

## **e-Tax Payment System and Revenue Generation in South-South Nigeria**

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### **ABSTRACT**

*The study investigated e-tax payment and revenue generation in south-south Nigeria. The study used the descriptive survey design. The population of the study consisted Board of Internal Revenue in the south-south states in Nigeria. A total of six states exist in south-south Nigeria. From which a sample of 165 were taken using the simple random sampling technique with percentage of 82.6%. Meanwhile the instrument of the study was the questionnaire which formed the medium of data collection from the respondents. The instruments were validated by experts of research in the Department of Accounting and were tested for reliability using Cronbach alpha test which showed a reliability of 0.72. and was considered reliable for the study. The data collected were analyzed using regressing analysis, the finding shows that there is positively significant effect of e-tax payment on revenue generation in south-south Nigeria; e-tax payment system positively significant effect controls on tax evasion and revenue generation in the south-south Nigeria and there is positively significant interrelationship between e-tax payment, administration and control on evasion and revenue generation in south-south Nigeria. Recommendations were made based on the findings among which that e-tax payment administration and tax evasion are very important subject when it comes to government revenue generation. There should be public enlightenment on tax laws should be reviewed to reflect some level of punishment should be melted out for tax evaders.*

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**Keywords:** *e-Tax Payment, Tax Administration, Tax Evasion and Revenue Generation*

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## 1.0 Introduction

The tax system in Nigeria has been evolving and the rate at which the tax personnel are handling tax activities with the fast growing technological explosion in e- collection system has been slow. This could be due to attendant issues underlining the technological knowledge, experience and the ability to accept innovations. Oloyede (2019) stated that there has been yearning for restructuring the country's tax system and that Nigerian monolithic and unequivocal irreversible dependency on the sector appear to be a wound that has refused to be healed.

Prehistorically, tax system has remained and continues to be the best way of getting revenue for a nation . Nisar (2013) has shown that the activity of collecting tax is not an easy exercise. The analog and unregulated ways of collecting tax could not have yielded much, hence in developing newer ways one would consider the advantages technology offers. On the other hand, Nisar (2013) argued that recent trends in public taxation stress the need of developing a system of tax assessment and collection that involves internet services. There are many factors that explain potential benefits that taxation offer if fully and wholly collected without human interferences. The benefits that e-tax payment and collection system offers cannot be overemphasized

There are some challenges according to Muita (2015), holding government from embracing emerging technologies and tax payment methods that are more efficient in order to reduce wastage. One of the technologies is electronic tax management system which so far has been embraced. Cobham (2017), assert that the electronic tax system has been around, globally. Cobham (ibid) revealed that electronic tax system has existed since 1986 when small test programme on tax collection was developed. Since then electronic tax system has grown to become common place, serving millions of taxpayers every year and across the globe.

Nigeria is a developing country with all its sectors and the huge tasks of collection and payment of tax is enormous. The e-tax payment has proven to be the alternative means of payment and collection of tax without leakages and evasion. Flossy, Makokha,, Namusonge (2017) opined that for any government to match in performance with the growth and expectations of its citizenry, it must dramatically increase its fiscal depth without incurring costly recurring overheads.

The Nigerian tax system has undergone and still going through several reforms geared towards enhancing effective tax collection and administration mechanism with minimal enforcement cost. The recent reforms include: the introduction of TIN (Tax Payers Identification Number), which became effective since 31<sup>st</sup> of December, and took effect from 1<sup>st</sup> of January, 2022.

The Nigerian government through its revenue collection agency also, in an effort to effectively collect its tax introduced the Automated Tax System (ATS) that facilitates tracking of tax positions and issues by individual tax payer, E-Payment System (EPS) which enhances smooth payment procedure and reduces the incidence of tax touts, Enforcement scheme (special purpose tax officers), all these have led to an improvement in the tax administration in the country. Hence the introduction of the e-tax payment in south-south Nigeria becomes an unexplored area that calls for investigation and reappraisal for the effectiveness of tax payment and collection in Nigeria.

### 1.1.3 Revenue Generation

Revenue generation is the process or laid down procedure for a country to legally get fund for running and administrating its governmental functions. There are many ways the government of a given nation could get its funds and institutions are put in place to collect such funds for its active citizens to pay revenue to the government. Afrane & Appah. (2016) the development of any nation depends on the amount of revenue generated for the provision of infrastructural facilities for the common good of all. One major source of generating this revenue is taxation. The revenue generated are in turn plunged back into the system for constructing road, providing amenities, building hospital and schools for the citizens.

Tax being compulsory payment is made by citizen for which there is no immediate commensurate return. It is a burden burn by citizen to sustain the government (Nwezeaku, 2005). Aguolu (2004), posit that a tax is a levy by a government or its agencies on individuals, companies and on goods and services, homemade, imported, exported and so on. Bhartia (2004) argue that a tax is a generalized exaction, which may be levied on one or more criteria upon individuals, or other legal entities. However, Nzotta (2009) gave a more embracing meaning of tax. A tax is a compulsory levy contribution made by the citizens to the state or even an alien, subject to the jurisdiction of the government, for reasons of residence or property and this contribution is for general common use. Tax impose is a general obligation on the taxpayer. This means the tax payer has a duty to pay the tax, if he is liable and should not in any circumstances evade it. There is the presumption that the contribution to the public revenue made by the taxpayer may not be equivalent to the benefit received from the public sector Ogbonna, 2016).

