FIRST FILTER** is whether the employee has a place of residence. Only where there is **NO** qualifying place of residence can a person be deemed itinerant.

⚠ The Threshold's Purpose

The 20-day/3-month threshold is a **substantive filter** designed to exclude individuals with incidental multi-State work whose economic activity is, in substance, single-State.

The 20-Day Threshold: Critical Filter

Understanding the substantive filter for itinerant status



⚠ The Threshold Requirement

20

Days minimum
in each qualifying month

3+

Months minimum
in the assessment year

Both requirements must be met cumulatively. Working 20 days in only 2 months does NOT qualify.

🎯 Purpose of the Threshold

The threshold plays a **critical allocative role** in determining tax jurisdiction:

Substantive Filter

Excludes individuals with incidental multi-State work

✗ Does NOT Meet Threshold

Example 1:

Employee works 15 days in Lagos, 10 days in Ogun across 12 months. **Not itinerant.**

Example 2:

Employee works 25 days in Lagos, 25 days in Ogun, but only across 2 months. **Not itinerant.**

Example 3:

Employee makes occasional site visits (5-10 days) to other States. **Not itinerant.**

✓ MEETS Threshold

Example:

Employee works 22 days in Lagos, 20 days in Ogun, 21 days in Delta, 20 days in Rivers across 4 different months.

✓ **QUALIFIES as itinerant**

Travel Does Not Equal Itinerant Status

The first filter: residence determination



The Sequential Analysis

When determining the tax residence of an employee who works across multiple States, the law requires a **sequential analysis**:

1 FIRST: Does the employee have a place of residence?

If YES → Apply standard residence rules (January 1 rule)



2 SECOND: Only if NO residence → Apply itinerant worker rules

Check 20-day/3-month threshold and apply income-source attribution

Common Misconception

Many payroll administrators assume that **any employee who travels between States** for work must be treated as an itinerant worker. This is incorrect and leads to unnecessary complexity and potential errors.

Reality: Most multi-State workers have a fixed place of residence and should be treated under the standard residence rules, not the itinerant worker rules.

Examples: Standard Residence Rules Apply

Sales Representative

Lives in Lagos, travels to visit clients in Ogun and Oyo. Has fixed Lagos residence. **Standard rules apply.**

Project Engineer

Lives in Port Harcourt, works on sites in Delta and Akwa Ibom. Has fixed Rivers residence. **Standard rules apply.**

Logistics Coordinator

Lives in Kano, supervises deliveries across Northern States. Has fixed Kano residence. **Standard rules apply.**

Key Takeaway

The fact that a person **moves from State to State** does not make them itinerant. The first filter is always whether they have a qualifying place of residence.

Case Study: Sales Representative

Why standard residence rules apply (NOT itinerant)



Employee Profile

Name

Chioma Obi

Role

Regional Sales Rep

Employer

FMCG Company

Base Salary

₦6,000,000/year

Fixed Residence

Lagos State Residence

Address: Yaba, Lagos Mainland

Type: 2-bedroom apartment (rented)

Tenancy: 2-year lease from Jan 2023

Family: Lives with spouse and children

✓ QUALIFYING PLACE OF RESIDENCE

Work Pattern

Chioma's territory covers Lagos, Ogun, and Oyo States. Her typical monthly pattern:

Lagos (office + clients) 12 days

Ogun (client visits) 8 days

Oyo (client visits) 6 days

Home/Weekend 4 days

Annual Total: 96 days in Ogun, 72 days in Oyo

Jurisdictional Analysis

Step 1: Does Chioma have a place of residence?

YES - Lagos apartment (qualifying)

Step 2: Apply standard residence rules

January 1 residence determines jurisdiction

Secondary Rule: No Fixed Place of Residence

Income-source attribution methodology



When the Secondary Rule Applies

Where an itinerant worker genuinely has **no established place or principal place of residence**—for example, a peripatetic consultant who maintains no permanent domestic base anywhere in Nigeria.

Income-Source Attribution

The worker is deemed resident in **any territory from which their earned income is derived**. This means:

Multi-State Income Source

Each State where work is performed acquires residence jurisdiction

Apportioned PAYE

PAYE is divided among contributing States based on income allocation

Proportional Methodology

Typically based on days worked or income earned in each State

The Problems

Multiple Registrations

Employer must register with multiple SIRS (one per contributing State)

Complex Apportionment

Must calculate and remit apportioned PAYE to each SIRS monthly

Record-Keeping Burden

Must maintain detailed records of work location and days for audit defense

Higher Audit Risk

Multiple SIRS can audit and challenge apportionment methodology

Strategic Recommendation

For itinerant workers, **establishing and maintaining a qualifying place of residence** is the most effective strategy for simplifying State-level personal income tax obligations and avoiding multi-State compliance burdens.

Case Study: Consultant with No Fixed Residence



Detailed apportionment methodology and compliance burden

Consultant Profile

Name

Dr. Fatima Bello

Profession

Management Consultant

Engagement

Project-Based

Annual Fee

₦24,000,000

Living Arrangement

⚠️ NO QUALIFYING RESIDENCE

Dr. Bello is a **peripatetic consultant** with no permanent home:

- 🏠 Stays in hotels near client sites
- 📅 Moves every 2-4 weeks for new projects
- 🏠 No owned or rented property anywhere
- 🌐 Previously resident abroad; returned to Nigeria

⚠️ Compliance Burden

Employer must register with **4 SIRS**, file monthly returns in each State, and maintain detailed project records.

