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K.S law No. 2 of 2016

Kano State MDA Revenue Harmonization  
Law 2016 (1437A.H)

Assented to this 11<sup>th</sup> day of February, 2016 (1437 A.H)

**DR. ABDULLAHI UMAR GANDUJE OFR**  
*Governor,*  
**Kano State of Nigeria**

**KANO STATE MDA REVENUE HARMONIZATION LAW 2016 (1437 A.H)**



**Kano state of Nigeria**

**No.2**

**2016**

A law to make provision for the Harmonization of Revenue collectible by Kano state Ministries, Departments, Agencies, Institutions and Extra Ministerial Departments and for matters connected therewith.

**BE IT ENACTED** by Kano State House of Assembly as follows:-

- |  |                              |
|--|------------------------------|
| 1. This law may be cited as Kano State MDA Revenue Harmonization Law 2016 (1437A.H) and shall come into operation on 11 <sup>th</sup> day of February, 2016 (1437 A.H) | short title and commencement |
| 2. In this law unless where the context otherwise requires:-   | Interpretation               |
| “Accountant General” means the Accountant General of the State;  |                              |
| “Executive Council” means the Executive Council of the State;  |                              |
| “Excess Revenue” means the total Revenue collected above the approved estimated revenue in a fiscal year;  |                              |
| “Government” means Government of Kano State  |                              |

**“MDA”** means Ministries, Departments, Agencies, Institutions and Extra Ministerial Departments duly established by a law of the State or any other relevant Law;

**“Social Sector”** means Health and educational Sector;

**“Lead Bank”** means any the Bank appointed by the state Government as the main Bank collecting Revenue on behalf of the State;

**“Revenue”** means any form of revenue payable to the State through any of the MDA’s which includes taxes, Fees, Levies, Fines, Charges, Rates, Receipts, Dividend, Penalties and Interest on Penalty;

**“Revenue collector”** means a government official duly appointed to collect revenue;

**“State”** means Kano State;

**“Executive Chairman”** means Executive Chairman of the State Board of Internal Revenue;

**“Governor”** Means the Executive Governor of Kano State.

3. (1) There is hereby established for the State a single central revenue account (herein after called “the Account”) for all the internally generated revenue of the State.

(2) The account shall be utilized for the purpose of capturing the total revenue collection of the State.

(3) The account shall be maintained and operated with IGR reporting Bank, which shall account for all revenues collected by lead bank through designated collecting banks as may from time to time be authorized by the Governor or any other person authorized by him.

Establishment of single  
Central Revenue

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- |   |   |
|---|---|
| 4. (1) from the commencement of this Law, all revenue account of the MDAs in the state shall be integrated into the pay direct platform of the reporting bank for the purpose stated under the provision of section 3(2) of this law;<br>(2)Notwithstanding the provisions of section 7 of this law, all MDAs shall remit generated revenue to the office of the executive chairman at the end of each month through the designated bank. | Integrated of pay direct platform                       |
| 5. (1) where an MDA is authorized by this or any other law to collect any form of revenue the MDA shall within 5 working days remit its revenue collection to a designate collecting bank;<br>(2) The designated collecting bank shall transfer such Remitted revenue to the Account with the lead bank within Five (5) working days after collection.  | Time within which to remit collections into the account |
| 6. No MDA shall utilize revenue or any part thereof it collected for the State save in the manner authorized by this or any other relevant Law.   | Non Utilization of revenue                              |
| 7. (1) where, however, it appears that an MDA cannot effectively discharge its function without sufficient fund, the executive council may declare such MDA as “Authorized MDA”<br>(2) For the purpose of sub-section (1) of this section, the MDA’s mentioned in the first schedule to this law are hereby declared as Authorized MDAs.  | The State may authorize                                 |
| 8. Wherever the State declares an MDA as authorized MDA, the collecting Bank shall within 48 hours of remittances of revenue by the declared MDA transfer such remitted revenue into the expenditure account of the MDA provided that the Authorized MDA shall not utilize any amount in excess of its approved budgetary provisions without the approval of the executive council.   | Permission to transfer funds to specific MDAs           |

**Reporting  
Revenue  
Collection**

9. Notwithstanding the provisions of this or any other law all MDAs shall report revenue collected to the office of the Executive Chairman at the end of each month for comparison with what the collecting Bank reports.

**Establishment and Functions of  
Revenue unit**

10. (1) There is hereby established for each of the MDAs a revenue unit which shall be headed by a senior officer who shall be appointed and answerable to the office of the Executive Chairman.

(2) Revenue unit shall be responsible for

(a) Collection of all payments due to the State.

(b) Issuance of official receipts;

(c) Remitting all revenue collections to the account of the MDA; and

(d) Maintaining records of all revenue collections and remission.

