

THE EFFECT OF E-TAXATION ON GOVERNMENT REVENUE

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Abstract

This study examined the effect of e-taxation on government revenue generation in Nigeria with particular emphasis on efficiency, accountability, and transparency. The increasing adoption of digital technologies in tax administration has transformed traditional tax collection systems by improving operational effectiveness and reducing bureaucratic inefficiencies. Despite the introduction of e-taxation in Nigeria in 2015, empirical evidence on its effectiveness in enhancing government revenue through these dimensions remains limited. The study employed a survey research design using primary data collected through structured questionnaires administered to 120 employees of the Internal Revenue Service in Ado, Ekiti State, Nigeria. Data were analyzed using descriptive statistics such as tables and percentages, while hypotheses were tested using the chi-square statistical technique at a 0.05 level of significance. Findings revealed that e-taxation significantly enhances efficiency by reducing paperwork, improving data accuracy, streamlining tax collection processes, and increasing compliance among taxpayers. The study also found that accountability in e-taxation strengthens public trust through improved reporting, reduced corruption opportunities, and responsible tax management. Furthermore, transparency was found to promote better understanding of tax processes, reduce tax evasion, and improve citizens' confidence in the tax system. The results of the chi-square analysis confirmed significant relationships between efficiency, accountability, transparency, and government revenue generation. The study concludes that the adoption of e-taxation plays a crucial role in improving revenue mobilization in Nigeria by enhancing administrative efficiency, strengthening accountability, and promoting transparency in tax administration. The study recommends that government should continue to strengthen digital tax infrastructure, improve technological accessibility, and enhance taxpayer education to maximize the benefits of e-taxation for sustainable revenue generation.

Keywords: E-taxation, Government Revenue, Efficiency, Accountability, Transparency, Tax Administration, Nigeria, Technology Acceptance Model.

INTRODUCTION

It is apparent that Nigeria's oil earnings can no longer completely support her development ambitions due to the significant drop in oil prices in recent years, which has resulted in a reduction in revenues available to the government. As a result, the government must produce cash internally to assist support its public spending. This requirement emphasizes the government's readiness to seek new sources of revenue or to become more aggressive and imaginative in collecting revenue from existing ones.

Taxation is one of these existing sources. To assist the government in achieving better revenue collection, she must implement a better and more convenient method of collecting taxes for her inhabitants, which is electronic taxation. Taxation is viewed as a tool for the government to generate revenue in order to provide critical services to its residents (Okauru, 2014). Global taxation is a result of reciprocity (Okauru, 2014). While the government is responsible for citizen empowerment through the provision of jobs, infrastructure, and other development initiatives, residents are usually expected to perform their own tasks, the most important of which is tax collection (Okauru, 2014). The government frequently recycles revenue gained by citizens' taxes in the provision of essential services such as piped water, a road network, power, schools, and so on (Okauru, 2014).

When we consider the diminishing income profile caused by the drop in oil prices, the truth on the ground in Nigeria is that governments at all levels must exert greater effort by starting on an aggressive tax push. As a result, Nigerians must accept the current situation. Taxes can take many forms, including personal direct tax, indirect tax, income tax, value added tax, and corporate income tax, to name a few. To close the revenue gap, the government must engage in aggressive taxation, which is the most recognized and plausible method of raising cash for social services around the world. According to the Vanguard of December 15th, 2015, revenue accruable from Value Added Tax (VAT) from March to June 2015 was approximately N376 billion, however this figure more than doubled between July and December. The cause for this can be traced back to the Federal Government's efforts to diversify the country's revenue sources. There is no doubt that Nigeria can withstand the volatility of the world oil market with mandatory tax rules and enforcement.

It is no longer news that Nigeria has lost its position as the primary supplier of oil to the United States of America and, as a result, must embrace revenue diversification, which can be accomplished through taxation, as an alternative means of revenue generation in order to cope with the dwindling revenue from oil. However, the tax system must be harmonized and collaboration between government tax agency and professional tax institutes and consultants must be ensured. To achieve sustained development through taxation, the institutional framework for tax processing and enforcement must be reliable.

According to Lolade (2005), the primary function of taxation is to raise funds for government spending. According to the Nigeria National Tax Policy (2012), taxes enable the government generate enough resources to deliver fundamental public goods and services. Nigeria has yet to reap the full benefits of taxation that industrialized countries across the world have. Indeed, Ayua (2000) stated that the problem with Nigerian tax administration is excessive inefficiency in terms of methods,

technology, and approaches used in tax collecting, as well as corrupt behaviors of tax officials in administering tax systems. Furthermore, Ayua (2000) believes that the Nigerian tax system is fundamentally inadequate, owing to tax fraud, avoidance, and record falsification, which explain for the consistently poor revenue yields. A careful examination reveals that the oil boom, which has been a lasting blessing to Nigeria, has unfortunately resulted in a significant shift of attention to oil money, resulting in a total neglect of other sectors including agriculture in Nigeria. The negative impact of this boom and exhilaration was the disregard of other areas from which the government can produce cash to offer basic services to its residents. One of the most effective ways for the government to create cash during this period of declining oil revenue is through tax Wasao (2014).