## 1.2 Statement of Problems

Otekunrin (2021) has shown the damages caused by tax evasion have impacted negatively and adversely on the government revenue as tax significantly affect income. This is a chronic challenge and depletion leading to uncontrollable loss of financial resources sabotaging the economy. Tax evasion has social and economic consequences which Otekunrin (2021) opined that it causes taxpayer to be unpatriotic and reduces tax compliance amongst citizens, reducing available funds to provide social amenities or developing society, thus it blurs them from seeing no need to contribute meaningfully to their government even if they gain from government. Recently, several tax reforms introduced via the FIRS had tried to discourage and reduce the act of evading and avoiding tax and generally mitigate the loopholes that restrain proper functioning of the country's tax system. Hence the introduction of e-tax payment. The performance of the e-tax payment system need to be investigated to ascertain whether the purpose of introducing it has been satisfied. Even though it has been, the issues are whether there are still leakages, and whether its cost effective during tax administration when compared to the manual method of tax payment and collection. Duru and Tandu (2005:353), identified poor attitude of tax officials as militating against tax administration in the country. It is their believe that tax officials lack the courage and capacity to exploit available sources of revenue such as shops and kiosks which according to them litter our urban areas. According to them the operators of these businesses connive with the tax officials to evade taxes and in some cases undercharged. Sarawu (2005:51), poist that the problems of tax administration stems from actors such inability of Nigerian tax system to satisfy the principle of economic justice that is in a situation where government cannot live up to expectation there is

bound to be problem of tax evasion and avoidance. Hence e-tax payment system and revenue generation is being studied.

### **1.3 Objective of the study**

The general objective of the study is to investigate E-tax payment system and Revenue generation in south-south Nigeria while the specific objectives of the study include:

- i) Determine if the E-tax payment system has effect on the revenue generation in the south-south Nigeria.
- ii) Examine if the E-tax payment system administration affect controls of tax evasion and revenue generation in the south-south Nigeria.
- iii) to ascertain the interrelatedness between e-tax payment, administration and revenue generation in south-south Nigeria.

### **1.5 Research questions**

The following research questions were asked in the course of the study:

- i) What is the effect of e-tax payment on revenue generation in south-south Nigeria?
- ii) Has e-tax payment system administration affected control over tax evasion and revenue generation in the south-south Nigeria?
- iii) What is the interrelationship between e-tax payment, administration and revenue generation in South-South Nigeria?

### **1.6 Hypothesis of the study**

The following hypotheses were formulated for the study:

- i) There is no significant effect of e-tax payment on Revenue generation in south-south Nigeria.
- ii) e-tax payment system administration does not significantly affect control over tax evasion and revenue generation in the south-south Nigeria.
- iii) There is no significant interrelationship between e-tax payment, administration and revenue generation in south-South Nigeria.

### **1.7 Limitations of the study**

The study considered e-tax payment system and revenue generation in south-south Nigeria to which end some variables were considered like e-tax payment and revenue generation, e-tax payment and the level of controls it exerts on tax evasion and the interaction between e-tax payment, administration and revenue generation in the south-south Nigeria and because the research will include the use of questionnaire their might be failure from the respondents to adequately responded with minimal bias because of questionnaire in the research. There is also geographical limitation which is the six states in south-south Nigeria.

## 2.0 LITERATURE REVIEW

Electronic taxation is also known as e-taxation. Newman (2019) defined electronic taxation as the deployment of computer systems and networks in the process of levying and payment of taxes. It involves the application of computer techniques in the process of tax assessment, collection and administration, generally referred to as e-payments and e-filing. Electronic taxation is an extension of the growing concept of e-governance and e-commerce. Newman (ibid) disclosed that it is concerned with the exchange of data through information communication technology systems between the taxpayer and the tax authorities. The objective of e-taxation is to replace cumbersome manual, bureaucratic service systems, with collaborative, efficient, process-driven and secure on line delivery systems.

### 2.1.1 Electronic taxation in other countries

Tax properly and effectively collected has been used by many advanced countries to better the social amenities being enjoyed by many advanced countries. This is because the advanced countries have put machineries in place to properly control and hand taxes paid to government. Sometimes there is no leakages and even if there is measure are put in place to fast-track it.

The South African electronic tax system was introduced by the South African Revenue Service (SARS) in 2001 (Jankeepsad et al, 2018), Initially, the electronic filing process, which allows tax payers to submit their tax returns and make their income declarations online, was limited only to the payment of value added tax and pay as you earn. However, the system was expanded in 2006 to accommodate individuals who earned basic salaries and allowances; it was further expanded in 2007 to cover all individual taxpayers and to allow individuals to submit their tax returns. Furthermore, the SARS has made considerable improvement in the e-filing system in the last few years to make it easily accessible and easy to use by taxpayers. One such innovation is the creation of a Mobi Site application which allows taxpayers to submit their tax returns from their mobile phones (Jankeepsad et al, 2016). The South African electronic tax filing system has been recognized as one of the successful government projects in Africa.

In Kenya, attempts to automate its tax system started in 2007 with the introduction of the Integrated Tax Management System (ITMS); however, the system failed to achieve the desired result.(Kipkemoi, 2018). In 2011, the iTax system, which was an improvement on the ITMS, was launched to replace the ITMS online system. In 2014, the Kenya Revenue Authority (KRA) completed the automation of its tax administration iTax system and directed that, with effect from 1 March 2014, all taxpayers were expected to use the iTax online services to file returns as manual tax returns would no longer be accepted.( Kenya Revenue Authority, 2018).

