Electronic Taxation and Companies Income Tax in Nigeria

Dr. Oladele Olatunde FCA
oladele_olatunde@uniport.edu.ng

Eyetuoma Oghenerukevwe Edna
edna.eyetuoma@ust.edu.ng

Muhammad Shehu Garba
Accounting Department Yobe State Polytechnic Geidam.
muhammadshehugarba@miapoly.edu.ng

Dr. Prince Dordum ACA
dordumyaakoo@uniport.edu.ng

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Abstract

This study investigate the connection between Nigeria's tax revenues and electronic taxes. A survey research method was adopted in the study, in which data were extracted from one hundred and fifty-eight (158) Federal Inland Revenue Service (FIRS) staff across Rivers State through a questionnaire. The study covers a period between the years 2016 and 2021. Analysis was performed using descriptive statistics and the Spearman rank-order correlation coefficient with the help of SPSS version 25.0. Findings indicate electronic taxation and company income tax show a statistically significant and strong positive relationship, while a statistically significant and moderately positive relationship exists between electronic registration and companies' income tax. It was concluded that there is an indication of the prospects of the electronic tax system for improving tax revenues in Nigeria if it is sufficiently harnessed. Based on the findings, the study suggests that the Federal Inland Revenue Service should educate tax payers across the nation to raise people's understanding and awareness of how to use the electronic services that are offered on their platform. Also, the study recommends that the government should adopt steps to address issues such as lack of reliable internet, electricity, and power facilities, network challenges, and scepticism usually associated with new innovations so as to have the desired increase in tax revenue.

Keywords*: Tax revenue, electronic registration, electronic payment, electronic taxing, company income tax.*

1.0 INTRODUCTION

Governments all over the world impose taxes on individuals, corporations, and properties to provide resources for essential services such as maintaining law and order, administering justice through the courts, building roads, providing health care facilities, education, and security, as well as financing capital projects for the benefit of all (Kiabel,2017).The tax system, therefore, provides an excellent platform by which government mobilizes a nation's internal resources needed for discharging these cross-section of responsibilities and it lends itself to creating an environment conducive for the promotion of economic growth. Naiyeju, (1996) as cited in Kiabel, (2017) defined tax as a mandatory payment levied on the citizens by the government for the purpose of achieving its goals. Tax policy and administration, as well as taxpayer compliance and government enforcement, all influence the amount of tax revenue generated in every economy. Every public administration system rely on an efficient national revenue collecting system, which is the cornerstone of sound fiscal management.

In Nigeria today, the funding of the nation's budget by constant borrowings with its associated cost of debt financing has become a source of worry and a challenge for us to look inwards to a more sustainable source of revenue for government expenditures. This is partly because of the overdependence on oil revenues with dwindling prices due to the volatile nature of the international oil markets. One of the reasons adduced for the fiscal deficit financing is because of the shortfall in tax revenue as a result of the cumbersome, inefficient and bureaucratic nature of manual tax administration. This tendency has had an adverse effect on the ability of oil dependent countries to meet their development objectives. For us in Nigeria, the decline in receipts from oil revenue and the concomitant decline in accruals to states from the federation account has placed many states in a financial quandary to the point where basic obligations such as the payment of employee wages has become a perennial challenge (Federal Inland Revenue Service, 2017). Therefore, governmentintroduced electronic taxation to make compliance and payment of taxes easy for tax payers, whichwill in turn increase tax revenue. This further explains the inclusion of e tax solutions as one of the key strategies adopted to boost tax revenue in Nigeria.

The electronic tax system is one of those measures introduced to enhance the effective administration of this all-important non-oil sector activity for maximum revenue generation by which the government can foster economic growth and development in the society. However, despite all the measures that have been put in place by government, it is still unclear whether the introduction of electronic taxation services has actually helped to improve the tax revenue level in Nigeria. This study is therefore aimed at empirically testing whether or not e-tax has a statistically significant relationship with tax revenue in Nigeria

1.1 Hypotheses:

HO_1: Electronic tax registration does not have any significant relationship with companiesIncome Tax revenue in Nigeria.

HO_2: Electronic tax payment does not have any significant relationship with companies Income Tax revenue in Nigeria.