Unfortunately, the administration has ignored this. Nigeria would remain in these economic chains for a long time until the government implements an aggressive tax system to guarantee residents pay their taxes on time. Over the years, tax revenue has been very low, and no physical development has occurred, therefore the impact on the poor has been minimal. Inadequate tax employees, dishonest tax collector actions, and tax payers' lack of understanding of the need of paying taxes are some of the issues that we are currently facing in securing effective tax collection in the country. Therefore, this study will examine the effect of e-taxation on government revenue in Nigeria by focusing on the pre-post analysis of taxation in Nigeria. As a result, by focusing on the pre-post analysis of taxation in Nigeria, and also shed more light on the influence of e-taxation on government revenue in Nigeria. The broad objective of this study is analysis the effect of e-taxation on government revenue while the specific objective is:

1. To assess Efficiency of e-taxation on government revenue in Nigeria
2. To assess Accountability of e-taxation on government revenue in Nigeria
3. To examine Transparency of e-taxation on government revenue in Nigeria

LITERATURE REVIEW

Efficiency and e-taxation revenue

Taxation has remained one of the sources of providing essential service to the generality of the public within a geographic setting. According to black's law dictionary (2014), tax is defined as monetary imposition by government on businesses, persons or properties to enable it generate funds to support government fulfil its obligation of providing public goods. According to Advanced learner's dictionary (2010), tax is defined as levy by government on peoples' income, goods and services. Tax simply means compulsory contribution of money to government who in turn uses it for benefit of the citizenry. According to (Sayode & Kajola, 2016), taxation is the means of raising money for

governance purposes through contribution of both individuals and corporate bodies. They went further to describe tax as levy and collection of money from eligible persons. Direct taxes are taxes on personal and corporate income and indirect taxes are levied on goods and services. Tax is collected by government mainly to finance public expenditure and to redistribute income among its citizens and thereby attaining economic development as required (Ola, 2014; Bhartia, 2019).

E-taxation is the process of collection and administration of tax procedure through an electronic medium. According to Che-Azmi and Kamarulzaman (2014) E-tax payment system is one of the ways through which governments globally make use of information and communication technologies to enhance the provision of public services and the circulation of public administration information to the society. Wasao (2014) describes electronic tax system is an online system or channel where taxpayers are able to have access or permit to the platform through the use of internet, in other to have access to all the services provided by the tax authority such as the registration for a tax identification number, electronic tax filing of tax returns

E-tax payment system was introduced in 1986 in the U.S.A. In Australia electronic tax payment was introduced in 1987. In 1993, Canada started the usage of electronic tax payment other developed countries of the world such as Malaysia and Netherlands introduced electronic payment of tax to their taxpayers in 2009. In Africa, Uganda introduced electronic tax payment system in 2009, while Egypt started in March 2013, so as to maintain a close proximity with the international trades towards automated payments systems, for government.

In Nigeria e-tax payment system was introduced in 2015 by the Federal Inland Revenue Service (FIRS) in conjunction with Nigeria inter - bank settlement System (NIBSS), According to Okunowo (2015). Electronic tax payment was introduced so as to increase revenue Generation and for easy accessibility as tax payers are able to pay taxes from different locations and at various time. FIRS has an Information Communication Technology (ICT) department that provides support and customer care services to taxpayers and also with the main aim of increasing revenue generation and enabling voluntary acceptance of the system by taxpayers.

Evolution of E-taxation in Nigeria

E-taxation is the use of electronic media to assess, administer and collect taxes by agents of government. According to Che-Azmi and Kamarulzaman (2014), e-taxation is the use of information and communication technology by most world governments to improve its administration of public services and accountability. Wasao (2014), in his own view sees e- taxation as an online platform

assessed by taxpayer through internet to avail himself all services offered by government in relation to payment of tax such as registration, filling of returns, payment of tax and application for tax clearance certificate. A practical example is the electronic taxation system rolled out by Federal Inland Revenue Service in Nigeria. According to PWC Nig (2015), e-taxation was first introduced in USA in 1986 while that of Australia was introduced in 1987 first by filling returns electronically. Canada commenced electronic filling of tax returns while Malaysia, Netherlands and Uganda introduced payment of tax electronically by the revenue authorities and taxpayers in 2009. By 2015, Egypt commenced electronic tax payment to keep pace with automated payment system of international trade transactions of government. Okunowo (2015) in his paper is of the opinion that Nigeria joined the league in 2015 when its tax authorities in collaboration with Nigerian Inter Bank (NIBSS) tried to automate its tax system. Electronic taxation was implemented in Nigeria to improve on administration and collection of taxes and reduce cost of collection. E-taxation in Nigeria came with a lot of promises which include; replacement of manual filling of returns, faster processing of tax assessment, improved costs and efficiency.