### 2.1.2 E-tax system in Nigeria

According to Newman (2018) Electronic taxation is relatively new in Nigeria and is still evolving. The introduction of electronic taxation in Nigeria was heralded by the reports of the visiting teams of the International Monetary Fund (IMF) Fiscal Affairs Division in 2004, 2005 and 2006 which recommended the implementation of an Integrated Tax Administration System (ITAS) (Okauru 2012). In December 2010, the Federal Inland Revenue Service (FIRS) was given approval by the Federal Executive Council to procure, install and implement the ITAS.( Usman, 2013). According to Newman (2018), the ITAS is aimed at re-engineering and automating the FIRS tax

administration processes as well as the procurement, installation and deployment of the Standard Integrated Government Tax Administration Solution (SIGTAS) and hardware infrastructure. Newman (2018) revealed that in 2015, the FIRS partnered with the Nigerian Interbank Settlement System (NIBBS) to provide. 51 for the electronic payment of taxes in Nigeria. This is an automation of all tax processes from tax registration, assessment and filing of returns to payment of taxes. The objective was to adopt an electronic system to make it easier to pay taxes online in major cities across Nigeria ( Abdulrazaq, 2018). In June 2017, the FIRS restructured the electronic tax system to operate nationwide by introducing six new electronic tax services (e-services).

### 2.1.3 Tax system reforms in Nigeria.

The following were the reforms:

- a) Capital gains tax at 10% is chargeable on the disposal of shares worth N100m or above in any 12 consecutive months except to the extent that such proceed is reinvested in the shares of any Nigerian company.
- b) The education tax payable by Nigerian companies has been increased from 2% to 2.5% of assessable profits.
- c) Companies engaged in educational activities are now subject to corporate income tax regardless of whether such activities are of a public character.
- d) A science and engineering levy of 0.25% of profit before tax is payable by companies engaged in banking, mobile telecommunication, ICT, aviation, maritime, and oil & gas with turnover of N100m and above.
- e) FIRS to assess, collect and enforce the payment of Nigerian Police Trust Fund levy. The tax was introduced in 2019 at the rate of 0.005% on the net profit of companies operating in Nigeria.
- f) Imposition of excise duty at N10 per litre on non-alcoholic, carbonated and sweetened beverages. This could translate to an increase in the retail price of products by up to 5% with lower end products bearing higher burden.
- g) The reduction of minimum tax rate from 0.5% to 0.25% of turnover (less franked investment income) will apply to any two accounting periods between 1 Jan 2019 and 31 Dec 2021 as may be chosen by the taxpayer.
- h) FIRS may assess tax on the turnover of a foreign digital company involved in transmitting, emitting, or receiving signals, sounds, messages, images or data of any kind including e-commerce, app stores, and online adverts. Such companies are also obliged to charge, collect and remit VAT to FIRS.
- i) Only FIRS is to be responsible for the administration, assessment, collection, accounting and enforcement of taxes and levies due to the Federation, the Federal Government and any of its agencies except otherwise authorized
- j) All tiers of government are now empowered to borrow for “critical reforms of significant national impact” in addition to capital expenditure n human development.

### 2.1.4 The available electronic services offered by e-taxation.

- a) **e-registration:** for registration of new taxpayers with FIRS for the various taxes. This services does not required payer to visit any tax office for tax purposes, just visit the official website with the portal of FIRS

- b) **e-stamp duty:** for payment of stamp duties on qualifying documents.
- c) his innovation will increase the ease of doing business in Nigeria. In the past, physical stamping was required to perform transactions that require stamping. With e-stamping, stamping can be done any where and at any time online. One area in which this innovation is very useful is when a new company is being incorporated at the Corporate Affairs Commission(CAC). From the CAC registration site, you can migrate to the FIRS e-service site and pay your stamp duties;
- d) **e-tax payment:** this is the major aspect of the research work being carried out for payment of all Federal Government taxes and levies through any of the following platforms— Nigeria Inter-Bank Settlement (NIBSS), Remita and Interswitch. This makes payment easy and simple can pay your taxes in the comfort of your home.
- e) **e-receipt:** for receiving and verifying e-receipts generated for taxes paid through the new e-tax payment. With this you receive instant notification acknowledging your payment of tax;
- f) **e-filing:** this enables taxpayers to file their tax returns through the FIRS ITAS online. This is one of the most innovative aspects of the e-tax services. It is a mandatory requirement of the law to file tax returns. This platform obviates the need to visit any tax office to file tax returns as you can upload relevant documents and file your tax returns electronically;
- g) **electronic tax clearance certificates (e-TCC):** This platform will enable taxpayers to apply for, receive and verify the authenticity of their e-TCC. Obtaining tax clearance certificates under the manual tax administration process is cumbersome

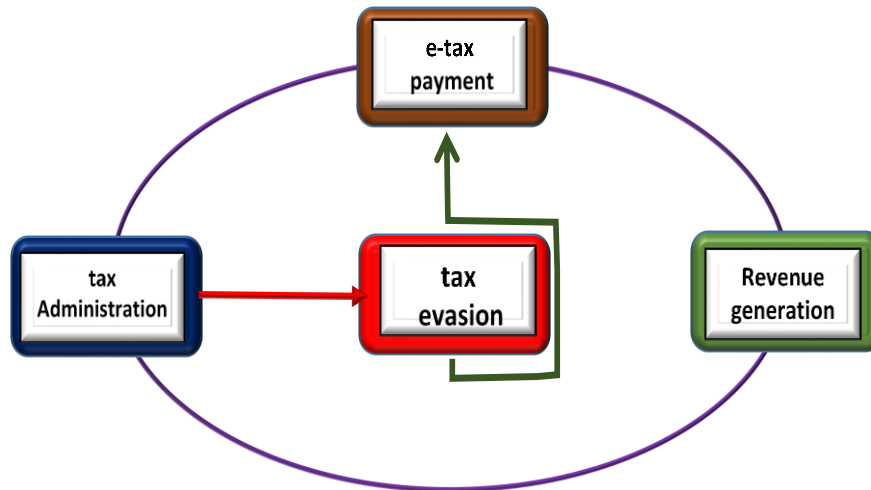
### 2.1.5 The challenges of e-tax payment in Nigeria

