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LEX ET SOCIETATIS

CONTEMPORARY LEGAL ISSUES

Volume II

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EDITORS

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Environmental Taxes and Sustainable Development: Nigeria in Perspective

Hafsat Iyabo Sa'adu[1]

Introduction: This chapter seeks to canvass the need for introduction of environmental tax in Nigeria through regulations and fiscal measures. The chapter defines environmental taxation and its relevance in achieving sustainable development. The chapter examines the problems and prospects envisaged in introducing environmental tax in Nigeria vis-à-vis various regulations on environment in line with other measures and instruments. It is clear that Nigeria needs to create a workable and enforceable environmental tax regime through legislations and development of relevant institutions.

The Need for Environmental Tax: A tax has been described as a charge imposed by governmental authority upon property, individuals or transactions to raise money for public purpose[2]. The Organization for Economic Cooperation and Development (OECD), International Energy Agency (IEA) and the European Commission have agreed to define *environmentally related taxes* as any compulsory, unrequited payment to general government levied on tax-bases deemed to be of particular environmental relevance. The relevant tax-bases include energy products, motor vehicles, waste, measured or estimated emissions, natural resources etc. Taxes are unrequited in the sense that benefits provided by government to tax payers are not normally in proportion to their payments. Requited compulsory payments to the government that are levied more or less in proportion to services provided (e.g. the amount of wastes collected and treated) can be labeled as *fees* and *charges*. The term *levy* covers taxes and fees /charges.[2]

According to the OECD 2006 Report,[3] a database operated in cooperation between OECD and the European Environment Agency (EEA) has entered 375 environmentally related taxes in OECD member countries, plus some 250 environmentally related fees and charges in those countries. Of the taxes, the largest number is levied on energy products (150), on motor vehicles (125), and various forms of waste (50). There is a wide range of environmentally

[1] Hafsat Iyabo Sa'adu Senior Lecturer, Department of Business Law, Faculty of Law, University of Ilorin, Nigeria.E-Mail:adu39asa@gmail.com.+2348060848422

[2] Hornby AS, et al. Oxford Advanced Learner's Dictionary of Current English 1530 Turnbull J, et al. eds (8 ed., Oxford University Press 2011).

[3] OECD 2016, *The Political Economy of Environmental Related Taxes* (Jan. 15, 2019, 10:04A.M), http://www.un.org.20070904 -05 *Environmental Taxes doc United Nations-Sept. 4 2007: Tax Law Department.*

[3] *Id.*

related taxes levied in the OECD countries, among others: water pollution tax, batteries tax, logging tax, tyres tax, beverage container tax, toxic waste levy, tax on plastic bags, aircraft noise tax, tax on groundwater extraction, tax on pesticides, and artificial fertilizers, landfill tax, ozone depletion tax etc.

The focus of environmental tax law is to ensure the attainment of sustainable development. This is achievable through the adoption of environmental technology which helps conserve the natural environment against pollution. The term environmental technology is used to describe pollution control devices, waste treatment processes and storage facilities, and site remediation technologies and their components.[4] There are four distinguished subsets of environmental taxes, namely, energy taxes, transports taxes, pollution taxes and resources taxes.[5]

There are actually very few taxes in Nigeria that truly aim for the environmental sustainability. Licences laws, environmental impact assessment, environmental audit and environmental review fees, fees charge by the department for petroleum resources fund, energy and automobile taxes in Nigeria are environmental related taxes, rather than environmental taxes. These taxes are of environmental relevance, but are not levied directly based on the negative environmental impacts.[6]

Nigeria, though a developing nation is not immune from the positive and negative effects of globalization from the point of view of industrialization and technology. Nigeria's benefit from globalization, science and technology includes education, telecommunication, medicine, transportation and trade among others. However, in the process of 'development' in the past four decades from the independence in 1960 to the 1990s and despite the existence of National Economic Development Empowerment Developing Strategy (NEEDS)[7] in 2004-2008, Nigeria polluted its seas and rivers, destroying habitats and killing marine life. Air is polluted and inhaling poisonous gases like carbon monoxide can lead to fatigue, high blood