Benefits of E-Taxation in Nigeria

The paradigm shift from manual system to e-taxation has been described as a great achievement by the FIRS as it is meant to be of immense benefit to both the taxpayers and tax administrators. Even though the e-tax system is yet to be fully implemented, it is already being used by taxpayers especially in Lagos and Abuja only and is already showing promising results. It has provided solutions to some of the challenges involved in manual tax system as noted in FIRS publication of 2015. These include; The mode of tax payment becomes easier under the new e-tax system. The filing of returns and payment of taxes can be done at the comfort of taxpayer's home thereby reducing the timing of tax processes. Communication between the taxpayer and tax authorities has become easier and is now online. Tax compliance is now highly encouraged as payment of taxes becomes easier. Wasao (2014),

With the e-tax system in place, the issue of poor tax administration now becomes a thing of the past. Large manpower requirements are not needed again, the same applies in reduction in quantity of paper used in tax administration. With the online system communication became easier and tax administrators can now focus on other areas that will contribute positively to the economy. The change to the e-tax system has enhanced storage and retrieval of tax information. This is because data base management system for taxpayers are enhanced making it easier for the government to improve the quality and quantity of taxpayers' information. It can also be inferred that information retrieved from the database is accurate, reliable, and ensures accountability and stewardship on the

part of tax administrators. The rate of corruption in the system is curbed and has assisted in building taxpayer's trust in the system (Rogers 2023).

The e-tax system offers a cheaper and easier way of administering tax collection. In this regard, the cost of collecting tax and overhead cost in relation to tax collection is cheaper. This is in line with the principles of good tax system that states that the cost of collecting tax should not be less than the tax collected. On the part of taxpayer, he spends less in filling his returns and remitting tax contrary to manual system where the taxpayer incurs some costs in course of paying tax. The new system exposes taxpayers and administrators to the new advanced technology thereby improving their knowledge and skill in tax matters. The manual system is engulfed with human errors and ignorance of tax policies, but e-tax system has come to bridge that gap. It has improved the knowledge of taxpayers and conflicts with tax administrators are easily resolved through effective communication. Tax officers also gain better skill, efficiency and effectiveness in handling tax matters and are exposed to advanced technology making their work easier Okunowo, (2015).

E-tax system has increased tax compliance and has reduced the incidence of tax evasion and avoidance which has been a serious problem of tax administration in Nigeria. The new integrated tax system gives taxpayers the convenience of paying taxes and incorporates transparency and efficiency in the system. It optimises tax revenue collection and encourages voluntary compliance by taxpayers. Due to the accountability encouraged by the system, the taxpayer's feel secure that their taxes will count when remitted and that is a great motivation to them. Finally, the system enhances the database for taxpayers which helps in checking for compliance and in turn helps government in capturing more taxes. Maisiba, & Atambo, (2016).

Theoretical Framework

Technology Acceptance Model (TAM)

This work is anchored on Technology Acceptance Model because it appears to be the most widely accepted amongst information system researchers, perhaps because of its parsimony and the wealth of recent empirical support of it. The theory is of the assumption that an individual's intention towards using a system is jointly determined by perceived usefulness (PU) and perceived ease of use (PEOU). The perceived usefulness refers to the users believe that using a specific application system will improve his or her job performance. Perceived ease of use was defined by Davies as "the degree to which a person believes that using a particular system would be free from effort" (Davis, 1989). It refers to the degree to which the user expects the target system to be free of effort. It was argued that

the theory although is a very useful model still has to be integrated into a broader one which would include variables related to both human and social factors.

In relation to E-tax, TAM gives the bases of adopting the system as its perceived usefulness on the part of both tax payers and tax officials. The primary objective of the e-tax system is to solve the challenges facing the tax system which makes government tax officers the fore runners in the acceptance of the e-tax technology mostly because it has a direct positive effect on their job performance in terms of efficiency, timeliness, accuracy and reliability. As for the tax payers, the perceived usefulness of e-tax will then be the general ease of paying taxes in terms of simplicity, convenience, accuracy, and trust in the tax system which will then instigate compliance and hence solving one of the major problems of taxation in the country. The perceived ease of use is however a hindrance to both tax payers and tax officials who may sometimes feel they do not have what it takes to actually use the technology without much effort. This is mainly due to lack of technological exposure which poses as a major threat to the ongoing use of e-tax in Nigeria.

Empirical Review

There have been several studies concerning the electronic tax payments across the globe, Seelmann, Lerche, Kiefer and Lucante (2011) examined Benefits of a computerized integrated system for taxation in Tanzania, they argued that Taxation is often the most important source of state revenue. However, many developing countries lack effective tax administration structures and processes. Technological innovations have not filtered through to the daily working reality of tax officials. They concluded that Computerization of tax and revenue authorities can contribute to reaching the goal of good (financial) governance. It improves accountability and transparency of the revenue authorities. Nevertheless, while reforming and modernizing the tax system is an essential part of improving domestic resource mobilization, such a reform will be sustainable only in conjunction with more profound changes in the administrative and political structure of a state.

Sagas, Nelimalyani and Kimaiyo (2015), did an assessment of the impact of electronic tax register on revenue collection by Kenya Revenue Authority western region, Kenya. Findings from their study indicated that indicated that 75% of the respondents were of the opinion that ETR machines have helped to curb cases of tax evasion 86% of the respondents were of the opinion that ETRs have helped increase revenue collection due to their efficient nature.

