



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF LAW**  
**DEPARTMENT OF PUBLIC LAW**  
**2020\_1 EXAMINATION**

**COURSE CODE: PUL434**  
**COURSE TITLE: LAW OF TAXATION 11**  
**CREDIT UNITS: 4**  
**TIME ALLOWED: 3 HOURS**  
**INSTRUCTION: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 (THREE) QUESTIONS. (QUESTION 1 (ONE) ATTRACTS 25 MARKS WHILE OTHERS ARE 15 MARKS EACH)**

1. The Government of *Rapuokwu* has been generally hailed for infrastructural and human capital development since its inception in 2017. In fact, the road network in *Oshegbe* State has been dramatically changed for good. *Oshegbe* is now the envy of other neighbouring States on developmental and infrastructural matters. However, the key leaders of the major opposition party do not seem to appreciate the popularity Governor *Rapuokwu* is gaining as they are making serious plans to topple him in the next election. Recently, *Rapuokwu* government has embarked on a very huge and strategic road project which impacted heavily on the State's finance. To recoup part of the expenses, the government has decided to build a toll gate for motorists within the State, a situation which the opponent saw as an opportunity to attack. They have leveled accusation against the State government over what they call introduction of new tax system. They have called on the citizens to resist the tax and have threatened to sue the government. As a Taxation Lawyer, you are expected to discuss the issues involved and advise the parties accordingly. **25 Marks**
  
2. Mrs. Aisha Abiola is a successful businesswoman and a faithful taxpayer. As at 2016, her total profit from her various businesses was Six Million Five Hundred Thousand Naira (N6,500,000) only and her tax was One Hundred and Sixty Two Thousand Five Hundred Naira (N162,500) only. In 2017 her total profit was Seven Million Four Hundred Thousand Naira (N7,400,000) only and her tax was One Hundred and Eighty Five Thousand Naira (N185,000) only. In 2018, due to Nigerian Economic downturn, her total profit was Five Million Six Hundred Thousand Naira (N5,600,000) only and she paid tax of One Hundred and Fifteen Thousand Naira (N115,000) only.
  - (a) Identify the type of tax system above. **5 Marks**
  - (b) Discuss the tax system identified above. **10 Marks**
  
3. Define and explain the term, 'Taxing Power.' **15 Marks**
  
4. The most important factor that determines the division of taxing powers in a nation is whether the country is operating a federal or unitary system of government. This implies that type of government a country operates will determine the level of taxing powers of each tier of

government. Universally however, the allocation of taxing powers between different levels of government is a complex problem and so it is not exclusive to Nigeria. As a student of law of taxation, it is imperative that you know which among the three tiers of government in Nigeria have the statutory power to impose tax. Based on this imperative, vividly discuss State Taxing Power in Nigeria. **15 Marks**

5. (a) Enumerate at least five ways by which tax can be avoided in Nigeria. **10 Marks**  
(b) Why do people avoid tax in Nigeria? **5 Marks**
6. (a) Apart from statutory solutions to the problems of taxation in Nigeria, there are other forms of solution to our taxation problems. List at least five (5) of them. **10 Marks**  
(b) Define the term 'duty.' **3 Marks**  
(c) What is 'double taxation'? **2 Marks**
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