EFFECT OF TAX ADMINISTRATION ON REVENUE GENERATION CAPACITY IN SELECTED LOCAL GOVERNMENT AREAS OF KADUNA STATE

BY

TITUS ARIANRIE AJIMBE

DEPARTMENT OF PUBLIC ADMINISTRATION

FACULTY OF ADMINISTRATION

AHMADU BELLO UNIVERSITY

ZARIA, NIGERIA

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BY

Titus Arianrie AJIMBE
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A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES AHMADU BELLO UNIVERSITY INPARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE (M. Sc) DEGREE IN PUBLIC ADMINISTRATION

DEPARTMENT OF PUBLIC ADMINISTRATION,
FACULTY OF ADMINISTRATION,
AHMADU BELLO UNIVERSITY,
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MARCH, 2021

DECLARATION

I declare that the work in this dissertation entitled **EFFECT OF TAX ADMINISTRATION ON REVENUE GENERATION CAPACITY OF LOCAL GOVERNMENT AREAS OF KADUNA STATE** has been carried out by me in the Department of Public Administration. The information in the literature has been duly acknowledged in the text and a list of references provided. No part of this dissertation was previously presented for another degree or diploma at this or any other institution.

Ajimbe Titus Arianrie	……	……..
P16ADPA8005	Signature	Date

CERTIFICATION

This is to certify that this dissertation entitled: **EFFECT OF TAX ADMINISTRATION ON REVENUE GENERATION CAPACITY IN LOCAL GOVERNMENT AREAS OF KADUNA STATE** by Titus Arianrie AJIMBE meets the regulations governing the award of Master of Science Degree in Public Administration, Ahmadu Bello University Zaria, and it is approved for its contribution to knowledge and literary presentation.

Prof. Bashir Jumare Chairmain Supervisory Committee	_____ Signature	_____ Date
Dr. Faruk Abubakar Member, Supervisory Committee	_____ Signature	_____ Date
Dr. Musa Idris Head of Department	_____ Signature	_____ Date
Prof. Sani Abdullahi Dean, School of Postgraduate Studies	_____ Signature	_____ Date

DEDICATION

I dedicate this work to Almighty God and my family for their immense support.

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My utmost and sincere gratitude goes to God, the maker of heaven and earth, the giver and sustainer of life. I appreciate God for the grace to successfully complete this strenuous academic task. If not God's intervention, the work would have been aborted.

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ABSTRACT

This study assessed effect of tax administration on revenue generation capacity of selected Local Government areas of Kaduna state from (2013-2017). The local government areas in Kaduna State have been struggling to fulfill their obligations to their citizens due to the decline in revenue generation capacity. The continuing fall of the crude oil prices in the world oil market resulted in declining revenue generation for the Nigerian government on one hand and constant demand for increment in the infrastructural developments on the other hand. Local governments are faced with myraid of challenges among other things to source for adequate revenue from the federal government, state government and internally generated revenue. These problems are paramount to the smooth running of local governments in Nigeria especially Kaduna state. The objectives of this study are to: examine the relationship between quality personnel and revenue generation capacity in local government areas of Kaduna state, determine the relationship between effective application of Information and Communication Technology and Revenue Generation Capacity and assess the relationship between effective implementation of Tax Laws and Revenue Generation Capacity of local government areas of Kaduna State. The researcher used both primary and secondary methods of data collection to generate the needed data. The data obtained were analyzed using Karl Pearson Product Moment statistical techniques (SPSS Version 23.0).The study finds that: there is a significant relationship between quality personnel, enforcement of tax laws and effective ICT application on revenue generation capacity among local government areas of Kaduna State. Thus, the study recommended, among others that, authorities should embark on more personnel training and development programmes in local government areas of the state, so as to have qualified and competent personnel to fit in the use of modern technology on how to generate revenue through taxation. The quality and efficiency of tax workers should be improved so that more effective administration will be achieved and automation of the system. The study also recommended that, Tax/revenue generation laws should be properly and strictly enforced. Revenue Courts and other related agencies should be restructured to ensure that related cases of tax/revenue default are properly and effectively dealt with in order to promote compliance.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Revenue Generation is the life wire of every organization all over the world. It is the bedrock of every successful organization; therefore its importance cannot be over-emphasized. The revenue that accrues to the Nigerian local government areas are broadly divided into two categories, external sources, which include statutory allocation from the federation account and statutory allocation from the state government. Other external sources are: grants from international organizations, Aids from NGOs, Civil societies, and others and internal Sources; this is also called internally generated revenue which includes: tax, levies, fines, rents, rates, fees etc. Due to the over reliance on oil, little effort has been made to generate sufficient revenue from taxation.

An effective local government system rests majorly on the availability of human and material resources which could be harnessed and mobilized for its development. Jumare (2006) stated that, the importance of sound and effective tax administration and finances of the local governments cannot be over emphasized. He further noted, where there is proper implementation, it might create a stimulus for policy implementation. This study is focused on the effect of tax administration on revenue generation capacity of local government areas of Kaduna State.