Ayodeji (2014) also looked at the Impact of electronic tax systems on Tax Administration in Nigeria. He argued that the dwindling global fortune occasioned by the fall in the price of crude oil,

the major source of wealth for Nigeria shifted the attention of the government and major stakeholders in the country to the revenue generated locally. But the daunting task of boosting the Internally Generated Revenue necessitates the adoption of electronic tax systems technologies to drive Tax administration and concluded that electronic tax systems play an important role in the increase of internally generated revenue in Nigeria by ensuring compliance thereby boosting productivity and economic activities in the country. It is a change agent for accelerated growth and poverty reduction in Nigeria and the whole of African continent at large. The major recommendation from their study was that necessary laws and regulations have to be passed by the appropriate authorities to reduce or abolish import taxes on information technology hardware such as computers, Servers, printers, biometric scanners and other devices.

Lubua (2014), in his study titled *Influencing Tax Compliance in SMEs through the Use of ICTs* argued that Revenue collection is an important determinant of the economy of any country. The adequacy of government revenues allows the government to support its operations ranging from administrative activities, infrastructure constructions and service provision. The study aimed to show how e-transparent services address the challenge of voluntary tax compliance by SMEs in the republic of Tanzania. The study observed the following factors to influence voluntary compliance: Awareness of tax laws, business experience, the integrity of employees, low frequency of visitation by tax officers and training needs. Recommendations read that the revenue authority must use relevant ICT tools to positively promote these factors; as the result, the position of taxpayers to voluntarily file their tax returns will be enhanced.

Wamathu (2013) studied the effects of electronic taxation on financial performance of audit firms in Kenya. From the finding the study found that there has been timely filing of returns since inception of I-tax, there has been a reduction in audit period due to introduction of I-Tax, respondents were quite knowledgeable, system failure when login were less, I-Tax was user manual friendly, I-tax system was reliable and that I-tax was not user friendly, I-tax system cost effective, I-tax system was cost effective and respondent were aware of that I-Tax system was electronic cash register and electronic signature device. She recommended that there is need for the Kenya Revenue Authority to invest on technology in order to reduce the system failure as the study revealed that system failure affects system logins. System failure discourages use of technology.

Muita (2010) in her MBA thesis has also done a related study on the factors that influence adoption and use of e-filing system among Large Taxpayers in Kenya. The study examined the skills required by the users of e-filing, the technology required and the tax authority's preparedness in enhancing the adoption of tax compliance-based technology. The study found that for e-filing to effectively

take off in Kenya skills, infrastructure and a conducive business environment are needed.

In Uganda, Akello (2014) reported that there are challenges such as intermittent power supply and Internet outages but says the tax body has made contingency plans to ensure that the system is operational 24/7. First, the e-Tax is hosted on a central server at their Kampala headquarters, which means that it's not affected by power or network outages even when power or the Internet is off in some parts of the country. The electronic filing process still confuses a lot of people because the web portal has many features and yet most people cannot understand some tax terms. Sheikh (2015) explains that as with any new system, there have been numerous teething problems with the electronic system. First, there are two concurrent tax systems manual and iTax systems without either system recognizing the other. Taxpayers are also receiving demand emails from the Integrated Tax Management System. This is bound to create discrepancies in taxpayers' records, especially with regards to payment of tax obligations as well as submitting returns. For instance, in the current setup, if a taxpayer pays taxes manually, the iTax system will not recognize the payment. Instead, the system automatically calculates penalties and interest on the perceived "missed" tax payments thereby leading to potential disputes between the KRA and the taxpayer. Second, the iTax system lacks historical records of taxpayers. Its record keeping is a "going forward" type in that it only stores tax records of taxpayers from the time of registering for iTax onwards (Sheikh, 2015).

According to Lubua (2014), employees play a vital role in ensuring that the revenue authority collects its tax from clients at the right time. They also ensure that clients have the right knowledge of business taxation. Low integrity to employees is reported to significantly affect efforts by the revenue authority toward improving revenue collection. To a large extent, the use of ICTs in the Tanzanian revenue authority has addressed the challenge of corruptive behaviour by employees. In areas such as custom department, clients are able to conduct own assessments. However, in domestic revenue there is a low usage of ICTs. Clients depend on employees for assessment and this assessment depends on employees' rational ability and integrity.

Adedeji and Oboh, (2012), carried out a study on An Empirical Analysis of Tax Leakages and Economic Growth in Nigeria. This study empirically examined the economic implication of tax leakages on the Nigerian economy. A survey research design was adopted and responses were obtained through the use of a well-structured questionnaire administered to 185 respondents. Findings from the empirical analysis using Kendall's w-test and Chi square test statistics reveal that tax evasion and avoidance have adversely affected economic growth and development in Nigeria, and also, that lack of good governance is the basis for which tax leakages activities is perpetrated. The study therefore recommends that the government should embrace and promote good governance

so as to encourage voluntary compliance of tax liability by the citizenry.

