

Effect of Multiple Taxation on Performance of SMEs in Bayelsa State, Nigeria

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ABSTRACT

The goal of this research is to find out how Bayelsa State's SMEs are affected by the state's numerous taxes. There are numerous taxes, levies, and charges that make up the bulk of the cost. An investigation into the impact of different taxes on small business investment is the subject of this study. A survey with a sample of 100 small and medium-sized businesses served as the basis for this investigation. A questionnaire was used to gather information. The data was analysed using simple percentages and frequencies, and the study hypotheses were tested using ANOVA. According to the study, an SME's investments are harmed by various taxes. Furthermore, there is a strong link between the amount of investment made by small businesses and their ability to pay taxes. When imposing taxes on small and medium-sized enterprises (SMEs), the government should consider increasing their capital allowances. When designing tax policies, the government should consider the size of businesses in Bayelsa State, as well as provide uniform tax rules.

Keywords: *Investments, Multiple Taxations, Small and Medium Enterprises*

INTRODUCTION

Individuals and businesses alike are required to pay taxes, which are imposed by the government on a wide range of income sources. Investing and saving can be helped or hindered by taxes, regardless of whether they are direct or indirect. Nigeria is a prime example of a developing country where small and medium-sized enterprises (SMEs) play an important role. Many countries in the developed and developing world have long relied on small businesses to boost their economies. According to Aremu & Adyemi (2011), there is a strong case for SMEs to be the engines of economic growth and promote equitable development because of their employment potential at low capital costs.

In Nigeria, a small and medium-sized enterprise (SME) was defined in 1990 by the Central Bank of Nigeria as any production process or service with a capital of not more than N150,000 in manufacturing and equipment. According to the country's central statistics office, small and medium-sized businesses (SMEs) account for 97% of Nigeria's economy. It is important to emphasise that, despite their small size, small and medium-sized businesses (SMEs) play a crucial role in the economy of the United States. One of the most common issues facing small and medium-sized businesses is the problem of multiple taxation, which, among other things, discourages investment in small and medium-sized businesses.

SME's may consider a situation in which state revenue is generated by taxing and levying more than what is stipulated in the market taxes and levies as a threat to their business interests (which are given other names by the tax collectors). Multiple taxes may be imposed on a small-scale farmer, such as a business permit, registration fee, development levy, market tax, and personal income tax. Taxes on the same revenue continue to be numerous, including shop and kiosk rates, on-and off-liquor permits, slaughter slab fees, birth and death certificate registration, and a street registration price that does not apply to any streets in the state capital. They also charge for the use of bicycle trucks, canoes, and wheelbarrows and carts in rural areas, as well as market taxes and levies on motor parks. They also charge a right-of-occupancy fee for rural land (other than a mechanically propelled truck). Additionally, there are several other levies and taxes, including: the cattle tax; the merriment and closure of roads levy; the licencing costs of radio stations (other than radio and television transmitters); wrong parking; public convenience; sewage and trash disposal fees; customary burial ground permission fees; religious establishment permit fees; and signboard and advertisement permit fees. Despite official assurances to the contrary, the high cost of capital resulting from several taxes deters investors from participating in small firms. This may be observed at all three levels of government: municipal, state, and federal.

LITERATURE REVIEW

A. *Conceptual Framework*

Taxes are mandatory payments made to the government by small businesses and citizens in order to fund public services such as safety nets and social amenities that promote a healthy economy. Continuing, they said that relying too heavily on crude oil as a source of revenue for Nigeria's tax system is a major problem.

To put it another way, tax can be seen of as a means by which citizens of a country are compelled to pay money to the government. From the definition of tax, according to Omagor and Mubiru (2008), inference can be made that citizens might try to avoid the payment of their tax, which is likely to attract punishment. There are various reasons why governments implement tax policies which are to:

- (i) Finance a budget deficit,
- (ii) Enhance long-run growth or
- (iii) Counter other influences in the economy.