Section 64 (1) of Kaduna State Tax (Codification and Consolidation) Law, 2016 states that, subject to the provision of this law, there is imposed a land based charge, to be called Land Use Charge which shall be payable on all real property situated in the state. Sub-section (2), for the purpose of this law, each Local Government Revenue Committee in the state is required to assess and levy Land Use Charge within its jurisdiction.

These new tax laws have empowered the local governments of the state through the Local Government Revenue Committee to assess and levy (impose) some tax (Land Use Charge) within their jurisdiction. These local governments have also been empowered to ensure that, tax payers pay or comply with their payment. This committee is directly under the control and supervision of the local government chairmen of the state. The Kaduna state local government areas collect taxes and other charges through the Local Government Revenue Committee; they are responsible for the assessment and collection of all taxes, fines, charges and rates under its jurisdiction and account for all revenue collected to the chairman of the local government. To ensure an effective and efficient tax administration, the Kaduna State Government reviewed her tax laws to have a Harmonised Tax Laws for the twenty three (23) local governments of the state in 2016.

Tax Administration in this study refers to basically three variables such as: Quality personnel, use of material resources such as ICT and enforcement of tax or revenue laws. The quantum of revenue generated by the local government areas is largely depended on the effectiveness and efficiency of the tax system. A good and sound tax administration requires quality personnel, effective (ICT) application and a well-designed tax law enforcement. A simple and unified specific tax system can be ensured in various ways, including adopting a state of art of monitoring, tracking and tracing system (ICT), supported by an increase number of enforcement officers on ground, (Johnson, 2009).

The expenditure of any government especially local government areas; in form of the provision of economic, political and social infrastructures to her citizenry depends on the amount or quantum of revenue generated by that government. One way of generating adequate revenue by the government is through well structured tax system. Tax plays a vital role in every nation's

economy and constitutes primary source of revenue for developed countries (Abata, 2014). But in most developing economies, revenue from tax has been moderately low, this is because the countries are characterized by inadequate personnel and modern facilities (Ogbonna and Appah, 2012).

Revenue generation in most local government areas of Kaduna state especially Giwa, Kachia and Zaria local government areas is seriously affected by corruption and distrust from tax administrators, inefficient outcomes that change tax payers' attitude towards compliance, Bird (2015). However, Ogbonna and Appah (2012), Aminu and Eluwa (2014), suggested that lower tax revenue can be addressed through Tax Administration Reform.

Revenue Generation Capacity at the local government level in this study consist of tax base, taxable capcity, incidence of tax and tax yied. These are the salient components or indicators of revenue generation capacity at the local government areas of Giwa, Kachia and Zaria. These indices are the dependent variables of the study.

Revenue generation refers to the ways through which government raise funds for the purposes of meeting its capital and recurrent expenditure (Enahoro, 2012). According to Seera (2005) there are three main sources by which government raise revenue for the purposes of financing its expenditure, these are tax sources, non-tax, and capital receipts. Tax sources comprises of revenue received by the government from all available components of tax in a given country (Okafor, 2012) while, non-tax revenue sources are aid from inter-governmental or another level of government James (1999).

The study is therefore intended to determine the relationship that exist between quality personnel, tax laws enforcement, ICT which are variables of the Tax Administration and Tax Base, Taxable Capacity and Tax Burdens which are variables of Revenue Generation Capacity. Bird (2007) stated that efficient tax administration is the most vital instrument that can help government to raise revenue. In summary, effective tax administration is one of the most viable sources of local government areas revenue among the different sources.

The amount of revenue generated internally by the local government areas is a function of tax administration and collection; and it also determines the quality of basic infrastructural facilities provided for the citizenry. The local government areas lack the enforcement machineries which include among other things, adequate manpower, computers and effective postal and communication system Abiola and Asiweh (2012). This among other issues call for this study which the system has long been yearning for. Tax administration requires quality personnel to match up with the use of modern technology. Tax Administrators need to hire qualified personnel, fire the redundant ones, reduce the size of internal management with its attendant bureaucracy and official red tapism, buy the appropriate equipment required for the job, reduce political interference which had encouraged frequent changes in policy and many more, Abiola and Asiweh (2012).

There is a correlation between Tax Administration and Revenue Generation Capacity. There is no argument on the fact that the amount of internal revenue generated by the local government areas depend on the efficiency and effectiveness of tax administration. Several models and theories have been developed by Scholars/Researchers for tax administration purposes so as to

maximize tax revenue generation but for the sake of this study, Modernized Congruence Model of Taxation by Seiler (1967) is adopted.

For a given government to generate adequate revenue from tax system, tax administration is expected to work in the most effective and efficient manner, the modernize tax administration model is aimed at guiding in reforming or re-structuring existing tax administration. The modernize tax administration model in this study comprises of four main components namely: inputs, transformation, outputs, and outcomes. It is important to note that transformation and outputs deal with tax administrators only while inputs and outcomes deals with both taxpayers and tax administrators/the government.