2.0 LITERATURE REVIEW

2.1 Electronic Taxation

To put it simply, electronic taxation is the automation of tax procedures. It is the process of using electronic media for tax assessment, collection, and administration. E-taxation, according to Che-Azmi and Kamarulzaman (2014), is one method used by governments worldwide to make better use of information and communication technologies in order to enhance public administration information dissemination and public service delivery. The use of computers and networks in the collection and payment of taxes is known as electronic taxation, or e-taxation. Known as e-payments and e-filing, it entails the use of computer techniques in the assessment, collection, and administration of taxes.

According to Newman and Eghosa (2019), electronic taxation is a development of the increasingly popular ideas of e-governance and e-commerce. It entails the taxpayer and the tax authorities exchanging data via information and communication technology networks. E-taxation aims to "supplant laborious manual bureaucratic service systems with online delivery systems that are secure, collaborative, efficient, and process-driven." Electronic registration and payment serve as indicators of electronic taxes.

2.2 Electronic Tax Registration

To do business with FIRS, one needs to be duly registered. Now, one could get registered and authenticated online by visiting the FIRS website www.firs.gov.ng. According to the Quarterly Publication of the FIRS (2017), a taxpayer will take the following steps:
After logging in, select the e-Services tab: Firstly, Enter your RC number or Taxpayer Identification Number (TIN) by clicking the log-in or register tab, next step will be to Choose a user name and password upon successful registration, then Click on Register and a PIN will be sent to your email for authentication to complete the process. furthermore for taxpayers who have been registered with the Corporate Affairs Commission (CAC) but have no TIN, the e-registration process is as follows: firstly Open the following link: https://apps.firs.gov.ng/tinverification, then Enter the CAC registration number(i.e your RC or BN number. Also Enter the Completely Automated Public Turing test to tell Computers and Humans Apart (CAPTCHA) image that will be displayed. If your search is successful, you can input your email address and click on the send to my mail button to have the details sent to your mail and Finally, check your spam folder if you do not see the mail in your inbox.
The electronic registration is a platform for the registration of new taxpayers for their unique tax identification numbers and which also enables them to have access to all FIRS e-services. With this service, taxpayers do not need to visit any tax office to register for tax purposes. All they need to do is to visit the FIRS website and register.

2.3 Electronic Tax Payment

Che-Azmi and Kamarulzaman (2014) state that one method used by governments throughout the world to improve public service delivery and public administration information dissemination to the public is the electronic tax payment system. According to Wasao (2014), an electronic tax system is an online platform that allows taxpayers to access all tax authority services via the internet, including registering for a tax identification number and electronically filing tax returns. Furthermore, the e-tax payment system was introduced as a result of the global expansion of information and communication technology (ICT). This is due to the fact that information exchange and tax return filling were done by hand before ICF's intervention, which resulted in delays in revenue collection and data loss. Thanks to its newly created e-Tax system, the Federal Inland Revenue Service (FIRS) has significantly benefited Nigeria's business community and economy today (FIRS, 2015 as referenced in Okunowo,2015). Because of this, individuals may file their tax returns online in only three simple steps and within a single day. It is anticipated that simple and quick tax payment will increase compliance and improve revenue collection. Enabling taxpayers to pay taxes and Enforcing taxpayer compliance with tax laws are the two main components of the self-assessment tax, respectively. E-taxation requires taxpayers to pay their taxes online from their personal or business bank accounts, per FIRS, 2015 as referenced in Okunowo, 2015. This application is hosted on the online banking platform of the corresponding commercial bank and was created in collaboration with the Nigeria Inter-Bank Settlement System (NIBBS). The TIN, a unique document number created on the e-filing platform, and the required online banking authentication are required for the process. The system includes the ability to produce an electronic acknowledgement that may be submitted to the FIRS to verify that the payment was made successfully. This system can also be used by taxpayers to remit their taxes if they haven't switched to the ITAS platform (FIRS, 2015). In a similar vein, Okoye and Ezejiofor (2014) defined e-taxation as an online tax administration system. They pointed out that as e-taxation is an electronic tax filing system, electronic tax payments can be done online using a bank account or an ATM with a credit or debit card.

