



Payroll Residence Determination Checklist

A Practical Tool for Verifying PAYE Jurisdiction Under the Nigeria Tax Act 2025 & Nigeria Tax Administration Act 2025

Purpose

This checklist is designed to help organizations assess whether their PAYE remittances are being directed to the correct State Internal Revenue Service, in accordance with the residence-based jurisdiction rules under the Nigeria Tax Act 2025 and the Nigeria Tax Administration Act 2025.

It is intended as a self-assessment starting point. Organizations that identify gaps or uncertainties are encouraged to undertake a formal Payroll Jurisdiction Review with qualified tax advisors.

How to Use This Checklist

Work through each section sequentially. For each item, mark the status as "Yes," "No," or "Unsure." Any item marked "No" or "Unsure" represents a potential compliance gap that should be investigated further.



SECTION 1: EMPLOYEE RESIDENCE DATA

✓	Item	Status	Notes / Action
<input type="checkbox"/>	Does the organization collect each employee's residential address at the point of onboarding?		
<input type="checkbox"/>	Is the residential address verified (e.g., utility bill, tenancy agreement, or statutory declaration)?		
<input type="checkbox"/>	Is there a documented record of each employee's place of residence as at January 1 of the current tax year?		
<input type="checkbox"/>	Are employees required to notify HR/Payroll of any change of residence during the year?		
<input type="checkbox"/>	Is there a formal process for updating residence records when employees relocate?		
<input type="checkbox"/>	Are residence records maintained separately from office/work location data?		

SECTION 2: JANUARY 1 RESIDENCE RULE

✓	Item	Status	Notes / Action
<input type="checkbox"/>	Is the payroll team aware that residence on January 1 determines PAYE jurisdiction for the full year?		
<input type="checkbox"/>	Does the payroll system use January 1 residence (not work location) as the basis for PAYE allocation?		
<input type="checkbox"/>	Are mid-year relocations handled correctly (i.e., jurisdiction does not change until the following January 1)?		
<input type="checkbox"/>	Has the organisation reviewed whether any employees were allocated to the wrong State based on work location rather than residence?		

SECTION 3: MULTIPLE RESIDENCES

✓	Item	Status	Notes / Action
<input type="checkbox"/>	Has the organisation identified any employees who maintain more than one residential address?		
<input type="checkbox"/>	For employees with multiple residences, has the principal residence been determined based on proximity to their usual place of work?		
<input type="checkbox"/>	Is the principal residence determination documented and filed?		



SECTION 4: ITINERANT WORKERS

✓	Item	Status	Notes / Action
<input type="checkbox"/>	Has the organisation identified employees who work across multiple States as part of their regular duties?		
<input type="checkbox"/>	For such employees, has it first been determined whether each individual has a place of residence? (Only individuals with no place of residence can qualify as itinerant workers.)		
<input type="checkbox"/>	For employees confirmed as having no place of residence, has the 20-day threshold (in at least three months) been assessed?		
<input type="checkbox"/>	Are travel records or deployment schedules maintained to support itinerant worker classification?		
<input type="checkbox"/>	Is PAYE for confirmed itinerant workers being remitted in accordance with the specific rules applicable to this category?		

SECTION 5: PAYROLL SYSTEM CONFIGURATION

✓	Item	Status	Notes / Action
<input type="checkbox"/>	Does the payroll system support State-level PAYE allocation based on employee residence?		
<input type="checkbox"/>	Can the system distinguish between employee residence and employer/office location?		
<input type="checkbox"/>	Has the payroll system been updated to reflect the NTA 2025 residence rules?		
<input type="checkbox"/>	Is there an automated flag or exception report for employees whose residence State differs from their work State?		

SECTION 6: REMITTANCE VERIFICATION

✓	Item	Status	Notes / Action
<input type="checkbox"/>	Has the organisation reviewed PAYE remittances for the current year to confirm they are directed to the correct State authorities?		
<input type="checkbox"/>	Has a similar review been conducted for prior months since the NTA 2025 came into effect in January 2026?		
<input type="checkbox"/>	Are remittance receipts or confirmation documents obtained from each relevant State IRS?		
<input type="checkbox"/>	Is there a reconciliation process that matches PAYE deductions per employee to the corresponding State remittance?		



Assessment Summary

After completing the checklist, tally your responses:

Result Profile	Recommended Action
All items "Yes"	Strong compliance posture. Consider periodic review to maintain alignment as employee data changes.
1–5 items "No" or "Unsure"	Moderate risk. Targeted review of flagged items is recommended. A short-cycle Payroll Jurisdiction Review would confirm the position.
6+ items "No" or "Unsure"	Significant exposure. A comprehensive Payroll Jurisdiction Review is strongly recommended to identify and remediate misallocations before regulatory scrutiny.

Next Steps

Shelze Professional Services offers a Payroll Jurisdiction Review — a focused, short-cycle engagement (typically two to three weeks) that maps your employee headcount against PAYE remittance data, identifies any jurisdictional misallocations, and delivers a clear remediation plan.

To discuss whether this review is appropriate for your organization, contact:

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