1.2 Statement of the Research Problem

The administrators of tax in the Nigerian local and state governments have been having problems establishing effective and efficient tax administration that would bring needed funds to the government (Bird, 2015). As a result, Nigerian government as a whole has not been able to generate the revenue it supposed to generate due to ineffective and inefficient tax administration. According to Eze, Iorwuese, and Abba (2016), the state of tax administration in Kaduna State local government areas is deplorable. Among the problems attributed to the ineffective and inefficient tax administration in Nigerian local governments by Abiola and Asiweh (2012) include lack of adequate equipment for the tax administrators to carry out their job, lack of skilled staff in the area of tax collection, lack of good road that would give the tax collectors access to the rural areas in order to expand the tax base, lack of training for the tax officials, lack of database to keep the records of the taxpayers and businesses in the local governments, inadequate enlightenment programmes to the taxpayers, and the inability of the tax administrators to employ qualified workers. Afuberoh and Emmanuel (2014) indicated that the

problems of the tax administration in Nigeria are caused by personnel problems such as understaffing, poor remuneration for the tax officials, lack of training for the tax officials, and inefficiency of the tax officials. Nto (2016) argued that unavailability of data base, inappropriate management of the tax revenue collected by the government, the inability of the taxpayers to pay on time, ineffective mechanism of locating the tax evaders, and nonworking internal control mechanism are responsible for the ineffective and inefficient tax administration. The study also indicated that these problems prevent the government from generating the expected revenue as the actual tax revenue generated is normally less than the expected revenue.

Most of the Local governments in Kaduna State especially Giwa, Kachia, and Zaria local governments do not have effective tax administration in place and this prevent them from benefiting from globalization as they would not be able to raise the needed funds for infrastructural and economic developments. The local governments in Nigeria get significant part of their revenues from tax revenue. The importance and urgency of the effective and efficient tax administration for increased revenue generation necessitated this study.

Secondly, the state of tax administration in local government areas of Kaduna state is in a deplorable condition. Among the problems of tax administration in Nigeria according to Abiola and Asiweh (2012) include lack of adequate equipment for the tax administrators to carry out their job, lack of skilled staff in the area of tax collection, lack of good road that would give the tax collectors access to the rural areas in order to expand the tax base, lack of training for the tax officials, lack of database to keep the records of the taxpayers and businesses in the country, inadequate enlightenment programmes to the taxpayers, and the inability of the tax administrators to employ qualified workers. Nto (2016) argued that unavailability of data base, inappropriate management of the tax revenue collected by the government, the inability of the

taxpayers to pay on time, ineffective mechanism of locating the tax evaders, and nonworking internal control mechanism are responsible for the ineffective and inefficient tax administration. Bird (2015) also indicated that developing countries do not have effective tax administration in place and argued that this may prevent the developing countries from benefiting from globalization as these countries would not be able to raise the needed funds for infrastructural and economic developments.

Abiola and Asiweh (2012) reveal that those working in the informal sector of the economy do not see the need to pay tax whereas they dominate the economy. To them, only civil servants should pay tax on their earnings and this amount to over flogging the willing horse. Besides, the activities of the strong union in the formal sector do not even pave way for a successful tax policy implementation in the formal sector (Abiola and Asiweh 2012). Even revenue collection officers seem to be lenient or even connive with those in the informal sector during enforcement of tax policies. However, the infrastructure which tax payers are supposed to enjoy is in a deplorable condition (Fafunwa, 2005), educational system is in disarray (Obaji, 2005) and the health system is in a worrisome condition (Lambo, 2005). In order to reawaken the consciousness of Kaduna state government and citizens on the effective use of taxation as a developmental tool, and examine the effect the tax system has so far on the economy; this research work becomes very relevant (Abiola and Asiweh 2012).

It is an indubitable and incontestable fact that the internal revenue generation of most local governments in Nigeria are far below expectations, ceteris paribus. Several reasons have been adduced/advanced by scholars and practitioners for why internal revenue generation is unsatisfactory.

For instance, the report of the Dasuki committee on the federation in 1978/79 year

observed that generally, the performance of local governments in revenue collection is very low. The following factors are responsible for the situation: poor communication network, particularly in the riverine areas of the country; lack of commitment on the part of some revenue collectors, some of whom are down-right dishonest; and defective revenue collecting machinery. In addition, some of the laws for revenue collection have not been updated by various state governments especially in areas of rating and tenement rates. In this regard, particular mention has been made of the local government areas in Kano and Kaduna states between 1979 and 1983 (cited in Moses, Stephen & Basil, 2012:98).

Similarly, Adewumi (1994) observed that the major problems of internal revenue generation in the local government centre on the inability of local governments to enforce bye- laws which Similarly, Moses, Stephen and Basil (2012) posit that local governments have been known to exhibit their inability to keep proper and adequate accounting records. In particular, many Chairmen and Councillors have little or no knowledge of the accounting systems in local governments. To them, that should be left to the experts who are in short supply in local government. All these have combined with the relaxation of the erstwhile effective role of the States Local Government Service Commission to call local governments to order and prevent them from drifting away from the path of financial sanity.

