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TAX PALLIATIVE MEASURES AMIDST THE CORONAVIRUS PANDEMIC: A HARD CHOICE FOR AFRICAN COUNTRIES

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ABSTRACT
Official development assistance (ODI) has ever been considered as an important source of finance for developing countries.However, the reduction to only five in 2018 of the number of countries within Europe that could achieve or exceed the United Nation's ODI target is a clear signal that it is no longer a dependable source of development financing. Consequently, developing countries have necessarily shifted their interest to reforming and improving their tax polices and practice. Now,more than ever before,they consider taxation as a veritable instrument for state building and revenue mobilisation.Nevertheless, to mitigate the harsh impact of the coronavirus pandemic on taxpayers,countries have been compelled to make the hard choice of adopting some tax palliative measures which might significantly reduce their revenue yields.The purpose of this paper is to appraise some of these palliative measures adopted African, particularly Nigeria.The study finds that the manner and extent that the Nigerian government has implemented the palliative measures were insufficient and in some cases impracticable and advised Nigeria to borrow a leaf from other countries.

KEY WORDS: ***Taxation, palliative measures, Coronavirus, Africa, Nigerian economiy.***

INTRODUCTION

Miyandazi and Ronceray(2018) report that the 2018 Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) figures indicate that about US$ 29 billion in bilateral official development assistance (ODA) was given to Africa - an amount that reflects an increase of about 3% compared to what African nations received during the previous years.However, only five countries within the European region (the United Kingdom, Denmark,Luxembourg, Norway and Sweden) were able to achieve or exceed the United Nation (UN) target of 0.7% of ODA as a percentage of gross national income (GNI) to developing countries thereafter.This situation made it obvious to economies that, although ODA is an important source of finance particularly for fragile and low-income countries in Africa, it is no longer a reliable and stable source of development financing. As a result, nations saw the urgency and necessity to adjust to the changing global landscape in ODA through increased financing and ownership of their own development. Hence, renewed interest and focus on reforming and improving their tax laws and practice have emerged in the recent times as countries now consider taxation as a very essential instrument of state building and revenue mobilisation.Taxation not only provides a stable and regular flow of revenue used to finance development but is also interwoven with many policy areas such as good governance, economy formalization and growth enhancement.

With the outbreak of corona virus disease (COVID-19) in the later part of 2019 and its massive spread across the world which has unprecedented disruptions on local and international economic activities (Onyejekwulum, 2020), the focus changed. The economic impacts of the Covid-19 pandemic took their toll on businesses, households, individuals and government revenues across the world. Consequently, various governments were compelled to take the hard decision of introducing some fiscal and economic stimulatory and palliative measures which,though might significantly reduce their tax collection yields, were expected to cushion the impact of the pandemic on its tax payers and the economy. The purpose of this paper is to review and appraise the tax palliative measures put in place and their adequacy for African nations, particularly Nigeria. It is considered worthwile reviewing the adequacy of the tax measures adopted and improved upon considering the negative impact of COVID-19 on production, supply chains, sales, profitability and cash-flow for businesses.

The rest of the paper is structured in the following manner. Section 2 provides the review of the related literature. Section 3 highlights the global spillover of corona virus pandemic.Section 4 discusses the impact of COVID-19 in Africa and the steps taken so far to contain it. Section 5 highlights the palliative measures taken by Nigeria to douse the adverse economic impacts of the COVID-19 pandemic on its economy, Section 6 appraises the palliative measures adopted by Nigeria and highlights the recommended while section7 concludes the paper.

2.REVIEW OF THE RELATED LITERATURE

2.1 Conceptual framework

2.1.1 The concept of tax

The Institute of Chartered Accountants of Nigeria [ICAN](2009) cited in Nwadialor and Agbo(2020) defines tax as an obligatory contribution imposed on the citizens by the government in order to provide social services and to ensure the citizens' social and economic welfare.It is an obligatory levy imposed by government or any recognized authority of the state on the property, goods, services and people living in an area for revenue generation to offset the expenses incurred by the government or the authority on behalf of the citizens. Tax revenues are those collected from income taxes, social security

contributions, value added tax, payroll taxes, and other items. Tax is an important source of government revenue which serves not only as a means for financing government expenditure programs but also as an essential measure of economic stabilization policy.

.The tax policy of a country comprises a set of guidelines, rules andprocedures for regulating taxation.According to Christians(2018), it spells out the taxes to levy, in which amounts and by whom in an economy, apart from creating an environment conducive enough for international trade and investment to thrive.In addition, it clarifies how societies carry out taxation.