Anything invented by human being to get things done easily will always have attendant challenges. Though e-tax payment was seen as a success story in helping to facilitate payment of tax against the bureaucratic manual process of tax collection. The following are the major challenges among others:

- 1) One of the biggest challenges is the Cyber insecurity activities of the cyber criminals.
- 2) Electronic tax fraud. The sincerity and the integrity of the operators could be undermined with their remuneration is not adequate.
- 3) Electricity Power failure in the country. The failure of the our electricity could be a sources of discouragement.

## 2.2 Concept Revenue generation

The conceptual framework (Fig. 2.1) was developed by the researcher to buttress the essence of e-tax payment as a way of curbing the menace of tax evasion and redirect the tax payment by e-tax to bust the revenue generation.



**Fig. 2.1:** The researcher's conceptual framework of e-tax payment system and revenue generation in south-south Nigeria. (2022)

## 2.3 Theoretical Framework

The theoretical framework of this study is based on firstly benefit theory which is connected to how revenue increases for the government of the country and Secondly the theory of ability to pay theory.

### 2.3.1 Benefits theory (Vosslamber, 2010)

The benefits theory of taxation essentially treats the relationship between the taxpayer and the taxer in contractual terms. Taxation is the price paid by the taxpayer for benefits or services provided by the taxer. Hence, taxes should be low or zero for those who receive no benefits from the state, and high for those deriving the most Benefits theory may make sense in the hypothetical case of a minimal or —night watchman state, limited to the functions of protecting all its citizens against violence, theft and fraud, and to the enforcement of contracts. Vosslamber (2010),

According to benefits theory, the government's role effectively is to protect life and property. Anything other than a proportional valuation of life might be questioned, either on the religious grounds that that all humans are created in the image of God, or in such philosophical grounds as the —self —evident truth that all men are created equal as in the United States' Declaration of Independence. The value of the protection of property might, however, bear some direct relation to the value of the property that is protected, and increase as the value of the property increased.



Where the taxpayer extends its activities beyond mere protection and becomes involved in economic development, benefits theory may still make sense. Infrastructural development generally provides greatest benefit to those with property. However, benefits theory would seem to be counter-intuitive in the context of a welfare state, if it is assumed that recipients of welfare benefit the most from state activity. Unless social welfare is in some way analogised to and structured like an insurance contract, benefits theory would suggest that those in receipt of social welfare should pay for that benefit, thereby defeating the purpose of the redistribution.

### **2.3.2 Ability to Pay Theory**

Holmes (2001) pointed to the ability to pay anchors on the fact that the tax burden should differ between people such that a proportionately heavier burden falls on those who are better able to bear it. Ability to pay usually denotes more than mere capacity those who have more are not only able to, but should pay more. Although a proportional tax may be justified on an ability to pay basis, it is more often used to justify a progressive tax. So, if A has an income  $x$  times greater than B, he or she has an ability to pay that is more than  $x$  times greater than B. It also says little about how much more the person having the higher income should pay.

A key difference between benefits theory and ability to pay theories of taxation is that the former ties tax revenue to expenditure: a personal taxpayer's tax is a kin to the cost of the services he or she receives. Ability to pay requires no such link since taxation is separated from expenditure. Fairness is assessed not in relation to value received but in relation to how much another person pays.

## **2.4 Empirical studies**

The following empirical studies were carried out to further show studies that have been done on e-taxation and their various findings.

In support to the e-tax payment regimes, Bilal, et al. (2016) carried out an empirical work on e-tax payment titled impact of self-support factors on citizens' e-tax adoption behavior: an empirical study using a cross sectional research design. His sample was 257 respondents. He applied structural equation model for his analysis. Their findings were that that government as well as citizens' active participation is equally important in success of E-Tax filling system.

To improve on the attitude of payer, Do, Mac, Van Tran, and Nguyen (2022) investigated the impact of attitude towards an e-tax system on tax compliance of Vietnamese enterprises: Adoption of an e-tax system as a mediator in China. He used 435 sampled Vietnamese enterprises respondents for the study using with a close ended questionnaire. Their findings suggested that there are significant direct effects of the two independent variables, attitude towards an e-tax system and adoption of an e-tax system, with the dependent variable tax compliance.

On the quality of e-tax payment system, Masunga et al (2020) studied the quality of e-tax system and its effect on tax compliance (evidence from large taxpayers in Tanzania). Their study sampled 313 large taxpayers from three regions in Tanzania. Least square structure was employed and Structural Equation Model. Their findings and results showed that behavioral intention to use the e-tax system has the strongest effect on tax compliance behavior. In the same vein Fiaz (2020) carried out a study on antecedents and consequences of citizens' attitude towards e-tax systems using 354 collected responses and the data was analyzed using SEM technique. The study revealed

that government as well as citizens' active participation is equally important in success of E-Tax filling system.