The problems of internal revenue generation in the Nigerian local government system according to Egomwan (1984) are also; Compounded by the fact that the state governments have acquired the more lucrative, elastic and collectable revenue sources (e.g. water rates, motor vehicle license fees, form building plans), leaving local government with taxation with low ceilings revenue which are administratively and politically difficult to exploit in an environment where the vast majority of the people are poor, self- employed

and dispersed in rural areas. The attitude of tax rate collectors in local governments also falls short of expectation.

Previous studies, such as Mehara (2016), Okoye (2014), Afuberoh (2014), Efunboade (2014), Samuel (2014), Adesoji (2013) and Chatama (2013), adopted only an aspect of tax administration which is tax collection and measured the extent of the relationship and significance it has towards a state's revenue generation. All their studies were centered at the Federal Capital Territory (Abuja) and states in the Southern parts of Nigeria. Gbengi (2013) and Angahar (2012) focused only on the effect of tax administration on personal income tax generation not on all tax collectable by the government.

Micah and Alasing (2017) found insignificant negative relationship between petroleum profit tax and federally generated revenue; insignificant positive relationship between company income tax, custom and excise duty and federally generated revenue; and significant positive relationship between value added tax and federally generated revenue. The study concluded that effective structured tax policy is required for attainment of the macroeconomic goals. The study recommended the introduction of laws that can be enforced to prevent tax evasions and corrupt tax officials; accountability for the tax collected as measure for improving revenue generation and economic growth; reformation of the tax structure for revenue generation improvement; corporate income tax improvement policies; eradication of custom and excise duty loopholes; and attractive direct foreign investment policies. Their research was based on the relationship between petroleum and internally generated revenue at the federal level. It was also aimed at

investigating factors that cause tax evasion and tax avoidance, and factors that reduce the tax revenue at the federal level.

However, this study is focused on effect of tax administration on revenue generation capacity at the local government level. The study investigates ways and strategies that can improve internally generated revenue at the local government areas of Kaduna state of Nigeria which previous have addressed. This study also reveals how the tax base of the local governments can be improved at a period where the crude oil price per barrel which is the major source of revenue to the government is dwindling in the international market.

There are numerous studies on revenue generation of some local government in Nigeria, but there are paucity of studies related to specific local government in Kaduna State like Giwa, Kachia and Zaria local governments of Kaduna State. Thus, to fill this gap, the present study utilizes situation-specific measures to examine the effect of tax administration on revenue generation capacity of selected local government areas of Kaduna state.

In terms of methodology, Enahoro (2012) in his study used Kendall to analyze data collected in order to measure the relationship that exist between tax administration and revenue generation of an economy. Ifere (2014) in his case adopted simple percentage alone to measure the relationship and impact of tax administration, innovation and revenue generation. Efunboade (2014) and Hassan (2012) used descriptive analysis to show the effect tax administration has on revenue generation. These methods do not really measure relationship and show significance in a correlative way as it would have if proper statistical measures were adopted. Since this was not treated in their studies, it therefore represent a major methodological gap to fill in our study. Our study adopts Karl Pearson Product Moment correlation to measure the relationship between

Tax Administration and revenue generation capacity. The study is also pinned down to only three local government areas of Kaduna state, the period of the study is restricted to five years (2013-2017).

Practically, these selected local government areas have been under-performing in terms of the internal or independent revenue generated through: rates, fines, earnings, charges, taxes, levies and other streams or sources over the years. The statistics of the state have shown that from 2013-2017, the selected local government areas have not been generating any amount close to the budgeted figure. Bulk of the internally generated revenue fron these local governments have been from the Federal Allocation Account or Federal Government Statutory Allocation, Grants and Aids and Shares from VAT. For example, in 2013, the budgeted amount in Giwa, Kachia and Zaria local governments was: N1.25bn, N1.33bn and N1.65bn respectively, but, it was only N124952382, N85951752 and N97523600 respectively that generated through internal sources. In 2014, the budgeted amount in the local governments was: N1.41bn, N1.50bn and N1.71bn respectively, but, it was only N52090000, 62022668 and 108878301 respectively that generated through internal sources. In 2015, the budgeted amount in Giwa, Kachia and Zaria local governments was: N1.65bn, N1.71bn and N1.95bn respectively, but, it was only199261605, 96406205 and 144515000 respectively that was generated through internal sources. In 2016, the budgeted amount in Giwa, Kachia and Zaria local governments was: N1.88bn, N1.83bn and N2.09bn respectively, but, it was only 108592300, 102628880 and 159933035 respectively that was generated through internal sources. In 2017, the budgeted amount in Giwa, Kachia and Zaria local governments was: N2.83bn, N2.71bn and N3.54bn respectively but it was only

N167316252, N87281600 and N163436423 respectively that was generated through internal sources.

Source: *(Kaduna State Local Government Councils Harmonised Summary of Draft Revenue 2013-2017, Kaduna State Action Plan- Ministry of Economic Planning 2013-2017 and Kaduna State Local government councils Budgets Harmonised 2013-2017).*

The above statistics reveal that, most of the local government areas of the state have relegated internally generated sources of revenue to the background. This is seriously affecting the performance of the local governments in terms of the provision of infrastructural facilities to the masses.

