

TIT-BITS

Vol. 115

THE LIRS' JANUARY DEADLINE FOR FILING ANNUAL RETURNS

T  LG

For more articles from TOLG
Visit - www.tolegalgroup.com/resources

In line with the Personal Income Tax Act (PITA) 2004 requirements for employers to file their annual returns, the Lagos State Internal Revenue Service (LIRS) has issued a deadline of Jan 31, 2025, for the 2024 financial year. The new deadline introduces an electronic filing system, with the Executive Chairman of LIRS, Dr. Ayodele Subair, emphasizing the importance of compliance, as failure to file on time may attract statutory sanctions.

The new e-tax portal represents a significant advancement in tax administration in Lagos State. The transition from manual filing to a digital platform represents another shift in a wider policy drive aimed at streamlining tax compliance.

The e-filing system comes with 24/7 accessibility, which allows employers to submit their returns at any time, including weekends and outside traditional working hours. It also introduces enhanced verification mechanisms. By creating a comprehensive digital trail, the platform enables more efficient cross-referencing of employer and employee tax declarations. This approach not only improves accuracy but also reduces the odds of tax discrepancies.

Although the system offers convenience, LIRS remains firm about compliance requirements. Corporate entities face potential penalties of up to N500,000 for non-compliance, with individual proprietors risking N50,000 in sanctions, along with custodial sentences. However, the financial penalty represents only a fraction of the potential reputational damage for businesses failing to meet their tax obligations.

The taxpayer identification process has also been simplified. Employers can now generate their Tax Identification Numbers (TIN) directly through the e-tax platform by inputting their National Identification Number (NIN) and other relevant details.

The January 31, 2025, deadline additionally offers employers in Lagos State an opportunity to fulfill their tax obligations under PITA 2004. The new e-tax portal provides convenience and accuracy, but non-compliance can lead to severe penalties and reputational damage. Employers are advised to prepare early and use the platform's flexibility to ensure timely submissions.
