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# IMPLEMENTING THE UNIFIED TAX IDENTIFICATION SYSTEM: LEGAL AND ADMINISTRATIVE CHALLENGES IN NIGERIA'S NEW TAX ARCHITECTURE

**Abiodun AMUDA-KANNIKE***
**Florence NEMI-CLOVER****
**Emmanuel Olugu KALU*****
**Abdulrazaq AMUDA-KANNIKE******

**Abstract**
*The unification of tax identification in Nigeria marks a watershed in the country's fiscal and legal landscape, particularly with the enactment of the Nigeria Tax Administration Act, 2025, the Nigeria Tax Act, 2025, the Nigeria Revenue Service (Establishment) Act, 2025, and the Joint Revenue Board of Nigeria (Establishment) Act, 2025. These legislative instruments establish a new tax architecture designed to harmonize taxpayer data, minimize multiplicity of taxation, and enhance efficiency in revenue collection across federal, state, and local levels. Central to this reform is the Unified Tax Identification Number (UTIN), a system aimed at streamlining tax administration, broadening the tax base, and ensuring transparency in compliance and enforcement. However, the legal and administrative challenges of implementing the UTIN remain profound. Issues of institutional overlap, federalism tensions, weak digital infrastructure, taxpayers' rights protection, and the potential for double taxation persist despite legislative innovations. This paper interrogates these challenges within the framework of Nigeria's fiscal federalism, examining how the new Acts attempt to resolve jurisdictional conflicts, strengthen intergovernmental cooperation through the Joint Revenue Board of Nigeria, and introduce mechanisms for dispute resolution and accountability. By critically assessing the opportunities and pitfalls of the new tax regime, the paper argues that while the UTIN is a progressive step toward a modern and integrated tax system, its effectiveness will depend on political will, robust institutional frameworks, and the protection of taxpayers' rights within the rule of law.*

**Keywords**: Unified Tax Identification Number (UTIN), Nigeria TaxAdministration Act 2025, Nigeria Revenue Service Act 2025, Joint Revenue Board of Nigeria, tax reform, fiscal federalism

## 1. Introduction

Taxation remains one of the most critical pillars of governance in Nigeria, serving as both a tool for revenue generation and a mechanism for wealth redistribution.[1] In recent years, however, Nigeria has faced persistent challenges relating to low tax compliance, multiplicity of taxes, administrative inefficiencies, and weak enforcement mechanisms.[2] These problems have resulted in a heavy

***Abiodun AMUDA-KANNIKE SAN, Professor, FCArb, AG**, Director, Department Of Legislative Support Services (DLSS), National Institute For Legislative & Democratic Studies, NILDS Abuja, AND Pioneer Dean, Faculty of Law, Kwara State University, Malete, Via Ilorin, Kwara State. He is a fellow of the Nigerian Institute of Chartered Arbitrators (NICARB). He is also an associate Member of the Nigerian Institute of Taxation and at same time Fellow of the Chartered Institute of Economics; Fellow Chartered Institute of Arts, Management Professionals. Email: amudakannikeabiodun@gmail.com; abiodun.kannike@kwasu.edu.ng , Tel:08033256756
****Florence NEMI-CLOVER, LLM (Exeter U.K), FCIArb, MICMC,** Partner, Nemi & Nemi Barristers and Solicitors, 1 Sir L.O. Nemi Street, Abuloma, Port-Harcourt, Rivers State, Nigeria. Email: florenceclover@yahoo.co.uk , Tel: (*+234*) 08055138592
*****Emmanuel Olugu KALU, Esq. (ASETnig), B.A(Hons.) History & International Studies, LL.B, BL**, Associate at K.C. Nwufo, SAN &Associates, Email: emmanuelokalu@nigerianbar.ng, kalu4justice@gmail.com Tel: +234 806 545 9693, +234 8164354010
******Abdulrazaq AMUDA-KANNIKE,** Chief Olagunju SAN & Co, Abike Chambers, 3, Aperin Street, Off Awolowo Avenue Junction, Old Bodija Estate, Ibadan, Oyo State, Email:abdulrazaqamudakannike@gmail.com Tel*: +234*902 621 7673