[4] Sani M. Adam & Ibrahim Mohammed, *Conceptual Foundation of Environmental Taxation Law and Why Nigeria should develop an Environmental Tax Regime* Josephine A.A. Agbonika ed. Tropical Issues on Nigerian Tax Laws and Related Areas 357 – 358 Ababa Press Ltd., (2015).
[5] *Id.* at 358.
[6] *Id.* at 259.
[7] National Economic Development and Developing Empowerment and Developing Strategy (NEEDS) was established as a response to the development challenges of Nigeria (Jan. 15, 2019, 11:00AM), http://www.businesjournalz.org/...efn003/pdf.

pressure and insomnia. Acid rain is being experienced and erosion is common. Water, soil and air pollution are also making it difficult for local farmers, hunters and pastoralists to make a decent living. Poverty drives people to cut down trees for firewood and over-farm fragile soils for their immediate survival.[8]

The World Commission on Environment and Development[9] believe that people can build a world that is prosperous and just, an era of economic growth that would be based on policies that sustains and expand the environmental resources base. This would ensure sustainable growth and development, through deliberate policy on the management of the environment.

The World Commission on Environment and Development (WCED) defines sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.[10] For Nigeria to meet the parameters needed for sustainable development there is need for measurement of income in Nigeria. The fact remained that the income of Nigeria as is presently constituted cannot serve the long term economic interest of the country without due consideration given to the environment. This is due to the fact that environmental issues are viewed as being external to the production process and also because inadequate accounting for the depletion of the country's natural resources are not in place. Thus, the existence of an imposed environmental tax would eventually lead to conservation of the natural resources and most companies may look for alternative use for the by-products being wasted away or a better means of producing some products through research which would have less negative impact on the environment in the quest to save cost. This would definitely ensure the preservation of the environment.[11]

Principles of Environmental Tax: There are many ways to levy taxes on the activities relating to the environment among which are the Polluter Pays Principle (PPP) and the User Pays Principle (UPP).[12] The Polluter Pays Principles (PPP) is an environmental policy

[8] Dokun Oyeshola O.P, Sustainable Development: Issues and Challenges in Nigeria 176-177 (Daily Graphic: Nig. Ltd., 2008).
[9] Report of the World Commission on Environment and Development, UN Document, Annex 4/42/427 (Jan. 16, 2019, 11:15AM), http://www.un.document.net/wced. .oct.html.
[10] *Id.*
[11] *Towards Improved Accounting for the Environment:* An unstat-World Bank Symposium: (Jan. 16, 2019, 11:20AM), http://www.amazon.co.uk> Book Business, Finance & Laws> Accounting> Management Accounting> *supra note 9.*
[12] Liecster A, The UK Tax System and the Environment, Institute for Fiscal Studies, 2006 (Jan. 17, 2019, 10:20AM), http://www.ifs.org.uk.

principle which requires that the costs of pollution be borne by those who cause it. This principle aims at determining how the costs of pollution prevention and control must be allocated. The scope of the principle has evolved over time to include also accidental pollution prevention, control and clean –up costs, in what is referred to as extended Polluter Pays Principle.[13] These will now be explained one after the other.

