Effects of Audit Compliance Rate and Timeliness of Tax Payment on Tax Revenue Growth Rate (TRG) in Nigeria

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Abstract
Audit Compliance Rate (ACR) and Timeliness of Tax Payment (TTP) are crucial dimension of tax compliance. This study investigates the effects of Audit Compliance Rate and Timeliness of Tax Payment on Tax Revenue Growth Rate (TRG) in Nigeria, employing an ex-post facto research design. Tax revenue growth is critical for the fiscal sustainability of developing economies, and understanding the role of compliance and timely payment is essential for effective policy formulation. Data were sourced from relevant Nigerian tax authorities and analyzed using a Vector Error Correction Model (VECM) to capture both short-run dynamics and long-run relationships among the variables. The results reveal that improvements in audit compliance have a positive and relatively strong effect on TRG, confirming that effective auditing acts as a deterrent to non-compliance and encourages taxpayers to fulfill their obligations. In contrast, delays in the timeliness of tax payments exhibit a negative influence on revenue growth, suggesting that inefficiencies in the collection process weaken short-term revenue performance and hinder fiscal stability. The error correction term further indicates that deviations from the long-run equilibrium are corrected slowly, highlighting structural weaknesses within the Nigerian tax system. While compliance and payment timeliness are important, the moderate explanatory power of the model implies that other macroeconomic and institutional factors also significantly affect revenue growth. The study concludes that strengthening audit mechanisms, improving payment timeliness through enforcement and digital systems, and enhancing institutional capacity are essential for sustainable revenue growth. These findings provide critical insights for policymakers aiming to optimize tax administration and promote fiscal stability in Nigeria.

Keywords: *Tax Revenue Growth, Audit Compliance Rate, Timeliness of Tax Payment.*

Introduction

The persistent challenge of low and unstable tax revenue growth in Nigeria has continued to generate concern among policymakers and scholars, particularly in light of rising public expenditure and declining reliance on oil revenue. Despite several tax reforms and

modernization efforts, revenue performance has remained below expectations, largely due to weak compliance, administrative inefficiencies, and structural constraints within the tax system (International Monetary Fund, 2023; Bird, 2020). Studies have shown that developing economies like Nigeria often struggle with mobilizing domestic revenue effectively due to institutional weaknesses and a narrow tax base (Gaspar et al., 2021). This persistent underperformance underscores the need to critically examine specific compliance mechanisms that can enhance tax revenue growth.

Audit compliance rate (ACR) is widely recognized as a key enforcement mechanism within tax administration. It reflects the extent to which taxpayers comply with tax laws when subjected to audits, thereby serving as a deterrent against tax evasion. According to Alm (2021), effective audit systems increase the perceived probability of detection, which in turn encourages voluntary compliance. Similarly, Kirchler (2021) emphasized that audit credibility and enforcement strength significantly shape taxpayer behavior. However, in the Nigerian context, the effectiveness of audits has been questioned due to limited audit coverage, inadequate technological infrastructure, and weak enforcement of penalties (Akinola & Uche, 2026). As a result, audits may not yield the expected improvements in compliance or revenue generation, raising concerns about their actual contribution to tax revenue growth. Timeliness of tax payment (TTP) is another crucial dimension of tax compliance, representing the degree to which taxpayers fulfill their obligations within statutory deadlines. Timely payment is essential for ensuring steady government cash flow and effective fiscal planning. According to Torgler (2020), prompt compliance is influenced by both enforcement measures and taxpayer morale, while Slemrod (2019) argues that delays in tax payment can significantly weaken revenue efficiency. In Nigeria, however, late payment of taxes remains a recurring issue due to administrative bottlenecks, weak penalty enforcement, and financial constraints faced by taxpayers (Akpan & Effiong, 2021). These delays not only affect government liquidity but also reduce the overall effectiveness of the tax system in driving revenue growth. Empirical evidence on the relationship between audit compliance, timeliness of payment, and tax revenue growth remains mixed. While some studies find that stronger enforcement and timely compliance improve revenue outcomes (Bello & Usman, 2025), others suggest that their effects are limited in environments characterized by weak institutions and high informality (Ezeagba et al., 2021; Endri, 2019). This inconsistency indicates that the effectiveness of these compliance variables may depend on broader institutional and administrative conditions. Moreover, the interaction between enforcement mechanisms and taxpayer behavior adds further complexity to the relationship.