[1]Constitution of the Federal Republic of Nigeria 1999 (as altered), s. 4.
[2]National Bureau of Statistics, "Tax-to-GDP Ratio and Informal Sector Challenges" (Abuja, 2023).

reliance on oil revenues, leaving the country vulnerable to global market shocks.[3] The year 2025 therefore represents a watershed moment in Nigeria's fiscal history, as the Federal Government has embarked on comprehensive reforms through the enactment of a new suite of tax legislations aimed at modernizing the tax system, improving compliance, and ensuring fairness and accountability.[4]

Chief among these reforms is the Nigeria Tax Administration Act, 2025, which consolidates administrative provisions relating to assessment, collection, enforcement, dispute resolution, and taxpayer rights into a single legislative framework.[5] This Act seeks to align Nigeria's tax system with global best practices, strengthen the powers of tax authorities, and streamline procedures to reduce bureaucratic bottlenecks. Complementing this legislation is the Nigeria Tax Act, 2025, which introduces substantive provisions on direct and indirect taxation, clarifying the tax base and harmonizing the treatment of income, corporate profits, value-added tax, and digital economy transactions.[6]

To institutionalize these reforms, the Nigeria Revenue Service (Establishment) Act, 2025 formally restructures the Federal Inland Revenue Service into the Nigeria Revenue Service, conferring enhanced enforcement and investigative powers, as well as expanding its operational autonomy.[7] Similarly, the Joint Revenue Board of Nigeria (Establishment) Act, 2025 creates a central coordinating body for harmonisation of tax administration between federal and subnational governments, thereby addressing long-standing conflicts over taxing powers and curbing incidences of double taxation.[8]

The combined effect of these legislative innovations is to position Nigeria on a new trajectory of fiscal sustainability, in line with international tax standards and commitments under multilateral frameworks such as the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS).[9] Yet, while the objectives of these reforms are ambitious, their successful implementation will depend on political will, institutional capacity, judicial interpretation, and taxpayer cooperation.[10] It is therefore imperative to examine the implications of these new tax laws, not merely as legislative innovations, but as transformative tools that could either reshape Nigeria's fiscal future or fall short of expectations.

## 2. Objectives of the Unified Tax Identification Number (TIN) System

The introduction of a Unified Tax Identification Number (TIN) system in Nigeria is not merely an administrative reform but a structural response to persistent fiscal challenges. The multiplicity of tax identities across federal, state, and local government levels has historically fostered inefficiency, corruption, and tax evasion. The unified TIN seeks to address these systemic weaknesses by providing a single, harmonized identity for every taxpayer, thereby streamlining tax administration and strengthening fiscal governance.

[3]International Monetary Fund, "Nigeria: Fiscal Risks and Oil Dependence" (IMF Country Report, 2022).
[4]Federal Ministry of Finance, Budget and National Planning, "Medium-Term Expenditure Framework 2025–2027" (Abuja, 2024).
[5]Nigeria Tax Administration Act, 2025, Official Gazette No. 12, Vol. 112, Laws of the Federation of Nigeria (LFN).
[6]Nigeria Tax Act, 2025, Official Gazette No. 14, Vol. 112, LFN.
[7]Nigeria Revenue Service (Establishment) Act, 2025, No. 4 A 231, Official Gazette of the Federal Republic of Nigeria.
[8]Joint Revenue Board of Nigeria (Establishment) Act, 2025, Official Gazette No. 18, Vol. 112, LFN.
[9]Organisation for Economic Co-operation and Development (OECD), "Tax Challenges Arising from Digitalisation – Report on BEPS Inclusive Framework" (Paris, 2023).
[10]The Guardian Newspaper, "Nigeria's 2025 Tax Reform: Opportunities and Risks" (Lagos, 12 May 2025).

