

## INVENTORY OF INVESTMENT INCENTIVES IN KEBBI STATE DECEMBER, 2022

Legal reference: [https://kebbistate.gov.ng/sites/default/files/KEBBI%20STATE%20INDUSTRIAL%20POLICY\\_0.pdf](https://kebbistate.gov.ng/sites/default/files/KEBBI%20STATE%20INDUSTRIAL%20POLICY_0.pdf)

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Awarding Agency	Implementing Agencies	Legal Reference Instrument	Year Incentive was Introduced	Objective of the Incentive
1.	<p><b>Stabilization Incentive</b> (for large businesses) offers:</p> <ul style="list-style-type: none"> <li>Free land lease (<i>Terms &amp; Conditions apply</i>) + Exemption from payment of State-imposed levies/ charges, namely:</li> <li>Tenement Rates;</li> <li>Ground Rent; and</li> <li>Intent/Processing Fee for C of O.</li> </ul>	3 Years	<ul style="list-style-type: none"> <li>Evidence of Registration with CAC</li> <li>Evidence of Registration with NIPC, for Companies with foreign interest</li> <li>Registration with KIPA</li> <li>Quantum of Investment: <ul style="list-style-type: none"> <li>Foreign/large Domestic Investments of a minimum of <del>N2 billion</del></li> </ul> </li> <li>Agribusiness Value Chain components: <ul style="list-style-type: none"> <li>Pre-production, Production and Post-production &amp; marketing qualifying activities- fertilizer blending/production, seed multiplication/distribution. large-scale production of inputs for livestock, poultry and fishery,</li> <li>Large-scale farming/ plantations, medium and large-scale processing, development of medium/large-scale modern storage facilities, development of commodity Futures Market and exports</li> </ul> </li> <li>Submission of host community CSR Plan (applicable to Foreign/Large Domestic Investments only).</li> <li>Evidence of compliance with State regulatory requirements</li> </ul> <p>Page 2 o</p>	Agri-business	Min. of Commerce	<p>Kebbi State Investment Promotion Agency (KIPA)</p> <p>Board of Internal Revenue (BIR)</p> <p>Min. of Lands, Housing &amp; Urban Dev. With copies forwarded to all relevant MDAs and host Local Government Council</p>	Industrial Policy Framework./2022	Feb, 2023	<ul style="list-style-type: none"> <li>-To attract new industrial investments;</li> <li>-To support large business stabilization</li> <li>-To encourage expansion and reinvestment around the agribusiness value chain</li> </ul>
2.	<p><b>Consolidation Incentive</b> (for Medium Enterprises).</p> <ul style="list-style-type: none"> <li>This offers investors full exemption from State-based imposed Levies and charges <i>plus</i></li> <li>Free land (<i>Terms &amp; Conditions apply</i>)</li> <li>Signage Levy;</li> <li>Business Premises;</li> </ul>	2 Years	<ul style="list-style-type: none"> <li>Evidence of Registration with CAC</li> <li>Evidence of Registration with NIPC, for Companies with foreign interest</li> <li>Registration with KIPA.</li> <li>Quantum of investment of Minimum of <b>N500M</b>.</li> <li>Minimum employment of 50 semi- skilled/skilled State indigenes</li> <li>Agribusiness Value Chain components: <ul style="list-style-type: none"> <li>Pre-production, Production and Post-production &amp; marketing qualifying activities: fertilizer blending/ production, seed multiplication/ distribution, medium- scale production of inputs for livestock, poultry and fishery</li> <li>Medium-scale farming/plantations, -</li> <li>Medium -scale processing,</li> <li>Development of medium scale modern storage facilities,</li> <li>Development of commodity e- commerce platform export</li> </ul> </li> <li>Submission of HCSR plan</li> </ul>	All Sectors	Min. of Commerce	<p>KIPA,BIR, Min of Lands and Housing Development, Min of Justice</p>	Industrial Policy Framework	Feb, 2023	<ul style="list-style-type: none"> <li>-To encourage industrial investment in all sectors particularly the Agri-business value chain</li> <li>-To facilitate economic participation in industrial investment</li> <li>-To encourage linkage of micro businesses &amp; large investments</li> <li>-To promote value addition</li> </ul>
3.	<p><b>Businesses Consolidation Incentive</b> (for Micro &amp; Small Enterprises)</p>	One Year	<ul style="list-style-type: none"> <li>-This incentive is available to business that are below <b>N200M</b></li> </ul>	All Sectors	Min. of Commerce	Board of Internal Revenue (BIR)	Industrial Policy Framework	Feb, 2023	-To enable intergration of micro and small