There are four major principles of taxation: Certainty, equality or equity, convenience, and economy. Economic growth, fairness, and convenience are all important when it comes to taxation. Taxes should be paid to help the country grow, and they should be fair to the people who pay them and to the people who get them (implying that the system of paying taxes should be suitable for taxpayers). Government efforts to diversify the economy and reduce over-dependency on oil revenue led to multiple taxes imposed on SMEs. In the context of taxes, multiple taxation means taxing the same income many times or taxing the same individual multiple times. The term "investment" refers to the act of contributing money to a company.

Nigeria developed a definition of SME based on both employment and assets as part of its National Policy on MSMEs (excluding land and building). To qualify as a small business, you must have a maximum asset value of five million naira and no more than 49 employees, according to the policy. Medium-sized businesses have a workforce of 50 to 199 people and make between 5 million naira and 5 hundred million naira each year.

Okwo I (2012) reviewed the performance of the Federal Inland Revenue Services (FIRS), aiming at finding out the extent to which it has been able to achieve its quarterly actual tax collections as against its targeted tax collections. The study revealed that Petroleum Profit Tax (PPT) accounts for about 65.39% of tax collections. In comparison, company income tax and VAT pool contribute about 15% and 14.3% of total actual tax collections by FIRS. Gas income, stamp duty, capital gains tax and Nigerian Information Technology Development funds contribute less than 1% to total actual collections, while education tax contributes about 3% to actual tax collection. The study concluded that PPT remains the mainstay of federal government revenue in terms of tax types. However, the paper recommends that FIRS improve tax collection efforts for gas.

Income and other non-oil taxes to make more revenue available to the government. It will reduce the incessant government budget deficit and eliminate efforts of deficit financing.

Ademola and Ene (2009) conducted a study to examine the proposition, which states that a decrease in tax burden will increase investment demand. Using tax incentives to attract investment in Nigeria's real sector was only marginally effective, according to the conclusions of the study. Therefore, the study recommended that these policy measures be reviewed to incorporate measures that could reduce tax burdens.

Studies have shown that small and medium-sized enterprises (SMEs) are an effective means of spurring the expansion of the economy. According to Taiwo et al. (2012), a lack of financial backing, bad management, corruption, a lack of training and expertise, and a lack of demand for products and services are some of the most common obstacles to SME's growth in Nigeria. According to the findings, the federal government should do everything it can to make it easier for aspiring business owners to get the money they need and the information they need about business possibilities, contemporary technology, raw materials, the market, and equipment. They would be able to lower their operating costs and better compete in the market as a result of this move.

Economic Advantages of SMEs

Nigeria's economy has long relied on small and medium-sized enterprises (SMEs). A strong small and medium-sized enterprise (SMEs) sector is critical to Nigeria's economic future because so many huge businesses began as small businesses. Growing small and medium-sized businesses (SMEs) is often cited as a path to industrialization. According to Udechukwu FN, it is the SME sector that provides the blueprint for industrialisation and long-term economic progress in an economy. Small and medium-sized businesses (SMEs) help people become more involved in the community and economy, William E.S. (2006) says. They also give people an interest in shaping the future.

In addition, Tomlin B (2008) suggested that SMEs make a substantial contribution to the Nigerian economy by providing jobs. For the residents of the country, they offer a wide range of employment opportunities, from part-time to full-time positions in a variety of fields. Growing small and medium-sized enterprises (SMEs) has a higher labour intensity, so growing them is a superior strategy for creating jobs.

SMEs in Nigeria: A Brief Review

According to a number of studies, small and medium-sized firms (SMEs) are growth and development engines in both emerging and developed economies. Nearly all company in Nigeria are small and medium-sized enterprises (SMEs), which employ an average of 50% of the workforce and raise industrial output by about 50%, according to the Nigerian Bureau of Statistics (NBS).