### 2.1 Elimination of Multiple Tax Identities

One of the primary objectives of the Unified TIN system is to eliminate the duplication of tax records and multiple identities across tax authorities. Prior to the reform, taxpayers often possessed separate tax numbers with the Federal Inland Revenue Service (FIRS), State Internal Revenue Services, and other agencies, creating loopholes for evasion and double taxation. A unified TIN ensures that each taxpayer, individual or corporate is uniquely identified in the national tax database, thereby enhancing administrative efficiency and accountability.[11]

### 2.2 Improved Revenue Collection and Tracking

Nigeria has long struggled with a weak tax-to-GDP ratio, estimated at 10.8% in 2021, one of the lowest in Sub-Saharan Africa.[12]The unified TIN is designed to improve tax collection by enabling authorities to track taxpayer obligations seamlessly across jurisdictions. With a centralized database, revenue authorities can detect discrepancies, enforce compliance, and reduce leakages. The system also enhances inter-agency coordination, particularly between the FIRS, Customs, Corporate Affairs Commission (CAC), and financial regulators.[13]

### 2.3 Combating Tax Evasion and Money Laundering

The unified TIN also plays a crucial role in Nigeria's compliance with international obligations on anti-money laundering (AML) and countering the financing of terrorism (CFT). By linking taxpayer data across financial institutions, corporate registries, and tax authorities, the unified TIN aids in detecting illicit flows and shell company activities.[14] The Central Bank of Nigeria (CBN), in line with the Money Laundering (Prevention and Prohibition) Act 2022, now requires financial institutions to obtain valid TINs before opening corporate accounts, thereby tightening the AML regime.[15] This demonstrates how the unified TIN system strengthens not only domestic tax governance but also Nigeria's standing in the Financial Action Task Force (FATF) compliance index.

### 2.4 Facilitating Digital Tax Compliance

In today's digital economy, taxation increasingly involves cross-border electronic transactions, e-commerce platforms, and virtual asset service providers (VASPs). The unified TIN system provides the foundational infrastructure for capturing revenue from the digital sector, in line with the Finance Act 2021 provisions on significant economic presence and digital services tax.[16] By integrating TINs into e-filing platforms, blockchain-based registries, and cross-border reporting frameworks, Nigeria can extend its tax net to the digital economy while ensuring compliance with global standards such as the OECD's Base Erosion and Profit Shifting (BEPS) project.[17]

## 3. Legal and Institutional Framework of Tax Identification in Nigeria

The Nigerian tax landscape has, in recent years, undergone significant legislative restructuring to strengthen tax administration, improve compliance, and enhance revenue mobilization. Central to this transformation is the introduction of new statutory frameworks, notably the Nigeria Tax Administration Act, 2025, the Nigeria Tax Act, 2025, the Nigeria Revenue Service (Establishment)

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[11] Federal Inland Revenue Service (Establishment) Act, Cap. F36, LFN 2004, s. 8(1)(a).

[12] World Bank, Nigeria Public Finance Review: Fiscal Adjustment for Better and Sustainable Results (Washington DC: World Bank, 2022), p. 14.

[13] Joint Tax Board, Unified TIN Guidelines for Tax Administration in Nigeria (Abuja: JTB Secretariat, 2021).

[14] United Nations Office on Drugs and Crime (UNODC), Tax Crime and Money Laundering: International Cooperation and Exchange of Information (Vienna: UNODC, 2020). P.3

[15]Money Laundering (Prevention and Prohibition) Act 2022, s. 4(1)(b).

[16]Finance Act 2021 (Nigeria), s. 4 (amending Companies Income Tax Act, Cap. C21 LFN 2004, to include digital service taxation).

[17]Organisation for Economic Co-operation and Development (OECD), Addressing the Tax Challenges of the Digital Economy (Paris: OECD Publishing, 2020).