2.4 Tax Revenue

Several researchers have defined revenue. According to Edogbanya, Ja'afaru (2013), and Alade (2018), revenue is the amount of money that a business or organisation earns over time, mostly from the sale of goods or the provision of services. According to the Longman dictionary. Revenue is defined as the money that the government generates through taxes.

According to Fayemi (2011), referenced in Alade (2018), tax revenue encompasses all forms of government revenue, including taxes, rates, fees, fines, duties, penalties, rent, dues, profits, and other forms of reception that are subject to legislative appropriation. He went on to distinguish between two categories of government revenue: capital and recurrent. Companies' income tax is used as a stand-in for tax revenue in this study.

2.5 Companies Income Tax

The government imposes an obligatory tax on registered firms' profits known as company income tax. Because the incidence of payment and burden of the firm's income tax are carried by the company and are not transferrable to third parties, this sort of tax is a subset of direct taxes. The

Federal Inland Revenue Service (FIRS), which is governed by the Federal Board of Inland Revenue (FBIR), is the competent tax authority tasked with, among other things, assessing and collecting corporate income tax. Except for those involved in petroleum operations, it addresses the taxation of all limited liability firms in Nigeria (Naomi & Sule, 2015 as cited in Alade, 2019).

Corporate income tax is levied on a business's total profit. With the exception of oil and gas enterprises, the rate was 30% stable prior to the 2019 Finance Act. The Finance Act, however, has changed the rate to 30% for large businesses with revenues of $100 million or more, 20% for medium-sized businesses with revenues of $25 million to $100 million, and 0% for small businesses with revenues of $25 million or less. Moreover, the Petroleum Industrial Act, which President Muhammadu Buhari signed into law in August 2021, eliminated the Petroleum Profit Tax, requiring all oil and gas companies to pay business income tax at the CITA-mandated rate. However, in addition to CIT, oil companies now have to pay hydrocarbon tax (HT), which is payable at 15% of crude oil profit for onshore and shallow water areas and for petroleum prospecting licenses; for onshore and shallow water areas, the rate is 30% of crude oil profit for petroleum mining leases (Kiabel, 2021).

2.6 Empirical Review

The effect of e-taxation on government tax collections in Nigeria is the subject of many empirical literatures that provide some insights. Ofurum, et al. (2018) looked into the effect of e-tax on tax collections in Nigeria in a previous study. The study used quarterly data from 2013 to 2016 and analyzed it with a paired sample statistic. Information was taken from CBN Statistics and the FIRS. Pre-e-filing taxes were more than post-e-filing taxes, according to descriptive analysis. The results of statistical analysis indicate that Nigeria's tax revenue has not been significantly affected by the implementation of the E-filling tax system. In a related study, Olaoye and Atilola (2019) sought to ascertain the impact of e-taxation on Oyo State's fiscal revenue generation in the South-Western region of Nigeria. Primary data for the study was obtained through a well-structured questionnaire. For its analysis, the study used a sample size of one hundred. It's interesting to note that the study discovered that people with low literacy prefer to pay taxes the old-fashioned way, suggesting that e-filing was ineffective as a tax collection tool. On the other hand, people with higher literacy levels ensured that e-filing made a substantial contribution to the study's revenue generation. These findings highlight the importance of education in increasing the efficiency of electronic filing as a means of raising money for the government.

based on the study above The studies by Ofurum et al. (2018) and Olaoye and Atilola (2019) are important for understanding the impact of e-taxation in Nigeria for several reasons, While Ofurum et al. didn't find a statistically significant increase, the descriptive analysis suggests a potential for higher tax collection with e-filing. E-filing can streamline tax collection for both the government and taxpayers, potentially reducing processing times and costs. Also, Olaoye and Atilola's study emphasises the digital literacy gap as a barrier to e-taxation effectiveness. Those with lower literacy may struggle to use the system. These studies provide valuable insights for policymakers looking to improve e-taxation in Nigeria. Efforts can focus on bridging the digital divide and improving the user experience. The limitations highlight avenues for further research with a

broader scope and longer timeframe to get a clearer picture of e-taxation's impact. These studies, despite their limitations, lay the groundwork for understanding the opportunities and challenges of e-taxation in Nigeria. They inform policymakers and guide future research to maximise the positive impact of e-taxation on government revenue collection.

