

Electronic-Tax System and Revenue Generation Efficiency in Bayelsa State Internal Revenue Board

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Abstract

The purpose of this study was to empirically evaluate the performance of the Bayelsa State Internal Revenue Board's electronic-tax system in terms of its impact on the organisation's ability to generate tax revenue. Descriptive survey methodology was used, with questionnaires serving as the primary data collector. One hundred twenty (120) respondents from the Bayelsa State Internal Revenue Service, Audit Firms, and other prominent registered organisations filled out the questionnaire. Using descriptive statistics to examine data collected during the field survey, we were able to determine that the Bayelsa State Internal Revenue Board's e-tax system has a number of issues and inadequacies, which may have constrained the effectiveness of the agency's revenue collection efforts. Given the study's findings, it was suggested, among other things, that the government should do all in its power to develop e-tax so that it may immediately begin reaping the benefits of taxpayers' high compliance rate. In order to enable government evaluation and correct the limitations and issues encountered, there should be enough monitoring and control over the tax collection system. Additionally, essential tax information should be provided. This is especially important with regard to online payment.

Keywords: *Electronic-Tax System, Revenue Generation Efficiency*

1 Introduction

Revenue earned for the provision of infrastructure is crucial to the economic, political, and social well-being of emerging countries like Nigeria. According to Azubike (2009), tax income is crucial to any economy. The Nigerian tax structure, however, is complex and oil money predominates. Income from the oil and gas subsector accounts for roughly 95% of export profits and 83% of federal government revenues, generating about 63% of Nigeria's GDP (Central Bank of Nigeria, 2017). (GDP). In this light, taxes, and undoubtedly a well-structured tax system are the most fruitful method of raising the vast funds necessary for providing the essential infrastructure in Nigeria.

The fundamental objective of the tax system in Nigeria is to "contribute to the welfare of all Nigerians," according to a report conducted in 2008 by the Presidential

Committee on National Tax Policy. Taxpayers' lack of stewardship, a convoluted tax payment system and tax offsetting, taxpayers' limited exposure to technology, tax evasion, corruption, government instability encouraging noncompliance with relevant tax laws, a limited information base, and a lack of transparency have all contributed to the difficulties that Nigeria's tax system has faced over the years (Ogoun & Atagboro, 2019; Atagboro, 2021; Atagboro & Ogiriki, 2022 & Atagboro & Ihenyen, 2022).

According to Eneojo and Gabriel (2014), the advancement of technology has revolutionised how business and other activities are conducted in Nigeria, making them less of a chore. The influence of technology may be observed in every sector of society, including the school, the entertainment industry, the job, the market, and the tax system. According to Oriakhi and Ahuru (2014), the development of the well-known e-tax system may be attributed to the application of IT to improve tax administration. E-tax (electronic taxation) is the use of IT to tax administration in the form of providing taxpayers with information, education, and support while also facilitating compliance and administration, all of which are important goals for any tax system. As of 2010, electronic tax filing and payment has been completely adopted in sixty-six countries, according to a World Bank report published in 2013. Twenty of them have switched on to using it in the past decade. Tax reform in Nigeria is a priority for the Federal Inland Revenue Service (FIRS) and state tax bodies. One option to improve compliance and address the problem of inaccurate tax data is to create an electronic tax system known as the integrated tax administration system (Che-Azmi & Kamarulzaman, 2014).

In Nigeria, electronic tax payment has recently become more central to policy discussion. According to Monica, Makokha, and Namusonge (2017), a tax assessment and collection system that accurately depicts online services is becoming increasingly important as public taxation evolves. The Nigerian government has a hard time collecting taxes, which causes a slit between the amount they could collect and the amount they essentially do collect, leading to inefficiency in tax revenue production.

Approximately N12 billion escapes into the wallets of people every year, according to the FIRS (2012). This is on top of concerns with the complexity of payment, the absence of easily accessible tax data, and the limited technical exposure of both taxpayers and tax authorities.