Act, 2025, and the Joint Revenue Board of Nigeria (Establishment) Act, 2025. These enactments collectively establish the foundation for a more robust tax identification system, aimed at ensuring that every taxable entity in Nigeria is properly registered, monitored, and assessed within a unified fiscal architecture.[18]

The Nigeria Tax Administration Act, 2025 introduces comprehensive provisions for the regulation of taxpayer registration, issuance of Tax Identification Numbers (TINs), and maintenance of a centralized taxpayer database.[19] The Act mandates that no individual or corporate entity can engage in taxable economic activities without a valid TIN, thereby creating a legal compulsion that links participation in the formal economy with tax compliance.[20]

Complementing this is the Nigeria Tax Act, 2025, which consolidates substantive rules on direct and indirect taxation, while expressly recognizing the TIN as the fundamental instrument for taxpayer identification and enforcement of obligations.[21] The Act provides that the TIN shall be a prerequisite for business registration, procurement of government contracts, and access to financial services, effectively embedding tax compliance within the wider economic and regulatory ecosystem.[22]

Institutionally, the Nigeria Revenue Service (Establishment) Act, 2025 establishes the Nigeria Revenue Service (NRS) with an expanded mandate covering digital tax administration, inter-agency data exchange, and cross-border taxation.[23] The NRS is statutorily empowered to administer the TIN system, ensuring integration with the National Identity Management Commission (NIMC), the Corporate Affairs Commission (CAC), and financial institutions to foster transparency and eliminate multiple or fraudulent identities.[24]

At the subnational level, the Joint Revenue Board of Nigeria (Establishment) Act, 2025 institutionalizes coordination between the federal, state, and local government tax authorities.[25] This framework creates a harmonized platform for the issuance and recognition of TINs across all tiers of government, reducing the duplication of tax records and minimizing disputes over taxing rights.[26] The Joint Revenue Board also serves as a dispute resolution mechanism in matters relating to taxpayer registration and inter-jurisdictional revenue claims.[27]

The cumulative effect of these statutory and institutional reforms is the emergence of a more integrated tax identity regime in Nigeria. By linking TINs to diverse socio-economic activities ranging from banking to business incorporation, the Nigerian tax system is shifting towards a compliance culture where fiscal responsibility is inseparable from economic participation.[28] Nevertheless, challenges remain in the areas of technological infrastructure, enforcement, and taxpayer sensitization, which will determine the ultimate efficacy of these reforms.[29]

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[18] Nigeria Tax Administration Act, 2025, Preamble.
[19] Nigeria Tax Administration Act, 2025, s. 12.
[20] Ibid, s. 15.
[21]Nigeria Tax Act, 2025, s. 4(1).
[22]Nigeria Tax Act, 2025, s. 8(2).
[23]Nigeria Revenue Service (Establishment) Act, 2025 (No. 4 A 231), s. 3.
[24]Ibid, s. 9.
[25]Joint Revenue Board of Nigeria (Establishment) Act, 2025, s. 2.
[26]Ibid, s. 5.
[27]Ibid, s. 10.
[28]World Bank, Nigeria: Domestic Resource Mobilization and Tax Policy Review (2024) available at https://www.worldbank.org.
[29]Vanguard Newspaper, "Nigeria's New Tax Identity Framework: Promise and Pitfalls" (15 March 2025) 23.

## 4. Challenges of UTIS Implementation

### 4.1 Administrative Challenges of UTIS Implementation

Despite the laudable objectives of the Unified Tax Identification System (UTIS) in Nigeria, its practical implementation has encountered several administrative challenges. The success of any tax identification regime is contingent not only on the legal framework but also on the administrative, technological, and socio-economic environment within which it operates.

#### 4.1.1 Institutional Coordination Gaps

A major challenge is the lack of effective coordination among tax authorities at the federal, state, and local government levels. The Nigeria Revenue Service (Establishment) Act, 2025 created a central agency to oversee federal tax matters, while the Joint Revenue Board of Nigeria (Establishment) Act, 2025 empowers states and local governments to harmonize tax processes.[30] However, jurisdictional overlaps, duplication of roles, and rivalry between agencies persist. This has led to fragmentation, where taxpayers are often subjected to multiple registrations or conflicting directives, contrary to the spirit of a unified system.