4	<p><b>MSE Service Charges Subsidy</b> This offers micro enterprises 50% discount for business development services through Government initiatives, namely:</p> <ul style="list-style-type: none"> <li>• Bankable business plan; cost of entrepreneurship training; Training on quality assurance and packaging for export.</li> <li>• This offers a single- digit interest charge of not more than 5% through the State Industrial Development Fund (<i>Terms &amp; Conditions apply</i>)</li> </ul>	First Year	All registered MSMEs are eligible with CAC registration or Ministry of Commerce/NASME registration	All Sectors	Min. of Commerce BIR NASME Ministry of Agriculture and Rural Development	State	Industrial Policy Framework	Feb, 2023	To encourage and prepare MSMEs for active participation in the agribusiness value chain
5.	<p><b>Pioneer Status Incentive</b> Under IDITRA, companies engaged in industries/products approved as 'pioneer industries/products' shall be (a) granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of two years (Section 10(2)(a)(b) IDITRA); (b) exempted from paying tax on dividends paid by the pioneer company during the pioneer period to the extent that they are paid out of income exempted from tax (Section 17(3) IDITRA); and (c) the loss incurred during the tax relief period is also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax-exempt period.</p>	Tax Holiday 3years	<p>i. Applications must be made within the first year of operational activities.  ii. Applicant must be engaged in activities listed as pioneer industry or product. Kindly refer to the qualified list of industries and products on NIPC's website.  iii. A non-current tangible asset of over one hundred million naira (N100 million) iv. Applicant must demonstrate the tangible impact its activity (project) will have on States' economic diversity and growth in industrial and sectoral development, employment, skills and technology transfer, export development and import substitution.  v. Applicant must provide evidence of all required legal and regulatory compliance documentation.  vi. Applicant must make full payment of fees promptly, when due.  vii. During the pioneer period, a performance report must be submitted to NIPC annually for monitoring and evaluation purposes. Application guidelines available on NIPC website</p>	Industrial Dev.	Nigerian investment Promotion Commission	Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment =Federal Inland Revenue Service	Section 10 and 17 of the Supplement to Official Gazette No. 5, Vol. 51, 9 <sup>th</sup> January, 1964— Part B. LN.2 of, 1964” 4 LG INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT J (CAP. 87)     Industrial Development (Income. Tax Relief) (Yeast) Order, 1964	1964	To encourage pioneer Industrial Development
6.	<p><b>Rural investment allowance</b> Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the appropriate rate as follows: -No facilities at all 100% -No water 30% -No electricity 50% -No tarred road 15%</p>	Relief	<p>i. The company must be located at least 20 kilometres away from such facilities provided by the government;  ii. Cannot be enjoyed if already enjoyed provision of Section 32: Reconstruction investment allowance; iii. Allowance can only be applied against the profit of the year in which such investment (facility) was completed.</p>	All Sectors	Federal Inland Revenue Service	NIPC	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	1 April, 1977	To facilitate rural development

7.	<b>Value Added Tax Exempt on Unprocessed Food items</b> Outright exemption from VAT for any unprocessed staple food item, whether or not it is packaged. This, to FIRS, means that for a food item to be exempted from VAT, it must be a staple food item, and it must be unprocessed. Staple food is food that can be easily stored, and eaten throughout the year by a dominant part of a population. They include carbohydrates, wheat, barley, rice, potatoes, tinned food, milk, and things that do not need to be refrigerated.	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Agriculture	Federal Inland Revenue Service	Federal Ministry Of Agriculture	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Dec,1993	To increase agricultural productivity
8.	<b>Value Added Tax Exempt on all medical and pharmaceutical products.</b> Outright exemption from VAT for all medical and pharmaceutical products	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Medical and Pharmaceutica l	Federal Inland Revenue Service	Federal Ministry of Health	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993]	Dec,1993	To ensure low cost health services
9.	<b>Value Added Tax Exempt on all Baby Products</b> Outright exemption from VAT for all Baby Products	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Baby products	Federal Inland Revenue Service	Federal Inland Revenue Service	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Dec,1993	To reduce cost of baby products
10.	<b>VAT exempted on other goods</b> VAT Act list the following goods exempted from VAT; (a) Books and educational materials, (b) Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment; (c) All exports; agricultural equipment and implements purchased for agricultural purposes. (d) Plants and machinery imported for use in Export Processing Zones; (e) Plants, machinery and equipment purchased for utilization in gas downstream petroleum operations; and (f) Tractors, ploughs and	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Education and Agriculture	Federal Inland Revenue Service	Federal Inland Revenue Service	VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	Dec,1993	To reduce cost of education and enhance agricultural Mechanization