The Polluter Pays Principle (PPP) is the term commonly used to describe the process of determining the costs of environmental degradation and to impose those costs on those that create the problem. Assessing the cost of environmental damage is however a controversial and complex issue. As a result, it is often practice to charge an operator for restoration, remediation or prevention costs which are easier to estimate, rather than attempt to put a value on the damage caused. The principle is a generally recognized principle of International Environmental Law, and it is a fundamental principle of environmental policy of both the Organization for Economic Cooperation and Development (OECD) and the European Community.[14] The EU Directive on Environmental Liability has the Polluter Pays Principles as its core and its objective is that whenever possible in accordance with Polluter Pays Principle, the operator, who has caused the environmental damage or who is faced with an imminent threat of such damage occurring must ultimately bear the cost associated with those measures.[15]

The forgoing shows that the Nigerian Government from the federal, state and local governments may use the Polluter Pays Principle in imposing environment tax. The basic principle here is that the producer generating the pollution, noise, danger etc which damage the Nigerian environment should bear the full costs of the damage caused by them. This can be seen in the recently passed Petroleum Industry Governance Bill (PIGB) which included provision for tax and charges from gas by creating a new fiscal regime separate from the rules governing oil and to improved community programmes in the Niger Delta, an area which accounted for more than 75% of Nigeria exports earnings since 1975.[16]

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[13] Polluter Pay Principle Encyclopedia of Earth (Jan. 17, 2019, 12:00PM), http://www.coearth.org/article/polluter_pay...>.

[14] *Id.*

[15] Directive 2014/52/EU amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (Jan. 22, 2019, 11:25AM), http://www.data.eurpa.eu/eli/dr/2014/52/oj.

[16] Gbenga Biobaku & Sandra Gini, *A Review of the Proposal Petroleum Industry Governance Bill 2016*, Mondaq (Jan. 22, 2019, 11:36AM), http//www.mondaq.com>oil+Gas+Electricity.

The other approach that the government can follow in imposing environmental tax is the User Pays Principle (UPP). This normally comes as a policy instrument for dealing with natural resources management. This principle requires that the user of a resource should pay the full social cost of supplying the resources. This principle is useful particularly in agriculture and forestry. Apart from the Polluter Pays Principle and User Pays Principle, the government may invoke product charges on the polluting product or those whose disposal is difficult and administrative charges such as central fees which are payments for registration and enforcement[17] for example, the imposition of charges by the Lagos state government on community outfits for the masts erected throughout the state

A Case for Legal and Regulatory Framework for Environmental Tax in Nigeria : Presently, there are no environmental taxes in Nigeria but there are series of regulatory laws for the preservation and protection of the Nigerian Environment.[18] In the first instance, the existence of a good tax law is very important. This is because the law determines the ability of a tax payer, the rate and the base. The law would also provide the institutional framework for the due administration of the law.[19] Administration of the law is essential in a given tax system because without good administrative system, the attainment of the objective of introducing environmental tax cannot be fully achieved. Therefore, a proper legal framework for the introduction of environmental tax must be in place. The issue is that the law forms the foundation upon which the structure of the tax system is built. In the case of *Greenberg v I.R.*[20] It was held that tax being a compulsory levy by government and a voluntary contribution by the subjects must be clearly imposed upon them.

Law can serve a number of functions in relation to sustainable management of environment. This may be achieved by effective reformation of the law through legislative process that will impose appropriate control and enforcement system. In this regard, legislation becomes an essential element in any environmental regulatory strategy adopted by government.[21] The use of law particularly taxation to regulate environmental degradation is in tandem with the economic analysis of regulation which relates to the rational and efficient choice of

[17] Leicester, *supra note 12*.
[18] Sani & Ibrahim, *supra note 4*, at 259
[19] Olowole Akanle, New Framework for Tax Administration in Nigeria 104-106 (Nigerian Institute of Advanced Legal Studies 1991).
[20] A.C. 109 at 137.

regulatory approach to environmental management. Economic techniques involve the use of economic incentives and disincentives mechanisms such as fines, effluent fees, pollution tax, licences, user charges, loans and grants to reduce the level of environment degradation to desired standard.[22]

However, there are many environmental legislation in Nigeria which serve as regulatory framework for the preservation and protection of the environment. These are[23] the National Environmental Standards and Regulations Enforcement Agency Act 2007 (NESREA ACT). The NESREA ACT repealed the Federal Environmental Protection Agency ACT (FEPA ACT). Nevertheless, the subsidiary legislation under the FEPA Act is still in force.[24] This includes:

