

Usage of Tax as a Regulatory Measure for the Regulation of Negative Goods' Consumption in Nigeria: Emphasis on Excise Duties

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Abstract

Government is facing the challenge of raising adequate income internally through taxation to reach myriads and complete ends in an increasing number of developing countries. The aim of these articles is to discuss the use of tax in Nigeria as a regulatory measure to regulate the consumption of negative products. It addresses the requirements of a liberal state's political economy; the problems of decreasing public revenue through taxation; goods subject to excise duties in Nigeria; individuals responsible for paying excise duties; and the imposition and payment of excise duties in Nigeria. The article shows that the most obvious deficiency of the excise duty system in Nigeria in controlling the consumption of negative products is very archaic, outdated and in desperate need of change, and that since its implementation in 1959, the basic law (excise duty) governing the regulation of the consumption of negative products has not undergone any penetrating or substantive review. Therefore, the article concludes that excise duties are still used to deter consumption of negative and hazardous goods while loosening their fiscal and revenue significance.

Keywords: Tax, Negative Goods, Consumption, Fiscal, Control

1. Introduction

In certain aspects, raising tax revenue is central to every state's operations. More importantly, tax revenue is what essentially sustains the state's life by providing sustainable finance for anything from healthcare to infrastructural growth. In influencing the distribution of benefit, taxation also plays an important role as it is the basis for redistribution from those with higher to lower incomes as well as enabling governments to promote and discourage such practices.

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Historically, excise duties on the negative commodity manufactured at home were first levied in England in 1443 to provide funds for the parliamentary army of Cromwell and then continued by Charles to help finance the Civil War against Charles I and for other royal purposes. However, as officially imposed in Nigeria in 1962, excise duties are an ad valorem tax on the production of negative goods produced and enforced by the Customs and Excise Acts of 1962 and 1965, and later by the Customs and Excise Tariff Decree of 1995. There are currently different laws governing excise duties in Nigeria.¹

Duties payable under Nigeria's customs and excise control regimes are a possible source of government revenue, not much of which is known about taxes. The tax profession has traditionally focused on the design and implementation of more common indirect taxes, such as import duty, value added tax and sales tax, in the area of indirect taxes. However, excise taxes on negative goods on cigarettes and tobacco, beer and stout, beers, spirits and other alcoholic drinks are a strong potential source of revenue, as the negative products subject to the customs duties are easily recognizable, their sales volume is high and the fact that there are few manufacturers of these negative products simplifies the collection process.²

The basic goal of implementing excise duties and levies, like many other types of taxation, is mainly fiscal in nature, which means that it is levied in order to provide the state with a simple and continuous stream of revenue that can be collected. The secondary role of these duties and levies is to influence consumer behavior, which means that excise duties and levies can be manipulated by the government to prevent the sale of such goods deemed to be negative or harmful to the human body.³

This article will discuss the "use of tax as a regulatory measure for controlling the consumption of negative products in Nigeria" in this context. In doing so, the article is divided by introduction into seven sections.

Part one deals with the need for a liberal state to have a political economy. It claims that, in governance literature, it is perhaps, therefore, a settled discourse that the political economy in a liberal

¹ Emeke Ihebie, "Excise Duties in Nigeria", in Abiola Sanni and Afolabi Elebiju (ed.), *Indirect Taxes in Nigeria* (Lagos: Concept Publication Ltd., 2014), p. 166.

² Ibid, p. 167.

³ Ibid.

state needs limited direct government interference in the allocation and growth phase of resources. In order to ensure this, by monetary policies and instruments such as taxes, public spending and legislation, the government intervenes.

Part two focuses on the difficulties of diminishing income by taxation. It argues that the issue of revenue generation has persisted in most developing countries and has acquired greater urgency in many instances, at the same time as the stocks of the current global financial market crisis are compounding the capacity to rescue their already struggling national economies. The following problems associated with the lean tax base are therefore found in many African countries, including Nigeria, which:

- a. Many African countries' tax bases are either lean or skewed toward an overwhelming dependency on natural resources whose foreign market prices are regularly unpredictable.
- b. Within the frequently opaque and loosely controlled informal sector, there is a lion's share of the continent's economic activities and most tax administration agencies have not been able to capture them creatively and effectively for tax purposes.
- c. The asphyxiation of the tax-enabling environment.
- d. The issue of confidence avoidance between people and those who rule them.

