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TAX EXPERTS AS MEMBERS OF THE LOCAL GOVERNMENT REVENUE COMMITTEE UNDER THE NIGERIA TAX ADMINISTRATION ACT, 2025: ANY LIMITATIONS ON THE APPOINTMENT OF JURISTIC PERSONS?

INTRODUCTION

The Local Government Revenue Committee (LGRC),¹ represents continuity in Nigeria's local tax governance. The LGRC is designed to enhance grassroots revenue mobilization. It institutionalizes a decentralized framework for tax assessment, collection, and accountability at the local government level.² Its membership comprises of personalities with political, administrative, and technical perspectives (especially the two tax experts appointed based on merit). The committee is empowered to act as the relevant tax authority within its jurisdiction. Against this backdrop, this commentary examines two emerging legal and practical questions: whether a corporate entity can be appointed as a "tax expert" on the LGRC, and whether a tax expert may serve on multiple LGRCs across different local government areas.

CAN TAX EXPERTS BE CORPORATE ENTITIES?

The ambiguity in the interpretation lies in the statutory language and the broader legal context in which the term "person" is used. On one hand, the argument in favour including juristic persons in the context of the provision of Section 93 of the NTAA, 2025 to serve as a tax expert on the LGRC rests on the legal interpretation of the word "person". Under Nigerian law, as in many common law jurisdictions, the term "person" can include both natural and juristic persons.³ From this standpoint, a tax consulting firm, being a corporate entity with demonstrable expertise in tax matters, could qualify as a "*person experienced in revenue matters*". These firms often possess institutional knowledge, a team of professionals, and a track record of handling complex tax issues. Moreover, proponents of this view might argue that the appointment of a firm could bring continuity and institutional feel to the committee's work, especially in local governments where individual expertise

¹ As established under Section 93 of the Nigeria Tax Administration Act, 2025 (NTAA), and rooted in the earlier provisions of Section 90 of the Personal Income Tax Act, 2011, (now repealed)

² See section 94, NTAA 2025

³ See section 18 Interpretation Act. The Interpretation Act defines a "person" to include "any body of persons corporate or unincorporate".

may be scarce or inconsistent. A firm might also be better equipped to deploy resources, conduct audits, and provide advisory services in a more structured and scalable manner than an individual.

On the other hand, there are compelling reasons to interpret the provision as referring exclusively to natural persons. The phrase “...appointed based on their personal merit and experience” strongly implies that the law envisions individuals whose qualifications and integrity can be personally assessed. A corporate entity, while capable of employing experts, cannot itself possess personal merit or be held to the same standard of individual accountability. The LGRC is a deliberative body that requires members to attend meetings, participate in decision-making, and be held accountable for their actions. These are functions that a company, as a legal abstraction, cannot perform directly. Additionally, allowing corporate entities to sit on LGRCs could introduce significant ethical and governance challenges. For instance, a firm might have clients within the local government area, creating potential conflicts of interest. It may also be difficult to determine who within the firm is responsible for decisions made on the committee’s behalf. This lack of clarity could undermine transparency and accountability, which are core objectives of the LGRC framework.

Considering both sides of the divide with regards to the legal definition of “person” it is arguable that the NTAA might technically allow for corporate entities, however, the spirit and operational logic of the LGRC suggest that only natural persons should be appointed. This interpretation aligns with the broader goals of enhancing local governance, ensuring accountability, and fostering community trust in the tax system.

CAN TAX EXPERTS SERVE ON MULTIPLE LGRCs?

The question of whether a tax expert can serve on multiple LGRCs within a state invites a nuanced legal and practical analysis. While the NTAA, 2025, does not expressly prohibit such multiple appointments, the implications of allowing it or otherwise are far-reaching and merit careful consideration.

One could argue that permitting a tax expert to serve on more than one LGRC is both practical and beneficial, especially in states where qualified professionals are limited. Tax administration at the local level requires specialized knowledge, and the pool of experienced individuals may not be deep enough to ensure that each LGRC is adequately staffed. In such contexts, allowing a single expert to contribute across multiple committees could help bridge the capacity gap and promote consistency in tax practices across LGAs. Moreover, a tax expert serving on multiple LGRCs may bring a broader perspective and comparative insights that enrich the deliberations of each committee. Their exposure to diverse local economies and administrative challenges could foster innovation and harmonization in revenue strategies. This could be particularly valuable in states seeking to standardize local tax policies or improve inter-LGA collaboration.

From a legal standpoint, unless the NTAA or state-level regulations explicitly restrict such appointments, the principle of freedom to contract should suffice. Provided there is no conflict of interest, and the expert can fulfill their duties effectively, multiple appointments may be seen as a legitimate exercise of professional service.

Conversely, there are compelling arguments against allowing a tax expert to serve on multiple LGRCs. Firstly, the issue of accountability and effectiveness comes to mind. The role of a tax expert on the LGRC is not merely advisory, it involves active participation in assessments, oversight of revenue collection, and strategic decision-making. Spreading one individual across several committees' risks diluting their attention and undermining the quality of their contributions. Additionally, the LGRC is designed to be a localized institution, responsive to the unique economic, social, and political dynamics of each LGA. A tax expert deeply embedded in one community is more likely to understand its revenue potential, compliance challenges, and taxpayer behaviour than one operating across multiple jurisdictions. The principle of local representation and contextual expertise is central to the LGRC's effectiveness.

Another challenge may be that of conflict of interest. A tax expert serving on multiple LGRCs may face situations where the interests of one LGA conflict with those of another.⁴ Such scenarios could compromise the expert's neutrality and expose the LGRC to legal or reputational risks. Finally, from a governance perspective, multiple appointments could create perceptions of favouritism or monopolization, especially if a few individuals dominate the tax advisory space across a state. This could erode public trust in the LGRC system and discourage broader participation by other qualified professionals.

CONCLUSION

The Local Government Revenue Committee (LGRC) stands as a cornerstone of Nigeria's evolving tax administration landscape, offering a localized, structured approach to revenue generation. This commentary has explored the legal and practical dimensions of who qualifies as a "tax expert" and how they may serve raise important questions. On the one hand, the interpretation of "person" in the enabling statutes could technically accommodate corporate entities, especially given the broader legal definition under Nigerian law. Yet, the emphasis on personal merit and accountability suggests a preference for natural persons whose expertise and integrity can be individually assessed. Similarly, while the NTAA does not expressly forbid multiple appointments across LGRCs, doing so may compromise the expert's effectiveness, create conflicts of interest, and dilute the localized focus that the LGRC model is designed to uphold.

⁴ Some of these conflicts may arise in cases involving boundary disputes, shared markets, or overlapping tax bases.