(i) TheNational Environmental Protection (NEP) Effluent Limitation Regulations 1991;

(ii) The National Environmental Protection (NEP) Pollution Abatement in Industries and Facilities Generating Waste Regulations 1991;

(iii) The National Environmental Protection (NEP) Managements of Social and Hazardous Waste Regulation 1991;

(iv) The Environmental Impact Assessment Act (EIA Act) 2004;[25]

(v) The National Oil Spill Detection and Respond Agency Act 2005 (NOSDRA Act);

(vi) Harmful Wastes (Special Criminal Provisions) Act 1988 (Harmful Wastes Act).

Apart from the regulation framework, there are regulatory authorities as well, which includes:

(i) Federal Ministry of Environment, Housing and Urban Development (FMEHUD) which is responsible for monitoring and certifying environmental assessment on projects;

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[21] Oludayo G. Amokaye, *Feasibility of Environmental Taxation in Nigeria*, The Taxling (Jan. 22, 2019, 13:24PM), http://www.the taxling.wordpress.com>...

[22] *Id.*

[23] Ejide Sodipo, et al. *Environmental Law and Practice in Nigeria: Overview*, Country Q & A Tool (Jan. 24, 2019, 14:16PM), http://uk.practicallaw.thomsonreuters.com>...See also *Environmental Law System of Nigeria*, Centre for Laws of Nigeria: Statutes (Jan. 24, 2019, 14:28PM), http://www.lawnigeria.com>FEDERATIONL...

[24] NEREA Act was established by Act 92 of the National Assembly of July 31, 2007, to replace the defunct Federal Environmental Protection Agency cap F10 Laws of the Federation of Nigeria 2004.

[25] Decree No. 86 of 1992, now an act of the National Assembly embodied in the Laws of the Federation of Nigeria 2004.

(ii) National Environmental Standards and Regulation Enforcement Agency Act 2007 (NESREA) also responsible for enforcing all environmental laws, guidelines, policies standard and regulations (except for the petroleum industry);

(iii) Department of Petroleum Industry;

(iv) National Oils Spill Detection and Response Agency, is responsible for coordinating and implementing the National Oil Spill contingency plan and establish the mechanism to monitor and assist, or where appropriate, to direct the response, including the capability to:

a) Mobilize the necessary resources to save lives;

b) Protect threatened environment; and

c) Clean up, to the best practical extent, the impacted site.

(v) Ministry of Water Resources which regulates the pollution of water courses and underground waters.

(vi) State Environmental Protection Agencies (SEPAs) are involved in environmental regulation and monitoring in the states, they are to operate within the unit set by Section 20 of the Constitution of the Federal Republic of Nigeria, 1999 as amended.[26]

In Nigeria, the remedy available for a breach of any environmental regulation results in criminal proceedings, if the breach constitutes a criminal offence under existing laws. Individual or a corporate body who violate environmental regulation can:

(a) be find or imprisoned;

(b) have their facilities in violation of the regulation closed down; and

(c) be required to restored the environment polluted or pay for its restoration.[27]

We can deduce from the foregoing that the Nigerian law does not provide for tax as a remedy for any form of environmental breach or abuse in its bid to preserve and protects its environment. The time has come to introduce such a measure to curb environmental abuse and embark on the developmental programmes that will sustain the Nigerian nation.

Powers of the Government to Impose Environmental Tax in Nigeria: We cannot effectively discuss environmental tax in Nigeria without recourse to the Nigerian Constitution. However, Nigeria has three levels of government, federal, states and local

[26] 1999 CONST. Federal Republic of Nigeria amend. sec. 20.

government and each level is empowered to tax its citizenry. The system of government practiced in Nigeria is federal system of government with states and local government administration.