Meanwhile Okafor (2012) studied revenue generation in Nigeria through e-taxation using Survey method with sample of 138 respondents. The study location was Anambra and Enugu. The ANOVA analysis was used to analyze the hypotheses. The findings showed that revenue generation in Anambra and Enugu states will be enhanced through e-taxation and has improved all these while compared to the manual and added that Electronics government which embodies transparency will enhance revenue generation through electronic taxation.

Another study carried out by Ofoegbu (2016) which was an empirical analysis of effect of tax revenue on economic development of Nigeria, the approach adopted in their study was that of using annual time series data for the period 2005 to 2014 to estimate a linear model of tax revenue and human development index using ordinary least square (OLS) regression technique. The findings show a positively and significantly relationship between tax revenue and economic development. The result also reveals that measuring the effect of tax revenue on economic development using HDI gives lower relationship than measuring the relationship with GDP thus suggesting that using gross domestic product (GDP) gives a painted picture of the relationship between tax revenue and economic development in Nigeria.

Ofurum et al. (2018) looked into the impact of e-taxation on government income and economic expansion in Nigeria. Using information from the Central Bank of Nigeria's Statistical and Economic bulletins and FIRS, they conducted a thorough analysis of how electronic tax has affected tax revenue, federally collected money, and the tax to GDP ratio since its adoption in 2015.

Segun (2017) examined tax evasion and electronic taxation in Nigeria using Lagos state as a case study. Examining how Nigeria's implementation of the E-tax system has reduced tax evasion is the key goal. The survey research design was used to provide an answer to the research question. According to the report, the electronic tax system has helped taxpayers manage their data better, which has reduced the prevalence of tax cheating.

Wang (2003) studied the use of computerized tax filing systems on a global scale. He outlined the factors that led to the development of electronic tax systems in his research. Wang (2003) added a new component to the technology acceptance model to reflect a user's fundamental viewpoint on an electronic system.

In South Africa, Mongwaketse (2015) looked into the attitudes and perceptions of taxpayers as well as how filing tax returns electronically affected tax compliance. Using a quantitative method, questionnaires were given to the target demographic. Analysis of the results revealed that the e-filing system had enhanced tax compliance and that taxpayers' perceptions and attitudes were notably positive.

## **2.5 Gap of the study**

The study reviews prior research on action e-tax payment such works as that of Fiaz (2020), Okafor (2012), Ofurum et al. (2018), Segun (2017), Wang (2003) and Mongwaketse (2015). The study has revealed that no research has been done on the e-tax payment system and revenue generation in south-south- Nigeria as regards e-tax payment , tax administration, tax evasion and

revenue generation. This study aimed to close the gap and provide a clear picture of which of these variables actually had an influence on tax payment and revenue generation in south-south Nigeria.

### 3.1 Research Design

This study adopted survey design for the study as it is appropriate for seeking the opinions of the respondents in relations to e-tax payment and revenue generation in the south- south geopolitical zone in Nigeria.

### 3.2 Population of the Study

The study covers the Board of Internal Revenues in the states in the south-south Nigeria., including Akwa-Ibom, Bayelsa, Delta, Edo, Cross-Rivers, Rivers.

### 3.3 Sample and Sampling Techniques

The sample size for this study was determined with purposeful Random Sampling (PRS). This is because the work is a seminar and the researcher wanted area closer to his areas of abode. Thus, three states were selected one for reliability study and the other two for the seminar work. Therefore, Bayelsa, Delta and Edo were selected and the number of staff in their Board of Internal reviews are, Bayelsa -485, Delta -1001, Edo-1013. Since it would take longer time to distribute the questionnaire to the various locations, the researcher used research assistant to purposefully select 82.5% percentage to get the sample of respondents. Thus, the total sampled respondents were 165. The workings is show below using z-score an Cochran sample determiner

$$\text{Sample size} = \frac{z^2 \times p(1-p)}{e^2}$$

$z$  = z-score

$e$  = margin of error

$p$  = standard of deviation

States visited	Number of staff	Sampled (minus error)	Sample size
Bayelsa	485 x 0.0825	40 -13.3	26.7
Delta	1001 x 0.0825	82 -13.3	68.7
Edo	1013 x 0.0825	83 -13.3	69.7
<b>Total</b>	<b>2499 x 0.0825</b>	<b>205- 39.9</b>	<b>165.1</b>

So approximation of 165 to the nearest whole number forms the sample size

### 3.4 Instrument of Data Collection

Data collection instrument was the use of questionnaire which the researcher developed and titled “e-tapar”. The Questionnaire was categorized into Part A and B. Part A dealt with the demography of the respondents and part B the responses of respondents designed in five-point Likert scale weight as follows: *Strongly Agree (SA-5)*, *Agree (A-4)*, *Undecided (U-3)*, *Disagree (D-2)* and *Strongly Disagree (SD- 1)*. This accompanied letter of introduction where the respondents were reassured of confidentiality of responses offered.

### 3.5 Validity of the Instrument

The instrument was validated by relevant research experts in the faculty of Management Science and Department of Accounting in Delta State University for face and content validity in keeping with Oluwatayo, (2012) in order to remove ambiguities, unclear and irrelevance questions.

### 3.6 Reliability of the Instrument

The instrument for reliability employed was tested using the test-retest method. Edo State Board of Internal Revenue was used for the Reliability test with 30 items questionnaire. Thereafter, it was tested using the Cronbach's alpha ( $\alpha$ ). Reliability test results of Cronbach Alpha obtained was 0.72 which was considered reliable.