The study focused on two key tax sources: value-added tax (VAT) and corporation income tax. The objective was to evaluate whether the introduction of e-tax filing had a significant impact on the revenue generated from these tax sources. By comparing the revenue data from the pre- and post-E-Tax filing periods, the study aimed to determine if there was a noticeable difference in government revenue attributable to the implementation of e-tax filing. The study's findings and limitations can inform future research on the topic. The study highlighted the need for further investigation into the long-term effects of e-tax filing, the inclusion of other tax sources, control for external factors, and qualitative research to gain a more comprehensive understanding of the impact of e-tax on fiscal revenue.

Additionally, Alade (2018) carried out an empirical study to look at how Nigeria's fiscal revenue was affected by e-tax. The study used value-added tax and corporation income tax as metrics of tax sources, following a different methodology. The study's data covered the years 2012–2018, with the base year of 2015—when e-filing was first implemented—omitted. Thus, pre-E-Tax filing (2012–2014) and post-E-Tax filing (2016–2018) are the two time periods that are covered by the analysis. The FIRS and CBN provided the data. Using the paired sample t-test, the study, like earlier studies, discovered a positive but negligible difference in government revenue between the pre- and post-E-Tax filing periods. The study provided empirical evidence by analyzing actual data from the Federal Inland Revenue Service (FIRS) and the Central Bank of Nigeria (CBN). By using real-world data, the study offered concrete evidence to support its findings and conclusions. The study's findings and limitations can inform future research on the topic. The study highlighted the need for further investigation into the long-term effects of e-tax filing, the inclusion of other tax sources, control for external factors, and qualitative research to gain a more comprehensive understanding of the impact of e-tax on fiscal revenue. The study aimed to contribute to the body of knowledge on the impact of e-tax by building upon earlier studies in the field. By replicating and extending previous research findings, the study sought to provide additional insights and strengthen the understanding of the relationship between e-tax implementation and government revenue.

Nnubia (2020) looked at the 2012–2018 quarterly periods to see how e-taxation affected Nigeria's ability to raise income. The study by Nnubia (2020) covers two periods: pre-e-filing (Q1 2012 to Q1 2015) and post-e-filing (Q2 2015–Q4 2018), which is similar to the methodology used by Alade (2018). The research employed regression analysis. In Nigeria, value-added tax, capital gain tax, and company income tax were employed as stand-ins for actual tax revenue sources. The regression estimates showed that, at the 5% level of significance, capital gain tax, value-added tax, and company income tax all had a negative impact on revenue generation during the periods of Q2 2015 to Q4 2018, with value-added tax having the only significant impact. In contrast, during the periods of Q1 2012 to Q1 2015, both company income tax and value-added tax had a significant

positive effect on revenue generation. These findings support the study's contention that Nigeria's revenue generation has not benefited from the use of e-filing.

The study examined the impact of e-taxation on three tax sources: value-added tax, capital gain tax, and company income tax. By considering multiple tax sources, the study provided a comprehensive understanding of how e-taxation influenced revenue generation across different tax categories. Similar to the study by Alade (2018), Nnubia (2020) compared the pre-e-filing period (Q1 2012 to Q1 2015) with the post-e-filing period (Q2 2015 to Q4 2018). This comparison allowed for an assessment of the impact of e-filing on revenue generation over time and provided insights into any changes in revenue patterns associated with e-taxation. The study employed regression analysis to quantify the impact of e-taxation on revenue generation. By using this statistical technique, the study provided estimates and coefficients that determined the relationship between e-taxation and revenue generation for each tax source. This analysis helped to assess the statistical significance of the findings. The study's overall contention was that Nigeria's revenue generation did not benefit from the use of e-filing. By presenting empirical evidence and statistical analysis, the study contributed to the ongoing discussion and debate surrounding the effectiveness of e-taxation as a means to enhance revenue generation.

As stated in Alade (2018), Asiligwa and Onwenga (2016) evaluated Kenya's roadmap for implementing government e-payments. Data were collected from ICT and Finance staff members at 262 state businesses, 19 ministries, and 47 counties using a survey study and questionnaire. The results of the multiple regression analysis showed that there was a substantial correlation between the adoption of electronic payment systems and the sufficiency of ICT infrastructure, as well as between awareness of electronic payment systems, security and compliance, and change management.