Small and medium-sized enterprises (SMEs) have an important role in Nigeria's development, according to Alawe T (2004). Notwithstanding that Small businesses have been operating in Nigeria since independence. During the adoption of the indigenization policy, through the national development plan program, between 1970- 1979, Nigeria gave conscious effort towards SMEs as instruments of economic growth.

Self-sufficiency was achieved through manufacturing, entrepreneurial development, job creation, and export growth as part of a development plan. When it comes to alleviating the economic domination of foreign companies in Nigeria and increasing the ability of indigenous companies to take their place as major economic actors, the federal government has consistently emphasised

small and medium-sized enterprises (SMEs). These include the Nigeria Enterprises Promotion Act No. 3 of 1977, Nigeria Patent Light and Design Act No. 60 of 1979, Nigeria Customs Duties (dumped and subsidised products) Act No. 9 of 1959, Industrial Promotions Act No. 40 of 1979, and Industrial Development Tax Act No. 2 of 1971, among many more.

Ogujiuba et al. say the federal government also established additional microcredit institutions, including the Nigeria Bank for Commerce and Industry (NBCI) and the National Economic Reconstruction Funds (NEF) (2004). (NEB) These organisations must be strengthened in order to aid small and medium-sized firms in expanding and improving their capabilities.

To help small and medium-sized businesses (SMEs) and business organisations (BOs) with product selection, product development, and delivery strategies, the Nigerian government set up the Raw Materials and Research Development Council (RMDC) of financial and research institutions in 2001, according to Ogechukwu Ayozie (2006). Because of this, the Nigerian government has set up government-funded institutions like the Center for Management Studies, ASCON and the Industrial Training Institute to help them achieve their goal of developing more trained workers (ITF). Workforce development programmes for small firms will be provided by these institutions' findings and recommendations. As a consequence of the efforts of the bankers' forum and the CBN, a small and medium industry equity investment scheme (SEIS) was formed in 2001, which mandated banks to set aside 10% of their pre-tax profits to help SMEs in an equity participation framework. The government also made use of direct funding and additional SME promotion organisations and agencies to assist small and medium-sized firms (institutions of technology, credit lending institutions, technical and management institutions, and the provision of infrastructure).

“The establishment of anti-corruption bodies such as Economic and Financial Crime Commission (EFCC) and Independent Corrupt Practices and other relate Offences Commission (ICPC), investment in power generation, road maintenance and construction and enactment of pension funds were addition effort geared towards improving the SMEs sector”. Despite the conscious effort to boost SMEs in Nigeria, the manufacturing sector contributed 7% to the Gross Domestic product in 1970-1979 [23]. In 2004, fully operational industries run by its members account for only a meagre 10% of all operational industries in the country, according to the industries survey conducted by the manufacturer association of Nigeria. Nigerian small and medium-sized firms (SMEs) are either running or on the verge of collapse, according to Joshua M. (2008), while the remaining 30 percent are operating at a level that could lead to their extinction in the near future. Manufacturing's share of GDP decreased from 48.8% in 2008 to 4.19 percent in 2009, according to a report from the Bureau of Labor Statistics (2004). This implies danger for the economy as manufacturing industries are indispensable in any economy's natural growth. According to Mike J(2010), *“the debris of dilapidated manufacturing concerns across the country is the outcome of years of harsh operating conditions”.* About

30 percent of small businesses have gone out of business, and the rest of them are ailing, according to the author. Only 10 percent, however, are thriving.

Challenges of small and medium-sized businesses in Nigeria.

The fact that they have not done better despite the government's best efforts to assist Nigeria's small and medium-sized enterprises (SMEs) is alarming. As a result of these difficulties, small and medium-sized enterprises (SMEs) in Nigeria have not been able to completely develop. Scholars have identified a number of contributing factors, including a lack of foresight, a hostile regulatory environment, a lack of highly qualified human capital, a weak marketing strategy, and a lack of financial resources.