2.1.2 Concept of coronavirus

Cennimo(2020) refers to COVID-19 as an illness caused by a novel coronavirus.It is a severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)..The desease was first identified amid an outbreak of respiratory illness cases in Wuhan City, Hubei Province, China.COVID-19 was initially reported to the World Health Organisation (WHO) on December 31, 2019. On January 30, 2020, the WHO declared the COVID-19 outbreak a global health emergency. On March 11, 2020, the WHO declared it as a global pandemic .The WHO referred to the illness caused by SARS-CoV-2 as COVID-19, an acronym derived from coronavirus disease 2019. Cennimo(2020) reports that on May 1,2020,the authorization for the emergency use of the antiviral drug remdesivir took place. Several other antiviral agents, immunotherapies, and vaccines have continued to be investigated and developed as potential therapies.The protective measures recommended include(i)washing ones hands regularly for 20 seconds, with soap and water or alcohol-based hand rub,(ii)covering ones nose and mouth with a disposable tissue or flexed elbow when you cough or sneeze,(iii) wearing a mask,(iv)maintaining at least 2 metres (6 feet) distance between one and anyone who is coughing or sneezing,(v) staying home and self-isolation from others in the household if one feel unwell and (vi)refraining from touching ones eyes, nose, or mouth if ones hands are unclean.

2.1.3 Tax palliative measures

Tax palliative measures are tax policy measures adopted by government to douse the adverse economic impacts of the COVID-19 pandemic on its economy.Several countries have adopted tax palliative measures of one type or another.Examples of palliative measures include tax rebates, deferral of all taxes for longer periods, reduction of tax rates and suspension of VAT/CIT payments. For instance, IMF reported that Norway reduced the VAT rate from 12% to 8%, deferred payment of various tax payments, suspended aviation charges, changed the company income tax regulations so that loss making companies can re-allocate their losses towards previous years taxed profits and reduced employers social insurance contributions.In the United States of America (USA), the Corona Virus Aid Relief and Economy Security Act (CARES Act) was enacted to provide for 250 billion dollars as one time tax rebate to individuals.In Canada there is a provision for one time special payment through goods and services tax credit for low and modest income families as well as deferral

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of various taxes until after 31st August, 2020 without interest or penalties during the period.According to Bulgaria granted companies a 3-month extension of the timeline to file their tax returns in addition to extending the timeline for payment of taxes. Also, France, Netherlands, Austria and Belgium announced plans to grant a waiver of interest and penalty for late payment of income taxes during the pandemic, just as Germany announced measures to allow businesses to defer tax payments if such payment will affect the survival of the businesses. Further, notwithstanding Austria's technological advancement and capability for offsite tax audits, it suspended new tax audit exercises for the time being. Ethiopia offers tax relief to firms affected by COVID-19

In Nigeria,some of the measures include the extension of filing deadlines for monthly value-added tax (VAT) and withholding tax (WHT), the shift of deadline for filing monthly VAT and WHT returns from the 21st day of the month following the month that the report relates to, the last working day of the month, extension of filing deadline for companies income tax (CIT) returns and the extention of the due date for filing CIT returns by one month.

2.2 THEORETICAL FRAMEWORK

There are quite a number of theories underlining the concept of taxation and coronavirus and upon which this study has been anchored.Some of the major ones are highlighted below.

2.2.1. Benefit-received theory of taxation

As a result of the inefficiency of the private market, the provision of public goods like security of life and property which the public is not prepared to pay for directly, are provided by the government instead of the private market (Miller & Oats, 2009 cited in Agbo & Nwadialor,2020). The Benefit-received theory is built upon the claim that tax payment should open up an exchange relationship between the tax payers and the government.The explanation for this is that while the government provides certain goods and services to its citizens, the latter ought to defray the cost of these supplies to match with the benefit received (Bhartia, 2009; Anyafo,1996 in Agbo & Nwadialor,2020). The more the benefits a person derives from the activities of the state, the more he should pay to the government (Cooper, 1994). However, it is not possible to implement this theory precisely due to the difficulty of determining the amount of government benefits, including the benefits such as military protection received by each resident and non-resident tax payer(Onakoya & Afintinni,2016).