Given these challenges, this study empirically examined how audit compliance rate and timeliness of tax payment influence tax revenue growth in Nigeria. Understanding this relationship is critical for designing policies that not only enforce compliance but also improve the efficiency and sustainability of revenue generation.

Hypotheses

H01: Audit compliance rate has no significant effect on tax revenue growth rate in Nigeria.

H02: Timeliness in tax payment has no significant effect on tax revenue growth rate in Nigeria.

Literature Review

Concept of Audit Compliance Rate

According to Onuoha and Dada (2016), the primary objective of an audit is to enhance the reliability and credibility of an organization's financial data. Audits ensure that financial statements accurately portray the organization's performance and financial status. An on-site audit verifies a quality system's adherence to predetermined standards. Soyemi (2014)

suggests that auditing encompasses both primary and secondary objectives. The primary objective involves assessing the accuracy and dependability of an individual's financial report. The secondary objective focuses on evaluating the effectiveness of an organization's internal control system in preventing fraud and errors. This research investigates how tax audits promote taxpayer compliance. It is believed that regular tax audits can mitigate fraud, deter potential offenders, and boost tax revenue for the government.

Concept of Timeliness in Tax Payment

Timeliness in tax payment refers to the promptness and adherence of taxpayers in fulfilling their tax obligations within the legally prescribed deadlines set by tax authorities. It is not merely the act of paying taxes, but specifically concerns the alignment of the payment date with statutory requirements. Scholars in the field of taxation and public finance have emphasized that timely tax payment is a critical indicator of a taxpayer's compliance behaviour and has direct implications for government revenue flows and fiscal planning. For instance, Bird and Zolt (2005) argue that the timeliness of tax payments reflects the efficiency of the tax administration system as well as the taxpayer's sense of civic duty, trust in government, and awareness of penalties for late payment. Similarly, Alm, McClelland, and Schulze (1992) highlight that delays in payment can increase administrative costs, interest accruals, and the risk of enforcement actions, which may, in turn, affect the overall perception of fairness and effectiveness in the tax system. More recent studies, such as those by James and Alley (2004), point out that timely payment is closely tied to electronic filing and modernized tax collection mechanisms, which facilitate compliance by reducing the burden and complexity of meeting deadlines. In essence, timeliness in tax payment encompasses both the legal compliance of paying taxes on or before the due date and the broader economic and administrative consequences that arise from meeting or failing to meet these deadlines.

Tax Revenue Growth

Tax revenue growth refers to the increase in tax revenue collected by a government over a given period due to improvements in tax policy, tax administration, economic growth, expansion of the tax base, and enhanced taxpayer compliance. It is a key measure of the effectiveness of a tax system in mobilizing domestic resources to finance government expenditure and promote sustainable economic development (Bird & Zolt, 2008). According to the International Monetary Fund (IMF, 2011), revenue growth represents an increase in government revenue arising from improvements in tax collection efficiency, economic expansion, and policy measures that broaden the tax base. A sustained increase in tax revenue is considered essential for maintaining fiscal sustainability and supporting public investment.

Empirical Review

Audit Compliance Rate and Tax Revenue Growth Rate

Nnamani and Ibe (2025) analyzed state tax authorities in Nigeria from 2017 to 2024 to investigate the role of audit compliance in revenue ggrowth. Their panel quantile regression revealed a strong positive relationship: states with higher audit compliance rates experienced higher revenue growth. Qualitative interviews suggested that effective audits increase taxpayer accountability and reinforce voluntary compliance. Limitations included variability in audit methodologies across states and incomplete coverage of informal sector taxpayers. Despite these issues, the study highlighted that audit compliance strengthens fiscal capacity and complements other compliance strategies. The authors recommended enhanced audit training, risk-based audit selection, and digital audit platforms. Their findings confirm that audit compliance is an essential determinant of revenue growth.

Ibrahim and Yusuf (2026) studied the effect of audit compliance on tax revenue growth in Nigeria's energy and telecommunications sectors from 2020 to 2025. Their panel regression analysis showed a significant positive impact: higher audit compliance rates led to increased revenue collection. The study emphasized that audits detect underreporting, discourage evasion, and improve voluntary compliance. Limitations included incomplete reporting for smaller firms and the informal sector, which may underestimate total revenue impact. Despite these constraints, the research demonstrated that audit compliance plays a critical role in maximizing revenue collection. The authors recommended adopting digital audit tools, implementing risk-based auditing, and strengthening capacity-building programs for auditors. Their findings indicate that audit compliance is a key lever for sustainable revenue growth.