How Do SMEs View Tax Policies?

SMEs are faced with various issues when it comes to tax compliance. One of them has to do with the issue of multiple- taxation. SMEs have been particularly hard hit by various taxes, and the problem has remained unresolved to this day. As a result, small and medium-sized businesses (SMEs) see tax authorities as a threat to their operations, and as a result, they want to avoid them as much as possible. It has led to nothing but high tax evasion by SMEs. However, there is a need to understand that relevant government authorities have contributed to this turmoil very much. Although it is essential to understand that this issue connected with SMEs can also be attributed to ignorance faced among SMEs, it is also necessary to understand that SMEs view tax as a danger. They view tax as an instrument used by relevant tax authorities and the government to punish them for doing business. It is important to remember that many of these small and medium-sized business owners are illiterate and have lived their entire lives in the world of small and medium-sized enterprise. Therefore, they can only say their views, especially regarding taxes. Due to this fact, some SMEs have resulted in tax avoidance. This issue on how SMEs view tax is not only An issue in our country, Nigeria, can also be seen in another West African country such as Ghana. It is pertinent to understand that apart from the effort of the government to educate people on the importance of paying taxes, there is also a need for government to make necessary effort towards ensuring that to a large extent that multiple taxations are reduced to their minimum, this will encourage SMEs to view tax more positively.

Tax Accountability by Government

The fairness of the tax system affects the ability of taxpayers to pay their taxes. The government is expected to account for taxpayers' money in a meaningful manner. Individuals' safety and security, as well as taxpayers' property rights, should always be intertwined with the government's obligation to account for taxes. There are two parties engaged in tax responsibility: the one who is responsible for something and the one who gives the mandate. According to the research, tax income is connected to good governance and transparency. Income tax rates in South Africa, Nigeria, and Uganda ranged from 14.4 percent to 69.4 percent according to a 2006 analysis on income tax to good governance

ratios. To this end, there is a need for the government authorities to understand that to an extent, for government to encourage the payment of tax, there is a need to give a good account of tax. It, in turn, will encourage people to pay taxes.

Another thing that results from this issue of multiple taxations is a lack of good accountability. It is essential to understand that when taxes are not accounted for, it might impose more tax on people. For instance, declining revenue due to taxes not accounted for could reduce state and local government allocations from the federal government. State and local governments impose more taxes on SMEs to meet responsibilities, resulting in multiple taxations. There is a need to account for a tax that has been collected to encourage people to pay tax.

Policies That Will Encourage SMEs Growth

The government has played many roles to enhance productivity and ensure a better environment for both SMEs and potential SMEs to better the economy. The truth remains that their effort can be seen as insufficient; this was also supported by An enabling environment and social services that assist firms and individuals should be provided by governments, Iwuji G.O. (2003) suggested. Improving Nigeria's investment climate will lead to greater economic growth and, in turn, more tax revenues for all residents. So long as the tax climate is adverse, many small and medium-sized businesses (SMEs) will continue operating in the informal economy. One must comprehend that those necessary measures must be implemented to ensure that SMEs experience growth in a positive direction. For one to experience efficiency in the tax system, there is a need for various policies and measures to be put in place. These tax policies can be designed to contribute to SMEs in a positive direction and contribute to the growth of the economy in general. Such policies can be seen in countries where financial institutions that provide loans for SMEs are exempted from tax payment. Such policies are being established in countries to encourage financial institutions to continue to provide loans to SMEs. Because once loans are provided for SMEs, it will encourage them to perform better, which will contribute to the GDP of that economy, and in turn will enhance economic growth by providing employment opportunities and encouraging or attracting investment into the economy. Another important policy that will encourage the growth of SMEs in designing tax policies that will encourage human capital training. It is essential to know that tax rebate as a policy can be employed. The government should ensure that private sector investment in SMEs is encouraged, and the federal government should ensure that effort is put into developing both the significant sectors of the economy and the sub-sectors of the economy.