2.2.3 Cost-of-service theory

According to Agbo and Nwadialor(2020), this theory assunes that some semi-commercial relationship exists between the State and tax payers. The contention is that as the State performs some basic protective and welfare functions their citizens have to make some contributions in the form of taxes so as to cover the cost of those services.

2.2.5 Coronavirus conspiracy theories

There are several conspiracy theories about the coronavirus. According to Hadden(2020),nearly one third of Americans believe in coronavirus conspiracy theories. Conspiracy theories thrive in a crisis.They appear to be psychologically comforting and seem to provide an explanation that allows people to preserve their own beliefs in uncertain times. People tend to turn to conspiracy theories when they feel powerless.Epidemics generate conspiracy theories. Many important conspiracy theories in recent times have been about disease, and some of these conspiracy theories have the ability to threaten public health, e.g. by discouraging people from following the advice and recommendations of health authorities .The top ten among coronavirus theories as enlisted by Lynas(2020).are as follows:- (i) Coronavirus was caused by 5G (ii) Bill Gates is responsible for for the virus (iii) The coronavirus virus escaped from a Chinese lab(iv) COVID was created as a biological weapon(v) The US military is the importer of COVID into China (vi) GMOs are somehow to blame for the virus (vii) COVID-19 doesn't actually exist (viii) The coronavirus pandemic is being manipulated by the 'deep state' (ix) COVID is a plot by Big Pharma(x) The COVID death rates are inflated.

2.3 Empirical Review

Carnathan (2015) examined taxation challenges in developing countries using public expenditure and financial accountability assessment data. The study finds that tax reforms or tax system changes need to be made mindful of the current capacity. The author discovers that

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optimal choice of tax regime may be different when administrative capacity is low. The increasing globalization of economic activity increases the complexity that developing countries need to manage in building and maintaining their revenue systems. Finally, the author equally observes that any proposals to change the revenue system in a developing country requires recognizing that, like developed countries, tax reforms are highly political.

Onakoya and Afintinni(2016). investigated the short run dynamics and evaluated the long run relationship between tax revenue and economic growth in Nigeria. The study focused on the impact of petroleum profit tax, company income tax, personal income tax, value added tax revenue on Nigeria's economic growth for the period from 1980 to 2013.It employed various preliminary tests including descriptive statistics, trend analysis, and stationary tests.In agreeement with Anyanwu (1997), Ogbonna and Appah (2012), Yaya (2013) and Akwe (2014), the findings of this study indicated that a long run relationship existed between taxation and economic growth in Nigeria.It further revealed that a significant positive relationship at 5% level of significance exists between Petroleum profit tax, Company Income tax and economic growth, but a negative relationship between economic growth and customs and Excise Duties.

Ozili and Arun(2020) investigated the impact of COVID-19 on the Global Economy from the period from the start of 2020 through March when the coronavirus began spreading into other countries and markets. The aim of the study was to find out how a health crisis translate to an economic crisis and why the spread of the coronavirus brought the global economy to its knees.The study dwelt on real-world observations in assessing the restrictive measures, monetary policy measures, fiscal policy measures and the public health measures that were adopted during the period. It empirically examined the impact of social distancing policies on economic activities and stock market indices. The findings show that the increasing number of lockdown days, monetary policy decisions and international travel restrictions severely affected the level of economic activities and the closing, opening, lowest and highest stock price of major stock market indices.

Ma, Sili and Zhou(2020) also studied the impact of COVID-19 as they considered its forecasting and progress central in the planning of policymakers around the world. The result of the study shows that GDP growth contractions were immediate and sizeable.However, it varied from country to country. The negative effect on GDP was observed to have responded less in countries with larger first-year responses in government spending. In a related study,De Vito and Gomez(2020) sought to determine how long it may take for some listed firms to become cash constrained, and what kind of palliatives would be most effective among listed firms. It used the financial statements of 14,293 listed firms from 26 countries for the year 2018 to answer some questions.The authors performed stress tests of two liquidity ratios under the assumption that operating costs and the balance sheet remained as of 2018 for each firm.According to them, the first ratio, the 'cash burn rate', measured the number of years a firm was able to finance its operating costs without any further cash contribution from creditors or shareholders. The study found that the coronavirus pandemic had endangered the liquidity position of not only small and medium enterprises (SME) firms, but also large listed firms.The analysis by country disclosed the following results(i) While focusing on the moderate liquidity risk scenario with 50% drop in annual sales, about 22% of firms in each country in the sample would, on average, become cash constrained within six months. (ii)Four (five) countries would have a percentage of illiquid firms one-standard deviation above (below) the mean.(iii) In the high-risk scenario, the same exercise yielded three (six) countries one standard deviation above (below) the mean percentage of illiquid firms (40%).(iv) The number of illiquid firms in China, Greece, Italy, and Spain was below the mean in both scenarios. The study also studied the policy implications of two alternative policies: tax deferrals and a direct provision of cash to firms as a lump sum similar to a 'bridge loan' granted by the government. The results of the study also show that tax deferrals decrease the operating costs, while a direct provision of cash to firms as a lump sum increases the firm's cash reserves. Some of the other related studies cited in Ozili and Arun(2020), such as El-Erian (2020), Larry Elliot (2020), Horowit (2020) equally found the impact of coronavirus on the global economy as highly devastating.