In another line of the study by Leyira, Chukwuma, Asian, (2012) on Tax System in Nigeria – Challenges and the Way Forward. The study discussed the challenging issues affecting the tax system in Nigeria. It is characterized by lack of statistical data, poor tax administration, and inability to prioritize tax effort, multiplicity of taxes and increase in underground economy. It also proffers challenges so as to engender an efficient and effective tax regime in Nigeria. The study concludes that the foregoing offers a theoretical framework for improving some silent issue in Nigeria's tax system, suggesting challenges and possible remedies. As must be clear by now, tax is a complex phenomenon that affects both the government and the citizenry and they consider autonomy, Efficient and effective Tax Administration, use of computer technology, Strengthening Auditing, Tax Rates and Use of Tax Money and public enlightenment as the remedies raised as crucial to overcoming the challenges inherent in the entire tax system with a view to enabling Nigeria desire the potential benefits of fiscal policy re-engineering.

Abdul-Rahamoh and Adejare (2013) who examined critically the effect of petroleum profit tax on Nigerian economy using multiple regression method from 1970 to 2010 found that petroleum profit tax and other variables had significant impact on Nigerian economic growth and therefore concluded that the abundance of petroleum and its associated income has been beneficial to the Nigerian economy from 1970 to 2010.

Eyisi and Chioma (2015) critically investigated the impact of taxation on the macroeconomic performance of the Nigerian economy ranging from 2002 to 2011. Ordinary least squares regression method was applied in analyzing obtained data. Result obtained showed that government earnings from taxation has positive significant effect on real gross domestic product in Nigeria; government revenue from taxation has negative significant influence on unemployment rate in Nigeria; and that petroleum profit tax has negative significant effect on real interest rate in Nigeria. The implication of the above study shows that revenue generation from taxation enhances economic growth and that changes in taxation, automatically will affect individual's real standard of living (GDP), employment rate and interest rate. In view of above findings, the Researcher recommends that: the current draft national policy should be passed into law by the National Assembly so as to make it a working document; the government should consider taxpayers and other key stakeholders' interest in fiscal policy formulation and implementation in order to achieve improved tax compliance rate in the country and that government needs to improve the revenue allocation system so as to boost the taxation drive by the different tiers of government.

Sagas and Nelimalyani (2015) studied An Assessment of the Impact of Electronic tax register on

revenue collection by Kenya revenue authority western region, Kenya. A survey research design was employed. The study population comprised of 14 management staff of KRA (Kisumu office) and 364 wholesale traders in Kisumu town, adding up to 378 people. From this target population, a sample size of 124 respondents was derived, which included all management staff and 30% of the wholesale traders. Simple random sampling was used to select wholesale traders. The study employed the use of questionnaires and interview guide to collect data. The content validity of the data collection instrument was determined through piloting, where the responses of the subjects was checked against the research questions to establish that the wording and framing of the questions in the questionnaire are easily understood and clear. The Cronbach's Coefficient Alpha was used to test the reliability of the questionnaires and it was computed for each item in the Likert scale. A reliability coefficient of 0.7 was assumed to reflect the internal reliability of the instrument. The collected data was analyzed using qualitative techniques. The findings indicated that 75% of the respondents were of the opinion that ETR machines have helped to curb cases of tax evasion 86% of the respondents were of the opinion that ETRs have helped increase revenue collection due to their efficient nature. Therefore, the research findings will help KRA and other revenue collection bodies around the world to have an understanding of the current usage of ETR in Kenya and extent to which it has improved domestic revenue collection.

Samuel and Tyokoso (2014), carried out research on Taxation and Revenue Generation: an Empirical Investigation of Selected States in Nigeria. The testing of hypotheses was done using regression analysis via SPSS version 17.0. The research discovered among others that taxation has a significant contribution on revenue generation, taxation has a significant contribution on Gross Domestic Product (GDP) and tax evasion and tax avoidance have a significant effect on revenue generation in Nigeria. The research recommends among others that well equipped database on tax payers should be established by the Federal, State and Local Governments with the aim of identifying all possible sources of income of tax payers for tax purpose, the tax collection processes must be free from corruption and embezzlement and stringent penalties should be meted by the federal, state and local governments to people who evade and avoid tax payments in order to discourage tax evasion and tax avoidance.

Alake and Olatunji and Alake (2016) carried out a study on the Impact of Electronic Taxation on Tax Evasion and Avoidance (A Case Study of Nigerian Banks). The study examined the impacts of electronic taxation on tax avoidance and evasion in Nigeria. The sampled for their study was taken from Ekiti State of Nigeria focusing on some banks and the Board of internal revenue of the state. They administered well-structured questionnaires to get responses from the target respondents and

they used standard deviation to test the research hypotheses. The results of their findings led to the rejection of the hypotheses that electronic taxation does not have significant impact on tax avoidance and evasion in Nigeria and consequently the alternative hypothesis was accepted and the study concluded that embracing electronic taxation in tax administration in Nigeria will significantly reduce the incidences of tax evasion and avoidance in Nigeria.

Segun, Adeniyi, Babalola and Adesunloro (2017) ascertained the extent to which electronic taxation has curb tax evasion in Lagos State. Survey research design was used in this study. The population of the study is defined as business owners and financial analysts. Analysis of variance (ANOVA) was used to analyse data collected statistically at 5% or 0.5 level of significant to find out the significant relationship between tax evasion and electronic tax system. Regression analysis was used with the aid of statistical package for social sciences (SPSS) 20.0 software. The test show that electronic tax system has enhanced better management of tax payers' data, therefore minimize the incidence of tax evasion among Tax payers. The researcher recommends that, government has to improve tax payer education about the importance of electronic filing system.