The study by Asiligwa and Onwenga (2016) contributes to the knowledge by examining the factors influencing the adoption of electronic payment systems in the Kenyan government. By collecting data through surveys and questionnaires from various state businesses, ministries, and counties, the study provides insights into the correlation between the adoption of electronic payment systems and factors such as ICT infrastructure sufficiency, awareness of electronic payment systems, security and compliance, and change management. The study's findings contribute to understanding the challenges and considerations involved in implementing electronic payment systems in the government sector, particularly in Kenya.

The study by Maisiba and Atambo (2016) contributes to the knowledge by investigating the impact of an electronic tax management system on tax collection in Rwanda. By utilizing primary and secondary data sources, along with methods like questionnaires and document analysis, the study explores the benefits of electronic tax payments, including timely tax payments and cost savings for both the Rwanda Revenue Authority (RRA) employees and clients. The study's findings provide insights into the effectiveness of electronic tax management systems in improving tax collection processes and efficiency, particularly in the context of Rwanda.

The study by Onuselogu and Onuora (2021) contributes to the knowledge by examining the impact of electronic tax payments on revenue generation in Nigeria. By utilizing secondary data from

various sources such as quarterly economic reports, CBN statistical releases, and tax reports from the Federal Inland Revenue Service, the study evaluates the impact of e-company income tax and e-capital gain tax on domestic revenue generation. The study's findings indicate that e-company income tax payments have a positive and statistically significant impact on revenue generation, suggesting that increasing such payments can enhance revenue generation in Nigeria. On the other hand, e-capital gain tax payments have a negative impact and are not statistically significant, indicating that reducing such payments may lead to a decrease in revenue generation. The study's recommendations, including raising awareness among businesses about the significance of e-company income tax payment, contribute to informing policy decisions and strategies for optimizing revenue generation in Nigeria.

2.7 Theoretical Framework

Innovation Diffusion Theory (IDT)

According to Obara and Gabriel, (2021), IDT is a fundamental hypothesis in the field of communications literature that describes how innovations spread among prospective users. Everette Rogers created the idea in 1962 using data from 508 diffusion investigations. This theory's four main components are time, social structure, communication routes, and innovation. Adopters of innovations might be people or organizations, and innovations can include new ideas, technologies, or behaviors. invention diffusion is seen by IDT as a communication process that occurs at the macro (population) level, whereby members of a social system are convinced to adopt a new invention after learning about it and its possible advantages from previous adopters or through communication channels like the media. Diffusion is a temporal process; it begins slowly with a small number of early adopters, gains momentum as the invention gains traction among the general public, and eventually slows down when the adopter population reaches saturation. Depending on when they adopted something, adopters can be categorized as innovators, early adopters, early majority, late majority, or laggards. The social system's features, such as the existence of opinion leaders—experts whose opinions are respected by others—and change agents—individuals who affect other people's behavior—also affect the rate of dissemination.It is assumed that users' decisions to adopt innovations are influenced by five innovation features (Obara & Gabriel, 2021) as viz: Relative advantage, Compatibility, Complexity,triability, observability.

In summary, it is safe to assert that the innovation diffusion theory relates to this research work in all ramifications in the sense that electronic services offered by FIRS is a new innovation and the process of its adoption as described by the Innovation Diffusion theory applies fully. Adoption of the electronic services offered by FIRS is in phases where we have innovators, early adopters, early majority, late majority, and laggards based on the time of their adoption. IDT provides a valuable framework for understanding the spread of e-taxation for company income tax in Nigeria. By considering the different adopter categories, communication channels, and innovation characteristics, the government can implement strategies to encourage wider adoption and create a more efficient tax system.