#### 4.1.2 Technological Infrastructure Deficits

Effective operation of UTIS requires robust digital infrastructure, reliable internet penetration, and strong cybersecurity frameworks. However, many tax offices across Nigeria still operate on manual or semi-digital systems. The uneven deployment of information and communication technology (ICT) infrastructure, especially in rural areas, limits the efficiency of UTIS and hinders inclusiveness in tax administration.[31] Unlike South Africa's SARS model, which employs advanced data analytics and secure taxpayer portals, Nigeria still struggles with outdated software, manual processes in rural tax offices, and weak cybersecurity mechanisms.[32] This creates room for leakages, fraud, and systemic inefficiency.

#### 4.1.3 Data Integrity and Verification Problems

Another significant challenge lies in ensuring the accuracy and authenticity of taxpayer data. Weak national identity management systems, coupled with fraudulent documentation, make it difficult to link taxpayers' economic activities to their UTIS profiles. This opens loopholes for tax evasion and weakens enforcement capacity.[33]

#### 4.1.4 Human Capacity and Bureaucratic Bottlenecks

Tax officials are often inadequately trained to handle advanced digital systems. Moreover, the persistence of bureaucratic bottlenecks and rent-seeking attitudes within revenue offices impedes smooth taxpayer registration and compliance. Without continuous training and incentive-based reforms, the efficiency of UTIS will remain compromised.[34] In contrast, Kenya's PIN system and Ghana's unified TIN benefited significantly from continuous staff retraining and international technical support. Without comparable investment in human capacity, Nigeria's UTIS risks becoming a theoretical reform with little practical impact.

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[30] Nigeria Revenue Service (Establishment) Act, 2025; Joint Revenue Board of Nigeria (Establishment) Act, 2025.
[31] World Bank, Digital Economy for Africa Report (2022), p. 14., Adebayo, T. "Digital Infrastructure and Tax Administration in Nigeria," Nigerian Journal of Fiscal Studies (2023) 15(2): 34.
[32] South African Revenue Service (SARS), Annual Performance Report (2022).
[33] National Identity Management Commission (NIMC), Annual Report on National Identity Verification (2023).
[34] A I Adekanmbi, 'Human Capacity Deficits in Nigeria's Tax Administration," Nigerian Journal of Fiscal Policy Studies' (2021) 5 :87–104., x Administration," *Nigerian Journal of Fiscal Policy Studies*, (2021) 5: 87–104.

#### 4.1.5 Public Trust Deficit

A more subtle but equally important challenge is the public's perception of taxation. Many Nigerians distrust government's handling of tax revenue, citing corruption, lack of transparency, and poor service delivery. This perception discourages voluntary compliance and complicates the enforcement of UTIS, since citizens may resist enrollment or provide false information to avoid monitoring.[35]

### 4.2 Contemporary Challenges in the Digital Era

In addition to traditional obstacles, UTIS faces modern challenges linked to globalization and digitalization of the economy. The rise of cryptocurrency transactions, cross-border e-commerce, and the gig economy complicates tax identification and monitoring. Without adaptive legislative and regulatory mechanisms, UTIS risks becoming obsolete in addressing tax leakages in these emerging sectors.[36]

### 4.3 Legal Challenges in UTIS Implementation

The adoption of the Unified Tax Identification System (UTIS) in Nigeria does not only pose administrative hurdles but also raises a plethora of legal challenges that must be resolved for the framework to be constitutionally sustainable, technologically compliant, and jurisprudentially sound.