1.3 Research Questions

(i) What is the relationship between quality personnel and revenue generation capacity of selected local government areas of Kaduna state?

(ii) What is the influence of ICT on revenue generation capacity in selected local government areas of Kaduna State?

(iii) What is the relationship between enforcement of tax laws and revenue generation capacity in selected local government areas of Kaduna state?

1.4 Objectives of the study

The broad objective of this study is to determine the Effect of Tax Administration on Revenue Generation Capacity in selected local government areas of Kaduna State. Other specific objectives of the study are to:

(i) examine the relationship between quality Personnel and revenue generation capacity in selected local government areas of Kaduna state.

(ii) determine the relationship between ICT and revenue generation capacity in selected local government areas of Kaduna state.

(iii) assess the relationship between enforcement of tax laws and revenue generation capacity in selected local government areas of Kaduna state.

1.5 Research Hypotheses

H01: There is no significant relationship between Quality Personnel and revenue generation capacity in selected local government areas of Kaduna state.

H02: There is no significant relationship between ICT and revenue generation capacity in selected local government areas of Kaduna state.

H03: There is no significant relationship between enforcement of tax laws and revenue generation capacity in selected local government areas of Kaduna state.

1.6 Significance of the Study

In respect to the identified problems, this study will try to see how tax administration can affect the overall effectiveness and efficiency of local government areas of Kaduna state revenue generation capacity. Also, the study will evaluate the problems that negatively affect tax administration and proffer solutions / feasible ways to this problems facing tax administration so as to help the local governments of the state obtain sufficient revenue to accomplish its economic goals. From the outlook, there is need for the local government to improve their performance. However, the research is significantly considering the closeness of local government to the grassroots' people and the need to utilize substantial revenue for its various sources in addition to federal and state statutory allocation for developmental purpose. The study will help to identifying some means of generating revenue that has been neglected over the years. It will also be beneficial to the grassroots because improved revenue generation means improved standard of living in form of provision of social amenities such as road, hospital, park, drinkable water, rural electrification etc. The study will be educative as it will be a reference point for researchers.

Precisely, by conducting a survey research on Effect of Tax Administration on Revenue

Generation Capacity, this study filled critical gaps by: (a) investigating the effect of quality personnel on revenue generation capacity in selected local government areas of Kaduna sate. (b) determining the effect of ICT on revenue generation capacity in selected local government areas of Kaduna state. (c) assessing the effect of enforcement of tax laws revenue generation capacity in selected local government areas of Kaduna state.

1.7 Scope and Limitation of the Study

This study is confined to local governments in Kaduna state, particularly Giwa, Kachia and Zaria local government areas. The study only identify with tax administration as it affects revenue generation capacity in local government areas of Kaduna state. It also involves the analysis of problems associated with revenue generation and its impacts on the development of the local government councils of the state. These local governments were selected based on the level of development and revenue pool among them; they were also selected based on the senatorial zones in the state.

The area of study is basically, Planning and Budgeting, Finance and Administration unit of Giwa, Kachia and Zaria local government areas of Kaduna state.

The study focuses on the Effect of Tax Administration on Revenue Generation Capacity of local Government Areas of Kaduna State from 2013 to 2017. This period was chosen due to the amendments in the Tax Laws and the enforcement and implementation mechanisms put in place by the present government under another political platform, headed by Mal. Nasiru El-Rufai to generate revenue internally. This was motivated by the amendment in the Kaduna State Tax Laws in 2016. This period was chosen in order to examine how the application, implementation and enforcement of these new tax laws affect the quantum or amount of revenue generated by the local governments of the state.

Since the oil price which is the major source of Nigerian revenue has crashed, there is need for the federal, state and local government governments to take the Internally Generated Revenue sources seriously.

It is against this background that the study focused on this period from 2013 to 2017 at the local government areas of Kaduna state.

This study has some limitations most especially in the area of data collection which is to be covered and has time duration of five years (2013–2017). Financial constraints as well as time available for the completion of the study are among other factors that limited the scope of the study.

This research work covers the relevance of Tax Administration and Revenue Generation Capacity in local government areas of Kaduna State. It therefore, calls for an outreach to all taxable adults and organisations, tax administrators, policy makers and politicians with the study areas for detailed information for a successful completion of a research of this nature. This however, has not been possible considering the size of its geographical entity. A population sample of relevant group was however, used to generalize findings.

The uncooperative attitude of relevant tax authorities and associate personnel responsible for the collection of tax revenue equally constrained the collection of most relevant information by the researcher. Their action however, may have been prompted by the various government bottle necks which constrained them from releasing some information.

Time lag in the verification and reconciliation of assessment and the collection of tax of any given period equally made data collection difficult. Financial constraint and time availability at the disposal of the researcher for a work of this nature did not help matter. No doubt, sufficient fund and ample time would have been needed for a detailed investigation of the subject matter. A longitudinal approach could have enhanced the result obtained.