In part three, goods subject to excise duties were introduced in Nigeria. It maintains that it is focused on the requirement of Section 21 of the Custom Excise Tariff, etc. (*Consolidation*) Act⁴ and the definition in the case of *A.G. Ogun State v Aberuagba*⁵ It can be deciphered that the excise duty products are goods produced in Nigeria and defined in the fifth schedule of the Custom Excise Tariff, etc. (CETA), including beer and stout, wines, spirit and other alcoholic drinks, cigarettes and tobacco.

Part four focuses on individuals who are responsible for the payment of excise duties. It claims that the manufacturer or the owner of the items would be the solution. However, another set of persons who may be directly responsible for paying duties is recognised by the Custom and Excise Management Act⁶ These are the importers' agents and their principalities.

⁴ Cap C49 Laws of the Federation of Nigeria 2004.

⁵ (1997) 1 NWLR, p. 51.

⁶ Cap C45 Laws of the Federation of Nigeria 2004.

Part five deals with the imposition and scheduling of excise duty payments. It argues that while CEMA provides for excise licenses and excise duties on products provided for in the Act, excise duties are not imposed by the Act. Instead, under CETA, excise duty is levied on goods, as expressly stated in paragraph I of the Custom Excise Tariff Regulations. It also claims that before the goods are withdrawn from the factory or warehouse, excise duty must be paid. While there is no general provision in the CEMA as to when excise tax is due and payable, there is a particular provision in the Act as to when excise duty is payable on specific products.

The use of tax as a regulatory measure for regulating the intake of negative goods in Nigeria is discussed in part six. It submits that the excise duty is governed by law and that the CEMA is the key law controlling excise duties in Nigeria in the regulation of negative goods.

Finally, Part Seven concludes the article that excise duties are still used to deter consumption of hazardous and negative goods despite loosening their fiscal and revenue significance.

2. The Need for a Liberal State to Have a Political Economy

Therefore, it is perhaps a settled discourse in the literature of governance that a liberal state's political economy needs limited direct government interference in the allocation and production phase of resources. In order to ensure this, by monetary policies and instruments such as taxes, public spending and legislation, the government intervenes. The strongest fiscal instrument, as Jhingan pointed out,⁷ is taxation, which promotes the reduction of private consumption, increases investment and transfers capital for economic growth to the government. Taxation is, thus, the obligatory levy levied by the government to defray the expense of government and community services. It encourages the re-allocation of capital, promotes social equity through the distribution of income, increases economic growth and development, and maintains economic stability by correcting and managing macroeconomic shocks (both policy-induced and exogenous).

Taxation continues to be a veritable tool for national growth. Good taxation policies can stimulate economic growth and job creation through their effect on investment and the formation of capital in the economy, in addition to being a significant source of

⁷ Jhingan, M.L., *The Economics of Development and Planning I* (28th Revised Edition), (New Delhi: Pabhat Offset Press, 1995).

revenue for governments to provide goods and services needed by their citizens. In this regard, tax system reforms that ensure performance, equity and effectiveness are the requisite conditions for sound public financing.⁸

3. The Difficulties of Diminishing Income by Taxation

The issue of revenue generation has persisted in most developing countries, and in many instances has assumed greater urgency, as the shocks of the recent global financial market crisis are exacerbating the ability to rescue their already troubled national economies. Significantly, then, how do we comprehend and perceive the repertoire of ways in which the public/citizenship negates the state in a variety of ways, such as avoiding taxes, in many countries in Africa? In an effort to reverse the trend of declining public revenue through taxation, what response options are governments currently deploying? In a broad sense, what are the immediate and long-term consequences for state-society relations in Africa of the grim scenarios associated with the deteriorating ability of governments to create a robust public revenue base through taxation?

Whereas, for example, public revenue and tax funding are already taken for granted in the West, several African countries, for many reasons, still face difficulties in achieving these results.⁹ For this distance, there are many explanations. First, many African countries' tax bases are either lean or biased toward an overwhelming reliance on natural resources whose prices on the international market are regularly unpredictable. Secondly, since there is a lion's share of economic activity on the continent in the frequently opaque and poorly controlled informal sector, most tax administration agencies have been unable to capture it creatively and effectively for tax purposes. A related argument is that even those who are normally taxable because they work within the 'formal' sector (e.g. government contractors and service providers) have discovered innovative and mind-boggling ways to avoid the responsibility of paying tax sufficiently through avoidance or underpayment. The third issue associated with the lean tax base in many African countries at institutional level is the asphyxiation of the enabling climate for

⁸ Taiwo A. Olaiya, "Implications of Policy Shift from Direct to Indirect Tax Regime in Nigeria", in Abiola Sanni & Afolabi Elebiju, *Indirect Taxes in Nigeria*, (Lagos: Chartered Institute of Taxation of Nigeria (CITN), 2014), 28 – 29.