### 3.7 Method of Data Collection

The researcher engaged the help of three (3) research assistants one for each sampled state will helped in the administration of copies of the questionnaire.

### 3.9 Method of Data Analysis

Frequency and percentage will be used for demographic variables while mean and standard deviation analysis were used to test the respondents to questionnaire items whereas linear regression will be used for testing the hypotheses at 0.05 level of significance. STATA 24 version was used in performing the test.

## 4.0 PRESENTATION, ANALYSIS AND DISCUSSION OF DATA

This section dealt with presentation, analysis and discussion of data. From the administered questionnaire, the sampled respondents in the Board of Internal Review in the state visited was 165 and there was retrieved immediately.

### 4.1 Analysis of Respondents Responses

The table 4.1 below shows the analysis of responses to the various questionnaire items which were used to elicit information from the respondents

**Table 4.1: Analysis of Respondents responses**

S/N	Questionnaire items	Mean	STD
eTP	<b>e-tax payment</b>		
eTP1	e-filling enhances the effectiveness in preparing my tax return result with fewer or no error	4.72	0.48
eTP 2	With e-tax payment method tax payer finds it easy to pay and reduce the burden of coming to tax office to pay tax	4.78	0.47
eTP 3	It has helped me to reduce much paper work in the manual method generate	4.23	0.42
eTP 4	e-tax payment is easy and not as tedious as the manual methods	3.76	1.16

eTP 5	We are able to meet target with the e-tax payment facilities	4.20	1.19
<b>eTA</b>	<b>e-tax administration</b>		
eTA1	The risk of hackers and other electronic vices affect my mindset about electronic-tax system.	3.08	1.21
eTA 2	Through e-tax payment the revenue office easily reach her taxpayer and get relevant information.	4.32	0.55
eTA 3	e-tax payment reduces administrative costs	4.60	0.59
eTA 4	The level of tax remittance has increases through e-tax payment	4.88	0.32
eTA 5	Administrative time and effort is saved with e-tax payment administration method	4.40	0.56
<b>TE</b>	<b>Tax Evasion</b>		
TE1	The use of e-tax payment methods has help to reduce tax evasion with our registered company	4.60	0.54
TE 2	All tax are monitored and retrieved without delay	4.51	0.80
TE 3	Our staff are also monitored with regards to collection of taxes	4.52	0.85
TE 4	No faces to face contact between tax payers and our staff	4.34	0.78
TE 5	Questions from tax payers are easily answered without physical presence of the tax payer	4.67	0.51
<b>RG</b>	<b>Revenue Generation</b>		
RG1	e-tax payment has increased the revenue generated through taxation	4.82	0.46
RG 2	Fund realized from e-tax payment are much more intact than the manual collection	4.80	0.40
RG 3	Tax evasion and compromised with tax official are removed	4.73	0.52
RG 4	Revenue from e-tax payment are easily computed	4.71	0.46
RG 5	Changes in the tax laws are easily adjusted accordingly	4.62	0.62

**Field work (2022)**

The table 1 above shows the analysis of responses to the various questionnaire items which were used to elicit information from the respondents.

On the eTP (e-tax payment), every items of the responses were in agreement with the questions. The highest of the respondents is item eTP2 which shows mean value of  $4.78 \pm 0.47$  point to the fact that with e-tax payment methods tax payer finds it easy to pay and reduce the burden of coming to tax office to pay tax where the lower while the lowest mean response value is  $3.76 \pm 1.16$ .

The eTA (e-tax Administration) which shows the responses on the experience of the e-tax administration among the tax officers when administering tax payment, the highest mean response value is on item eTA4 with mean value of  $4.88 \pm 0.32$  and the lowest mean response value is  $3.08 \pm 1.121$  highlighting the risk of hackers and other electronic vices affect my mindset about electronic tax system administration.

On the side of TE (Tax Evasion) it obtained the highest mean value of  $4.67 \pm 0.51$  which highlighted that questions from tax payers are easily answered without physical presence of the tax payer. It was found in item TE5 whereas, the lowest mean response is  $4.35 \pm 0.78$ . But all the items in the TE sections were higher than 4.00 meaning that e-tax has without doubt reduced the tax evasion being experience with the manual methods of tax payment and collection.

Nevertheless, RG (Revenue generation) representing is the dependent variable (RG), RG1 with mean value of  $4.82 \pm 0.46$  showed the highest mean response value whereas the lowest mean response value is  $4.71 \pm 0.46$ . The items highlighting Revenue generation (RG) dependent variable and the items in the various independent variables category were above the benchmark of 3.5 level obtainable in the five Likert scaling. It therefore means that they are all agreeable. Thus, would be tested further for statistical relevance in ascertaining their effect and interaction with them variables.

## 4.2 Testing of Hypothesis

**4.2.1 Hypothesis 1 (Ho1):** There is no significant effect of e-tax payment on Revenue generation in south-south Nigeria.