1.8 Definition of Concepts

For the sake of proper understanding, some key words in the study are conceptually and operationally defined.

Tax

Tax can be defined as a compulsory levy by government on goods, services, income and wealth. It provides definite source of revenue for government expenditure; (Udeh, 2008). It is the way by which government obtain extra money for public expenditure. Tax could be direct or indirect; a tax is a payment made by the taxpayers and used by the government for the benefit of all the citizens.

In this study, tax refers to the money that people have to pay to the government. For example, taxes are used to pay for people who work for the government, such as the military, police, provide services such as: education, health, building of bridges, construction of roads and houses etc.

Tax administration

For the purpose of this research, tax administration refers to quality personnel, Information and communication Technology that is material and technical resources and tax laws enforcement. It also connotes the administrative efforts put in place to collect revenue from taxes and the amount fairly imposed on the tax payer.

Personnel

For the purpose of this research, tax personnel refer to those employed by the local government to administer, collect and enforce compliance of tax payment. They also include local government staff/employees that are directly or indirectly involved in the administration of tax in Zaria, Kachia and Giwa local government areas of Kaduna state.

Tax Collector

A tax collector is a person who collects unpaid taxes from other people or corporations/companies. Tax collectors are often portrayed in fiction as being evil, and in the modern world share a similar stereotype to that of lawyers. According to Kaduna state Tax Law (2016), tax collector means the staff of the local government or any other person or group of persons appointed for the purpose of revenue collection.

Tax Payer

Taxpayer describes one who pays taxes. It can be a person or organization (such as a company) subject to a tax on income. A taxpayer is an individual or entity that is obligated to make payments to the local government revenue collectors.

Revenue Generation

For the purpose of this study, revenue is defined as money realized from taxes and rates, financial resources, monthly statutory allocation received, protection, income from investments and returns from commercial undertaking by local governments.

The word Revenue is been used in the context of this research to mean any amount of money coming into the local government from whatever sources and which the local government has power of appropriation.

Statutory Allocation

This consists of financial allocations approved by the constitution, to the different tiers of government from the federation account and share of the state government revenues that is allocated to the local governments.

Taxable Capacity

This refers to the Fiscal Capacity of individual local governments. The extent of local government fiscal capacity is reflected from the gradual development taking place from

small peasant agrarian society to more complex metropolitan urban society. Thus with efficient and effective management of local government, resources, the revenue generation is expected to be higher in the urban local governments than the rural local governments. This to some large extent is attributed to the higher fiscal capacity existed in the urban local governments in the forms of property development and preponderance of economic and commercial activities.

Tax Base

According to this study, it refers to sources of fund, proceeds of agricultural activities, commercial and private enterprises, community/cattle tax, rates, user charges, local licenses, fines, fees, earning from commercial undertakings, motor park levies, cattle tax, advert permit fees, wrong parking charges, contract registration and processing fees, public convenience, sewage and refuse disposal fees etc.

This refers to the areas or jurisdiction through which the local government collect revenue or derive her revenue.

Tax Yield

This is the increase or return on a taxable investment or business of the local government. it is that stream/source that yields increase to the local government in terms of the tax placed or charged.

Tax Legislation

This refers to the Laws or a whole body of enacted acts of legislation. In the context of taxation, it is a codified system of order that describes the legal implications of taxation, i.e. government levies on economic transactions. Tax laws provide a well-defined legal backing to the administration of each tax type, in clear terms the applicable rate. Tax laws stipulate what

constitutes offence and the appropriate sanctions to each offence; they enshrine best practices in terms of ethical and professional conduct.

Local Government:

In this study, Local Government is the third tier of government created by the federal government of Nigeria by an act of parliament, charged with administrative and executive duties, on matter concerning the inhabitants of a particular district; it is the government very close to the grassroot.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

The key areas covered in the literature review include; Revenue Generation, tax administration/ taxation, the concept of ICT, tax laws, local government, sources of local government revenue, review of empirical studies and the application of Modernize Congruence theory of taxation as a theoretical framework upon which study is based.

2.2 Conceptual Literature Review

2.2.1 Concept of Revenue Generation

Finance is the backbone of any organization more so when such organization is saddled with responsibilities for the design, promotion and administration of socio-economic development at the grass roots level and the provision of a wide ranging number of service and infrastructural support in such areas like primary education, basic health care and social welfare among others, which have since the 1976 Local Government reforms formed the bedrock of local government function and responsibilities in Nigeria. It follows, therefore, the extent to which a local government council is able to perform its statutory functions and discharge its responsibilities would depend very much on the amount of resources at disposal. (Local Government Reforms, 1976).

Section 162 (10) of 1999 Constitution defines revenue as any income or returns accruing to the government from any source and include: any receipt however described arising from the operation of any law, and receipt however described from or in respect of any property held by

government, any returns by way of interest on loans and dividends in respect of shares of interest held by government in any company or statutory body" (Constitution, 1999).