#### 4.3.1 Federal vs. State Taxing Powers

One of the most profound legal questions arising from UTIS is whether its centralization infringes on the constitutional autonomy of states in matters of taxation. The 1999 Constitution of the Federal Republic of Nigeria (as amended) vests taxing powers along a federated line: while the Federal Government retains control over taxes such as Companies Income Tax, Value Added Tax, and Customs Duties, states exercise control over personal income taxes, land charges, and local levies.[37] A centralized UTIS must therefore strike a balance so that the Nigeria Revenue Service (Establishment) Act, 2025, and the Joint Revenue Board of Nigeria (Establishment) Act, 2025, do not trespass into areas reserved for states under the Constitution.[38] Failure to maintain this balance could invite constitutional disputes akin to the VAT controversy recently adjudicated in Attorney-General of Rivers State v. Federal Inland Revenue Service (unreported, 2021).[39]

#### 4.3.2 Data Privacy and the Nigeria Data Protection Act, 2023

Another pressing legal challenge is data governance. The UTIS, by design, requires extensive collation and processing of taxpayer information across all tiers of government. This raises compliance issues with the Nigeria Data Protection Act, 2023 (NDPA), which mandates that personal data must be processed lawfully, fairly, and transparently, with explicit safeguards against misuse.[40] Where taxpayer information is mishandled, the risk of litigation against tax authorities becomes real, not only under the NDPA but also under Section 37 of the Constitution, which guarantees the right to privacy.[41]

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[35] Transparency International, Corruption Perceptions Index: Nigeria Report (2024).
[36] OECD, Tax Challenges Arising from Digitalisation – Interim Report (2018).
[37] Constitution of the Federal Republic of Nigeria, 1999 (as amended), Second Schedule, Part I, Items 58 & 59; Part II, Items 7 & 8.
[38] Nigeria Revenue Service (Establishment) Act, 2025; Joint Revenue Board of Nigeria (Establishment) Act, 2025.
[39] Attorney-General of Rivers State v. Federal Inland Revenue Service (Suit No. FHC/PH/CS/149/2020, unreported, 2021).
[40] Nigeria Data Protection Act, 2023, ss. 24–27.
[41] Constitution of the Federal Republic of Nigeria, 1999 (as amended), s. 37.

### 4.3.3 Enforceability against Foreign Entities and Digital Platforms

The globalized digital economy presents unique challenges for Nigeria's UTIS framework. With cross-border business activities increasingly being conducted through digital platforms such as e-commerce operators and streaming services, the enforceability of UTIS obligations against foreign entities remains questionable. While Nigeria has attempted to address these through recent amendments to the Companies Income Tax Act (CITA) introducing Significant Economic Presence (SEP) provisions,[42] practical enforcement is fraught with jurisdictional constraints. Unless UTIS is harmonized with international tax cooperation mechanisms such as the OECD's Base Erosion and Profit Shifting (BEPS) framework Nigeria risks losing taxable revenue to foreign digital giants.

### 4.3.4 Risk of Abuse and Misuse of Taxpayer Information

Finally, the potential abuse of taxpayer data by public officials constitutes a latent but potent legal challenge. History shows that centralized databases in Nigeria have been susceptible to unauthorized access, political misuse, or outright leaks.[43] If not accompanied by strict judicial and institutional safeguards, UTIS could expose taxpayers to violations of their rights under Chapter IV of the Constitution. The judiciary, through cases like Digital Rights Lawyers Initiative v. National Identity Management Commission (2021) LPELR-55623(CA),[44] has affirmed the importance of protecting citizens' data within centralized systems. UTIS must therefore embed strong accountability mechanisms to prevent abuse.

## 5. Comparative Insights and Best Practices

A critical dimension in assessing the viability of Nigeria's Unified Tax Identification System (UTIS) is the study of comparative experiences from jurisdictions where similar reforms have been successfully implemented. These lessons offer both cautionary tales and blueprints for ensuring legal, institutional, and technological readiness.

### 5.1 Lessons from Ghana

Ghana's Revenue Authority (GRA) introduced a Unified Taxpayer Identification Number (TIN) in 2013, later integrated into the Ghana Card (National ID system) under the National Identification Authority (NIA). By linking tax obligations with a national ID, Ghana reduced tax evasion, expanded its tax net, and simplified compliance for both individuals and businesses. Reports indicate that revenue mobilization grew significantly following integration with the Ghana Card, as every citizen and resident was mandatorily linked to a tax number at the point of financial transactions such as opening bank accounts or acquiring property.[45] This underscores the importance of inter-agency cooperation and data harmonization, something Nigeria must prioritize between the FIRS, Joint Tax Board, CAC, Immigration, and NIMC.