⁹ Olowu, D., "Local Democracy, Taxation and Multi-Level Governance in Africa", Draft paper prepared for Norwegian Association for Development Research (NFU) Annual Conference on Politics and Poverty, Oslo, Norway.

taxation: tax administration agencies consistently lack the enabling laws and regulations to assist in the exercise of their statutory functions; the capacity to enforce and collect commensurate taxes from individuals and corporate bodies in other cases, false tax reporting is abetted by intentional misrepresentation or concealment.¹⁰

Yet, the loss of confidence (and widening disconnection) between people and those who rule them is the underlying challenge of decreasing public revenue through taxation. Paradoxically, this pattern is becoming evident at the same time that many countries have made the gradual (and frequently painful) transition from autocratic military/one-party regimes to a semblance of multi-party civil democracy; in those countries, the expectation that the new dispensation would meet and fulfill an invidious governance crisis is festering (in some cases, deepening); with concern that the underlying assumption of the proposed study is that the social contract of erosion that should remain between the people and those who rule them; and that this is at the root of citizens' growing dissatisfaction as expressed in their reluctance to finance the State. There is, at least on the surface, a correlation between the provision and expansion of public goods on the part of governments and the willingness of citizens to pay taxes: the willingness to pay taxes increases when people see that their taxes will go a long way in improving social infrastructure (in the light of the collapse of infrastructure).¹¹

4. Goods Subject to Excise Duties

From the provisions of Section 21 of CETA and the definition in the case of *AG Ogun State v Aberuagba*,¹² It can be determined that the products subject to excise duty are goods produced in Nigeria and referred to in the CETA Fifth Schedule. The Fifth Schedule to CETA lists, as goods subject to excise duty, the following goods at the relevant rates:

i. Beer and Stout	-	20%
ii. Wines	-	20%
iii. Spirits and other alcoholic beverages	-	20%
iv. Cigarettes and tobacco	-	20%

¹⁰ Ali-Nakyea, A., *Taxation in Ghana: Principles, Practice and Planning*, (2nd Ed.) (Accra: Black Mask Ltd., 2008).

¹¹ Taiwo A. Olaiya, *supra*, note 8, pp 26 – 28.

¹² *Supra*.

In addition, the Seventh Schedule to the CETA lists items excluded from excise duty as follows:

- i. Goods exported;
- ii. Goods used in the manufacture of other excisable goods, where the final product would be subject to excise duty; and
- iii. Goods that are spoiled or otherwise unfit for use prior to delivery from the premises entered and so certified to the satisfaction of the Comptroller General of Customs and Excise by the appropriate medical officer or otherwise created.

Schedule 8 of the CETA specifies as follows with respect to the general valuation of products subject to excise duty: The value of products subject to excise duty are:

- a. The price declared by the manufacturer to be the price excluding excise duty and before the removal of the commercial discounts at which the duty-bearing products are usually sold ex-factory by the manufacturer; or the price declared by the manufacturer to be ex-factory;
- b. The selling price of the distributor, where the producer is a distributor or where the related firms are the manufacturer and the distributor; or
- c. The retail price, where the retail price is offered by the related company or the manufacturer; or
- d. Where it appears to the Board that the price thus stated is less than the cost of the manufacture of the goods and of all profits earned or to be received by the manufacturer in respect thereof, an amount which, in the Board's view, is equal to or equal to the cost of the manufacture of the goods together with that profit;
- e. in the case of cigarettes:
 - i. excise excludes the producer's net ex-factory price; or
 - ii. If it appears to the Board that the price thus stated is lower than the cost of the manufacture of the cigarettes together with the excise duty thereon, and that all the income earned or to be received by the producer in respect thereof are lower than the cost of the manufacture of the cigarettes together with the excise duty and profits thereon, then, in the Board's view, that amount shall be equal to those costs together with the excise duty and profits in question.¹³

¹³ Emeke Ihebie, "supra note 1, pp 174 - 175.

