

**NATIONAL INSTITUTE FOR LEGISLATIVE AND DEMOCRATIC
STUDIES/ UNIVERSITY OF BENIN POST GRADUATE PROGRAMMES**

SEMESTER EXAMINATION

Programmes: **MLS & MPD & MLD**

Session: **2017/2018**

Semester: **1st Semester**

Course Code: **MLD 815**

Course Title: **Drafting of Tax Legislation**

Instructions: i. Answer **Question 1** and any other **3 Questions**

ii Time allowed: **3hours** iii Write your Matriculation **Only**

v. Orderly arrangement and good presentation of materials will be considered.

Question One

a. Redraft the following section so that the reader can better understand its meaning

A person may deduct...

Any expenditure incurred by that person during the tax year by way of a leave passage to any employee at the termination of a contract:

Provided that a leave passage is not granted to the same person at intervals of less than 4 years;

b. State the drafting techniques that can be used to indicate that one provision prevails over another. Indicate ways to reduce clutter in the provisions in such instances?

c. To what extent should the court rely on section heading in the interpretation of tax legislation and briefly describe a possible technique that can be used for section heading.

d. Modern drafting principles suggest that a definitions section is best placed at the end of an Act, the more traditional approach in many countries, however, is for definitions

to come at the beginning. Discuss these two approaches, stating their merits and demerits

- e. List the ways in which the effectiveness of tax legislations can be enhanced

25 marks

Question Two.

- a. Why is it dangerous to make an overriding statement of the legislative purpose when drafting a tax statute?
- b. What are the key things to anticipate with applications and interpretations when drafting tax statutes?

15 marks

Question Three

- a. A new tax law should be fully integrated into the rest of the legal system. What issues should the drafter be aware of to enhance its integration
- b. Drafting tax legislation is a laborious exercise, and there is a limit to how much detail can be drafted within the time limit for enactment. In your opinion, what are the viable alternatives to issuing detailed regulations?

15 marks

Question Four

- a. A tax law should not be precise at the expense of being complicated and impossible to understand. Discuss.
- b. Is numbering of sections a primary or integral part of legislation? What are the problems of numbering of sections associated with the amendment of existing laws and how can these problems be addressed

15 marks

Question Five

- a. Differentiate between non-textual amendments and textual amendments?
- b. A statute is transparent if it easily allows the reader to understand the rationale of the rules. List ways of achieving transparency while drafting tax legislation
- c. What are the problems with non-textual amendments?

15 marks

Question Six

- a. Discuss the advantages and disadvantages of paragraphing tax statutes. Give examples of tax laws that have utilized the multi tiers system of subdivisions.
- b. To what extent would or should the court rely on section heading in the interpretation of legislation and briefly describe a possible technique that can be used for section heading

15 marks