FIRS established an electronic tax system in 2013 to boost revenue collection and administration, offer taxpayer services 24/7, reduce compliance expenditures, and improve tax compliance. Despite FIRS's greatest efforts, tax compliance and revenues remain low. Nigeria and most states of the federation have low tax compliance and administration despite the need to support public services. (Atagboro, 2021). However, the already-weak tax system may be further stressed by the anticipated difficulties in implementing this scheme. Thus, this research aims to assess the efficacy of e-tax payment on revenue production for the Bayelsa State Internal Revenue Board.

The following research questions were posed because they were thought to be relevant to the study's purpose:

1. What are the weaknesses inherent in the traditional tax system in Bayelsa State Internal Revenue Board?

2. To what extent does e-tax payment system serve as a positive replacement for traditional tax system in Bayelsa State Internal Revenue Board?
3. What are the uncertainties and risks of adopting an e-tax system in Bayelsa State Internal Revenue Board?
4. What measures are aimed at overcoming the challenges of electronic tax system to promote increased returns in Bayelsa State Internal Revenue Board?

Unfortunately, the state of Bayelsa has to rely on federal appropriation for the majority of its infrastructure and ongoing development spending. The state's and the nation of Nigeria's economies would benefit from a tax collection increase. This research aims to shed light on how self-employed taxpayers may make the most of Nigeria's online tax system to boost tax compliance and income.

The pros and cons of using new technology and the benefits it brings to the government's bottom line, and taxpayers are potentially useful information for other state government institutions considering similar modernisation plans.

2. Review of Literature

2.1 Conceptual Framework

Taxation

One of the first forms of economic activity, taxation, has long been used to cover the price of supplying a population with basic infrastructure and services. Taxation is the process by which a levying authority, often the government, extracts monetary payments from its subjects using legal or extralegal coercion. When we talk about "taxation," we're referring to all forms of mandatory payments, whether they're for income, profits, or estates. McLure (2015) defines taxation as "a compulsory financial charge or other sorts of levy placed onto a taxpayer (an individual or other legal entity) by a governmental agency to support different public expenses.

Sustainable economic growth is impossible without taxation, and tax administration is fundamental to every functional state. Government accountability is enhanced through taxation as well. Governments have a more significant duty to the public to provide easy access to budget documents when spending taxpayer money. In spite of significant differences in form, taxes in many developing nations serves essentially the same purposes. However, it is far from apparent what the goals of the tax system are and how they are related. Because of this, tax administration is made more complex, and tax cheating is also enabled, with negative consequences for economic growth (Ogoun & Atagboro, 2020).

Tax Avoidance and Evasion

To put it simply, if tax avoidance is the legal possibility of avoiding tax and tax evasion is unlawful (i.e. penalised) efforts to decrease the tax burden, there is a vast grey area between the two in which proactive tax planning plays a big role.

The IMF has used unusually direct and negative language on the matter: We may divide the problems into two categories. One is (illegal) evasion by persons, which is addressed in the next section. The other is the legitimate (or cynics would say not unlawful) tax evasion of multinational corporations. For Organization for Economic

Cooperation and Development (OECD) (2010), tax evasion is "the practice of paying less tax to the government by hiding income or information from the government,".

E-Taxation

Taxes are assessed, collected, and administered electronically are known as "e-taxation." According to Che-Azmi and Kamarulzaman (2014), "e-taxation" is an example of how governments use ICTs to provide public services better and share administrative details with citizens. As an excellent illustration of this type of system, consider Nigeria's FIRS Electronic Taxation System. This system allows taxpayers to register for a taxpayer identification number (TIN), file tax returns, and apply for a compliance certificate online.