Olurankinse and Oladeji (2018) examined self-assessment, e-taxation payment systems and revenue generation in Nigeria. The respondents were drawn from 30 tax executives from 30 quoted companies in Rivers State of Nigeria. A cross-sectional survey of the quasi-experimental research design was adopted. 30 questionnaires were administered to 30 executives drawn from 30 selected companies in Nigeria. Both Pearson's product moment correlation coefficient statistical tool and the regression analysis were used to test the hypotheses by the application of SPSS version 20.0. Results indicate a positive and significant relationship between self-assessment and e-taxation payment systems and Revenue generation. The paper concludes that e-taxation is an online tax payment and administration system that is used for the generation of tax from all competent taxpayers based on statutory guidelines for the purpose of assessing tax returns in the economy. The paper recommends that corporate bodies in Rivers State of Nigeria should endeavour to pay their taxes as and when due so as to enable the government have enough funds to provide public goods in the country.

Ajape, Afara and Uthman (2017) studied the system of taxation on tax administration efficiency and tax revenue generation in Lagos state, Nigeria. Survey research design was adopted using a structured five-point Likert-scaled questionnaire to obtain data. A response rate of 73.33% was achieved as 110 copies of the questionnaire were duly returned out of the 150 copies that were administered. Data gathered were analyzed using descriptive statistics, while hypotheses were tested using the Multivariate Analysis of Variance (MANOVA) with the aid of SPSS. Major findings of the study revealed that respondents do not differ that e- tax system has enhanced revenue generating

potentials of Lagos State and as well, or has positive impact on the efficiency of tax administration. As a conclusion of the study, we recommend the relevant tax authority to formulate and implement policies that would promote the sustainability of positive effects of the e-tax system and to train tax officials on how to harness the benefits of administering taxes electronically.

Alade (2018) examined the effect of E-taxation adoption on revenue generation in Nigeria. Specifically, the study assessed the effect of E-taxation on Company Income Tax (CIT) and Value Added Tax (VAT). Expo facto research design was adopted and data were sourced from Federal Inland Revenue Service. The study period covered six (6) years and three (3) quarters, spanning from the first quarter of 2012 to the second quarter of 2018. The study was on quarterly bases and the period for pre-E-taxation covered thirteen (13) quarters, spanning from the first quarter of 2012 to the first of 2015 while the period for post E-taxation covered thirteen (13) quarters, spanning from the second quarter of 2015 to the second quarter of 2018. The analysis that was carried out through paired sampled t-test revealed a positive insignificant difference between pre and post company income tax revenue with t-statistics and p-value reported to be 0.833 and 0.421 Respectively; and that there was a positive insignificant difference between pre and post value added tax revenue with t-statistics and pvalue of 0.520 and 0.612 respectively. It was concluded that E-taxation has not significantly spur revenue generation in Nigeria. Thus, the study recommended that federal government through Federal Inland Revenue Services should work out modalities on how to sensitize companies on the nitty-gritty of E-tax payment so as to maximize the expected positive impact of the initiative and that Federal Inland Revenue Services must ensure that the website is of good quality and accessible to all and sundry.

Olaoye and Atilola (2018) examined the effect of e-tax payment on revenue generation in Nigeria. The study period covered six (6) years and three (3) quarters, spanning from the first quarter of 2012 to the second quarter of 2018. the period for pre-e-taxation covered thirteen (13) quarters, spanning from the first quarter of 2012 to the first of 2015 while the period for post e-taxation covered thirteen (13) quarters, spanning from the second quarter of 2015 to the second quarter of 2018. The analysis was carried out using Trend analysis, descriptive statistics of mean and standard deviation, paired sampled t-test. The findings revealed that there was insignificant positive difference between pre and post value added tax revenue with t-statistics and pvalue of 0.520 and 0.612 respectively. This connotes that e-tax payment has an insignificant positive effect on value added tax revenue in Nigeria. E-tax payment has negative insignificant impact on Value Added Tax (VAT) revenue. It was therefore concluded that E-tax payment has not contributed to capital gain tax, value added tax and company income tax generation in Nigeria.

METHODOLOGY

The survey research design was used in this study. This study's population comprised of the entire employees of the internal Revenue Service Ado, Ekiti State, which is believed to be 120 people. Staff knowledge and information on the subject of the study were prioritized. The researcher employed Judgmental sampling Techniques to select these organization as they possess the most relevant and reliable information for the purpose of these study, the researcher deliberately chose to focus on this institution due to its authoritative role in managing and disseminating tax-related data, ensuring that the collected information will be accurate, comprehensive and suitable for achieving the study's objectives. The research instrument (questionnaire) will personally administer to the target group at the Internal Revenue Service Ado, Ekiti State, by the researcher. This will be done in order to capture at least 95% of the entire population sampled with the study equipment. Furthermore, the respondents will be guided on how to complete the questionnaire in order to collect data for analysis. The data was compiled from responses gathered from respondents at the Internal Revenue Service Ado, Ekiti State. The data were statistically handled in accordance with the study's research questions. Tables and percentages were utilized to analyze research questions, while Chi-square was used to assess research hypotheses.