5. Individuals who are Responsible for the Payment of Excise Duties

The question is, who is liable under CEMA to pay excise duties? The producer or the owner of the products is the easiest answer. CEMA, however, acknowledges another set of persons who may be individually responsible to pay duties. They are the importers' agents and their principals. Section 154 of the CEMA provides that any person acting as an agent of the owner of the goods shall be personally liable for the payment of all duties payable in respect of those goods and for the execution, as the case may be, of all actions under the customs and excise legislation relating to those goods, as if he were the importer, exporter or owner of those goods.

Clearing agents, staff or directors may include the agents of an individual or corporation. The rule of the agency here comes in handy in deciding the presence or otherwise of the agency. The person acting as an agent must have been discharged by the manufacturer or must have been discharged as the manufacturer's agent and must have been acting on behalf of the manufacturer in order to clear the products and take other required measures for the payment of duties. The proviso of section 154 states that the agent shall cease to be liable in compliance with the provisions of the section within one year of the date on which any such obligation becomes payable or any such act is to be performed.

Although Section 154 deals with the liability of duty agents, Section 155 deals with the liability of duty agents and provides that any person who authorizes an agent to work for him in relation to any products for any of the purposes of the customs and excise legislation shall be liable for the actions and declarations of his agent and may be prosecuted for any offense against the customs and excise legislation. The offences here include duty avoidance. However, there is a provision in Section 155(i) which states that it is a good defense for such a person to prove in any prosecution for such an offense that he has used due diligence to ensure compliance, as the case may be, with the provisions of the customs and excise laws and that the offense was committed without his permission, connivance or deliberate default. In view of the seriousness of a certain offence under the Act, that provision is appropriate.¹⁴

6. Imposition and Scheduling of Excise Duty Payments

Although the CEMA provides for excise licenses and excise duties for the goods referred to in the Act, excise duties are not imposed by the Act. Instead, under the Customs, Excise Tariff, etc. (Consolidation) Act 1995 (as amended)¹⁵ excise duty on products is levied. Excise Tariff Controls, as expressly indicated in Paragraph (a) of the Customs Code. Section 19(1)¹⁶ of the CETA provides that excise duties shall be imposed on goods produced in Nigeria and specified in the Fifth Schedule of the Act at the rates specified in the Duty Column of the said Schedule. It is expressly evident from that provision that, while excise duty is levied and payable on goods manufactured in Nigeria, not all goods manufactured in Nigeria are subject to tax, with the exception of those listed in CETA's Fifth Schedule.

According to Supreme Court in *Aberuagba*¹⁷

The tax (excise duty) is payable until the goods are withdrawn from the factories or warehouses by the producers.

This implies that before the goods are withdrawn from the factory or warehouse, excise duty must be paid. While there is no general provision in the CEMA as to when excise tax is due and payable, there are clear provisions in the Act as to when excise duty is payable on specific products. Accordingly, Section 117 of the CEMA states that the excise duty paid on imported tobacco is due and payable by the producer of the tobacco upon receipt of the tobacco from the factory. Paragraph 12 of Brewery Regulations L.N 68 of 1959 specifies, with regard to beer, as follows:

- i. In the case of beer brewed by a brewer, excise duty shall be assessed and paid in compliance with the following provisions of this Law.
- ii. With regard to each brewing, customs duties shall first be paid by reference to the quantity and original gravity of the wort produced, as reported by the brewer pursuant to Regulation 5 of these Regulations, or as determined by the proper officer, the quantity and the gravity of the wort produced being the higher.
- iii. For each brewing process, it shall be ascertained:

¹⁵ Cap C49 Laws of the Federation of Nigeria 1995 (as amended in 2004), contained in CET 2008 – 2012.

¹⁶ See also Section 21 of CETA 2004.

¹⁷ *Supra*.