**Table 4.2: Summary of Regression for Hypothesis 1 (Ho1)**

. regress RG eTP

Source	SS	df	MS	Number of obs = 165		
Model	30.1179654	1	30.1179654	F( 1, 163) = 1443.44		
Residual	3.40106492	163	.020865429	Prob > F = 0.0000		
Total	33.5190303	164	.204384331	R-squared = 0.8985		
				Adj R-squared = 0.8979		
				Root MSE = .14445		

RG	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
eTP	.6435596	.0169391	37.99	0.000	.6101113	.6770079
_cons	1.945439	.0742996	26.18	0.000	1.798725	2.092153

*Source: Fieldwork, 2022, STATA 24.0*

The table 4.2 above highlighted the summary of regression analysis for hypothesis 1(Ho1) which state that there is no significant effect of e-tax payment on Revenue generation in south-south Nigeria. From the table, the F-test,  $F(1,163) = 1443.44$ , Adj  $R^2$  0.8979 shows good effect of eTP on revenue generation (RG) and the obtained p-value of  $<0.05 = 0.000$  with coefficient of 0.6435596, and 0.0169391 std. err. among observatory response of 165 sampled respondents. The coefficient is a positive one.

Decision, since the Adj.  $R^2$  contributed predictive effect of 89% and p-value  $0.000 < 0.05$  level of significance, the null hypothesis is rejected with certain level of confidence interval of 95% and this there is significant effect of e-tax payment on revenue generation in south-south Nigeria.

**4.2.2 Hypothesis 2 (Ho2):** e-tax payment system administration does not significantly effect controls on tax evasion and revenue generation in the south-south Nigeria.

**Table 4.3: Summary of Regression for Hypothesis 2 (Ho2)**

. regress RG eTA

Source	SS	df	MS			
Model	18.8747592	1	18.8747592	Number of obs =	165	
Residual	14.6442711	163	.089842154	F( 1, 163) =	210.09	
Total	33.5190303	164	.204384331	Prob > F =	0.0000	
				R-squared =	0.5631	
				Adj R-squared =	0.5604	
				Root MSE =	.29974	

RG	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
eTA	.598989	.0413255	14.49	0.000	.5173866	.6805913
_cons	2.186606	.1774126	12.32	0.000	1.836283	2.536929

*Source: Fieldwork, 2022, STATA 24.0*

The table 4.3 above highlighted the summary of regression analysis for hypothesis 2 (Ho2) which state that e-tax payment system administration does not significantly effect controls on tax evasion and revenue generation in south-south Nigeria. The F-test on Table 4.3 shows 165 number of observation where  $F(1,163) = 210.09$ ,  $Adj R^2 = 0.5604$  shows relative good effect of eTA on revenue generation (RG) and the obtained p-value of  $<0.05 = 0.000$  with coefficient of 0.598989, and 0.0413255 std. err. The coefficient is also a positive one.

Decision, since the  $Adj. R^2$  contributed predictive effect of 56% and p-value  $0.000 < 0.05$  level of significance, the null hypothesis is rejected with certain level of confidence interval of 68% and that e-tax payment system administration does not significantly effect controls on tax evasion and revenue generation in south-south Nigeria.

**4.2.3 Hypothesis3 (Ho3):** There is no significant interrelationship between e-tax payment, administration control on evasion and revenue generation in south-South Nigeria.

**Table 4.4: Summary of Regression for Hypothesis 3 (Ho3)**

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. regress RG eTP eTA TE
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Source	SS	df	MS	Number of obs = 165		
Model	31.5090214	3	10.5030071	F( 3, 161) =	841.28	
Residual	2.01000885	161	.012484527	Prob > F	= 0.0000	
Total	33.5190303	164	.204384331	R-squared	= 0.9400	
				Adj R-squared	= 0.9389	
				Root MSE	= .11173	

RG	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
eTP	.5321985	.0399169	13.33	0.000	.4533703	.6110266
eTA	-.2525646	.0308853	-8.18	0.000	-.3135571	-.1915721
TE	.3302145	.0397118	8.32	0.000	.2517914	.4086376
_cons	2.008557	.0685487	29.30	0.000	1.873186	2.143927

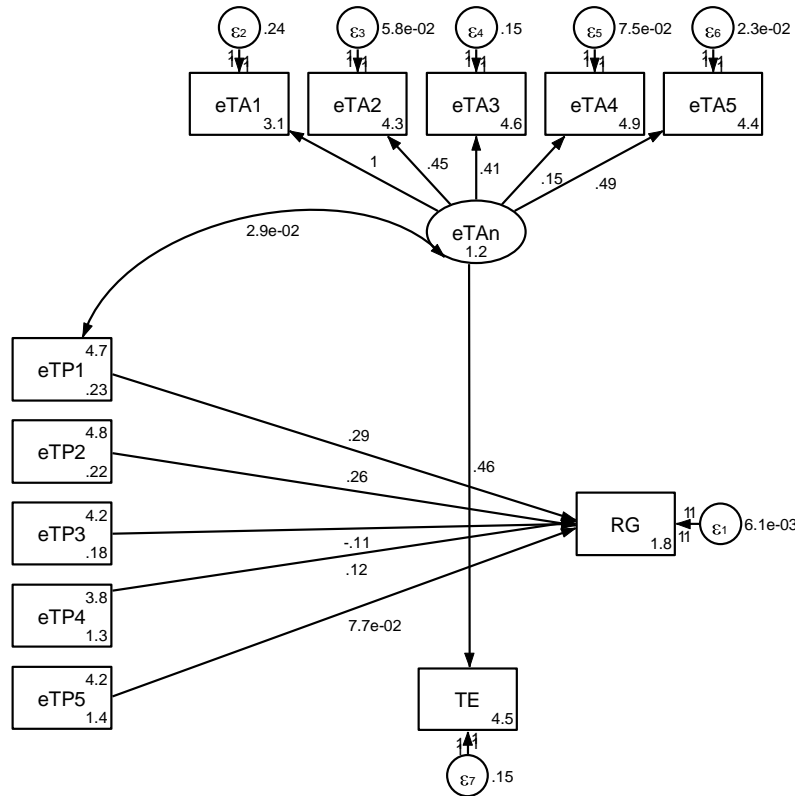
*Source: Fieldwork, 2022, STATA 24.0*

The table 4.4 above shows the summary of regression analysis for hypothesis 3 which stated that there is no significant interrelationship between e-tax payment administration control on evasion and revenue generation in south-south Nigeria.