The most important factor that determines the division of taxing powers in a country is whether the country is operating a federal or unitary system of government.[28] As a result of the system of government, the fiscal policy of the government of the federation, vis a vis its taxing powers is shared between the federal, states and local governments. The 1999 Constitution provides the basis of the taxing powers of different levels of government in Nigeria. The federal government has the bulk of important forms of taxation placed within its extensive competence while leaving the residuary taxes at the disppsal of the states.

The 1999 Constitution does not provide for substantive law on the powers of the different levels of government. Rather, what the system adopted is to lump taxing power with legislative powers by itemizing some taxes on the Exclusive Legislative List of the Federal Government. Hence, the determinant of the extent of the power of a level of government must start with the determination of its legislative power.[29] The National Assembly has exclusive power in respect of all subject matter in the Exclusive Legislative List under section 4 of the 1999 Constitution as amended.

The 1999 Constitution only make reference to the states in respect of its power to tax in item D-9 and 10 of the Concurrent Legislative List. The House of Assembly of a state may make laws on any subject that is not included in the Exclusive Legislative List.

The powers of the local government to impose tax are subject to laws by the State House of Assembly which are only on matters where states have residual powers. However, local governments are empowered to levy certain charges and rates on the environment under the Fourth Schedule to the 1999 Constitution as amended. It would be observed that the federal government realized much more revenue from the taxes allocated to it than the residual taxes given to the states. But the fact is that all revenues collected by the federal government are

[27] See Harmful Waste (Special Criminal Provisions, ETC.) Act, 2004 sec. 8-12. (Jan. 24, 2019, 15:00PM), https://www.lawyard.ng>2016/01>HA...

[28] Oluwole Akanle, *The Government, The Constitution and the Taxpayer*, in Tax Law and Administration. A paper presented at the Nigerian Institute of Advanced Legal Studies 1991.

not wholly retained by it. Rather, the taxes are paid into the Federation Account and shared among the federal, states and local governments as contained under section 65(1-5) of the 1999 Constitution of the Federal Republic of Nigeria as amended.

The above analysis on the power of the government to impose tax is to prepare our mind on whose jurisdiction an environmental tax would devolve. In order to properly address this issue, recourse must be made to the Constitution as contained in section 4 that both the federal and state Houses of Assembly can make laws for the peace, order and good government. In effect, a law may be enacted by the federal and state Houses of Assembly to incorporate environmental tax into our laws and make it just like other tax issues which falls within the jurisdiction of the federal, the states and the local governments. The issue of jurisdiction should focus on the extent of the environment subjects. To cap it all, the Constitution may be amended to that effect. The amendment to reflect the sharing formula as it is done under the Value Added Tax Act (VATA) 2004.[30]

Problems Envisaged in Introducing Environmental Tax

(i) **The Problem of Identifying Taxpayer**: The government must identify those individuals, companies or organizations whose business involves environmental issue. The extent of pollutions in what form should account for the tax to be paid. The Nigerian tax law requires a tax payer to file a return. In order to have full compliance, proper enlightenment must be made by government and a tax clearance certificate introduced with a pre-condition of filing a return at a stipulated period of a year, failure of which a fine would be imposed for each month of delay.[31]

(ii) **The Problem of Assessment of Taxation**: Once the payer of environmental tax has been identified and files return, the problem of assessment is next. This is a situation where information filled in return does not represent the true position. The assessment would be based on the level of emissions or pollutions out of the company, if the revenue officer cannot get the correct assessment which is difficult, the revenue may adopt the best of

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[29] Abiola Sani, *Division of Taxing Powers* Mohammed Taofeek Abdulrazaq ed. CITN Nigerian Tax Guide and Statutes 64 65 Chartered Institute of Taxation of Nigeria, (2009).

[30] See Pt. VI, sec. 40.