Onyejekwulum(2020) reviewed the palliative measures undertaken by Nigeria to cushion the effect of Covid-19

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on taxpayers with the intention of determining whether Nigeria's response was sufficient to ameliorate the burden of taxpayers.The author found that the measures taken by Nigerian government were insufficient and in some cases impracticable and advised Nigeria to borrow a leaf from other countries that adopted palliative measures such as tax rebates, deferral of all taxes for longer periods, reduction of tax rates and suspension of VAT/CIT payments.

3. The global spillover of corona virus

Across the globe,the COVID-19 pandemic has constituted a health crisis which has not been experienced the in modern era. Apart from the daunting cost that this emergency situation poses in terms of the heavy loss of human lives and social upheaval, the enonmic impact of the COVID-19 coronavirus pandemic is seriously dramatic. Many governments have had to impose a lockdown of business and citizens for an undetermined period. As a result, supply has been disrupted in several industries, demand has plummeted overnight, and many lost their jobs, both across countries and sectors (Baldwin, 2020). This situation has increased the prospects of a global economic recession (OECD, 2020).

COVID-19 has impacted several sectors all over the universe negatively(Baldwin & Weder di Mauro,2020a). The pandemic has ravaged the various sectors in the following ways.

a. Health crisis severity.As was the case with other episodes, the COVID-19 crisis stands out for its severity. A lot of infections were estimated to have occurred worldwide.The death toll has rised astronomically within a very short period.

b. Effect on high-income and low-income countries The high-income countries affected by the crisis had a GDP growth rate in the onset year that was 3% less than the GDP growth for high-income countries unaffected by the crises. However,the bounce-back for those affected high-income countries was quick, as evidenced by the fact that growth was nearly 1% higher in affected countries in the year after the crisis was declared.

c. International trade elements As a result of the COVID-19 pandemic, international trade dropped, falling to a level that was on par with the US trade collapse in 2008-09 (Levchenko,Lewis, & Tesar,2010;Baldwin 2020). Indirect effects were not trivial as it contributed around -0.3% to GDP growth in the onset year (as against direct effects of -2.1%), and +0.4% in the bounce-back year. Many policymakers showed eagerness to 're-open the economy'. However, a restoration of robust international trade linkages was yet to receive support .

d. Effect of the coronavirus on global oil prices According to Blackmore(2020),since Dcenber 31, the spread of the COVID-19 had affected global stock markets negatively. The author claims that coronavirus has affected the oil market in two ways. First, restriction in travel in an effort to coneain the virus limited the use of jet fuel, and supply chains slow and industrial activity declines as companies sent workers home.This implies less oil and oil-based products were used and produced.. Second, the stock market reaction to the effect of the coronavirus on the global economy created a projection of global oil demand over the long-term. With the broader market sentiment about the health of the global economy declining, the projections about the future oil demand curve would also decline.

Since its launch on 11 March,2020, the International Organization for Public-Private Cooperation, which is the World Economic Forum's COVID Action Platform, has brought together 1,667 stakeholders from 1,106 businesses and organizations to mitigate the risk and impact of the global health emergency(COVD-19). The platform is said to have been created with the support of the World Health Organization and is open to all businesses and industry groups, as well as other stakeholders, aiming to integrate and inform joint action.As an organization, the Forum has a track record of supporting efforts to contain such epidemics.