📅 2025 Project Assignments

Lagos: Financial services client

Feb-Apr (3 months)

65 days

Abuja: Government agency

May-Jun (2 months)

48 days

Port Harcourt: Oil & gas client

Jul-Sep (3 months)

62 days

Kano: Manufacturing client

Oct-Dec (3 months)

55 days

✔️ **Meets threshold: 20+ days in 4 States across 11 months ✓**

📊 PAYE Apportionment

Total days: 230 | Based on days worked:

· Lagos: 28.3%

· Abuja: 20.9%

· Rivers: 27.0%

· Kano: 23.9%

The Three Scenarios Framework

A comprehensive decision-making framework



1 Single State Residence

Employee has one fixed place of residence in a single State

🏠 Characteristics

- One qualifying residence
- May work in multiple States
- Simplest scenario

🔑 Applicable Rule

Primary rule: Residence on January 1

→ **Result:** 100% PAYE to one SIRS

2 Multiple Residences

Employee has domestic accommodation in more than one State

🔄 Characteristics

- Two+ qualifying residences
- Principal place test applies
- Category-based determination

🔑 Applicable Rule

Principal residence: Nearest to usual work

→ **Result:** 100% PAYE to principal residence State

3 No Qualifying Residence

Worker has no fixed place (temporary lodging only)

🏠 Characteristics

- No permanent accommodation
- Hotels, camps, temporary
- Meets 20-day threshold

🔑 Applicable Rule

Secondary rule: Income-source attribution

→ **Result:** Apportioned PAYE to multiple States

Understanding the Framework



These three scenarios cover the **vast majority of practical situations**. The key is to correctly identify which scenario applies and then apply the corresponding rule for PAYE remittance. Proper classification at the outset prevents compliance errors and audit exposure.

How Organisations Are Addressing These Challenges

Market intelligence and structured solutions



Common Issues We're Seeing

- ✘ PAYE Remitted to Incorrect States**
Many organisations default to office location rather than employee residence
- ✘ Absence of Residence Documentation**
No records to prove jurisdictional accuracy during audits
- ✘ Unclear Itinerant Worker Treatment**
Misclassification of traveling employees creates compliance gaps
- ✘ Payroll Systems Defaulting to Office**
Technical configuration issues create systematic errors

You're Not Alone

Many organisations are currently reviewing their payroll structures under the new NTA framework. These patterns are **extremely common**—and they can be addressed systematically with the right approach.

Payroll Jurisdiction Review

For organisations that recognize any of these patterns, the most effective starting point is typically what we call a **Payroll Jurisdiction Review**.

Duration

Typically 2-3 weeks

Scope

Review headcount, map residence vs. remittance, identify misallocations

Output

Clear report with recommended action plan

Next Step

If any of the issues discussed today resonate with your organisation, we would be happy to have a **brief, no-obligation conversation** about whether a jurisdiction review would be appropriate.

Four Key Takeaways

Principles and consequences



1

Residence Over Activity

PAYE jurisdiction is determined by **employee residence**, not employer location or work activity.

⚠ Consequence: Remitting to the wrong State may be treated as not having paid at all, exposing you to reassessment and penalties from the correct authority.

2

January 1 is Critical

The **January 1 residence rule** anchors jurisdiction for the full assessment year, regardless of mid-year changes.

✖ Consequence: Mid-year relocations do not change the annual allocation. Employers who change remittance mid-year create compliance gaps.

3

Documented Records Are Essential

Documented residence records are essential for compliance and audit defense.

📄 Consequence: Without documented evidence, you cannot demonstrate jurisdictional accuracy during a tax audit, increasing exposure to reassessment.

4

The Cost Compounds

The **cost of getting this wrong** compounds over time, creating significant financial exposure.

📈 Consequence: Incorrect remittances accumulate year after year. A 3-year assessment period with 100 employees could result in millions of Naira in unremitted tax plus penalties and interest.



Remember the Framework

Each takeaway is structured as a **principle followed by a consequence**. The principles guide your actions; the consequences motivate them. Understanding both is essential for effective compliance.



Questions & Discussion

Thank you for your attention.



THANKYOU

Share Your Takeaway

If you found today's session valuable, share your key takeaway on [LinkedIn](#) or [X](#).

Tag [@Shelze](#) and use [#ShelzeTaxInsights](#)

Post-Session Resource

All attendees will receive the [Shelze Payroll Residence Determination Checklist](#) via email within 24 hours.

Watch for our follow-up email

Complimentary Diagnostic

If any of today's issues apply to your organisation, our team is available for a **brief, confidential conversation**.

Simply reply to the follow-up email

Next Webinar

14 April 2026: VAT Input Claims, Self-Charge Obligations, and the CIT Deductibility Trap Under NTA 2025

What Every CFO and Finance Manager Needs to Know

TAX WEBINAR 2026

Are You Leaving Money on the Table?
VAT Input Claims, Self-Charge Obligations, and
the CIT Deductibility Trap Under the NTA 2025

What Every CFO and Finance Manager Needs to Know



David Apaflo
Managing Partner



Friday Samson
Manager



Iyanuoluwa Majonagbe
Senior Tax Associate

What you will learn

- ✓ How to maximize VAT Input Claims
- ✓ Understanding self-charge (Reverse VAT) obligations
- ✓ Avoiding the CIT deductibility trap
- ✓ Practical strategies to reduce tax leakage



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