

A BILL
FOR

A Law to impose a levy on Manufacturing Processes and for connected purposes

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Date of
Commencement

BE IT ENACTED by the House of Assembly of Kwara State and by the authority of same as follows -

1. (I) As from the commencement of this Law, a Manufacturing Process Levy (referred to in this Law as "Levy") shall be paid by all Manufacturing businesses, on all production processes of all sizes in the State.

Manufacturing
Process Levy

2. (1) The Objective is to -

Objectives
of the Levy

- (a) increase the Internally Generated Revenue of the State and the State's financial standing within the context of its statutory responsibility to mobilize funds for the economic development of the State;
- (b) promote rapid industrialization of the State through effective Government-Organised Private Sector (OPS) Partnership;
- (c) set aside a special fund from a determined percentage of total overall revenue generated from the Levy for manufacturing businesses certified to have complied with the payment of the Levy for at least a period not exceeding three (3) consecutive years;
- (d) create opportunities for increased interest of financial institutions in the expansion of industries in the State through effective workable and sustainable mentoring of industries by the Ministry;
- (e) expand incentives for prospective investors to access funds to complement their capital outlay as of right which shall be paid back within 24 months of the commencement of manufacturing business in the State.

3. (1) There may be appointed a Technical External Adviser(s) subject to the approval of the Governor who shall be responsible for the operations, implementation and collection of the Levy.

Technical
External
Adviser(

(2) The Technical External Adviser shall submit report of all its activities to the Ministry.

4. (1) There shall be an Inspector in charge of the supervision of the Levy.

Inspector

(2) The Inspector shall be appointed by the Commissioner, subject to the approval of the Governor and shall not be below the rank of a Director.

(3) The Inspector shall play only a nominal role to supervise the operations of the Technical External Adviser(s) but shall not engage in the actual operations of the Adviser(s).

(4) The Inspector shall in addition to the reports of the Technical External Adviser(s) generate from time to time a general report on his activities to the Commissioner.

5. (1) All manufacturing industries in the state Including the ones in the Schedule to this Law (person or body corporate referred to herein as "Manufacturers") shall notify the Commissioner by writing of its activities from time to time. The notice shall contain the details of its production activities in the period preceding the filing of the notice of operations. A manufacturer shall obtain evidence of notice of operation in duplicate from the Office of the Commissioner or any officer acting under his authority.

Duty of
Manufacturing
industries.

(2) No manufacturer shall be deemed to have acted in line with the provisions of this Law except he shall have filed its notice of operation detailing its activities at least for a period not exceeding a quarter of a year and if doing so on quarterly basis shall have filed at least four reports for a financial year.

(3) The Ministry shall direct the Technical External Adviser(s) to obtain a copy of the detailed notice and interpret same for the purposes of determining the corresponding levy a manufacturer shall pay in its "manufacturing business classification".

6. Any manufacturer who contravenes the provisions of this law shall unless there is in force in respect of the manufacturer a notice/letter of exemption granted by the Governor is guilty of an offence and is liable on conviction to imprisonment for a term not exceeding 1 year or to a fine not exceeding N50,000 in respect of a person and N300,000 in respect of a body corporate or both.

Offence and
Penalty.

7. Notwithstanding the provisions of this Law the Commissioner if satisfied on the advice of the inspector, that –

Exemption.

(a) it is temporarily impossible or impractical for a manufacturer to comply with the order; and

(b) in public interest and to foster the industrialization of the State the manufacturer should be permitted to manufacture, produce, transform or sell commodity, may by order after notifying the Governor, exempt the manufacturer either generally or for purposes of a particular period not exceeding 1 year from compliance with the order for the payment of the Levy.

8. (1) Every person or manufacturer to whom a demand notice is addressed shall within a period not exceeding 21 working days pay the sum stated thereof.

Enforceme
Demand
notice.

(2) Any person who contravenes the provisions of this section is guilty of an offence

and liable on conviction to imprisonment for a term not exceeding 1 year or to a fine not exceeding N50,000 for a person and N300,000 for a body corporate or both

9. (1) The Supervisory Ministry is the Ministry of Industry and Solid Minerals Development.

Power of the
Supervisory
Ministry.

(2) The Ministry will be responsible for the implementation of the provisions of this Law.

10.(1) The Commissioner may order the sealing up of a defaulting manufacturing industry after the 21 working days may have elapsed for a continuous period until such business shall have complied with the order as contained in the demand notice served by the Technical External Adviser(s) of the Ministry.

Order to seal
up.

(2) The Technical External Adviser(s) may require the owner of a manufacturing business to allow for the evacuation of all personnel within the premises before sealing up of the premises.