4. The impact of Covid-19 in Africa.

The coronavirus pandemic has had some spillovers to African countries. Many African countries took bold quarantine and lockdown measures to control the spread of COVID-19. This came at a cost such as the collapse of health systems and a painful economic crisis or recession.Selassie(2020) predicts that Africa's economy would contract by 1.5 percentage points in 2020.For the author, this means a loss of about $200bn (£163.5bn) in income forAfrica

The outcome of a survey carried out by Moulds(2020) shows that Africa took swift action to contain COVID-19 which was effective in suppressing the coronavirus transmission to an extent. Also,the results of the survey

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reveal that (i)there was broad support for stay-at-home orders which could weaken easily and (ii)69% of survey respondents said getting enough food and water would be difficult if they had to stay home for 14 days, Further the results show that(iii)two-thirds of people in 20 African countries entertained the fear of going hungry if they had to quarantine for 2 weeks, and that(iv) confirmed cases of COVID-19 in Africa remained comparatively low, at 51,000 as of 6 May but those numbers were growing fast.

Moulds(2020) claims that after conducting a survey, the Partnership for Evidence Based Response to COVID-19 (PERC) reported some worrying findings about the impact of coronavirus on the lives of many Africans. A second part of that report was that half of respondents to the survey carried out in 28 African cities said they would run out of money if they had to stay in-doors for 14 days.Secondly, the lowest-income households were afraid they would run out of food and money in less than a week.

In Nigeria and Kenya, social media users admitted that hunger forced them to violate stay-at-home orders as they scouted for food.The survey report of Moulds(2020) also disclosed that almost 60% of people responding to the survey said they did not have the space at home to isolate sick people and the majority of people did not have space to isolate family members.

4.1 Response to coronavirus by African governments

Moulds(2020) claims that the governments across Africa responded quickly to the coronavirus pandemic with public health measures so as to prevent the spread of the virus.For instance, South Africa declared a national state of disaster and implemented a nationwide lockdown before reporting its first death from COVID-19. In response to COVID-19, finance ministries engaged in a variety of spending and tax-related policies designed to support households and businesses, with the hope of softening the effect of the crisis on economic activity. For Uganda, there was a suspension of public gatherings before the first documented case in the country. Nigeria started screening passengers at international airports nearly one month before the first case was detected.All these actions gave African countries an advantage in limiting the spread of the virus.

4.2 An update of corona vius cases and deaths in Nigeria as of July 24, 2020

According to the Centre for Disease Control Nigeria, as of July 24,2020,the number of patients in Nigeria confirmed with COVD-19 had moved up to 38,948. Out of this figure,16,601 patients were discharged while the number of deaths increased to 833.

5. The Palliative Measures Taken By The Nigerian Government

5.1 The tax palliative measures taken by the Federal Inland Revenue Service

According to Onyejekwulum(2020), the House of Representatives had on 24 March, 2020, passed the Emergency Economic Stimulus Bill 2020 with the objectve of(i) providing temporary relief to companies and individuals and alleviating the adverse financial consequences of a slowdown in economic activities as a result of Covid-19,

(ii) protecting the employment status of Nigerians who might otherwise become unemployed, (iii)providing a moratorium on mortgage obligations for individuals, (iv)eliminating additional fiscal bottleneck on the importation of medical equipment, medicines, personal protection equipment, etc. and(v)catering for the general wellbeing of Nigerians pending the eradication of the pandemic and a return to economic stability. Specifically, the Bill sought to provide for some reliefs to be granted to corporate bodies and individuals in Nigeria, namely

(i) special tax rebate to companies that do not lay off their employees from March 1 to December 31, 2020

(ii) import duty waiver on medical equipment, medicines, personal protection equipment and other medical necessities required for the treatment and management of Covid-19 are waived from March 1 to December 31, 2020 (iii) the deferral of residential mortgage payments by individual contributors to the National Housing Scheme for a period of 180 days

In response to same situation created by the pandemic,the Federal Inland Revenue Service (FIRS) issued three (3) Public Notices/press release (Onyejekwulum, 2020). Through its first pulic notice, the FIRS put in place the following palliative measures to lessen the impact of the pandemic on businesses and other economic activities of taxpayers: (i) Extension of the due date for filing Companies Income Tax (CIT) returns by one month, (ii) Authorizing taxpayers to file their CIT returns with FIRS without an audited account, provided that the audited accounts are filed within two months after the revised due date of filing. (iii) Extension of the timeline for paying withholding tax and filing value-added tax returns from the 21st of every month to the last working day of the month. (iv) Authorizing taxpayers to either submit their returns on the FIRS e-portal efiling.firs.gov.ng or via designated emails based on the categorisation of such taxpayers by FIRS,in order to minimise contact with FIRS,and(v)Undertaking to publish information requests on FIRS website and create a portal where requested documents can be uploaded by the taxpayer,with regard to desk reviews and tax audits.Through the second public notice on 6th April 2020, the FIRS announced health and safety protocols for physical visits to its offices and the following additional measures to mitigate the impact of COVID-19 on taxpayers:(i) Authorizing taxpayers to take advantage FIRS's simple, user friendly and robust efiling process to submit their documents online instead of visiting the tax offices, (ii) Authorizing the use of electronic platforms for payment of taxes and processing of tax clearance certificates;

