PAY TAX 4 WETIN?

NATIONAL CAMPAIGN

FUND QUALITY PUBLIC SERVICES TO BUILD TRUST IN NIGERIA'S TAX LAWS

"DRM is not merely a matter of revenue generation; it is about **creating the fiscal capacity** for the government to meet its **social contract** with citizens and, by extension, **human rights obligations**."

Prof. Uche Uwaleke
Member of Nigeria's Presidential Committee on Fiscal Policy and Tax Reforms
Financing Public Services: Fulfilling Human Rights and Building a Care Society
Pre-FfD4 event
Spain, 2025

Why We Are Here: The Big Picture

Nigeria passed four landmark tax reform laws that came into force on 1st January 2026. These reforms are in the right direction. They aim for those who have more resources to pay more. They could unlock trillions of naira in new revenue annually. That is the hope of the government and of the Nigerian people and of its civil society.

But Nigerians are asking one fundamental question: PayTax4Wetin? (Pay Tax for What? After years of paying taxes into systems that failed to deliver quality education, healthcare, clean water and energy, citizens deserve clear answers and implemented commitments.

- Education spending has dropped from 9.3% of government expenditure in 2015 to just 3% in 2024 far below the global benchmark of 15-20%.
- Health spending, while improving slightly, still leaves 76.13% of Nigerians paying out of their own pockets for healthcare.
- Over 10 million children are out of school.
- Despite being an oil producing country, Nigeria's tax-to-GDP ratio of 9.4-10.86% is among the lowest in the region.

The tax reforms are an opportunity in terms of refining the financing of public services. But an opportunity is only as good as what you do with it. This campaign and the advocacy asks are about working with the government to turn that opportunity into real change for ordinary Nigerians.

The advocacy asks are organised into two clusters:

- **Cluster A:** Transparency, Accountability and Implementation of the New Tax Regime
- **Cluster B:** Increased and Better Funding of Public Services

Cluster A: Transparency, Accountability and Implementation of the New Tax Regime

The new tax regime can only deliver if their implementation is open, evidence-based, and subject to public oversight. Nigeria's tax system has historically suffered from opacity, weak compliance and insufficient accountability and these asks are seeking to change that pattern from the start.

Ask 1

Make tax data public.

Publish clear and regularly updated information on projected revenue, actual quarterly collections, compliance rates by sector and taxpayer category, and the value and impact of tax incentives and exemptions.

Ask 2

Establish a strong and independent monitoring system.

The system should be adequately resourced, technically credible and open to meaningful participation by citizens and civil society, including opportunities to independently verify its findings.

Ask 3

Ensure that the digital economy pays its fair share.

Publish a practical plan for implementing and enforcing the taxation of digital services, in line with relevant international standards, and regularly disclose the revenue collected from digital economy operators.

Ask 4

Ensure that multinational enterprises pay the 15% minimum effective tax.

Strengthen action against transfer mispricing and publish information on tax-information exchange arrangements, enforcement capacity and the revenue collected annually from multinational enterprises.

Cluster B: Increased and Better Funding of Public Services

More taxes and revenue only matter when the services reach the people. Nigeria's budget has historically underfunded education, health, energy, and water. The very services that determine whether ordinary Nigerians have a decent life. These asks are about making sure the new tax revenue translates directly into better services.

Ask 1

Protect social spending from being crowded out by debt servicing.

Publish a clear plan showing how additional tax revenue will increase and sustain investment in education, health, energy and water.

Ask 2

Adopt a time-bound plan to meet international education spending benchmarks.

Allocate at least 4–6% of GDP and 15–20% of government expenditure to education, and show how additional tax revenue will support basic education, girls and marginalised communities.

Ask 3

Adopt a time-bound plan to meet international health spending benchmarks and reduce out-of-pocket payments.

Allocate at least 5–6% of GDP and 15% of government expenditure to health, expand coverage through the National Health Insurance Authority and the Basic Healthcare Provision Fund, and publish quarterly progress reports.

Ask 4

Increase investment in energy and water and ensure that funds reach communities.

Set clear targets and timelines, improve the disbursement and effective use of allocated resources, and regularly report on access to reliable electricity and safe water.

Ask 5

Establish a transparent, citizen-facing framework for public spending.

It should include accessible information on how revenue is collected and spent, independent audits with effective enforcement powers, consequences for misappropriation and underperformance, and structured opportunities for citizens and civil society to monitor budgets and service delivery.

Our Core Message to Policymakers

Nigerians are not against paying taxes. They are against paying tax and seeing nothing in return. The new tax laws represent a chance to rebuild the social contract between the government and the Nigerian people. If the government collects more revenue, Nigerians must see quality public schools, hospitals, clean water, and reliable electricity among other public services.