[31] Lekan Soyode & Sunday O. Kajola, Taxation Principles and Practice in Nigeria 59-64 (Silicon Publishing Company 2006). See also Micah L., et al. *Tax System in Nigeria –Challenges and the Way Forward*, (Jan. 25, 2019, 11:46 AM), http://www.iist.org/journal/ indexphpp_/RJFA/article/viewfile/2119/2100.

judgment approach in assessments. But the officers must demonstrate true patriotism by not giving in into corruption in arriving at the best of judgment assessment.[32]
In this regard, for efficient administration of environmental tax, the government should train personnel on how to go about assessing environmental taxes.

(iii) **The Problem of Collection of Taxation**: The problem of tax collection has been one of the major issues facing the government in Nigeria. In the past, the government used to engage the services of tax consultants with full support of task force consisting of the law enforcement agents before taxes are collected from the taxpayers. The introduction of certificates of compliance to taxpayers and incentives for due compliance may ease the problem of collection of environment tax.[33] Also, with regard to multinational companies engage in the oil and extractive business, the evidence of payment of environmental tax must be a pre-requisite for their continued operation at the beginning of every annual return year. Failure to fulfill the condition must make it illegal to continue to operate in Nigeria.

(iv) **Problem of Access to Adequate Information**: This is another fundamental problem in this regard. The information on its procedure, rules, regulations and instructional guidelines must be made available to the taxpayers and the general public. The issue is that the public are in the middle of it all and the subjects of environmental tax are things that boarder on the lives of the Nigerian citizens who believe it is natural. For example, an employer whose company emits chemicals into the open drainage may not see any justification for paying taxes believing that by employing workers, he is assisting the society. Such employer may not be aware that such tax exists if he is not adequately informed.[34]

(v) **The Problem of Enforcement**: There is need for effective enforcement machinery in relation to environmental tax. Taxation has been described as an involuntary payment by a citizen for the support of the government.[35] In view of this, it is important to state that Nigerians are known for evading tax. They would not want to pay such tax if not demanded from them. Therefore, adequate provision must be made for punitive measures with strong backing of proper enforcement and possible prosecution in line with the provisions of the law

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[32] *Id.* at 63.
[33] Waidi Kareem Adebiyi & Franklyn Sunday Alabi, Nigerian Taxation and Tax Management 4-6 (Reviewed ed., Aseda Publishing 2007) (2002).
[34] Joshua O. Oyebanji, Principles and Practice of Taxation in Nigeria 50-51 (3rd & Enlarged ed., Frontline Publishers 2006) (2002) & (2004).
[35] Akanle, *supra note* 28, at 118.

on evasion of an imposed environmental tax. Government must not condone evasion of environmental tax. This can be done if penalties prescribed in the environmental tax law are effectively administered. Defaulters must be identified and made to face the law in a sustained effort. If properly done, it would serve as a deterrent to potential evaders of environmental tax. Furthermore, government may introduce various incentives to officers who diligently perform their duties with categories of monetary compensation for each recovery made in regard to the penalties by defaulters.

(vi) **Problem of Multiple Taxation**: The problem of multiple taxation occurs where there is imposition of many taxes by various agencies of government at federal, states and local government levels. The likelihood of this to occur under environmental tax is highly probable. To control this, the subjects of environmental tax could be legislated upon by various arms of government. The establishment of National Environmental Standards and Regulations Enforcement Agency (NESREA) and State Environmental Protection Agencies (SEPAs) lays credence to this assertion.[36]

However, attempts had been made in the past to address the issue of multiple taxation when the Taxes and Levies (Approved List of Collection) Decree No. 21 of 1998 which was amended in 2004 was enacted. The Decree then published a list of taxes and rates to be collected by the federal, states and local governments. If multiple taxation is not checked in case of environmental tax, it may result in tax evasion by otherwise good tax payers who may go underground, push away potential investors who is faced with uncertainties over the regime of environmental tax he has to pay and encourage fraud by way of limiting information for proper tax assessment among others.