(iii) Extension of the remittance of VAT to last day of the month; (iv) Waiving the Late Returns Penalty (LRP) for taxpayers who pay early and file later and authorizing the emailing of supporting documents to the dedicated email addresses or submitting same later to the tax offices by those who are not able to use the email facility; This closing date of the waiver for penalty and interest was later extended to August 31st, 2020. (v) Granting the option of of paying in Naira at the prevailing Investors & Exporters (I & E) FOREX window rate on the day of payment to taxpayers facing challenges in sourcing for FOREX to offset their liabilities, (vi) Extension of the period to file PIT returns for Foreign Affairs, Non Residents, Military and Police to the 30th June, 2020; and (vii) Suspension of field audit, investigations and monitoring visits.

According to Onyejekwulum (2020), some state tax authorities also introduced similar measures for tax payers in the states.For instance, the Lagos State Internal Revenue Service and the Federal Capital Territory Inland Revenue Authority both announced the extension of the deadline for filing personal income tax returns.

5.2 Palliative measures announced by other agencies of the Nigerian federal government - the Central Bank of Nigeria, Securities and Exchange Commission and Nigerian Stock Exchange

Adegite and Abu (2020) report that the Central Bank of Nigeria (CBN) announced palliative measures on March 16, 2020 in order to ensure the financial stability of the economy in light of the ongoing Covid-19 pandemic. The policy measures annouced by the CBN announced that include the (i)extension of the moratorium period on all principal repayments on CBN facilities(such as intervention loans extended by the CBN to financial institutions) by one year with effect from March 1, 2020;(ii) reduction in the interest rate on all CBN intervention facilities, from 9% to 5% per annum;(iii)establishment of a 50 billion Nigerian naira ($129.5 million) credit facility through the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending(NIRSAL) Microfinance Bank for households and small and medium-sized enterprises (SMEs) that have suffered the adverse effects of Covid-19.(iv) extension of loan facilities to pharmaceutical companies who intend to expand or open drug manufacturing plants in Nigeria and hospital and healthcare practitioners who intend to expand or build first class health facilities. (v) The CBN to work closely with the deposit money banks (DMBs) that consider a temporary and time-limited restructuring of the tenure and loan terms they have with businesses and households most affected by the Covid-19 outbreak.

The Securities and Exchange Commission (SEC) and Nigerian Stock Exchange (NSE) played similar role by announcing the extension of filing deadlines by 60 days and encouraging the use of online channels by their stakeholders.

6. Appraisal of the tax palliative measures adopted by the Nigerian government and recommended approaches

(a) **Criticisms**

(i) Onyejekwulum (2020) points out that the press notice of the FIRS did not address the obligation of corporate organisations to file transfer pricing(TP) returns 6 months after financial year-end, even though this may be implied from the extension of the filing deadline for income tax returns.It is desirable for the tax agency to have made a specific statement on TP returns considering the significance of the late filing penalty. (ii) the obligation to file Petroleum Profits Tax (PPT) and other taxes are not expressly covered under the Notice. Considering that it is not all taxes that are specifically covered, it would be ideal that FIRS spells out its position on these other taxes to avoid any form of uncertainty.

(iii) While it is commendable that the public notices by the FIRS extends time for filing tax returns,the Nigerian government has failed to give tax payers any substantial tax relief to reduce the impact of the pandemic on businesses.

(iv) The waiver of interest and penalties on outstanding tax liabilities is a welcome development in light of the negative impact of COVID-19 pandemic on taxpayers.

However, the deadline of 31 May 2020 to make full payment of outstanding tax debts is likely to be problematic as most businesses are currently experiencing loss of revenue and cashflow constraints. Hence, some taxpayers who genuinely want to take advantage of the relief may not have the financial resources to make full payment before the 31 May 2020 deadline. (v) Meanwhile, the relief for filing tax returns does not cover disputed tax audit liabilities in respect of which affected taxpayers have ascertained their undisputed tax positions.