Another effort that can be put in place by the federal government to ensure the growth of SMEs is by ensuring the simplicity of tax charged to SMEs. It is essential to understand that making tax payments simple for SMEs will encourage them to continue in the business and ensure that potential investors are encouraged to invest in SMEs.

Tax Compliance of SMEs

The intricacy of the new tax regulations has made it difficult for the general public to keep up with their tax obligations. If you do not have a tax expert on your side, you may have difficulties in understanding tax regulations. There is no relationship between tax enforcement and the inability of people to pay their taxes. There is every tendency for illiteracy among SMEs that pay tax; this has resulted in the underpayment or overpayment of tax. Thus, we need to understand that so much research has proven that most at times, SME owners do not understand issues relating to tax payment and the compliance of people towards tax issues. It is also pertinent to understand that tax policies usually do not favour SMEs but typically favour more prominent firms. Since larger firms earn enough revenue that covers their tax payment and thus, they do not feel the impact of the tax when they pay such tax.

Nevertheless, as for SMEs, most at times, the revenue generated is so minor that they feel the impact of the tax when such tax is paid, which has led to a high rate of tax evasion among SMEs. Also, it is essential to understand that the registration of SMEs business for tax payment is sometimes not done. Moreover, to this extent, it has resulted in SMEs not being able to pay tax as at when due. All this and more has led to tax evasion among SMEs.

A. Theoretical Review

As a theoretical framework, the "Theory of Public Expenditure" serves as the basis for this research. Expenditures incurred by the government during its activities To some extent, it may be difficult to discern how much of the public budget goes toward maintaining government operations and how much goes toward benefiting society and economic growth more broadly in light of an increase in in-state activities. Despite the fact that public spending has grown substantially in recent years and is now an important part of the national economy, little research has been done on this topic. Public spending studies have been limited to generalisations about how public spending affects jobs and prices, which is a flaw.

We will take a look at two typical methods for calculating government spending in the following sections: A German economist in 1890, Adolph Wagner, claimed that there was a law of increased activity. For instance, a study indicated that the intensity and scope of government actions are both increasing. A functional relationship exists between economic growth and government activities, and the governmental sector grows faster than the economy. Governments of all sizes, particularly those that were state or municipal, also had a tendency to spend more money.

To put it another way, the Displacement Theory claims that public spending has increased in a "jack or stepwise" pattern rather than in a straight line over the past decade. Social or other concerns regularly signal that the public sector's needs cannot be met with the current revenue level. Because of this, everyone will be able to see how much money the government is spending. The "displacement effect" and the "inspection impact" refer to the

fact that revenues are unable to meet expenses as compared to revenues. Therefore, the government and its citizens would achieve a new level of "tax tolerance" by assessing the revenue situation and coming up with a solution to the problem of not having enough money. The "concentration effect" occurs when a major interruption increases the government's share of national economic operations. Government operations, they claim, tend to grow at a greater rate than the economy. Despite this, they continue to insist that

B. Empirical Review

Joulfaian and Ider (1998) did a study on "Differential Taxation and Tax Evasion by Small Businesses" in Washington, DC, USA. The research looked at how small businesses declare their earnings and the effect that tax rates have on this. The frequency distribution and multivariate analysis were used to examine the pooled data from the Taxpayer Compliance Measurement Program (TCMP). There is a strong correlation between the amount of self-employment revenue and the level of compliance with tax laws. The authors argue that the most critical components of the tax system should be accurately accounted for. Tax rates cannot be accurately calculated without taking this into consideration. There is a need to consider the self-employment tax (SECA) rate.