3.0 METHODOLOGY

The survey study design is what the researcher plans to use. Since it can be applied to the study of non-observable events like opinions, attitudes, preferences, or dispositions, this approach is deemed appropriate (Soyombo, 2002 as cited in Oladele, 2021). Because the researcher is looking for links and effects of changes in the independent factors on the dependent variables, this study design was chosen. The selected population consists of the 299 employees who work for the Federal Inland Revenue Service (FIRS) in Rivers State, Nigeria. There are seven (7) tax offices in the state (FIRS, 2019). With the use of Taro Yamen formulas, a sample size of 171 was determined. Primary data was gathered using a 5-point Likert scale questionnaire that asked respondents to rate their agreement or disagreement with the following: 1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree, and 5 = strongly agree. The questionnaire also asked about the concept of electronic taxation and its dimensions, such as E registration and E payment, as well as the dependent variable, Tax Revenue, and its measures, such as company income tax.

Experts assessed the questionnaire's content, and factor analysis was used to determine the construct validity.

Using the Statistical Package for Social Sciences (SPSS) version 25.0, Cronbach alpha coefficients were used to assess the survey instrument's reliability. In this case, reliability is defined as the extent to which an assessment tool produces consistent results after multiple trials. As a result, only those items returning alpha values greater than 0.70 were taken into account. It is possible to express Cronbach's alpha as a function of both the average inter-correlation and the quantity of test items.

Table 1 Summary of Cronbach's Alpha Reliability Result

Variables	Dimensions/Measures	No. of items	Alpha Coefficients
	Electronic Registration	5	0.777
Electronic Taxation			
	Electronic Tax Payment	3	0.873
	Company Income Tax	2	0.721
Tax Revenue			

Alpha coefficients indicate strong levels of instrument repetitiveness, consistency, clarity and

Comprehension by the respondents. The table illustrates substantial Cronbach alpha values for all instruments with the highest coefficient at .873 and the lowest at .721. The values indicate substantial levels of reliability for the instruments and indicate strong levels of instrument repetitiveness, clarity and comprehension by the respondents. The inferential analysis was carried using the Spearman Rho correlation which is most appropriate for the analysis of ordinal data. It is a non-parametric test used to measure the strength of association between two variables where the

value r =1 means a perfect positive correlation while the value r = -1 means a perfect negative correlation.

4.0 DATA ANALYSIS AND INTERPRETATION

Descriptive Statistics on variables

Table 2 Respondent's Opinion on Electronic Registration

Statements	SA	A	UD	D	SD
Electronic registration is a means of registeringnew taxpayers via the internet and which enables them to have access to all FIRS electronic services.	90 57%	53 33.5%	3 1.9%	3 1.9%	4 2.5%
With electronic registration, taxpayers can register for tax purposes at their convenience,from the comfort of their homes.	72 45.6%	60 38%	14 8.9%	8 5.1%	1 0.6%
Electronic registration encourages voluntary compliance of taxpayers to register for tax.	77 48.7%	61 48.7%	13 8.2%	2 1.3%	2 1.3%
More taxpayers are captured in the tax net with electronic registration than with manual registration	87 55.1%	49 31%	12 7.6%	3 1.9%	4 2.5%
Electronic registration has led to a remarkableimprovement in tax revenue as against the manual registration process.	81 51.3%	56 35.4%	13 8.2%	3 1.9%	2 1.3%

Table 2 gives a breakdown of percentage responses on the 5-point Likert scale for electronic registration. The percentage analysis of the responses shows that respondents favours apositive impact of electronic taxation on tax revenue.

able 3 Respondent's Opinion on Electronic Tax Payment

Statements	SA SD	A	UD	D
Electronic payment platforms such as Nigeria Inte7r5-Bank Settlement System (NIBSS), Remita, Interswitch or e-tranzact help to ease tax payment process.	47.5%	68 43.0%	8 5.1%	4 2.5%	1 0.6%

Electronic tax payment facilitates easy accessibility to FIRS tax payment platform and tax payers are able to pay taxes from different locations and at various time.	73	69	12	1	1
	46.2%	43.7%	7.6%	0.6%	0.6%
Electronic tax payment system has improved the collection of taxes to a great extent compared with manual tax collection methods	85	61	5	3	1
	53.8%	38.6%	3.2%	1.9%	0.6%

Table 3 is a breakdown of percentage responses on the 5-point Likert scale for electronic tax payment and its influence on tax revenue. The percentage analysis of the responses shows that majority of the respondents are of the opinion that electronic tax payment has improved tax revenue. Only about 1% disagree with this position while an average of about 5% are undecided.