(vii) **The Problem of Rate Structure**: The problem of chargeable rate in respect of environmental tax would definitely arise. Rate structure is a determinant of the economic effect of an imposed environmental tax and a choice would have to be made on this, it is my humble suggestion that a progressive rate structure or flat rate structure be adopted for the payment of environmental tax. the problem with this tax is that it consist of various aspects and the progressive rate system would suffice. This is because the polluting company, even if they belong to the same industry may have various degree of pollution for which when

[36] Karimu Adebayo Isiaka, Taxation Principles and Fiscal Policy in Nigeria 14-15 (Lavgark Publishers 2011).

properly assessed may be different from one another. Thus, the more the pollution that is assessed the more the tax that would be collected, likewise, the more the infringement on the environment, in cases other than the extractive industries, the more the tax that would be payable. On the final note, the determination of a proper rate that will be just and equal which would impact positively on economic growth and development should be adopted.[37] These are the problems envisaged in an imposed environmental tax in Nigeria. We shall now look at the prospects of environmental tax in Nigeria as well.

The Prospects of Environmental Tax: The prospects of environmental tax in Nigeria are numerous. These are:

(i) **Enhanced System of National Accounts**: The importance of environmental tax to the national income of a given country cannot be over-emphasized. This important but neglected veritable source of income could become a major contributor to the efforts of government to improve the welfare of the citizens of a country if properly harnessed. Since the welfare of the citizens of a country is the measure of its growth and development. This can be indicated in the amount which they can consume without impoverishing themselves.[38] That is, man's income is the maximum value which he can consume during a week and still expect to be well off at the end of the week as he was at the beginning. The above would reveal that the vast natural resources that largely remained unaccounted for and which is often being wasted away is a serious depletion in what could add to the national income of a country. This situation can be redressed if an environmental tax is imposed. This turn around would occur if proper resource accounting is done of the amount of our national resources that is being depleted. Thus, to ensure sustainable economic development, the environment must be taken into consideration when considering the parameters used for the measurement of Nigeria's income.

(ii) **Economic Growth and Development/Increased Revenue Generation**: Generally, taxation enhances economic growth and development. The whole essence of taxation is revenue generation for government for development purpose. Thus, an imposed environmental tax would as well add to the revenue generation profile of Nigeria. This means that money will be available for the government to run all its developmental programmes

[37] Adebiyi & Alabi, *supra note 33*, at 6.
[38] *Towards Improved Accounting for the Environment*: An unstat World Bank Symposium, *supra note 11*.

which will in turn improve the welfare of all citizens and also improve all the sectors of the economy.[39]

Conclusion and Recommendations: Although, there are laws in Nigeria to protect the environment, it tends to focus more on control and prevention of pollutions and degradation and not geared towards revenue generation. Hence, the need for the government to come up with Environmental Tax Law which, will pave way for the introduction of environmental tax in Nigeria. If this is done, the potential revenue that accrues to the federal, states and local governments would be huge enough to implement all their developmental programmes and bring the standard of living of Nigerians to a higher level than what it is now. In the light of the above, the following are hereby recommended:

1. Nigeria government should embark upon other means of publicity such as radio messages, television advertisement, post bills etc. to inform tax payers of changes in tax legislation and need for compliance.
2. Suitable personnel should be recruited, trained and retrained to cope with the demands of the job. Staff should also be motivated through good salary package to insulate them from fraud and other corrupt practices.
3. Progressive rate structure or flat rate structure should be adopted for the payment of environmental tax. This is because the polluting companies may have various degree of pollution for which when properly assessed may be different from one another.
4. There should be prescription of penalties in the Environmental Tax Law. Defaulters must be identified and made to face the law in a sustained effort.
5. In order not to scare away investors through stringent regulations, the government might need to revise its tax regime from time to time encompassing incentives like tax credits, write offs and tax holidays in a bid to attract and encourage investment.

[39] Oyeshola, *supra note 8*, at 207-214. See also Soyode & Kajola, *supra note 31*, at 4.