(3) No person or Technical External Adviser(s) shall be personally liable for carrying out an order under this section.

11. The manufacturing processing Levy order shall be contained in the official demand notice addressed to a manufacturer.

Levy Order.

12. (1) Any person or manufacturer to whom an order under section 10 has been carried out may appeal to the Governor for a reprieve not exceeding 7 days within which to pay the levy and Governor may direct that such premises be unsealed after the manufacturer has paid the cost for the closure of his premises.

(2) Notwithstanding the provisions in subsection (1) a manufacturer shall defray all levy as contained in the Demand Notice Order.

13. (1) Any person convicted of an offence under this Law for which no penalty is specifically provided shall, in the case of a first offence, be liable to imprisonment for a term not exceeding 1 year or to a fine not exceeding N50, 000 in case of a person and N300,000 in case of a body corporate or to both and, in the case of a second or subsequent offence, to imprisonment for a term not exceeding two years or to a fine not exceeding N100,000 in case of a person and N500,000 in case of a body corporate or to both. And where an offence disturbs public order, he shall in addition be liable to a fine not exceeding N5, 000 in case of a person and N10,000 in case of a body corporate for each day or part thereof during which the offence continues.

General
provision on
penalty.

(2) On the conviction of any person or body corporate for an offence under this Law the Court may, in addition to any other penalty which may be imposed, make an order-

- (a) confiscating all or any part of any goods in the premises of the offender;
- (b) prohibiting the manufacture or sale of commodity produced by the offender unless it complies with the relevant order, and the Court may order than any goods which are the subject of an order under this subsection shall be disposed of in such manner as it may direct.

14. In this Law unless the context otherwise requires -
“Government” means Kwara State Government;

Interpretati

“Levy” includes assessed money in whatever form payable by a manufacturing entity/manufacturer: person or body corporate within the State. The levy shall be paid in respect of any devise, period not exceeding a quarter of year and if doing so on quarterly basis shall have filed at least four reports for a financial year;

“Manufacture” or “Manufacturing” includes to produce, process, treat, install, test, operate and use any fully processed, semi-processed, constructed or fabricated good consumable or inconsumable;

“Ministry means the Kwara State Ministry of Industry and Solid Minerals Development;

“State” means Kwara State;

“Technical External Adviser(s)” means a technical agency appointed to help implement the collection of the Levy from the manufacturers.

15. This Bill may be cited as the Kwara State Manufacturing Processes Levy Bill, 2017.

Citation.

SCHEDULE

(Section 5 (1) Manufacturing Activities)

CONSTRUCTION AND ENGINEERING

1. Building and Civil Engineering/ General Engineering
2. Carpentry and Joinery
3. Steelworks and fabrications
4. Steel plants, steam boilers and gas installation
5. Concrete blocks and non-metallic mineral products
6. Jewellery Works and Accessories
7. Wood work (carving, furniture and fixtures)
8. Saw millers

TEXTILES

1. Tailoring
2. Weaving, embroidery, spinning, knitting
3. Cotton ginneries
4. Dyeing
5. Tanneries
6. Sisal processing
7. Hides and Skins processors
8. Curtain material processors
9. Leather/ fur processing
10. Footwear manufactures
11. Footwear manufactures

MECHANICAL ENGINEERING

1. Crankshaft grinding
2. Metal works
3. Transport operators
4. Motor cycle and bicycle assemblers and garages
5. Life assemblers and maintenance firms
6. Spare parts manufacturers/engravers
7. General fabrication and aluminum metal works

ELECTRICAL ENGINEERING

1. Computer development
2. Software development
3. Networking
4. Power generation

5. Telephone equipment wiring, installation and manufacture
6. Electrical rewinding and repairs
7. Cinematography
8. Colour separation and processing i.e studios
9. Advertising and sales promotion material design and production
10. Air conditioning, refrigeration and ventilation assembly

FOOD AGRICULTURE

1. Beverages, bottled or sachet water, alcoholic drinks processing
2. Prepackaged foods
3. Fresh produce/pre-packaged foods
4. Abattoirs (butcheries,) meat processing firms
5. Dairy industry (milk processing)
6. Fish/sea foods products
7. Bakeries, confectioners and food compounders
8. Miller-of all kinds

CHEMICALS

1. Printing and publishing and screen printing
2. Pulp, paper and paper board processors
3. Paint manufacturers
4. Organic chemical and compounds, packing and pre-packing of the same
5. Glass products manufacturing and pre-processing
6. Chemical for spray products, pest control product
7. Photocopying, photographic studios/ laboratories
8. Water treatment and filtration works
9. Agricultural chemicals, fertilizers and processors.