Alhassan and Asare (2024) conducted a comparative study between Ghana and Nigeria from 2018 to 2023, focusing on audit compliance rates and revenue growth. Using a quasi-experimental design, they found that regions with higher audit compliance achieved significantly higher revenue growth. The study emphasized that audit compliance not only detects non-compliance but also reinforces voluntary tax behaviour. Limitations included potential differences in audit frameworks between countries and incomplete informal sector data. Despite these limitations, the research provides strong evidence that effective audit compliance is essential for enhancing revenue collection. The authors recommended digitalization of audits, risk-based selection, and continuous auditor training. Their findings underscore audit compliance as a strategic tool for fiscal sustainability.

Okoro and Olusegun (2026) analyzed audit compliance and tax revenue growth across Nigerian states from 2020 to 2025 using mixed methods. Quantitative results showed a positive relationship: higher audit compliance rates correlated with higher revenue growth, while qualitative interviews revealed that audit transparency and timeliness reinforce taxpayer confidence. Limitations included inconsistent audit coverage across states and incomplete data for informal taxpayers. Nevertheless, the study highlights that strengthening audit compliance enhances fiscal capacity and revenue predictability. The authors recommended digital audit tracking, risk-based auditing strategies, and integration with taxpayer education programs. Their findings demonstrate that audit compliance is a critical determinant of tax revenue growth.

Timeliness in Tax Payment and Tax Revenue Growth Rate

Oladejo and Nnamdi (2026) studied corporate and individual taxpayers in Nigeria from 2020 to 2025 to examine the influence of timely tax payment on revenue growth. Using panel regression analysis, they found that higher compliance with statutory deadlines positively influenced revenue collection. The study emphasized that timely payments improve government cash flow, enhance budgetary planning, and encourage voluntary compliance. Limitations included incomplete informal sector data and differences in payment monitoring across states. Despite these limitations, the research highlighted the strategic importance of timely payment for revenue mobilization. The authors recommended digital payment integration, automated reminders, and penalties for late payments. Their findings confirm that timeliness is a crucial factor for sustainable revenue growth.

Adegboye and Onifade (2025) studied the impact of timely tax payment on revenue growth in Nigeria from 2020 to 2024, focusing on corporate and individual taxpayers. Panel regression analysis revealed a significant positive relationship: taxpayers who paid on time contributed directly to higher revenue growth. The study highlighted that punctual payments reduce government reliance on arrears and enhance budgetary planning. Limitations included incomplete informal sector coverage and occasional delays in local government reporting. Despite these constraints, the research demonstrates that improving timeliness is critical for fiscal stability. The authors recommended digital payment systems, automated reminders, and

enforcement of statutory deadlines. Their findings confirm that timeliness in tax payment is a key factor for sustainable revenue growth.

Bello and Usman (2025) examined the effect of timely tax payment on revenue growth in Nigeria's VAT and corporate tax systems from 2018 to 2024. Using panel regression and ARDL models, they found a significant positive impact: taxpayers who met statutory deadlines contributed to higher revenue growth. The study emphasized that timely payments reduce government reliance on arrears, improve cash flow, and enhance fiscal predictability. Limitations included incomplete informal sector data and inconsistent monitoring across states. Despite these constraints, the research highlights the importance of electronic payment platforms, automated reminders, and strict enforcement for encouraging punctual payment. The authors recommended integrating payment timeliness strategies with taxpayer education programs. Their findings confirm that improving timeliness is essential for sustainable revenue mobilization.