(vi) The electronic filing of returns and online payment of taxes is not novel and will surely not qualify as a "palliative" inNigeria during this difficult period.

(vii) Reading through the Public Notice which the FIRS issued on 22nd April 2020 titled "FIRS update on palliative to cushion effect of Covid-19 on tax payers", one will discover that there was no "updated palliative" and can conclude that the title is quite misleading (Onyejekwulum(2020). The said notice is considered simply as a demand/appeal by the FIRS to a section of taxpayers, whose sectors are experiencing a boom and significant increase of income at this point in time, for a high level of cooperation in payment of their taxes.

(viii) The FIRS acknowledged the difficulty businesses are experiencing at this period .Nevertheless,it did not offer a real and significant relief to cushion the economic shocks occasioned by COVID-19 pandemic.

(b) Reccommended approaches

Generally, tax officials in low income countries should (i)act now to support the wider government response to coronavirus and (ii) assess the impacts of revenue and use the result to inform wider policy responses. They should equally ensure that (i) tax policy responses to coronavirus in lower-income countries aim at providing targeted support, not broad-based stimulus, at least for now. (ii) when designing tax policy measures, governments consider their specific circumstances and constraints. (iii) the most effective tax policy measures are those targeted at specific issues and (iv) tax administrative data can be used to prepare for coronavirus impacts, get an early snapshot of economic health and target policy support(Steel & Phillips, 2020). Spcifically for Nigeria ,the following measures are recommended:-

(i) The FIRS should be specific on the extension of the payment deadline, the waiver of penalty and interest on late filing of tax returns as well as the payment of the taxes due, especially as businesses experience liquidity problems.

(ii) The federal government needs to do more to ameliorate the impact of the COVID-19 pandemic on Nigerians and businesses (KPMG (2020) The adequacy of the tax measures needs to be reviewed in light of the reality of the impact of COVID-19 on production, supply chains, sales, profitability and cash flow for businesses.

(iii) The FIRS should take a cue from actions taken by its counterparts in other countries to curb the impact of the pandemic on taxpayers.

(iv) Given the level of uncertainty and anxiety surrounding the pandemic at the moment, countries are advised to unite and collaborate, share knowledge and seek/provide financial support and aid both at the global and national level, in order to reduce its spread.

(v) Telecommunication and technological tools/support should be enhanced to help remote working, an increase in demand for health manufacturing equipment and accessories, and a boost in consumer product demand as a result of panic buying and stockpiling, online deliveries, etc.

(vi) The FIRS should consider extending the deadline for filing returns to allow taxpayers to pay their principal tax liabilities in instalments as their cashflow permits within the shortest time possible.

(vii)The FIRS should address this category of taxpayers with disputed tax audit liabilities who may opt to take advantage of the relief and remit their undisputed tax liabilities pending resolution of their disputes with the FIRS. This would increase FIRS' collection and relieve the affected taxpayers' cashflow of the associated cost of penalty and interest.

(viii)The State tax authorities need to take queue from the FIRS to announce their palliative measures on employers' monthly pay-as-you-earn tax and withholding tax compliance obligations

(ix)The House of Representatives' (HOR) Emergency Economic Stimulus Bill needs to be refined in some respects to clarify whether the federal government intends to give cash refunds to eligible companies or whether the relief will be taken as a deduction against the income tax payable under the Companies Income Tax Act. (KPMG, 2020).

7. CONCLUSION

Official development assistance (ODI) has ever been considered as an important source of finance for developing countries.However, the reduction to only five in 2018 of the number of countries within Europe that could achieve or exceed the United Nation's ODI target is a clear signal that it is no longer a dependable source of development financing. Consequently, developing countries have necessarily shifted their interest to reforming and improving their tax polices and practice. Now,more than ever before,they consider taxation as a veritable instrument for state building and revenue mobilisation.Nevertheless, to mitigate the harsh impact of the coronavirus pandemic on taxpayers which commenced towards the end of 2019,countries have been compelled to make the hard choice of adopting some tax palliative measures which they knew might in the process reduce their tax revenue yields significantly .The purpose of this paper was to appraise some of the tax palliative measures adopted African, particularly Nigeria.The study finds that the manner and extent that the Nigerian government has implemented the palliative measures are inadequate and require some significant improvement.

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