The following formula for testing hypotheses is being used:

$$X^2 = \frac{(Fo - Fe)}{Fe}$$

Where X^2 = Chi-square

Fo = Frequency Observed

Fe = Frequency Expected

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Analysis of Research Questions

Question 1: What is the relationship between efficiency and e-taxation revenue in government?

Table 1: Descriptive Statistics for relationship between efficiency and e-taxation revenue in government

S/N	ITEMS	SA	A	SD	D	Mean	Decision
1.	The implementation of e-taxation led to an increase in government tax revenue generated.	76 (63.3%)	42 (35%)	2 (1.7%)	0 (0)	3.61	Agreed

2.	The implementation of e-taxation ensures compulsory payment to all taxpayers	62 (51.7%)	58 (48.3%)	0 (0)	0 (0)	3.57	Agreed
3.	It reduces paperwork, administrative burden and enhance data accuracy.	106 (88.3%)	10 (8.3%)	4 (3.3%)	0 (0)	3.85	Agreed
4.	It streamlines tax collection processes, improve compliance, and enhance taxpayer services.	90 (75.0%)	24 (20.0%)	6 (5.0%)	0 (0)	3.70	Agreed
5.	E-taxation platforms provide real-time access to tax collection data, helping to track revenue flows and make the process more transparent.	84 (70.0%)	34 (28.3%)	2 (1.7%)	0 (0)	3.68	Agreed
6.	E-taxation enhance the communication between the taxpayer and tax authorities to become easier and is now online.	72 (60.0%)	48 (40.0)	0 (0)	0 (0)	3.60	Agreed
	Grand mean					3.67	Agreed

$\bar{X} \leq 2.50$ indicate Agreed otherwise "Disagreed"

The analysis presented in table 1 revealed the relationship between efficiency and e-taxation revenue in government. It was found that all the respondents agreed with the statement in item 1-6 as their mean values were greater than 2.50. this means that the implementation of e-taxation led to an increase in government tax revenue generated (3.61), The implementation of e-taxation ensures compulsory payment to all taxpayers (3.57), It reduces paperwork, administrative burden and enhance data accuracy (3.85), It streamlines tax collection processes, improve compliance, and enhance taxpayer services (3.70), E-taxation platforms provide real-time access to tax collection data, helping to track revenue flows and make the process more transparent (3.68), E-taxation enhance the communication between the taxpayer and tax authorities to become easier and is now online (3.60).

The grand mean value in the table is also greater than 2.50 which means that all the respondents agreed that there is relationship between efficiency and e-taxation revenue in government.

Question 2: What is the relationship between accountability and e-taxation revenue in Nigeria?

Table 2: Descriptive Statistics for relationship between Accountability and E-taxation revenue in government

S/N	ITEMS	SA	A	SD	D	Mean	Decision
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7.	Regularly publishing tax revenue reports and how funds are allocated can enhance trust in the system.	80 (66.7%)	40 (33.3%)	0 (0)	0 (0)	3.66	Agreed
8.	Accountability in e-taxation revenue ensure the processes of tax collection and management to be transparent, efficient, and responsible.	92 (76.7%)	26 (21.7%)	2 (1.7)	0 (0)	3.75	Agreed
9.	Accountability in tax collection and usage of funds via e-taxation can foster public confidence and willingness to pay.	70 (58.3%)	50 (41.7%)	0 (0)	0 (0)	3.58	Agreed
10.	E-taxation provide clear guidelines processes, and reducing opportunities for corruption and enhancing taxpayer trust.	74 (61.7%)	46 (38.3)	0 (0)	0 (0)	3.61	Agreed
11.	Accountability and e-taxation contributions to national development	92 (76.7%)	20 (16.7%)	2 (1.7%)	6 (5.0)	3.65	Agreed
	Grand mean					3.67	Agreed

$\bar{X} \leq 2.50$ indicate Agreed otherwise "Disagreed"

The analysis presented in able 2 revealed the relationship between accountability and e-taxation revenue in government. It was found that all the respondents agreed with the statement in item 7-11 as their mean values were greater than 2.50. this means that regular publishing tax revenue reports and how funds are allocated can enhance trust in the system (3.66), accountability in e-taxation revenue ensure the processes of tax collection and management to be transparent, efficient, and responsible (3.75), accountability in tax collection and usage of funds via e-taxation can foster public confidence and willingness to pay (3.58), e-taxation provide clear guidelines processes, and reducing opportunities for corruption and enhancing taxpayer trust (3.61), Accountability and e-taxation contributions to national development (3.65).

The grand mean value in the table is also greater than 2.50 which means that all the respondents agreed that there is relationship between accountability and e-taxation revenue in Nigeria.

Question 3: What is the relationship between transparency and e-taxation revenue in Nigeria?