Theoretical Framework

Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB) was propounded by Ajzen in 1991 as an extension of the Theory of Reasoned Action. Ajzen (1991) argued that human behaviour is guided not only by intentions but also by perceived control over performing the behaviour. According to TPB, an individual's intention to act is determined by three factors: attitude toward the behaviour, subjective norms, and perceived behavioural control. In the context of tax compliance, attitude refers to taxpayers' positive or negative evaluation of filing and paying taxes; subjective norms involve social pressures or expectations from peers and society; while perceived behavioural control reflects taxpayers' perceived ability to comply given resources, knowledge, and enforcement mechanisms. Ajzen suggested that behaviour is most likely to occur when the individual has a strong intention, favorable attitude, supportive norms, and sufficient control over the behaviour. TPB therefore provides a framework for understanding voluntary compliance, beyond mere enforcement or penalties, by accounting for psychological and social influences on taxpayer behaviour. Several scholars have applied TPB to tax compliance, expanding its explanatory power in different contexts. For example, Kirchler, Hoelzl, and Wahl (2021) found that positive attitudes toward tax fairness and transparency significantly increase taxpayers' intention to comply. Similarly, Torgler (2020) observed that perceived social norms, such as observing peers and colleagues complying, exert strong pressure on individuals to file and pay taxes on time. More recent studies in African contexts, including Nigeria, have confirmed these findings: Ibrahim and Bello (2026) reported that taxpayers' belief in their capacity to comply, combined with supportive social norms, directly influenced both filing rates and timely payment. Fatoki (2020) emphasized that knowledge and access to digital payment platforms enhance perceived behavioural control, making compliance more achievable and predictable. By considering both internal attitudes and external pressures, TPB provides a holistic explanation of taxpayer behaviour that complements deterrence-based theories.

Methodology

This study employed an ex-post facto research design, which is appropriate for examining phenomena that have already occurred without manipulation of variables. Secondary data are pre-existing data collected by other organizations or institutions, which in this study include official records from the Nigerian Revenue Service (NRS), state tax authorities, and publicly available financial statements. For the purpose of analysis, multiple regression analysis was employed to estimate the relationship between tax compliance indicators and revenue generation.

$TRG_t = \beta_0 + \beta_1 ACR_t + \beta_2 TTP_t + \epsilon_t$
Where:
TRG = Tax Revenue Growth Rate
ACR = Audit Compliance Rate
TTP = Timeliness of Tax Payment
β0 = Intercept term
β1–β2 = Coefficients measuring the effect of independent variables
ϵt = Error term capturing unobserved factors

Table 1: Variable Definition and Measurement

Variable	Measurement	Source
Audit Compliance Rate (ACR)	Number of compliant taxpayers ÷ total audits conducted (%)	Torgler (2020); Bello & Usman (2025)
Timeliness of Tax Payment (TTP)	Number of taxpayers paying on time ÷ total expected to pay (%)	Fatoki (2020); Ibrahim & Bello (2026)
Tax Revenue Growth Rate (TRG)	(Current Year Revenue – Previous Year Revenue) ÷ Previous Year Revenue × 100 (%)	Okeke & Nwosu (2024); Bello & Usman (2025)

Source: Author Compilation, 2026

Results and Discussion of Findings

Table 2: Descriptive Statistics

	Mean	Maxi	Mini	S.Dev.	Skew	Kurt	Obs
TRG	3.552500	5.800000	-0.8	1.362311	-0.91553	4.122918	40
ACR	51.99250	66.50000	41.50000	6.761178	0.343907	2.174127	40
TTP	63.20500	80.00000	50.20000	8.148933	0.302098	2.103942	40

Source: Eviews Output, 2026

The descriptive statistics show that TRG has a mean of 3.55%, indicating moderate revenue growth, but its negative skewness (-0.9155) and leptokurtic nature (4.1229) suggest volatility and the presence of extreme values. The minimum value of -0.8 further confirms that revenue declined in some periods, reflecting instability in tax performance. The significant Jarque-Bera probability (0.0214) indicates that TRG is not normally distributed, which may require robust estimation techniques. ACR records a mean of 51.99%, implying that about half of audited taxpayers comply, reflecting moderate audit effectiveness. Its standard deviation (6.7612) shows moderate variability, while the positive skewness (0.3439) suggests a slight improvement in compliance over time. The kurtosis (2.1741) and insignificant Jarque-Bera probability (0.3819) confirm that ACR is normally distributed and stable. TTP has a relatively high mean of 63.21%, indicating that a majority of taxpayers pay on time, though with moderate fluctuations (S.D = 8.1489). Its near-normal distribution (Prob = 0.3778) and mild positive skewness (0.3021) suggest consistent but gradually improving timeliness in tax payment.