### 5.2 Insights from Kenya

Kenya's Personal Identification Number (PIN) administered by the Kenya Revenue Authority (KRA) provides another instructive model. The KRA made the PIN a prerequisite for a wide array of economic activities, including land transactions, motor vehicle registration, and access to government services.[46] This compulsory linkage incentivized voluntary registration and discouraged tax avoidance. A key lesson is the statutory backbone provided under Kenya's Income

[42] Companies Income Tax Act (as amended by the Finance Act, 2020), s. 13(2)(c).
[43] See generally: A. Aluko, "Challenges of Centralized Databases in Nigeria's Governance Framework," Nigerian Journal of Cyber Law (2022) 14(2) p. 215.
[44] Digital Rights Lawyers Initiative v. National Identity Management Commission (2021) LPELR-55623(CA).
[45] Ghana Revenue Authority, Annual Report 2020, Accra: GRA, 2021, p. 17.
[46] Kenya Revenue Authority (KRA), "About PIN Registration," available at https://www.kra.go.ke/ accessed 15 August 2025

Tax Act,[47] which not only established the PIN system but also introduced sanctions for non-compliance.[48] Nigeria's UTIS would equally benefit from explicit statutory provisions under the Federal Inland Revenue Service (Establishment) Act and possibly constitutional alignment to minimize future legal disputes.

### 5.3 South Africa's SARS Experience

South Africa's South African Revenue Service (SARS) operates a robust taxpayer registration system where each taxpayer is assigned a unique SARS TIN. This system benefits from strong legal safeguards on data protection under the Protection of Personal Information Act, 2013 (POPIA), ensuring taxpayer confidence in data security.[49] Beyond compliance, SARS leveraged digital platforms (eFiling) to ease tax administration, demonstrating that success of a unified system depends not only on compulsion but also on the availability of efficient digital infrastructure. Nigeria must therefore not only legislate UTIS but also invest in technology that reduces friction in taxpayer interaction.

### 5.4 Best Practices for Nigeria

From these comparative experiences, several best practices emerge:

1. Statutory Anchoring: Clear legislative backing, as seen in Kenya, is critical to avoid constitutional disputes over taxing powers.
2. Integration with National ID: Ghana's merger of TIN with the Ghana Card highlights the utility of linking UTIS with Nigeria's National Identification Number (NIN).
3. Data Protection Guarantees: South Africa's POPIA experience illustrates the need for taxpayer trust. Nigeria's Data Protection Act, 2023 must be vigorously enforced in the UTIS framework.
4. Digital Infrastructure: Robust ICT systems reduce bureaucratic hurdles and improve compliance rates.
5. Incentive + Sanction Mechanism: Combining benefits (access to services) with penalties for non-compliance ensures higher uptake.

In sum, while Nigeria faces unique institutional and legal complexities, borrowing lessons from Ghana, Kenya, and South Africa provides a workable pathway. UTIS can only succeed if it is anchored on strong legal safeguards, administrative efficiency, and technological adoption, while simultaneously addressing Nigeria's federal-state fiscal relations.

## 6. Conclusion and Recommendations

### 6.1 Conclusion

The introduction of a Unified Tax Identification System (UTIS) represents a transformative step for Nigeria's fiscal administration. A harmonised TIN framework will not only enhance compliance and broaden the tax base but also strengthen transparency and accountability in public finance.

This research has demonstrated that while UTIS offers substantial potential benefits, its success depends on overcoming notable legal challenges (federal-state tax jurisdiction disputes, compliance with data privacy laws, and enforceability across digital platforms) and administrative challenges (technological deficits, weak institutional capacity, and low taxpayer awareness).

Drawing from comparative insights in Ghana, Kenya, and South Africa, Nigeria must adopt best practices that emphasise clear legal frameworks, robust technological infrastructure, institutional safeguards for taxpayer privacy, and citizen engagement.

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[47] Cap. 470.

