



LAGOS STATE GOVERNMENT



PUBLIC NOTICE

WHAT YOU NEED TO KNOW ABOUT THE HOTEL OCCUPANCY AND RESTAURANT CONSUMPTION LAW

Hotel Occupancy and Restaurant Consumption Law

Is a law enacted by the Lagos State House of Assembly which imposes tax on goods and services consumed in hotels, restaurants and event centres within the territory of Lagos State.

Who pays the Hotel Occupancy and Restaurant Consumption Tax

Any person, corporate or otherwise who:

- pays for the use or possession or for the right to the use or possession of any hotel, facility or event centre; or
- purchases consumable goods or services in any restaurant whether or not located within a hotel in Lagos State.

Registration

Any Hotel, Restaurant or other business affected by this law shall, **within 30 days of the commencement of this law (22nd of June 2009)** or upon commencement of business, which ever is earlier, register with the **Lagos State Internal Revenue Service (LIRS)** for the purpose of this Law.

Consumption and Services Taxable

The amount to which this tax applies is the total cost of facilities, consumables or personal services supplied to a customer in, by or on behalf of the hotel, restaurant or event centre.

Tax Rate

The rate of tax imposed by the Law is **5% of the total bill** issued to the customer excluding Value Added Tax and Service Charge.

Collecting Agents

A person owning, managing or controlling any business or supplying any goods or services chargeable under section 1 of the Law shall collect this for and on behalf of the state, the tax imposed by the Law based on the total amount charged or payable by the customer in accordance with the provisions of Section 2 of this Law.

Effective Date of Payment and Collection of Taxes

1st of August 2009.

Remittance

Tax collected during a particular month must be paid to a Lagos State Government designated revenue collecting bank on or before the **20th day** of the following month into the following revenue codes as applicable:

Tax on Food	425-4010041
Tax on Drinks in bar	425-4010042
Tax on Accommodation/Rentals	425-4010043
Tax on other Transactions	425-4010044

Monthly Returns

Evidence of remittance must be forwarded to the office of the Executive Chairman LIRS and must include:

- The total amount of payments made for all chargeable transactions during the preceding month.
- The amount of tax collected by the agent during the preceding month.

Penalties for Non Remittance

If a Collecting Agent fails to file a report and remit taxes collected within the time allowed by section 6 (2) of the law, that agent shall, in addition to **penalty of 10% of the amount of tax due** pay interest at the **rate of 5% per annum** above the prevailing Central Bank of Nigeria Minimum Rediscount Rate as determined at the time of actual remittance.

Furthermore, any Director, Manager, Officer, Agent or Employee of the collecting agent who fails to comply with the provisions of the law, shall be guilty of an offence and liable on conviction to a penalty of **Six (6) months imprisonment or a fine of Two Million Naira (=N=2,000,000)** or both.

Exemption from Sales Tax

As from the commencement of the law, Sales Tax Law, Cap. S.3, Laws of Lagos State 2003 shall not apply to any facilities or transactions covered by this law.

Definition of Terms

Consumer: Includes a hotel guest or any person who makes use of a hotel, restaurant, event centre or hotel facility for a fee.

Event Centres: Includes halls, auditoriums, fields and places designated for public use at a fee.

Hotel: Includes a motel, guest house, apartment for short letting, tavern, meeting room and function hall whether or not described as a hotel by the operator.

Hotel Facility: Includes a room, suite, hall, open space or other facility or resource centre which may be let out for a fee within a hotel or other facility covered by this law under a lease, concession, permit, right of license, contract or other agreement.

Restaurant: Includes any food sale outlet, bar, tavern, inn or café whether or not located within a hotel.

For further enquires contact:



Lagos State Internal Revenue Service

The Good Shepherd Building, Block H, Plot H1, Central Business District, Opposite Lagos state Secretariat Main Gate, Alausa, Ikeja, Lagos State. Tel: 08082572444, 08059889830, 07034954595. www.lirs.net

IT IS YOUR DUTY. IT IS YOUR CIVIC RESPONSIBILITY. IT IS THE LAW.