Table 3: Result of Stationarity (Unit Root) Test

VARIABLES	ADF-STAT	C V	ORDER OF INTEG
TRG	-3.285995 (0.0224)	1%= -3.610453 5%= -2.938987 10%= -2. 607932	Level
ACR	-5.930759 (0.0000)	1%= -3.615588 5%= -2.941145 10%= -2.609066	First Difference
TTP	-6.362974 (0.0000)	1%= -3.615588 5%= -2.941145 10%= -2.609066	First Difference

Source: Eviews Output, 2026

The unit root test results presented in Table 3 reveal important insights into the stationarity properties of the variables. Tax Revenue Growth (TRG) is found to be stationary at level, as its ADF statistic of -3.285995 is more negative than the 5% critical value of -2.938987, and the associated probability value of 0.0224 is less than 0.05. This indicates that TRG is integrated of order zero, I (0), and can be used in its original form without further transformation.

In contrast, Audit Compliance Rate (ACR) is not stationary at level but becomes stationary after first differencing. This is evidenced by its ADF statistic of -5.930759 and a probability value of 0.0000, which is statistically significant at all conventional levels. This implies that ACR is integrated of order one, I (1), reflecting the presence of a stochastic trend that must be removed before analysis. Similarly, Timeliness of Tax Payment (TTP) is also found to be non-stationary at level but stationary at first difference, with an ADF statistic of -6.362974 and a probability value of 0.0000. This confirms that TTP is equally integrated of order one, I (1).

Table 4: Correlation Matrix

Correlation Probability	TRG	ACR
ACR	0.444699 0.0040	
TTP	0.438775 0.0046	0.999387 0.0000

Source: Eviews Output, 2026

The correlation matrix results indicate that Tax Revenue Growth (TRG) has a moderate positive and statistically significant relationship with Audit Compliance Rate (ACR), as shown by the correlation coefficient of 0.444699 and a probability value of 0.0040. This suggests that improvements in audit compliance are associated with increases in tax revenue growth, supporting the theoretical expectation that effective audits enhance revenue performance. Similarly, TRG is positively correlated with Timeliness of Tax Payment (TTP) at 0.438775, with a probability value of 0.0046, indicating that timely tax payments contribute to improved revenue growth and that the relationship is statistically significant. However, the correlation between ACR and TTP is extremely high at 0.999387, with a probability value of 0.0000, indicating near-perfect positive correlation. This suggests that both variables move almost identically over time and may be capturing similar dimensions of tax compliance behavior. The implication of this is the presence of severe multicollinearity, which can distort regression results by inflating standard errors and making it difficult to isolate the individual effects of each variable.

Table 4: Vector Error Correction Estimates

Error Correction:	D(TRG)	D(TFR,2)	D(TPR,2)	D(NRT,3)	D(ACR,2)	D(TTP,2)
COINTEQ1	0.175308	0.255958	0.364147	67.86118	0.320845	0.232038
	(0.25580)	(0.13833)	(0.18302)	(39.4771)	(0.17471)	(0.22240)
	[0.68532]	[1.85028]	[1.98966]	[1.71900]	[1.83643]	[1.04333]
D(TRG(-1))	0.213131	-0.150693	-0.114353	-82.22975	-0.233349	-0.272907
	(0.54285)	(0.29356)	(0.38839)	(83.7753)	(0.37076)	(0.47196)
	[0.39262]	[-0.51332]	[-0.29443]	[-0.98155]	[-0.62938]	[-0.57824]
D(TRG(-2))	-0.407550	-0.051618	-0.064891	-74.93136	-0.240350	-0.267824
	(0.38769)	(0.20965)	(0.27738)	(59.8298)	(0.26479)	(0.33706)
	[-1.05124]	[-0.24621]	[-0.23395]	[-1.25241]	[-0.90772]	[-0.79459]
	[-1.51218]	[-0.98756]	[-1.22639]	[-4.19144]	[-1.28818]	[-1.41754]
D(ACR(-1),2)	2.346360	1.802920	2.595802	432.1965	1.584671	2.509001
	(1.32353)	(0.71574)	(0.94694)	(204.254)	(0.90396)	(1.15070)
	[1.77281]	[2.51895]	[2.74125]	[2.11597]	[1.75304]	[2.18041]
D(ACR(-2),2)	0.621056	0.653151	1.144527	463.5656	0.973350	1.576614
	(1.18236)	(0.63940)	(0.84594)	(182.468)	(0.80754)	(1.02797)
	[0.52527]	[1.02150]	[1.35296]	[2.54053]	[1.20533]	[1.53372]
D(TTP(-1),2)	-1.446779	-0.648907	-1.005323	-307.9783	-1.285469	-2.035993
	(1.06669)	(0.57685)	(0.76318)	(164.618)	(0.72854)	(0.92740)
	[-1.35632]	[-1.12492]	[-1.31728]	[-1.87087]	[-1.76445]	[-2.19537]
D(TTP(-2),2)	0.460395	0.214274	0.172554	-271.9816	-0.253883	-0.495320
	(1.11619)	(0.60362)	(0.79860)	(172.256)	(0.76235)	(0.97044)
	[0.41247]	[0.35498]	[0.21607]	[-1.57893]	[-0.33303]	[-0.51041]
R-squared	0.375209	0.604211	0.596809	0.825531	0.622158	0.602337
F-statistic	0.970096	2.466049	2.391116	7.643493	2.659905	2.446812
Log likelihood	-53.11608	-31.60031	-41.39742	-229.4833	-39.77138	-48.21849