- a. the quantity of worts with an original gravity of 1055 degrees, equal to the generated worts; and
- b. the quantity of wort of that gravity which is considered to have been brewed from the material used shall be determined in accordance with Regulation 13 of these Regulations; and if less than four per cent of the quantity referred to in paragraph (b) of this Regulation exceeds the quantity referred to in sub-paragraph (a) of this paragraph, the surplus shall be paid in addition.
- iv. Six per cent of the unintended loss and waste resulting from the brewing of beer shall be deducted from the amount of wort on which the duty is to be levied.
- v. For the purposes of paragraph (3)(a) of this Regulation, the quantity of the words created shall be considered to be the equivalent referred to therein.
 - a. multiplied by the number of degrees reflecting their initial gravity, less than 1,000; and
 - b. divided by fifty-five.
- vi. Where the original gravity of the worts is found to exceed by five or more degrees the gravity reported by the brewer pursuant to Regulation 5 of these Regulations or as determined by the proper officer at any time when any worts are in the collecting or fermenting vessels in a brewery, those worts may be considered to be the result of fresh brewing and charged accordingly with duty.
- vii. Subject to paragraph (8) of this Regulation, the balance payable in respect of customs duties shall be payable as soon as the wort is collected for bottling in a storage vessel.
- viii. The Board may invoke the fee for all brewing during that month at the end of each month and, in that case, the sum of the quantities of worts considered to have been brewed from the material used shall be regarded as worts created or considered to have been brewed in one brew, and the Board may, if it deems fit, cause the payment of the duty to be deferred upon conditions as it sees fit, but in such a way that the date of payment is not later than the 21st day of the month following the date on which the obligation was levied.

There is no clear regulation as to whether the excise duty payable on Spirit and Wines is due and payable, but Section 134 of the CEMA provides that where any duty remains unpaid after being requested pursuant to Section 140 of the CEMA, the Board may

permit the interpretation of this provision as levying distress, that there are generally excise duties where no provision to that effect exists.¹⁸

7. The use of Tax as A Regulatory Measure for Regulating the intake of Negative Goods in Nigeria

Excise Duty is regulated by the following laws in Nigeria:

- a. The Constitution of the Federal Republic of Nigeria 1999;
- b. Customs and Excise Management Act;¹⁹
- c. Customs, Excise Tariff etc. (Consolidation) Act 1995 (as amended);²⁰
- d. Nigerian Customs Service Board Act;²¹
- e. Excise (Control of Distillation) Act;²²
- f. The current Common External Tariff of the Nigeria Customs Service 2008 – 2012.

The 1999 Constitution is Nigeria's chief, fundamental, and organic law. It creates its institutions and government apparatus, determines the nature of the sovereign powers of the government, and guarantees individual civil rights and civil liberties. The 1999 Constitution does not include any direct or express clause authorizing the Nigerian government to enforce excise duties. The authority to levy taxes, including excise duties, can be deciphered only from the constitutional provisions outlining the government's legislative powers. The Nigerian Legislature's legislative powers are laid down in Section 4 of the 1999 Constitution. According to Article 4(1)(2) and (2) of the Constitution, the legislative authority of the National Assembly is thus expressly laid down:

- i. The legislative powers of the Federal Republic of Nigeria shall be vested in the composition of the Senate and the House of Representatives of the National Assembly for the Federation.
- ii. With regard to any matter contained in the Exclusive Statutory List referred to in Section 1 of the Second Schedule of this Constitution, the National Assembly shall have the power to

¹⁸ Emeke Ihebie, "supra note 1, pp 176 - 178.

¹⁹ Cap 45 Laws of the Federation of Nigeria 2004.

²⁰ Cap C49 Laws of the Federation of Nigeria 2004. This Act is now contained in the Common External Tariff (CET) 2008 – 2012 which the current law on customs and excise tariffs in Nigeria.

²¹ Cap N100 Laws of the Federation of Nigeria 2004.

²² Cap E16 Laws of the Federation of Nigeria 2004.

make laws for the peace, order and good governance of the Federation or any part thereof.

- iii. Except as otherwise given in this Constitution, the power of the National Assembly to make laws for the peace, order and good governance of the Federation with regard to any matter contained in the Exclusive Legislative List shall be to the exclusion of the Houses of the Assembly of States.

This implies that the National Assembly has the right to make legislation, including those that levy excise taxes. The Exclusive Legislative List in the 2nd Schedule of the 1999 Constitution includes, with regard to excise tax, the following things for which the National Assembly has the exclusive authority to make laws:

- a. Customs and Excise duties (Item 16); and
- b. Any matter incidental or supplementary to any matter mentioned elsewhere in this list (Item 68).