11.	<p><b>VAT exempted on the specific services</b></p> <p>VAT Act list the following services exempted from VAT;</p> <ol style="list-style-type: none"> <li>1. Medical services;</li> <li>2. Services rendered by Microfinance Banks, People's Banks, and Mortgage Institutions;</li> <li>3. Plays and performances conducted by educational institutions as part of learning; and</li> <li>4. All exported services.</li> <li>5. Tuition relating to the nursery, primary, secondary and tertiary education.</li> <li>6. Airline transportation tickets issued and sold by commercial airlines registered in Nigeria.</li> <li>7. Hire, rental or lease tractors, ploughs and other agricultural equipment for agricultural purposes.</li> </ol>	Tax Exemption with no time limit	<p>To be eligible,</p> <ol style="list-style-type: none"> <li>i. If the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service,</li> <li>ii. Irrespective of the jurisdiction of origin of the service, where the services is rendered to a person physically present in Nigeria at the time the service is rendered, or the service is consumed in Nigeria or whether or not the legal or contractual obligation to render such service rests on a person within or outside Nigeria, or</li> <li>iii. The service is connected with existing immovable property (including the services of agents, experts, engineers, architects, valuers, etc.); where the property is located in Nigeria.</li> <li>iv. it can be inferred from information provided that the consumers usual place of residence is Nigeria;</li> </ol>	Medical, Education, Transportation and Agriculture	Federal Inland Revenue Service	Federal Inland Revenue Service	<p>VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]</p>	Dec, 1993	To support Agricultural services and mechanization, enhance Medical and export of services, education and air transportation
12.	<p><b>Enhanced capital allowance (tax depreciation) regime</b></p> <p>(a) 95% capital allowance is enjoyed in the year a qualifying expenditure is incurred pursuant to Paragraph 24 Table 1 &amp; 2 Second Schedule of CITA (b) Companies engaged in wholly agricultural activities are entitled to unrestricted capital allowances pursuant to Paragraph 24 (7) CITA (c) Companies engaged in wholly agricultural activities are entitled to carry forward unutilized capital allowances indefinitely.</p>	Year of qualifying expenditure	All companies that incur qualifying capital expenditure on Agriculture	Agriculture	Federal Inland Revenue Service	Federal Inland Revenue Service	<p>COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]</p>	April, 1977	promoting agricultural investments

13.	<b>Exemption from minimum Corporate Tax</b> Section 33(3) a CITA, exempts the income of a company carrying on agricultural trade from payment of minimum tax	Tax Exemption with no time limit	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT Section 33(3) and explained in Section 11(4)[Substituted by Finance Act, 2020 s. 6(b) (ii) Explaining agricultural products to include (a) primary crop production comprising the production of raw crops of all kinds, but excluding any intermediate or final associated manufactured or derivative livestock product; (c) primary forestry production comprising the production of timbers of various kinds such as firewood, charcoal, uncultivated materials gathered and other forestry products of all kinds, including seeds and saplings, but excluding the intermediate and final processing of timber and any other manufactured or derivative timber product; and (d) primary fishing production comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any other manufactured or derivative fish product."processing of crops or any other associated manufactured or derivative crop product; (b) primary livestock production comprising the production of live animals and their direct produce such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other	Agriculture	Federal Inland Revenue	Federal Inland Revenue	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	April, 1977	promoting agricultural investments
14.	<b>Company Income Tax exemption for Solid Mineral mining.</b> Section 36 Company Income Tax Act provides that a new company going into the mining of solid minerals shall be exempt from tax for the first three years of its operation.	3 Years Tax exemption	The law specifies in which cases investors are exempted	Solid Mineral	Federal Inland Revenue Service	Federal Inland Revenue Service	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	April, 1977	promoting investments in the mining industry
15.	<b>95% accelerated capital allowance.</b> Second Schedule CITA provides accelerated capital allowance at 95% of qualified capital expenditure on Mining in the first year of use of the asset.	First year of use of asset	All companies that incur qualifying capital expenditure on mining	Solid Minerals	Federal Inland Revenue	Federal Inland Revenue	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	April, 1977	promoting investments in the mining industry

16	<b>25% of income in convertible currencies exempted from tax</b>	Tax Exemption with no time limit	Conditions, manner and procedure of exercising the right this exemption are regulated by the COMPANIES INCOME TAX ACT states that such income is put in a reserved fund to be utilised within five years for the building expansion of new hotels, conference centres and new facilities for the purpose of tourism development.	Tourism/ Hospitality	Federal Inland Revenue Service	Federal Inland Revenue Service	COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	1st April, 1977	To encourage reinvestment of proceeds in the tourism and hospitality industry
17	<b>Bonus for early filing of self- assessment return</b>	Bonus, upon filing	All enterprises and individuals that file returns early and correctly	Entrepreneurs and MSME	State Board of Internal Revenue	State Board of Internal Revenue	Personal Income Tax Act PERSONAL INCOME TAX ACT An Act to impose income tax on individuals, communities and families and on executors and trustees, and to provide for the assessment and collection and administration of the tax. [No. 104 of 1993.] [Date of commencement: 25th August, 1993] [Amended by Finance Act, 2019 s.31]	25th August, 1993	To encourage early compliance to regulatory requirements

**\*\*\* POST INCENTIVE MONITORING**

After the first (3) three years, a Post Incentive Monitoring (PIM) will be undertaken by KIPA to ensure intended benefits of the incentives are derived this is in addition to appointed Independent Consultants to conduct an Impact Assessment (IA) after the first three years of implementation.