In 2015, the Nigerian government's Federal Inland Revenue Service (FIRS) and the Nigeria Interbank Settlement System (NIBSS) introduced electronic filing and payment of taxes (Okunowo, 2015). The Nigerian Tax Authority implemented the electronic tax system to streamline revenue collection and administration, provide taxpayer services 24/7/365 regardless of location, lessen the burden of complying with tax laws, and increase tax compliance. Paper-based tax reporting systems are being gradually phased out. These systems have various benefits over the conventional technique of filing tax documents on paper, including reduced filing time, cheaper costs, and more efficiency. To maximise revenue collection and encourage taxpayers to comply voluntarily, the Federal Inland Revenue Service has established a single ICT department to provide electronic system support services across the agency. According to Abdulrazaq (2015), taxpayers' online filing of tax returns, tax payment on the platform, processing and issuance of electronic tax clearance certificates, verification of taxpayer identification numbers, electronic correspondence with FIRS officials, and online imposition of late filing penalties and interests are all parts of FIRS's electronic tax filing and online tax payment.

E-Taxation and Revenue Generation Efficiency

E-taxation offers benefits and drawbacks. Tax authorities and taxpayers benefit. Electronic filing and payment assist the IRS and the public. E-taxation reduces operational costs and allows tax authorities to monitor tax evaders in their database. It's more convenient for taxpayers to file and pay their taxes online, from the comfort of their own homes, provided they have internet access. Taxpayers also benefit from receiving their returns more quickly. E-taxation protects taxpayer anonymity and enables numerous taxpayers from different areas to view the tax authority's website concurrently. Other advantages include ease of access, time savings, expediency, early mistake detection, and curtailed dishonest tax practises. Furthermore, it makes taxpayers' tax history available for the review of tax authorities and taxpayers and improves tax compliance among taxpayers

Some possible perceived challenges eminent in the Effective Utilisation of E-taxation could be pointed to the possibility of Tax Authorities Manipulating Information Posted on Tax Authorities Websites, Taxpayers' low computer literacy levels may affect compliance, and the astronomical cost of initiation could affect the start-up costs for e-taxation

2.2 Theoretical Framework

In light of the fact that theorists created taxation, the following serve as the study's theoretical foundations:

Khaldrun Theory on Taxation.

Both the arithmetic effect and the economic implications of the tax rates on revenues were used to justify this hypothesis. If the rates are raised or lowered, revenue changes are diametrically opposed. The mathematical impact predicts that tax collections will decrease by the same amount as interest rates are lowered. The opposite is true, though, when tax rates are raised.

The tax rate base is utilised here to incentivise more of these activities. In contrast, a hike in the tax rate would have the reverse economic impact by discouraging people from engaging in the taxed activities. According to economic theory, lower tax rates positively impact work, output, and employment. A negative economic effect outweighs the positive mathematical benefit at very high tax rates, leading to a fall in tax revenue (Islahi, 2006).

2.3 Empirical Review

Monica, Makokha, and Namusonge (2017) researched to determine the extent to which taxpayers' familiarity with using computerised tax systems affects revenue collection efficiency. Questionnaires were the primary data gathering method, with 130 individuals (both KRA workers and taxpayers) filling them out. In order to analyse the data, both descriptive and inferential statistics were used. According to the results, most taxpayers agree that they have full access to and control over the iTax system. It was shown that worker proficiency (X3) significantly predicted tax collection effectiveness (Y) ($t=-2.243$, $P=.154>5\%$). A negligible amount of taxpayers go online to seek advice on tax difficulties. KRA management and other workers in other departments were only partially supportive of the iTax system, and handling taxpayer concerns was inadequate.

Owino, Otieno, and Odoyo (2017) used a correlational research design to examine the impact of implementing an ICT system for single business permits on revenue collection, as well as the impact of implementing an ICT system for land rates on revenue collection, for property rates on revenue collection, and for a bus park on revenue collection in the county. A stratified random sampling method was employed to choose 86 of the 848 tax clerks and 16 revenue officials who qualified to take part in the survey. Surveys gathered the main data, and then evaluated with descriptive statistics including frequencies, averages, and regression. There was an almost perfect correlation between the adoption of ICT applications and revenue collection, with ICT applications accounting for as much as 91.9% of the variance in revenue collection efficiency amongst County Governments. Furthermore, the statistics demonstrated that using these measures improved the effectiveness of tax collection by county governments.