Table 3: Descriptive Statistics for relationship between transparency and E-taxation revenue in government

S/N	ITEMS	SA	A	SD	D	Mean	Decision
12.	Transparency in tax administration through e-taxation ensures that citizens and businesses understand how taxes are assessed, collected, and utilized.	78 (65.0%)	42 (35.0)	0 (0)	0 (0)	3.65	Agreed
13.	The absence of transparency can lead to various negative outcomes, including: Tax evasion and avoidance.	92 (76.7%)	28 (23,3%)	0 (0)	0 (0)	3.77	Agreed
14.	It helps to reduce corruption, improves public trust, and enhances overall compliance on tax.	84 (70.0%)	36 (30.0%)	0 (0)	0 (0)	3.70	Agreed
15.	Limited access to e-taxation (technology) among some taxpayers can hinder transparency which involves in how taxes were assessed, recorded/collected and utilized.	70 (58.3%)	44 (36.7%)	2 (1.7%)	4 (3.3%)	3.50	Agreed
16.	Tax education can lead to true transparency which in turn encourage taxpayers to show interest in paying taxes.	74 (61.7%)	40 (33.3%)	6 (5.0%)	0 (0)	3.57	Agreed
	Grand mean					3.67	Agreed

$\bar{X} \leq 2.50$ indicate Agreed otherwise "Disagreed"

The analysis presented in able 3 revealed the relationship between transparency and e-taxation revenue in government. It was found that all the respondents agreed with the statement in item 12-16 as their mean values were greater than 2.50. this means that Transparency in tax administration through e-taxation ensures that citizens and businesses understand how taxes are assessed, collected, and utilized (3.65), The absence of transparency can lead to various negative outcomes, including: Tax evasion and avoidance (3.77), It helps to reduce corruption, improves public trust, and enhances overall compliance on tax (3.70), Limited access to e-taxation (technology) among some taxpayers can hinder transparency which involves in how taxes were assessed, recorded/collected and utilized (3.50), Tax education can lead to true transparency which in turn encourage taxpayers to show interest in paying taxes (3.57).

The grand mean value in the table is also greater than 2.50 which means that all the respondents agreed that there is relationship between transparency and e-taxation revenue in Nigeria.

Test of Hypotheses

Hypothesis one: There is no difference between efficiency and e-taxation revenue generated in Nigeria.

Table 4: Chi square statistics for difference between efficiency and e-taxation revenue generated in Nigeria.

	Value	df	Asymptotic Significance (2-sided) (P)
Pearson Chi-Square	18.438 ^a	4	.001
Likelihood Ratio	19.179	4	.001
Linear-by-Linear Association	13.067	1	.000
N of Valid Cases	120		

P < 0.05 (Significant)

The analysis presented in table 4 revealed that the chi-square value (18.438) was high and P < 0.05 level of significance. This means that the null hypothesis 1 was rejected and alternative accepted. This mean that there is relationship between efficiency and e-taxation revenue generated in Nigeria.

Hypothesis two: There is no relationship between accountability and e-taxation revenue generated in Nigeria

Table 5: Chi square statistics for difference between accountability and e-taxation revenue generated in Nigeria.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided) (P)
Pearson Chi-Square	26.773 ^a	2	.000
Likelihood Ratio	26.813	2	.000
Linear-by-Linear Association	26.474	1	.000
N of Valid Cases	120		

P < 0.05 (Significant)

The analysis presented in table 5 revealed that the chi-square value (26.773) was high and $P < 0.05$ level of significance. This means that the null hypothesis 1 was rejected and alternative accepted. This mean that There is relationship between accountability and e-taxation revenue generated in Nigeria.

Hypothesis three: There is no relationship between transparency and e-taxation revenue generated in Nigeria

Table 6: Chi square statistics for difference between transparency and e-taxation revenue generated in Nigeria.

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided) (P)
Pearson Chi-Square	29.939 ^a	1	.000		
Continuity Correction ^b	27.824	1	.000		
Likelihood Ratio	30.348	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	29.690	1	.000		
N of Valid Cases	120				

$P < 0.05$ (Significant)

The analysis presented in table 5 revealed that the chi-square value (29.939) was high and $P < 0.05$ level of significance. This means that the null hypothesis 1 was rejected and alternative accepted. This mean that There is relationship between transparency and e-taxation revenue generated in Nigeria.

Conclusion and Recommendations

The study concludes that e-taxation significantly impacts government revenue generation in Nigeria. By fostering efficiency, accountability, and transparency, electronic tax systems have modernized tax administration, reduced inefficiencies, and improved compliance rates. These improvements contribute to a more reliable and robust revenue collection mechanism. However, challenges such as technological infrastructure gaps, resistance to adoption, and security concerns must be addressed to maximize the potential of e-taxation. Based on the findings, the following recommendations are proposed:

The government should invest in upgrading e-taxation platforms to ensure system reliability, scalability, and accessibility. Provide support for rural and underserved areas by improving internet connectivity and electricity supply.

Regular training programs should be organized for tax officials to enhance their proficiency in managing e-taxation systems. Taxpayers should be educated through awareness campaigns on how to use e-taxation platforms effectively.

Implement robust cybersecurity measures to protect sensitive taxpayer data and prevent breaches that could undermine trust in the system. Simplify the e-taxation process to reduce barriers to compliance. Offer incentives, such as tax discounts or waivers, for early or consistent users of e-tax platforms. Introduce policies to ensure regular maintenance and updates of e-taxation systems to align with emerging technological advancements. Mandate the use of e-taxation for all taxable entities to eliminate loopholes exploited in manual tax systems.

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