Fatai A (2011) has done considerable research on the elements that drive the growth of Nigeria's small and medium-sized companies (SMEs), including the chances for expansion and development that can lead to more jobs, improved economic growth, and a more developed nation. It has been shown that SMEs face an array of economic challenges, including high levels of unemployment and widespread poverty as well as low levels of industrialization and a lack of suitable infrastructure. Due to conflicts between the executive and parliamentary branches, the legislative budget approval process is rarely completed on schedule. Even after the budget has been approved, administrative restrictions prevent it from being implemented. It delays investment choices for small and medium-sized firms, particularly when it comes to tariff and tax regulations. A slew of government agencies, taxes, and levies necessitate the payment of small enterprises at numerous levels of government. As a result, they have had to pay a lot more to keep the business running.

Onugu B.A.N. (2005) analysed the tax system's alignment with the 21st century trend at the JTB international tax conference on October 29th, 2013. Economic crises that destroyed international economies and nearly brought them to their knees in financial and industrial sectors were among his views of the dreadful difficulties that face the global community. Oil money is no longer enough to maintain Nigeria's economy, and the country's non-oil industry needs to be developed for long-term growth. Their focus was to find how the Nigerian tax system can be positioned to achieve sustainable development for the country as

the 21st country events unfold. He identified some of the challenges facing the effectiveness of tax administration in Nigeria as Tax Evasion, Multiplicity of taxes, Complexity and rigidity of tax laws, Corruption among taxpayers, tax practitioners and administrators alike, lack of a tax compliance culture among the citizenry, Poor staffing, ignorance on the part of taxpayers, lack of autonomy of some state revenue Boards, and non-availability of an up to date database and statistics of taxpayers. He recommended that tax matters should be left in the hands of professionals. Who has been trained for it so that the citizenry and investors will not continue to complain of such vices as multiple taxations, inefficient and ineffective administration, outdated tax laws, extortion, evasion, and low internal generated funds (IGR)?

I. **METHODOLOGY**

A. *Research Design*

A survey research method was used, which involved questionnaires, interviews, past publications, and records. The researcher chose the survey method because it is effective when people's opinions are sorted for, attitudes and descriptions, more especially in getting cause and effect relationship.

B. *Population of the Study*

This study was conducted using Fifty (100) registered SMEs businesses in Bayelsa State, Nigeria. The total number of managing Directors; spread across the registered SMEs is Fifty (100). The number of managing directors made up the accessible population of the study, and all the population was studied given its minor nature.

C. *Method of Data Collection*

The study was able to examine its research hypotheses because of the data. Analyzing data using frequency tables and percentages and testing study hypotheses using Analysis of Variance (ANOVA) was employed again.

D. *Validity of Instrument*

"Validity of measuring instrument is defined as the ability of the instrument to measure what is supposed to measure," Asika N (1991). As long as the clock is accurate, it can be used. In any other case, it is not a good timer. This means that the content of an instrument is important in determining its validity. This emphasises making sure that a measuring instrument covers the range implied by a study's subject matter. In order to make sure that the questions in the questionnaire covered all of the study questions and hypotheses, the researcher made sure that all of the questions were in the questionnaire. Because the instrument had to be relevant to the subject and complete, experts in the field looked at it to make sure it was.

E. Reliability of Research Instrument

Consistency between two or more measurements of a single subject is referred to as reliability. The reliability of a measuring instrument is determined by its stability, dependability, and predictability (1991). Pre-testing ensures that the instrument measures what it is supposed to measure. The results were tested and retested to ensure that they were accurate. Ten small and medium-sized businesses (SMEs) in Bayelsa, Nigeria, each got a questionnaire. The same questionnaire was given to the SMEs two weeks after the data collection. We ran this experiment to check for consistency in their responses to the survey. The instrument's reliability coefficient was calculated using Spearman's reliability coefficient.