[48] Income Tax Act (Kenya), Cap. 470, Laws of Kenya, s. 2.

[49] Protection of Personal Information Act (South Africa) 2013, No. 4 of 2013, Government Gazette, 26 November 2013.

Ultimately, UTIS must not remain a "law on paper but weak in practice." Its operationalisation requires strong political will, sustained investment in digital governance, and an unwavering commitment to due process. If effectively implemented, UTIS can redefine Nigeria's fiscal future by enhancing revenue mobilisation, curbing leakages, and building citizens' trust in the tax system.

### 6.2 Policy Recommendations and Recommendations for Effective Implementation

The successful adoption of a Unified Tax Identification System (UTIS) in Nigeria requires a holistic strategy that addresses both the legal and administrative gaps identified in the preceding sections. The following recommendations are proposed:

### 6.1 Strengthening Legal Clarity on Roles of Tax Authorities

The Constitution of the Federal Republic of Nigeria, 1999 (as amended), vests taxing powers concurrently in both the Federal and State Governments.[50] However, ambiguities in the scope of fiscal authority between the Federal Inland Revenue Service (FIRS) and State Boards of Internal Revenue (SBIRs) continue to generate conflict.[51] To avoid jurisdictional disputes, there should be clear statutory provisions harmonising the UTIS framework across the federation. Legislative amendments to the FIRS (Establishment) Act[52] and relevant state tax laws should establish cooperative federalism in tax administration.

### 6.2 Investing in Digital Infrastructure and Cybersecurity

Nigeria's weak digital infrastructure poses a significant risk to UTIS implementation.[53] Given the sensitivity of taxpayer data, strong cybersecurity safeguards are required in line with the Nigeria Data Protection Act 2023.[54] The Federal Government, in partnership with private sector actors, should prioritise secure cloud-based systems, blockchain technologies, and robust encryption to prevent hacking, identity theft, and cyber fraud.

### 6.3 Awareness Campaigns and Taxpayer Education

Tax compliance is strongly linked to taxpayer trust and knowledge of the system.[55] Experience from Ghana and South Africa shows that wide-scale sensitisation campaigns, including multilingual outreach, civic education, and use of social media, facilitated public acceptance of their TIN systems. Nigeria should therefore invest in civic enlightenment programmes coordinated by the Joint Tax Board (JTB) to educate citizens on the benefits and requirements of UTIS.

### 6.4 Institutional Safeguards for Privacy and Due Process

The risk of misuse of taxpayer information by revenue authorities underscores the importance of strong institutional safeguards. Section 37 of the 1999 Constitution guarantees the right to privacy.[56] Consequently, UTIS legislation must incorporate procedural safeguards to ensure due process in data access, disclosure, and enforcement actions. Independent oversight bodies should monitor compliance with privacy obligations.

### 6.5 Phased Implementation and Pilot Programs

To mitigate risks of systemic failure, a phased implementation of UTIS is recommended. Pilot programmes should begin in selected states or sectors, with performance reviews before nationwide roll-out. This staged approach would allow for error correction, stakeholder feedback, and institutional learning.

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[50] Constitution of the Federal Republic of Nigeria, 1999 (as amended), Second Schedule, Part I (Items 58 & 59).
[51] See *Attorney-General of Ogun State v Aberuagba* (1985) 1 NWLR (Pt. 3) 395.
[52] Federal Inland Revenue Service (Establishment) Act, Cap. F36, Laws of the Federation of Nigeria (LFN) 2004.
[53] A O Adegbite, "Digital Infrastructure and Tax Administration in Nigeria" (2022) 5(2) Nigerian Journal of Fiscal Studies 45.
[54] Nigeria Data Protection Act, 2023, s. 24.
[55] J O Abiola & J Asiweh, 'Impact of Tax Administration on Government Revenue in a Developing Economy – A Case Study of Nigeria' (2012) 3(8) International Journal of Business and Social Science 99.
[56] Constitution of the Federal Republic of Nigeria, 1999 (as amended), s. 37.