The analysis shows that where all the studied eTP, eTA and TE have effect on RG. The  $F(3, 161) = 841.28$  with p-value = 0.000 at 0.05 level of significance. Also their coefficients show that eTP = 0.5321985 with error .03991, eTA = -0.2525646 with error .03088, TE = 0.3302145 with error value of 0.3971 respectively. The percentage effect of the predictors shows that eTP has 61% effect that the other ones whereas eTA coefficient is negative with 31% meaning that the application of e-tax payment has not gained complete acceptance by the tax administrative personnel but the level control eTP has on TE is 40% which means that it has to a great extent control the level of tax evasion because the eTA has not fully accepted the use of e-tax payment mechanism. However, the analysis show that there is significant interrelationship between e-tax payment administration control on evasion and revenue generation in south-south Nigeria.

The Path Diagram analysis below is a schematic representation of the statistical interrelationship between the Independent variable (eTP, eTA, TE) on dependent variable (RG) the eTA has kept TE (Tax Evasion) at a level of 46%.





**Fig. 4.1 Path Diagram that satisfy the function  $(RG) = \beta_0 + \beta_1, eTP + eTA + TE + e_3$  Sources: Researcher’s Fieldwork, 2022**

### 4.3 Discussion of findings

The following were the findings

- i) There is significant effect of e-tax payment on Revenue generation in south-south Nigeria. This finding corroborated with Okafor (2012) in his work titled revenue generation in Nigeria through e-taxation using Survey method with sample of 138 respondents. Okafor’s finding show that e-taxation streamlined revenue fund and thereby reducing loopholes of tax evasion.
- ii) e-tax payment system administration significantly affects controls on tax evasion and revenue generation in the south-south Nigeria. This finding also supported the study of Do, Mac, Van Tran, and Nguyen (2022) where they said that the attitude of both the tax payer and the officers in charge of tax collection are important in the revenue generation through tax. Though the attitude of the tax administrators has not been fully ascertained. But from the study the finding shows that e-tax payment system has administratively effect controls on tax evasion.
- iii) There is significant interrelationship between e-tax payment, administration control on evasion and revenue generation in south-south Nigeria. E-tax payment cannot be possible without tax administrators or administration and their acceptance of new tax policy goes a

long way to helping in tax administration. Thus they interrelate with each other e-tax requires human being to execute the system.

## **5.0 SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATION/ SUGGESTIONS FOR FURTHER STUDIES**

### **5.1 Summary of finding**

The following were the findings:

- i) There is significant effect of e-tax payment on Revenue generation in south-south Nigeria.
- ii) e-tax payment system administration significantly effect controls on tax evasion and revenue generation in the south-south Nigeria.
- iii) There is significant interrelationship between e-tax payment, administration control on evasion and revenue generation in south-south Nigeria.

### **5.2 Policy Implications of finding**

E-tax payment system has enabled Nigerian Government to easily monitor its tax payers and their amount to be paid are computed with ease. This also improve on the finances of government and the revenue generated are used to solve social amenities which the citizens also benefits such as construction of roads, hospital, schools and many government institution benefits from tax revenue.

### **5.3 Contribution to Knowledge**

The originality and value of the seminar work lies in the statistical significance of the independent (eTP, eTA, TE ) variables as they interrelated with the dependent (RG) variable in this study, using the mean and standard deviation and regression with path analysis to test the hypotheses and the data analysis would enhance e-tax payment and collections that effect government revenue.

### **5.2 Conclusion**

The study investigated e-tax payment system and revenue generation of South-South Nigeria. Three (3) hypothesis were formulation. Having considered other literature connected with e-tax payment and revenue generation. Thereafter the study made use of 165 sampled tax officer in the Board of Internal revenue in the three selected stated in the south-south Nigeria. With the help of questionnaire instrument administered to the respondents was tested and the reliability of 0.72 was obtained and the data collected through questionnaire were subjected to analysis which shows the findings.

In conclusion, e-tax payment and application has helped the revenue generation in the country. Government gets revenue and fund through borrowing, goodwill and grand and taxation. The introduction of e-tax no double has reduced if not totally removed tax evasion. Thus the safety of collection tax is achievable with e-tax system. Only that from the findings the administrators in

the line of duty of collection of tax and most tax payer nefarious activity has not made to fully embrace the various benefits e-tax payment has brought. To mention but few, e-tax payment help to reduce paper work and errors often associated with manual methods of collection of tax. There e-tax that government has brought is a welcomed one and government will benefit more if they develop optimistic in the implementation of e-taxation to the fullest.

### 5.3 Recommendations

From the findings, the following recommendations are being made:

- i) There is need for more public awareness of e-tax payments system through symposia, hand bills to herald this system.
- ii) Tax administrators should be trained and retrained to know has to apply the e-tax payment mechanism and the need to support government tax collection and help to control tax evasion.
- iv) e-tax payment and administration and tax evasion are very important subject when it comes to government revenue generation. There should be public enlightenment on these. Tax laws should be review to reflect these. Some level of punishment should be melted out for tax evaders.

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