Custom and Excise Duties, VAT, PPT, and Corporate Income Tax are only few of the many types of taxes that Oriakhi and Ahuru (2014) analysed in connection to federally collected revenue (CIT). From 1981 to 2011, secondary information was gathered for the different tax inputs. Advanced econometric methods, including regression, co-integration, error correction modelling, and pairwise granger causality tests were used in this investigation. In this study, "Federally collected Revenue" served as the dependent variable, while "Income Taxes" served as the independent variable. The research found a favourable correlation between income taxes and total government

revenue collected. In a Granger causation research, customs, excise, and the value-added tax were found to be significant cause of federal tax revenue.

Okoye and Ezejiolor (2014) investigated how electronic taxes affected earnings in the Nigerian city of Enugu. The research used both primary and secondary sources. Study results showed that e-taxation can potentially increase tax collection and decrease tax evasion in Enugu State. Additionally, it was determined that using E-taxation would help reduce the likelihood of tax authorities engaging in dishonest behavior. The fact that e-tax administration in Nigeria is still at a nascent stage and that some tax administrators and taxpayers are still uninformed of the online tax assessment/collection in Nigeria is relevant to the present inquiry. With Enugu being just one of Nigeria's 36 states, the study's results cannot be extrapolated to the country as a whole.

Using data from the annual reports and accounts of ten out of twenty-eight companies in the consumer goods subsector, Oyeyemi and Babatunde (2016) studied the impact of corporate tax planning on the profitability of Nigerian businesses. By using the Generalized Least Squares (GLS) approach, the authors found that corporate tax planning had a substantial and beneficial effect on Nigerian businesses' bottom lines.

In a 2014 paper, Enejo and Tyokoso analysed how increasing tax income affected development in a few different regions of Nigeria. With a questionnaire as the major instrument to data source, regression was utilised to assess the results. The research showed that tax income creation had a major role in Nigeria's GDP development.

The effect of tax income on Nigeria's GDP was studied by Dennis and Okoye (2014). Secondary data were employed to create an ex-post facto design, and regression was used to analyse the results. The research found that taxes had a crucial role in both the rise of government revenues and the expansion of the Nigerian economy. A similar study was also conducted by Enejo and Gabriel (2014). Their examination cut across Workers in the Federal Capital Territory of Abuja and Nigeria's four geopolitical zones (one state in each zone). The study findings reveal that, taxes have a major impact on Nigeria's GDP, taxation has a major impact on revenue creation, and tax circumvention and tax dodging have a major impact on revenue generation

Kawor and Kportorgbi (2014) analysed the correlation between tax strategy and the financial success of Ghanaian businesses. Twenty-two non-financial firms listed on the Ghana Stock Exchange between 2000 and 2012 were employed in longitudinal correlative research. These findings imply that low statutory corporate income tax rates do not affect company performance because they reduce the incentive for businesses to engage in tax planning strategies that are costly and time-consuming.

3. Methodology

Surveys were used for research. This technique is suited for the study since the researcher polled the whole population. This research must disseminate questionnaires to tax experts, accountants, government officials, and a company experienced with e-tax to obtain valuable data. The study's population included Bayelsa state tax experts, tax workers, and tax payers. The respondents received 150 copies of the questionnaires. Targeted respondents submitted 120 questionnaires. This research used non-probability sampling, known as quote sampling, to choose target population responses from diverse classifications. The questionnaire was organised in quotas to capture the respondent's profession and experience. The instrument has two sections. Part A of the instrument

gathered personal information, while Part B classified questions 1–5 as Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree.