F. Method of Data Analysis

The phrase "data analysis" refers to the tactics employed by researchers to obtain previously accessible information that may be utilised to summarise the subject matter. The goal of stressing the data was to put the study's research hypotheses to the test. ANOVA is a statistical technique used to evaluate research hypotheses as well as present and understand data collected (ANOVA). An ANOVA formula example can be found here:

$$SSB = r \sum (X_{ij} - \bar{x})^2 \quad SSB = \sum \sum (X_{ij} - \bar{x})^2$$

where SSB = between sum of square; SSW = within treat sum of the square; X_{ij} = individual observation around their column means; \bar{x} = grand mean column; Df = degree of freedom (c - 1) (in 1); C = number of column; r = number of row; \sum = summation; level of significance: 0.05.

II. DISCUSSION

A. Data Presentation and Analysis

When conducting a field study in Nigeria's Bayelsa State to assess the impact of numerous taxes on small business investments, the SMEs centre provided the following data:

TABLE I

COMPANY PAYS TAX FREQUENTLY EVEN BEFORE GENERATING PROFIT

	RESPONSES	FREQUENCY	PERCENTAGE
A	All the time	60	60%
B	Once a year	26	26%
C	Twice per year	10	10%
D	Not at all	4	4%
	Total	100	100%

Table I shows that 60 people, or 60% of the entire population, answered that their employer pays taxes on a regular basis. When asked how often they clean, 26% of those polled indicated they did so once a year, 10% stated twice annually, and the remaining 4% said they did not clean at all. SMEs in Nigeria's Bayelsa State pay taxes all the time, based on the number of respondents that supported this conclusion.

TABLE II

HOW MANY TAX AGENCIES COLLECT TAXES FROM YOUR ENTERPRISE?

	RESPONSES	FREQUENCY	PERCENTAGE
A	More than three	54	54%
B	Three	20	20%
C	Two	18	18%
D	One	8	8%
	Total	100	100%

Table II shows that 54 respondents representing 54% of the population said more than three, 20 respondents representing 20% said three, 18 respondents representing 18% said two, while 8 respondents representing 8% said one. The researcher deduced that more than three agencies collect taxes from SMEs in Bayelsa state, Nigeria from scores.

TABLE III

THE COMPANY IS HEAVILY TAXED IN BAYELSA STATE NIGERIA

	Response	Frequency	Percentage
A	Heavily Taxed	68	68%
B	Moderately Taxed	20	20%
C	Tax-Free	10	10%
D	No idea	2	2%
	Total	100	100%

The scores on Table III revealed that some SMEs are heavily taxed, based on the opinion of 68 respondents that stood for it, representing 68%, 20 of the respondents representing 20% said moderately taxed. In comparison, 10 respondents representing 10% said they are taxed free.

TABLE IV

MULTIPLE TAXATION FRUSTRATE INVESTMENT IN BAYELSA STATE NIGERIA

	Responses	Frequency	Percentage
A	Strongly Agree	60	60%
B	Agree	18	18%
C	Disagree	12	12%
D	Strongly Disagree	8	8%
	Total	100	100%

Table IV's results show that in Nigeria's Bayelsa State, multiple taxation is discouraging investment in small and medium-sized enterprises (SMEs). As noted above, it is based on the responses of those who participated.

TABLE V

THERE IS NO SIGNIFICANT EFFECT OF MULTIPLE TAXATION ON INVESTMENT IN SMEs IN BAYELSA STATE NIGERIA.

	Responses	Frequency	Percentage
A	Strongly Agree	6	6%
B	Agree	10	10%
C	Disagree	30	30%
D	Strongly Disagree	54	54%
	Total	100	100

Table V shows that 6 respondents, or 6% of the total, strongly agreed that double taxes has no substantial impact on SMEs in Bayelsa state, Nigeria. Of the total number of people who responded, ten (10) said they agreed, thirty (30) said they disagreed, and fifty-four (54) said they strongly disagreed. Multiple taxes have a considerable impact on investment in small and medium-sized businesses in Bayelsa State, Nigeria, according to the results.