Table 4 Respondent's Opinion on Companies Income Tax

Statements	SA	A	UD	D	SD
Companies Income Tax (CIT) is tax on the profits of incorporated entities in Nigeria. It also includes the tax on the profits of non-resident companies carrying on business in Nigeria.	83	57	8	4	2
	52.5%	36.1%	5.1%	2.5%	1.3%
There is considerable improvement in Companies Income Tax Revenue after the introduction of electronic taxation.	65	76	11	2	2
	41.1%	48.1%	7.0%	1.3%	1.3%

Table 4 is a breakdown of percentage responses on the 5-point Likert scale regarding companies income tax collection as result of electronic taxation. The percentage analysis of the responses shows that majority of the respondents are of the opinion that companies income tax has improved considerably with electronic taxation. Only about 2% disagree with this position while an average of about 6% are undecided.

Univariate Analysis of Variables

The univariate analysis of the data to see how each variable is distributed. This is a measure of the central tendency, dispersion and the distribution of the variables.

Statistics

Table 5

		ectronic_Registration	Electronic_Tax_Payment	ompany_Income_Tax
N	Valid	155	156	156
	Missing	3	2	2

Mean	4.3568	4.3921	4.3333
Median	4.4000	4.3333	4.5000
Std. Deviation	.61729	.56315	.63075
Variance	.381	.317	.398
Skewnes s	-1.958	-1.989	-1.809
Std. Error of Skewness	.195	.194	.194
Kurtosis	7.535	8.446	6.360
Std. Error of Kurtosis	.387	.386	.386

Electronic registration has a mean of 4.35, median of 4.4. A positive index of kurtosis indicates a peak curve and a negative skewness value indicates a negatively skewed distribution indicating non normality of the variable distribution Electronic tax payment has a mean of 4.39, median of 3.33. A positive kurtosis index of 8.44 and negative skewness value indicates a negatively skewed distribution indicating non normality of thevariable distribution. Company income tax has a mean of 4.33, median of 4.5 which are different from each other, this isan indication that this variable is not normally distributed. A positive index of kurtosis 6.36 and a negative skewness value -1.809 indicate non normal distribution.

Bivariate Analysis

Bivariate analysis was carried out to determine whether there is a statistically significant relationship between the variables after completing the univariate analysis. Spearman Correlation coefficient and linear regression technique were used to test the hypotheses using the Statistical Package for Social Sciences (SPSS) software version 25 for Windows. Thus, this section of the study is concerned with the testing of the formulated hypotheses.

Table 6 Range of Relationship and Descriptive Level of Association of Relationship

Range of r values	Descriptive level of association of r
±0.80 – 1.00	Very strong
±0.60 – 0.79	Strong
±0.40 – 0.59	Moderate
±0.20 – 0.39	Weak
±0.00 – 0.19	Very weak

Decision Rule

If the significant/Probability Value (PV) <0.05 (level of Significance) = reject the null and conclude aSignificant Relationship. If the Significant Probability value (PV) > 0.05 (level of Significance) = Accept the null and Conclude an Insignificant Relationship.

Test of Hypotheses

Below are the results of the hypotheses tested:

H01: Electronic tax registration does not have any significant relationship with Companies Income Tax revenue in Nigeria.

Table 7

Correlations

			Company_Income_Tax	Electronic_Registration
Spearman's rho	Company_Income_Tax	Correlation Coefficient	1.000	.392**
		Sig. (2-tailed)	.	.000
		N	156	155
	Electronic_Registration	Correlation Coefficient	.392**	1.000
		Sig. (2-tailed)	.000	.
		N	155	155

**. Correlation is significant at the 0.000 level (2-tailed).

Correlation Coefficient indicate Company_Income_Tax: 1.000 (always 1 for the correlation of a variable with itself). Electronic_Registration: 0.392. This suggests a weak positive correlation between company income tax and electronic registration. Sig. (2-tailed): This is the significance level, indicating the probability of observing this correlation by random chance. A value lower than 0.05 is generally considered statistically significant. Company_Income_Tax: Not shown, but assumed to be 1.000 (redundant with self-correlation). Electronic_Registration: 0.000. This very low significance level suggests the observed correlation is statistically significant, meaning it's unlikely due to chance. The analysis shows a statistically significant, but weak, positive correlation between company income tax and electronic registration. In other words, companies with higher income taxes tend to be more likely to be electronically registered, but the association is not very strong.