Accounting and tax experts verified the questionnaire's validity. The readability and usefulness of the questionnaire questions were reviewed, and the input was included in the final survey. The total reliability index, determined using Cronbach's alpha, was 0.78, well within the desired range. Researchers contacted respondents and distributed surveys with the help of study assistants. Respondents had two days to complete the questionnaire. After two days, the researcher and her assistants collected the surveys. All data were analysed descriptively. The decision was based on data that only 2.5 or above averages will be considered; those below will be returned. The solution is the table's overall mean. The answer to the question will be found by taking the overall mean of the table totals.

4 Presentation and Analysis of Data and Results

The data collected for this investigation are presented, analysed, and interpreted here. Information is derived from the number of questionnaires returned by respondents who filled them out. The chi-square test is used to analyse the data, which is tabulated and displayed.

4.1 Bio Data of Respondents

Table 1: Occupation of Respondents

S/N	Occupation	Frequency	Percentages
1	Accountant	50.00	41.7
2	Tax Consultants	40.00	33.3
3	Others	30.00	25.0
Total		120.00	100.0

Source: *Survey Output, 2021*

Table 1 indicates the distribution of respondents' professions. Forty-one percent (41.7%) are accountants, 33.3% are tax consultants, and 25.0% are in other fields related to taxes (auditors, tax administrators, tax managers, etc.).

Table 2 Years of service/experience

s/n	Years of Experience	Frequency	Percentage
1	Below 5 years	34	28.3
2	6-10 years	48	40
3	11-20 years	26	21.7
4	21-30 years	8	6.1
5	31 and above	4	3.1
Total		120	100

Source: *Field Survey, 2021*

A breakdown of the respondents' years of experience is shown in Table 2. Just under a third (34), or 28.3 percent, of the total population of 120 respondents have less than five years' professional experience. Forty-eight people (or 40%) have between six and ten years of experience. Twenty-six people, or 21.7% of the total, have between 11 and 20 years of experience. Of the total population, 8 (6.7%) had work experience more than 21-30 years. Four people (3.3% of the population) are aged 31 and up.

4.2 Analysis of Research Questions

4.2.1 Analysis of Research Question: What are the weaknesses inherent in the traditional tax system in Bayelsa State Internal Revenue Board?

Table 2: Responses on the weaknesses inherent in traditional tax system

S/ N	Questionnaire items	SA 4	A 3	D 2	SD 1	Mean scale $\left(\frac{\sum x}{total\ sample}\right)$	Decision
1	Non-accountability for tax income is a defining feature of the tax administration system.	27 (108)	54 (162)	20 (40)	19 (19)	329/120 = 2.7	Accept
2	There is a very high percentage of tax avoidance and evasion, and a big contributor to this is the corruption and malpractice that are inherent to the current tax system.	39 (156)	43 (129)	28 (56)	11 (11)	3525/120 = 2.9	Accept
3	Taxpayers are discouraged from making payments since Nigeria's manual tax administration system cannot produce timely tax data.	9 (36)	35 (105)	54 (108)	22 (22)	271/120 = 2.3	Reject
4	Taxpayers are less likely to voluntarily pay due to the complexity of the tax system.	12 (48)	43 (129)	45 (90)	20 (20)	287/120= 2.4	Reject
5	Errors, omissions, and stupidity on the part of tax authorities are commonplace under the current system.	33 (132)	57 (171)	24 (48)	10 (10)	361/120 = 3.0	Accept

Source: Survey Output, 2021

It is evident from the responses that tax revenue is not being properly accounted for under the current tax administration structure (Table 3). Based on the statistics, we also acknowledge that the corruption and malpractice of the old tax system contributes significantly to the problem of tax circumvention and elusion, which is extremely high. We also agree with the responses that the current tax structure in the country leaves potential for avoidable errors, blunders, and ineptitude on the part of tax authorities. We disagree that the inability to easily access tax statistics is a major problem with Nigeria's manual tax administration system and a major disincentive for taxpayers to pay their fair share. There is a decrease in voluntary tax payment due to the tax system's complexity.