However, revenue can also be defined as tolls, taxes, import rates, fees royalties, refits and other receipts of government from whatever source such as proceeds from loans given out. Jumare, (1994) observes: “Generally speaking revenue accruing to any tier of government may be classified as recurrent or capital. While the former is generated on day-to- day basis throughout the year, the latter arises once in a while and in a larger proportion. They are also described as internal and external sources of revenue respectively. Barber (1978) remarked that the principal sources of local government revenue are local rate, federal government grant and trading receipts. Even the 1976 reforms recognized the fact that if meaningful local government is to be expected in Nigeria, much larger financial resources are needed” Jumare (1994:50-51).

He further stated that: “the internal sources of revenue comprise many major and miscellaneous items aggregated to provide the required fund for financing the enormous function ascribed to local Government as third tier of government. Orewa and Adewumi (1983) stated that one of main reasons why a local council exists is to collect various forms of revenues from its citizens and to use these to provide social services in an efficient manner possible. These sources are summarized into the following revenue heads: Tenement rate/property rating, local license, fines and fees, earning from commercial undertaking and rent on property, interest payment, and dividend and miscellaneous” Jumare (1994:50-51).

Buhari, (1999) observes that service provision is a function of revenue, effective financial management and political will of the government when he explains that, “no one doubts the importance of revenue towards service delivery. However, the magnitude of the amount of

revenue generated, both externally and internally, does not purely determine the amount of service delivered. Two key factors, in addition to revenue generated, play significant roles in service delivery; effective management of revenue generated and government political will. When these two are absent or ineffective, the quantity of revenue generated would not play any significant role in service delivery"

Base on the above submission, it could be realized that, effective management of revenue and government political will are two critical factors, in addition to the amount of revenue generated, that determine service delivery.

2.2.2 Concept of Tax Administration

Tax administration: there are six logical steps involved in tax administration, namely:
Identification and registration of tax payers, Assessment of tax payers, Collection of tax from the tax payers, Accounting and reporting of tax collected, Monitoring and Audit, Enforcement of tax laws/policies.

The government needs effective and efficient tax administration in order to generate the needed revenue to carry out its responsibilities of providing infrastructures such as good roads, health centers, bridges, hospitals, drinkable water, reliable electricity, communication systems, security (both internally and externally). The type of tax administration in place would determine if the government would raise the needed revenue for its project or not. The process, method, and mechanism put in place to generate the needed revenue for the government is known as the tax administration (Bird, 2015). Bird (2015) sees tax administration as the point of interaction between the government and its citizens. The way the tax administration policy of a country is formulated and implemented would have everlasting effect on the citizen of such county. The tax

administration provides the needed help to the tax payers for easy reporting, filing and paying of their taxes. The tax administration determines the political future, economic development, and viability of the country. Tax administration is a process of implementing tax policy that combines the political will for the implementation of the tax policy, strategy to reaching the set objective, and availability of the needed resources. CIAT (2011:2) states that Tax Administrations administer taxes. They implement and enforce tax laws, as well as receive their mandates by law. The core business of Tax Administrations is the levying and collection of taxes imposed by law. It is important that Tax Administrations establish a clear definition of their core business from the outset and make it known to their stakeholders.

According to Ramsey (n.d.), "tax administration includes assessment, collection, enforcement, litigation, publication, and statistical gathering functions". Tax administration is the method of generating revenue that improves government revenue (Ngeni, 2016). Gurama and Mansor (2015) defined tax administration as the "body implementing and governing the tax laws and other tax related matter" (p.1).

The challenge of tax revenue generation and effective management of its administration is of great importance and vital to every government. Steps are always taken and regulations made for effective and efficient system of tax and its administration (Enahoro & Olabisi, 2012). Gurama and Mansor (2015) opined that the significance of tax to the development of a modern economy cannot be undermined in any free society or a nation. Imposing and collecting taxes has been in practice long before the advent of colonial administrators, the taxes were collected by the then local chiefs and emirs for the resolution of mainly defence and administration activities of their protectorates. Tax administration as a system in relation to assessment, collection and remittance

is a strong vehicle which revenue is raised in the state to accomplish economic goals. Economic goals of the state can only be achieved when the tax system and manner of its administration is excellent. Taxes are levied primarily to raise revenue for government expenditure although they serve other purpose as well. In modern economies, taxes are the most important sources of government revenue and they represent a general obligation of tax payers and are not levied or paid in exchange for any particular benefit (Enahoro & Olabisi, 2012).

Tax administrators have authority to urge taxpayers to pay their taxes. Consequently, tax administrators face various pressures from their stakeholders, particularly from the taxpayers, who demand excellent services. According to Darono (2015), the tax administration service is unique, because it must provide excellent services which make the taxpayer feel comfortable, but must also take coercive action (i.e., law enforcement). Tax administration services include registering as a taxpayer, paying tax bills, reporting tax returns, filing objections against the tax billed, and claiming refunds for tax overpayments. Thus, the main function of the tax administration system is to reduce or eliminate asymmetric information between the taxpayers and tax officials (Darono, 2015). Tax administration systems are complex, particularly in developing countries such as Nigeria (Darono 2015). The main problem is the flow of information, both from the taxpayer's side (i.e., the notification and supporting data) and from the tax officials' side (i.e., counter-transaction data from related parties). The phrase 'tax administration is tax policy' (Darono 2015) emphasizes why administrative matters receive a lot of attention from tax authorities in developing countries.