HO2: Electronic tax registration does not have any significant relationship with companiesIncome Tax revenue in Nigeria.

Table 8

Correlations

			Company_Income_Tax	Electronic_Tax_Payment
Spearman's rho	Company_Income_Tax	Correlation Coefficient	1.000	.594**
		Sig. (2-tailed)	.	.000
		N	156	156
	Electronic_Tax_Payment	Correlation Coefficient	.594**	1.000
		Sig. (2-tailed)	.000	.
		N	156	156

**. Correlation is significant at the 0.000 level (2-tailed).

Spearman's rho: This is the correlation coefficient, a measure of the statistical association between two ranked variables. It ranges from -1 (perfect negative correlation) to +1 (perfect positive correlation), with 0 indicating no correlation. Correlation Coefficient indicate Company_Income_Tax: 1.000 (always 1 for the correlation of a variable with itself). Electronic_Tax_Payment: 0.594. This suggests a moderate positive correlation between company income tax and electronic tax payment. Sig. (2-tailed): This is the significance level, indicating the probability of observing this correlation by random chance. A value lower than 0.05 is generally considered statistically significant. Company_Income_Tax: Not shown, but assumed to be 1.000 (redundant with self-correlation). Electronic_Tax_Payment: 0.000. This very low significance level suggests the observed correlation is statistically significant, meaning it's unlikely due to chance. The analysis shows a statistically significant and moderate positive correlation between company income tax and electronic tax payment. In other words, companies with higher income taxes tend to be more likely to use electronic tax payment methods.

4.1 DISCUSSION OF FINDINGS

Table 8 indicate weak Correlation between Income Tax and Electronic Registration (0.392) this data suggests this company is slightly more likely to be electronically registered compared to a company with a lower tax burden. However, the correlation is weak (0.392). This means other factors besides income tax play a significant role in determining whether a company is electronically registered. Policy makers should conduct research to identify factors influencing electronic registration, provide training programs, simplify the e-registration process, explore alternative registration methods, launch public awareness campaigns, and offer short-term incentives to encourage broader adoption of electronic registration.

Table 9 indicate a moderate Correlation between Income Tax and Electronic Tax Payment (0.594): The data reveals a moderate correlation (0.594). This means companies with higher income tax

are more likely to use electronic payment methods compared to those with lower tax bills. The Difference may be cause by Company Size, Larger companies with higher tax liabilities might have more resources to invest in electronic registration and payment systems or Efficiency for Large Amounts, Electronic payment could be more efficient for companies dealing with significant tax payments compared to traditional methods. Focus on Electronic Tax Payment: The stronger correlation with electronic tax payment suggests a strategic shift.

5.0 CONCLUSION AND RECOMMENDATIONS

This work empirically measured the relationship between electronic taxation and tax revenues in Nigeria within the confines of electronic registration and electronic tax payment as measures of electronic taxation and company income tax. Based on the results from the test of the hypotheses, it is concluded that there is a significant and moderate positive relationship between electronic registration andcompanies' income tax revenue in Nigeria, and there is a significant and strong positive linear relationship between electronic tax payment and company income tax revenue in Nigeria.

Based on the conclusions enumerated above, the researcher hereby recommends as follows:

1. FIRS to engage in a more aggressive awareness campaign on the electronic tax system until a good percentage of tax payers become aware of the existence and availability of the online solutions.
2. Proper training and educational programs on the electronic tax services and their operationalization should be carried out by the FIRS on a consistent basis both to taxpayers and staff of the service.
3. In addition, the FIRS should adopt strategies which will assist to minimize cost of compliance in the usage of the electronic solution by taxpayers as well as increase the ease of use of the electronic tax system.
4. The Electronic tax system introduced should have a mechanism for feedback from users to give room for improvements and subsequent upgrades.
5. Also, being proactive in reaching non-digitally engaged taxpayers through constant educational programs and enlightenment on the benefits of digitalized tax services as well as introducing specialized programs to assist taxpayers living with disabilities is also recommended (Abimbola, 2021).

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