There was a free-form space on the questionnaire for respondents to provide their thoughts on the shortcomings of the current tax system; among the most often cited reasons for these shortcomings was a lack of information for Tax Payers in Nigeria. It is important to prevent double taxation in Nigeria by adhering to taxation rules and regulations. There is a lack of clarity on Taxation authorities on each level of government i.e. State, Federal, and Local Governments, which has resulted in a large financial load on Taxpayers and massive losses in Investments and Resources. Due to this, there are now competing interests at several governmental levels.

4.2.2 Research Question 2: To what extent does e-tax payment system serve as a positive replacement for traditional tax system in Bayelsa State Internal Revenue Board?

Table 4: Responses on the Replacement of traditional tax system

S/N	Questionnaire items	SA 4	A 3	D 2	SD 1	Mean scale $(\frac{\sum x}{total\ sample})$
1	There is no denying that tax evasion and avoidance are serious issues for the Nigerian economy, but the widespread use of e-tax has helped mitigate these issues to a large extent.	64 (256)	36 (108)	13 (26)	7 (7)	3.3
2	Because of its digital character, the E-tax system promotes transparency and credibility among taxpayers.	43 (172)	51 (153)	16 (32)	10 (10)	3.1
3	The primary motivation for the development of e-tax in Nigeria was the need to reduce the complexity and expense of tax administration.	54 (216)	66 (198)	0	0	3.5
4	With the use of e-tax, tax payments can be sent electronically to the appropriate government or tax agency accounts.	43 (173)	57 (171)	16 (32)	4 (4)	3.2
5	With e-tax, taxpayers and tax agencies have access to an up-to-date database with useful information.	52 (208)	34 (102)	20 (40)	14 (14)	3.0

Source: Field Survey 2021

According to the analysis of the responses from the respondents, Table 4 demonstrates how E-tax is a better replacement for the traditional tax system in Nigeria and how it has had a substantial effect on taxpayer compliance, thereby reducing the undeniable problem of tax circumvention and avoidance in the Nigerian economy. Further, the research suggests according to responses, the computerisation of the E-tax system guarantees transparency and encourages confidence in the tax system. For its part, we acknowledge that the E-ability tax's to facilitate the direct deposit of tax payments into government/tax authority accounts is a major factor in the system's success in replacing the old one. Finally, we agree that one benefit of switching to an electronic tax system is the availability of up-to-date statistics and a streamlined database for both taxpayers and tax authorities.

4.2.3 Research Question 3: What are the challenges and risks of adopting an e-tax system in Bayelsa State Internal Revenue Board?

Table 5: Responses on the Challenges of adopting e-tax system

S/N	Questionnaire items	SA 4	A 3	D 2	SD 1	Mean scale $(\frac{\sum x}{total\ sample})$
1	Nigerians' general unfamiliarity with technology is a major barrier to the widespread	43 (172)	51 (153)	18 (34)	8 (8)	3.1

	adoption of E-tax.					
2	Inadequate information and communication technology infrastructure prevents Nigeria from implementing its E-tax system.	54 (216)	42 (126)	18 (36)	6 (6)	3.2
3	Some taxpayers, especially those who actively participate in tax circumvention and elusion, have shown stubborn opposition to reform.	43 (172)	51 (153)	22 (44)	4 (4)	3.1
4	Cybercriminals and fraudsters can easily compromise the tax database.	52 (208)	34 (102)	20 (40)	14 (14)	3.0
5	To this day, the vast majority of Nigerians who are computer savvy are completely oblivious to the country's E-tax system.	21 (84)	43 (129)	47 (94)	9 (9)	2.6

Source: Survey Output 2021

Table 5 demonstrates that we accept all of the broad assertions made by the respondent. The respondents' views imply that the low level of technological literacy in Nigeria threatens the widespread implementation of electronic tax filing and collection. Second, taxpayers have shown great resistance to adapting, especially those who participate in tax avoidance and evasion. Nigeria lacks the ICT infrastructure to successfully implement the E-tax system.