The Customs and Excise Control Act is the key legislation that governs excise duties in Nigeria (CEMA). The long title of CEMA defined it as an Act to control, and for ancillary purposes, the management and collection of customs and excise duties. In 1958, with the beginning date of April 1, 1959, CEMA was passed as Act No. 55 of 1958. In PART V to X of the Act, the general provisions for excise duty under CEMA are found. CEMA provides in Sections 99, 110, 104 and 115 that no person may, without an excise license for that reason, distill, brew or produce spirit, beer, methylated spirit or tobacco. PART VIII of the Act provides for products other than tobacco and hydrocarbons. Thus, Section 119 states that, unless such a person holds an excise license for that reason, no person can produce any goods to which that portion refers.

Section 120(1)(b) provides that for any products subject to excise duties in Nigeria, the Minister may make regulations for the measurement, securing and collection of excise duties.

General Excise Regulations are laid down in the Third Schedule to CEMA and are applicable only to all excisable products other than wine, beer and tobacco. Paragraph 3 of the Excise Regulations specifies that excisable goods are goods other than spirits, beer and tobacco of the kinds and descriptions that may be defined from time to time in the Customs, Excise Tariff, etc. Schedules. (Consolidation) Act (CETA) Paragraph 17 of the General Excise Regulations provides that excise duty is to be levied, secured and charged on

goods in compliance with the provisions of the Consolidation Act (CETA).

- a. Goods shall be subject to excise duty immediately upon manufacturing thereof, at the rate or tariffs in force at the time of manufacture thereof;
- b. The customs duty shall be due and payable immediately at the time of manufacture, provided that, in its discretion, the Board may direct that, in specific cases, the customs duty may be considered due and payable at a later stage than the delivery of the products from the production store;
- c. The duty shall be measured at the rate or rates specified for the quantity or value of the goods produced, but if, in the Board's view, the quantity or value of the goods produced is greater than the quantity or value of the material used, the duty shall be calculated for the quantity or value of the goods produced.
- d. A manufacturer shall, where the Board so requires, make a cash deposit or enter into a bond in the amount that the Board can determine, for payment of customs duties when due and for compliance with excise laws, in general, prior to the commencement of manufacture.

However, the terms of the General Excise Duty Regulations are actually obsolete, on the basis of the express provisions for CEMA and CETA with regard to products subject to excise duty in Nigeria. While the Regulations usually provide for duties on excisable goods, as set out in the Fifth Schedule of the CETA, the goods actually liable for excise duty in Nigeria are. In the absence of any other clause of the CETA to the contrary, it may be concluded that no products other than those provided for in the Fifth Schedule of the CETA are subject to excise duty.

The Common External Tariff (CET) 2008-2012 is one of the documents of great interest and significance with respect to excise duties. A copy of the amended CETA with minor modifications representing the existing excise duty regime is clearly included in CET 2008-2012. A analysis of CETA 2004 indicates that the duties set out in the First Schedule to CETA 2004 have a life span of seven years, during which another set of duties will have to be enforced.²³ In addition, a review of the duties found in CETA's First Schedule reveals that those duties were valid from 1995 to 2001. From 2001 to

²³ Section 12 of the CETA 2004 provides that duties specified in the Act shall only be for seven years.

2008, another series of duties were enforced upon their expiration. From 2001 to 2008, the new CET revoked it.²⁴ The Common External Tariff (CET) 2008-2012 was recently extended by a public notice to 31 December, 2013 by the President. This means that the existing excise duties currently in force are included in the 2008 to 2012 CET.²⁵

8. Conclusion

In certain aspects, raising tax revenues is central to every state's operations. Since 2001, duties on most imported goods have been eliminated, with the exception of items deemed to be negative or harmful, such as creams for bleaching, alcohol, spirits and tobacco. Excisable products have since been further limited to beer and stout, spirit and tobacco only. The grim verdict, in fact, is that excise duty has lost its revenue objective as a tax. Consequently, it can be claimed that the tax was reduced to its secondary role of controlling consumer conduct. When one discusses the actual excisable goods under the new CETA, this cannot be far from the facts. These are items that the state does not really go all out to promote their use or output. The article shows that the most obvious deficiency of the excise duty system in Nigeria in controlling the consumption of negative products is very archaic, outdated and in desperate need of change, and that since its implementation in 1959, the basic law (excise duty) governing the regulation of the consumption of negative products has not undergone any penetrating or substantive review. The article therefore concludes that excise duties are still used to deter consumption of negative and hazardous goods despite loosening their fiscal and revenue significance.

²⁴ See Section 20 of the CETA as contained in CET 2008 to 2012.

²⁵ Emeke Ihebie, "supra note 1, p 179.