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# TAX TUESDAY:

Key Changes  
You Should  
Know in the  
2025 Nigeria  
Revenue Service  
(Establishment)  
Act, 2025



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**The Nigeria Revenue Service (Establishment) Act, 2025** marks a significant shift in the country's tax administration framework.

The Act formally rebrands the Federal Inland Revenue Service (FIRS) as the Nigeria Revenue Service (NRS), establishing it as the central authority for tax administration in Nigeria.

Importantly, this change is not merely cosmetic, the Act empowers the NRS to assess, collect, and account for revenue accruing to the Federation and upon request, to administer taxes on behalf of other relevant authorities.

This development underscores the government's commitment to a more streamlined, accountable, and efficient tax system.





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## Key Highlights:

- 1 Broader Mandate:** The Act broadens the powers of the NRS by requiring it to account for all government revenue, not just tax, and by including individuals within its tax assessment scope.

However, section 3, Part 1 of the Nigeria Tax Administration Act (NTAA), 2025, defines the specific categories of taxes the NRS can administer, a key amendment removes the requirement for collaboration with law enforcement when conducting investigations, allowing for more streamlined and independent tax enforcement .



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- 2 Stronger Powers:** The Act extends the powers of the NRS beyond National Assembly laws to any other law that expressly grants it similar authority.
- 3 Tax collection:** Section 5 of the Act, empowers the NRS to assist upon request from all levels of government in Nigeria, in collecting or administering taxes which they have a statutory right to impose. The NRS's tax collection powers have also been extended to cross- border enforcement, helping to address double taxation issues and enhance the efficiency of tax administration.



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- 4** Better Transparency: The Act mandates the NRS to carry out annual audits of its accounts no later than six months after the end of each year. The NRS is also required to submit quarterly and annual reports on its activities, including audited accounts, to the National Assembly. See Section 25 & 26 of the Act.
- 5** Funding Boost: Section 22 of the Act broadens the funding base of the NRS, allowing it to retain 4% of the total revenue collected (excluding petroleum royalty), as appropriated by the National Assembly, to fund its operations.



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- 6** Secondment Program and Stay deployment: Section 19 introduces a secondment programme that allows the NRS Board to recruit talent from within the civil service through secondment or transfer when necessary to fill vacancies. The Act also authorises the NRS to temporarily assign or post its staff to other agencies, organisations, or bodies under specific terms and condition.
  
- 7** Tax Exemption: Section 29 of the Act, exempts the NRS from income taxes imposed under any Nigerian law. However, the NRS remains obligated to comply with withholding tax laws by deducting and remitting applicable taxes.



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**8** Unremitted Revenue: Section empowers the NRS to recover unremitted government revenue from any Ministry, Department, or Agency (MDA) by deducting the amount directly from that MDA's budgetary allocation or other funds due to it. This action requires a warrant signed by the Executive Chairman of the NRS and approved by a Judicial Officer, in accordance with the Act's Third Schedule.

To understand how these reforms may affect your business, contact the Punuka Tax Team today. Our experts are ready to provide strategic guidance tailored to your operations

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