4.2.4 Analysis of Research Question 4: What measures are aimed at overcoming the challenges of electronic tax system to promote increased returns in Bayelsa State Internal Revenue Board?

Table 6: Responses on the Measures on promoting e-tax system

S/ N	Questionnaire items	SA 4	A 3	D 2	SD 1	Mean scale $\left(\frac{\sum x}{total\ sample}\right)$
1	The FIRS should make a determined effort to educate taxpayers so that they have a thorough understanding of the E-tax system.	46 (184)	67 (201)	10 (20)	7 (7)	3.4
2	Taxpayers, including those with a limited educational background, should be able to utilise the system with minimal difficulty.	64 (256)	56 (168)	0	0	3.5
3	The system needs to be accessible 24/7, even in the most out-of-the-way parts of Nigeria.	46 (184)	67 (201)	10 (20)	7 (7)	3.4
4	To further assist taxpayers who may have technical difficulties when utilising the system, a live hotline and other real-time	87 (348)	33 (99)	0	0	3.7

	assistance options should be made available.					
5	Effective collection, electronic storage, and straightforward retrieval of taxpayer information are essential to the system's safety and efficacy.	71 (284)	33 (99)	15 (30)	1 (1)	3.5

Source: Survey Output, 2021

The data in Table 6 shows all of the broad statements tested to see if they addressed the study's question were found to be true, and all were accepted. Recommendations included simplifying the collecting, electronic storage, and retrieval of taxpayer information, making the system accessible 24/7, even in less-populated regions of Nigeria, and providing a hotline and other real-time assistance for taxpayers who face difficulty using the system.

5 Summary, Conclusion and Recommendations

The study aimed to shed light on the problems with Nigeria's current tax system and investigate the promising new field of E-tax as a way to modernise and enhance tax collection and administration in Bayelsa state. The subsequent conclusions were drawn from the data analysis:

One, the old tax structure used by the Bayelsa State Internal Revenue Board has flaws.

Bayelsa State Internal Revenue Board's use of an electronic tax payment system is an improvement over the previous collection method.

Third, that the Bayelsa State Internal Revenue Board faces difficulties and dangers in switching to an electronic tax system.

That the Bayelsa State Internal Revenue Board is taking steps to improve tax revenue by addressing the problems associated with the transition to an electronic tax system.

This research aims to evaluate how the FIRS's implementation of an electronic-tax system in Bayelsa state has affected its ability to generate tax revenue. The study found, among other things, that E-tax can improve tax administration, which is good for taxpayers and tax authorities. The traditional tax system, which is the formal way to handle taxes, and the possibility that new technologies could make some of these problems easier and less important, as well as the form of E-tax.

Even though Nigeria has implemented an E-tax system, the analysis indicated that there are still perceived issues with its implementation, which threaten to discredit and discourage this new endeavour. In the concluding portion of the article, the importance of E-tax to the tax system in Nigeria is shown. According to the results of this research, for the FIRS to maximise tax revenue collection, it must take proactive steps to increase the prevalence and ease of E-tax use across the country.

The following suggestions-cum-recommendations were made based on the study's findings:

- i. To immediately reap the benefits of a high compliance rate among taxpayers, the government should do all in its power to facilitate E-tax implementation.

- ii. Taxpayer privacy must be protected, and fraud must be reduced, particularly when it comes to online payments; hence the system must be protected.
- iii. As with smart systems, it is vital to implement appropriate monitoring and control measures, such as collecting pertinent information about users to evaluate usage and address issues faced and providing a data validation mechanism.
- iv. iv. Tax breaks for those who utilise E-tax should be made available to motivate taxpayers to switch to the new method and reward those who do the right thing by the law.
- v. v. The E-tax system should be examined frequently in order to adapt to new issues and keep up with the ever-shifting nature of the economy and the more complicated nature of doing business in the modern world.

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