**Monthly report by MDAs**

11. In compliance with the provision of this law, all MDAs shall within 10 working days of the succeeding months report their monthly collections to the office of the Executive Chairman, who reports to the Ministry of Finance and Ministry of planning and Budget in addition to any statutory requirement.

**Service of demand notice**

12. (1) Where it appears that a person liable to pay rate, fee or charge default to pay the relevant MDA may demand in writing from such person payment of the rate, fee or charge by serving an assessment thereof in a demand notice on such person requesting the payment of the total amount due within 30 days from the service of the demand notice.

(2) The demand notice shall be in a form stipulated in the third schedule to this law.

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- |  |   |
|--|---|
| 13. A person or organization who disputes any part or all of the contents of the demand notice served on him may apply to the relevant MDA by a notice of objection in writing stating the ground of objection within 14 days from the date of service of the demand notice.   | Notice of objection                         |
| 14. The relevant MDA shall respond to such notice of objection within five working days from the receipt thereof and may require the person making the objection to furnish it with such particulars or to produce such relevant documents as may be deemed necessary in the determination of the notice of objection.   | Response to objection                       |
| 15. In the event of an objection being resolved in favour of the person making the objection the MDA shall issue a revised assessment in a new demand notice in accordance with section 13 of this law. However if the objection is resolved in favour of the MDA the first assessment shall stand.  | Revised Assessment                          |
| 16. An MDA shall have powers to recover any rate, fee or charge by means of instituting recovery action at the Kano State Revenue Court through the Ministry of Justice against the person who after being served with a demand notice defaults to pay the assessed rate, fee or charge within the time provided by the demand notice.   | Power to institute recovery action in court |
| 17. Any person who:<br>(a) Collects or attempts to collect any rate, fee, levy or charge that is not authorized by any law in the State;<br>(b) Being a revenue collector fails to remit revenue collected in accordance with this or any other law;<br>(c) Withholds for his own use or otherwise any portion of the revenue collected;<br>(d) Renders false return, whether orally or in writing the amount revenue collected or receive;<br>(e) Defrauds any other person or embezzles any revenue or otherwise uses his position to deal | Offences                                    |

wrongfully with any member of the public in the discharge of his duty under this law.

(f) Steals or misuses any government documents for the purposes of administration of any form of revenue and ;

(g) Compromises on the assessment or collection of any levy , rate or charges;

Commits an offence and is liable upon conviction to a term of not less than 6 months imprisonment or a fine of not less than 50 percent of the sum in question. In addition, the convict shall refund whatever amount collected or benefitted in contravention of this law.

Aid and Abetment

18. Any person who aids or abets any person in contravening any of the provisions of this law commits an offence and is liable upon conviction to a term not less than 4 months imprisonment or a fine of not less than 50 percent of the sum in question.

### MISCELLANEOUS

Provisions of Rates, Fees and Charge

19. Except the social sector services, fees, rates and charges which shall be reviewable when ever appropriate, all other rates, fees and charges to which this law applies shall be reviewed subject to the approval of the Governor by the relevant MDA every four years.

Provision of an incentive

20. Where an MDA exceeds its targeted revenue collection for a particular period of time, the MDA shall with the approval of the executive council, be entitled to an amount not below 5 percent of the amount collected above the target as incentive to its staff.

21. The provisions of this Law shall not apply to funds managed by an MDA as a result of a special arrangement, trust or savings by organizations or individuals for the purposes of undertaking some specified projects by the MDA.
22. The Commissioner of Finance subject to the approval of the Governor may make or whenever appropriate direct an MDA to make regulations on the category of rates, fees and charges collectible by the MDAs in the State.

**Non Applicability of this law on some funds**

**Power to make regulations**

## **SCHEDULES**

### **First schedule**

### **Section 7**

The following Government Agencies are hereby declared as authorized MDAs

1. Hospital Management Board
2. Fire Services
3. All tertiary Educational Institutions and
4. Kano State water board

### **Second schedule**

### **Section 9**

1. Name of MDA
2. Reporting monthly and year
3. Total amount collected in figures and words
4. The bank in which the revenue was remitted
5. Copy of statement of account for the month and
6. Signature of head of MDA or other authorized person



**Third Schedule**

**Section 12 (2)**

1. Name of MDA
2. Date of Issue
3. Name and address of person or authority required to make payment.
4. Amount involved in figures and in words
5. Period involved
6. Name of Bank(s) where payment is to be made and
7. Signature of authorized officer

**AUTHENTICATION BY THE CLERK**

This printed impression has been carefully compared by me with the said Bill (Kano State MDAs Revenue Harmonization Law 2016 (1437A.H). which was passed by the State House of Assembly and found by me to be a true and correctly printed copy of the said law

LAWAN BADAMASI  
Clerk/Permanent Secretary  
Kano State House of Assembly