B. Test of Hypotheses

Analysis of variance is used to test the study hypothesis (ANOVA). The data used in the test comes from a survey of the workplace conducted in the field. Tables I-III include the data needed to support hypothesis 1. Data for hypothesis 2 is taken from Tables IV-VI.

TABLE VI

ANALYSIS OF VARIANCE FO HYPOTHESIS 1

Source of Variation	SS	Df	MS	FOCAL
Between treatment	3726.66	3	1242.22	73.03
Within treatment	136.01	8	17	

Source: Author's computation Using E-views statistical software $F=73.03$. $F_{0.05}=8.85$

Since the calculated F is greater than the critical table value of F, which is 8.85, that is, $73, 03 > 8.85$. We reject the null hypothesis and therefore fail to reject the alternative hypothesis at a 0.05 level of significance. Hence the

Continuity of multiple taxations on SMEs discourage investment in SMEs in the Bayelsa state of Nigeria.

TABLE VII

ANALYSIS OF VARIANCE FO HYPOTHESIS 2

Source of Variation	SS	DF	MS	FOCAL
Between-group	37599	3	1253	4.66
Within-group	2151.27	8	268.9	

Source: Author's computation Using E-views statistical software $F=4.66$. $F_{0.05}=8.85$

It is clear from the ANOVA test statistics above that F is below the 0.05 significance level. That comes to 4.66 8.85. We therefore fail to reject the null hypothesis (H_0) at a significance threshold of 0.05, indicating that various taxes on small businesses in Bayelsa State, Nigeria can discourage investment. There is no correlation between small businesses and capital allowances, according to the judgement. It suggests that investors will continue to invest in small and medium-sized enterprises (SMEs) notwithstanding the ongoing taxation of SMEs by tax agents.

III. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

A. *Summary of Findings*

Nearly every small firm in Bayelsa State, Nigeria, pays taxes on a regular basis, according to the results of the field survey. SMEs in Bayelsa State, Nigeria, are taxed by at least three separate government agencies, according to Table II. The taxation of small and medium-sized businesses is a matter for all levels of government (Federal, State, and Local). In addition, the study found that small business investment was negatively impacted by double taxation. Many people have voiced support for the perspective, as evidenced by this enormous number of responses.

There is a strong correlation between the amount of money invested by small firms and their ability to pay their taxes. Taxes are collected despite the fact that tax administration for small firms is flawed. It is shown in Table VI that small and medium-sized businesses (SMEs) in the Nigerian Bayelsa State have a tough time paying their taxes because of dishonest and incompetent tax collectors. According to those who participated in the survey, SMEs, investments, and various taxes all have a direct correlation.

According to the study's statistical findings, multiple taxation appears to have a high correlation with small firms. For this reason, the government should stop collecting various taxes from small firms, allowing investors to continue investing in these companies.

B. *Conclusion*

With a sample size of 100 small businesses in Bayelsa state, Nigeria, the study evaluates the impact of double taxation on SMEs in the state. Multiple - taxes in Nigeria's Bayelsa state, the researcher found, hampers investments in SMEs. The researcher established relationships between multiple taxations and investment in SMEs.

C. Recommendations

The government should prioritise the small and medium-sized enterprises (SMEs) and dedicate practical and visible attention to unifying all revenue collections into one account in order to tax SMEs with only one tax slot.

Non-governmental organisations (NGOs), governments, and other parties should promote tax policies that stimulate investments in small and medium-sized firms (SMEs) and create a tax-friendly environment in Bayelsa State, Nigeria, through extensive publicity and sensitization activities.

Final advice for policymakers: given the dearth of data in the study, they should concentrate their efforts on improving the Bayelsa State database and information regarding SMEs. For planning, research, policymaking, and investments in small businesses, this data is essential.

SUGGESTION FOR FURTHER STUDY

A better understanding of how taxes affect small business investment in Nigeria is needed to determine which taxes are the most discouraging.

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