(HB. 835)  

A BILL

FOR

AN ACT TO PROVIDE FOR RELIEF ON CORPORATE TAX LIABILITY, SUSPENSION OF IMPORT DUTY ON SELECTED GOODS AND DEFERRAL OF RESIDENTIAL MORTGAGE OBLIGATIONS TO THE FEDERAL MORTGAGE BANK OF NIGERIA FOR A FIXED TERM TO PROTECT JOBS AND ALLEVIATE THE FINANCIAL BURDEN ON CITIZENS IN RESPONSE TO THE ECONOMIC DOWNTURN OCCASIONED BY THE OUTBREAK OF COVID-19 DISEASE AND FOR RELATED MATTERS

Sponsors:

Rep. Toby Echefu

Enacted by the National Assembly of the Federal Republic of Nigeria as follows:

PART I — AIMS, OBJECTIVES AND APPLICATION

1. The Aims and objectives of this Act are:

(a) to provide temporary relief to companies and individuals to alleviate the adverse financial consequences of a slowdown in economic activities brought on by the outbreak of the Covid-19 Disease in Nigeria;

(b) to protect the employment status of Nigerians who might otherwise become unemployed as a consequence of management decision to retrench personnel in response to the prevailing economic realities;

(c) to provide for a moratorium on mortgage obligations for individuals at a time of widespread economic uncertainty;

(d) to eliminate additional fiscal bottleneck on the importation of Medical Equipment, Medicines, Personal Protection Equipment and
other such medical necessities as may be required for the treatment
and management of the Covid-19 Disease in Nigeria, to ease the
burden of importation and financial burden, thereby fostering easier
access and reduction in the price; and

e) to cater for the general financial wellbeing of Nigerians
pending the eradication of this pandemic and a return to economic
stability.

2. The provisions of this Act shall apply throughout the Federal
Republic of Nigeria.

PART 2 — RATE OF TAX AND SPECIAL TAX REBATE

3. Notwithstanding the provision of any other law in force in
Nigeria, any employer duly registered under Companies and Allied
Matters Act (CAMA), Cap. C20, LFN, 2004, which maintains the
same employee status without retrenching their staff as at 1st of March,
2020 till the rest of the year ending 31st of December, 2020 shall be
entitled to 50 per cent income tax rebate on the total of the actual
amount due or paid as Pay As You Earn (PAYE) Tax under the Personal

4. The following circumstances shall not preclude the rebate to
employers under this section:

(a) where an employee dies of natural causes;

(b) where employee voluntarily leaves the employment or has
already indicated interest to leave the employment before 1st of
March, 2020; or

(c) where the employee breaches the Labour Act, Cap. L1, LFN,
2004.

5. Under this section, the following words shall be interpreted
as:

"Rebate" shall mean 100 per cent refund of employer’s income-
tax which shall be 50 per cent of PAYE Tax due or paid on employees
of such employer who maintain the same status of employees from
1st of March, 2020 till 31st of December or such further period as
the President may stipulate.

"Employers" shall mean and be interpreted to include entities
registered both in Part A and Part B of Companies and Allied Matters
Act.

6. Section 3 of this Act does not apply to employers partly or

7. The President of the Federal Republic of Nigeria shall have
the power to extend the rebate period for the duration during which the
COVID-19 disease remains an urgent and severe public health
emergency, subject to ratification by a majority of the members of the
National Assembly.

PART 3 — DEFERRAL OF PAYMENT OF MORTGAGES
UNDER THE NATIONAL HOUSING FUND

8. Notwithstanding the provisions of National Housing Fund Act,
2018 or anything contained in any other Act, law or regulation in force
in Nigeria, all payment of mortgage obligations on residential
mortgages obtained by individual contributors to the National Housing
Fund are hereby deferred for a period of One Hundred and Eighty
(180) days effective from the 1st of March, 2020.

9. The President shall have the power to seek a further extension
of the deferral for a period not exceeding One Hundred and Eighty
(180) days, subject to a majority vote by members of the National
Assembly.

PART 4 — IMPORT DUTY WAIVER ON MEDICINES
AND MEDICAL GOODS

10. Notwithstanding anything contained in any other Act, law or
regulation in force in Nigeria, import duty waiver is hereby granted
on Medical Equipment, Medicines, Personal Protection Equipment
and other such medical necessities as may be required for the treatment
and management of the Covid-19 Disease in Nigeria.
11. The Minister of Health may by regulations published in the Gazette specify such goods that qualify under this section.

12. The import duty waiver under this section shall take effect from the 1st of March, 2020 and shall remain in force until the 31st of December 2020.

13. The President may exercise his powers under Section 13 (1) (a) of the Customs, Excise, Tariffs, etc. (Consolidated) Act to further extend this waiver.

14. This Bill may be cited as the Emergency Economic Stimulus Bill, 2020.

EXPLANATORY NOTES

This Bill seeks to Provide for Relief on Corporate Tax Liability, Suspension of Import Duty on Selected Goods and Deferral of Residential Mortgage Obligations to the Federal Mortgage Bank of Nigeria for a fixed term to protect jobs and alleviate the financial burden on citizens in response to the economic downturn occasioned by the outbreak of COVID-19 disease and for related matters.