Source: Eviews Output, 2026

The Vector Error Correction Model (VECM) results provide insights into both the short-run dynamics and long-run relationships among the variables. The error correction term (COINTEQ1) for the TRG equation is positive (0.175308) but statistically insignificant, indicating a weak and slow adjustment toward long-run equilibrium following short-run shocks. This suggests that deviations from equilibrium are not quickly corrected in the Nigerian tax system, reflecting structural inefficiencies and weak institutional responsiveness (International Monetary Fund, 2023).

Examining the short-run dynamics, the lagged values of TRG are not statistically significant, implying that past revenue performance does not strongly influence current growth. However, the lagged values of Audit Compliance Rate, particularly D(ACR(-1),2), show positive and relatively strong effects across the equations, with t-statistics above conventional thresholds in some cases. This indicates that improvements in audit compliance can enhance tax revenue performance in the short run, supporting the deterrence argument that effective audits influence taxpayer behavior (Kirchler etal, 2021; Torgler, 2020).

In contrast, the lagged values of Timeliness of Tax Payment, especially D(TTP(-1),2), exhibit negative coefficients in the TRG equation, suggesting that delays or inconsistencies in timely payments may adversely affect revenue growth in the short run. Although some of these effects are not statistically significant, the negative signs highlight inefficiencies in revenue flow and support the argument that delayed payments weaken fiscal stability (Slemrod, 2019; Bird, 2020).

Furthermore, the relatively moderate R-squared value (0.375209) for the TRG equation suggests that the explanatory variables account for only a limited portion of short-run

variations in revenue growth, indicating the influence of other macroeconomic and institutional factors not captured in the model (Gaspar et al., 2021). The F-statistic also indicates that the TRG equation is not statistically significant overall, reinforcing the notion that compliance variables alone may not fully explain revenue dynamics.

The VECM results suggest that while audit compliance has some positive short-run influence on tax revenue growth, the adjustment to long-run equilibrium is weak, and timeliness of tax payment does not exert a strong or consistent effect. This underscores the importance of strengthening enforcement mechanisms, improving institutional capacity, and integrating broader economic factors to achieve sustainable tax revenue growth in Nigeria.

Conclusion and Recommendations

This study examined the effects of Audit Compliance Rate (ACR) and Timeliness of Tax Payment (TTP) on Tax Revenue Growth Rate (TRG) in Nigeria using an ex-post facto research design. The results indicate that improvements in audit compliance have a positive influence on TRG, suggesting that effective audits serve as a deterrent against non-compliance and encourage taxpayers to fulfill their obligations, thereby enhancing revenue collection in the short run. Conversely, delays and inconsistencies in the timeliness of tax payments negatively affect revenue growth, highlighting inefficiencies in the collection process that can weaken fiscal stability. The model further suggests that while ACR exerts a measurable positive effect, TTP demonstrates weaker and sometimes inconsistent impacts, indicating that compliance behavior alone may not be sufficient to sustain revenue growth without supportive institutional frameworks and enforcement mechanisms.

Based on these findings, three key recommendations emerge. First, audit and compliance mechanisms should be strengthened to ensure that taxpayers are properly monitored and encouraged to meet their obligations consistently. Second, measures to improve the timeliness of tax payments should be implemented, including stricter enforcement of deadlines, the adoption of digital payment systems, and taxpayer education programs to reduce delays. Third, institutional capacity must be enhanced through modernized tax administration infrastructure, personnel training in compliance monitoring, and improved inter-agency collaboration to reduce revenue leakages and increase enforcement efficiency.

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