Enahoro (2012) opines that tax administration should be effective in the sense of ensuring high compliance by taxpayers, and efficient in the sense that administrative costs are low relative to

revenue collected. Good tax administration requires strong technical capacity by the administrative agency and also a well-designed tax. The administrative agency should be able to identify and evaluate the effects of both current tax policies and tax policies under consideration, be able to simplify the current tax system if needed, within the economic and political spectrum, be aware of any law changes and emerging avoidance practices, and maintain a connection between the rule of law and tax administration (Enahoro 2012).

2.2.3 Concept of Taxation

Anyanwu (2007) defined taxation as the compulsory transfer or payment (or occasionally of goods and services) from private individuals, institutions or groups to the government. The main purpose of tax is to raise revenue to meet government expenditure and to redistribute wealth and management of the economy (Ola, 2001; Jhingan, 2004; Bhartia, 2009). According to Nzotta (2007), four key issues must be understood for taxation to play its functions in the society. First, a tax is a compulsory contribution made by the citizens to the government and this contribution is for general common use. Secondly, a tax imposes a general obligation on the tax payer. Thirdly, there is a presumption that the contribution to the public revenue made by the tax payer may not be equivalent to the benefits received. Finally, a tax is not imposed on a citizen by the government because it has rendered specific services to him or his family. Thus, it is evident that a good tax structure plays a multiple role in the process of economic development of any nation which Nigeria is not an exception (Appah, 2010).

Investopedia (2007) opined that a tax is a compulsory payment levied by the government on individuals or companies to meet the expenditure which is required for public welfare. Grunt (2004) defined tax as a fee charged ("levied") by a government on a product, income, or activity.

If tax is levied directly on personal or corporate income, then it is a direct tax. If tax is levied on the price of a good or service, then it is called an indirect tax. The purpose of taxation is to finance government expenditure. One of the most important uses of taxes is to finance public goods and services, such as street lighting and street cleaning. Since public goods and services do not allow a non-payer to be excluded, or allow exclusion by a consumer, there cannot be a market in the good or service, and so they need to be provided by the government or a quasi-government agency, which tend to finance themselves largely through taxes.

Taxation is defined by Ogundele (1999) as the process or machinery by which communities or groups of persons are made to contribute in some agreed quantum and method for the purpose of the administration and development of the society. It can be inferred that the payment of tax will in turn be beneficial to the entire citizenry.

This view is similar to the definition of Soyode and Kajola (2006) who defined tax as a compulsory exaction of money by a public authority for public purposes. Nightingale (2007) described tax as a compulsory contribution imposed by the government. These various authors concluded that it is possible for tax payers not to receive anything identifiable for their contribution but that they have the benefit of living in a relatively educated, healthy and safe society.

The World Bank (2000) noted that taxes are compulsory transfer of resources to the government from the rest of the economy. They may be levied in cash or in-kind (for example, involving mandatory labour), and they can be explicit or implicit. Other classifications of taxes are Direct or Indirect (Classification by Incidence) and Proportional, Progressive & Regressive (Classification by Burden of Distribution).

Adeyeye (2004) described tax as a liability on account of the fact that the tax payer has an income of a minimum amount and from certain specified source(s) or that he owns certain tangible or intangible property or that he is engaged in certain economic activities which have been chosen for taxation. Therefore, the individual contributes in some quantum measure to the fund available for use by government in providing necessary infrastructure for her citizens. (The World Bank, 2000; Adeyeye, 2004:18; Soyode and Kajola, 2006).

From the above submissions, it is worthy of note that tax is meant to improve the welfare of citizens; therefore, the government has the right to impose a levy on all legal activities that yield income to an individual, group of individuals or organizations. Every individual who earns income from a legal activity has the duty to contribute a portion of his/her income to improve the welfare of the masses and for the government of the day to finance her activities.

Tax, according to Black's Law Dictionary is a financial charge or other levy imposed on an individual or a legal entity by a State or a functional equivalent of a State (for example, secessionist movements or revolutionary movements). Taxes are also imposed by many sub-national entities. Taxes consist of direct tax or indirect tax, and may be paid in money or as its labour equivalent (often but not always unpaid). In essence, tax is seen as pecuniary burden put upon individuals or property to support the government in its oversight activities of a nation and exacted by legislative authority (Fagbemi, 2010).

From this definition, it is worth noting that, tax is a burden upon every citizen who has a legal and steady source of income to support the affairs of the government. Granger (2013) stated that: the core purpose of taxation is revenue mobilization, providing resources for National Budgets, and forming an important part of the macroeconomic management. He stated that economic

theory has focused on the need to optimize the system through balancing efficiency and equity, understanding the impacts on production, and consumption as well as distribution.

According to African Economic Outlook 2010, part 2: tax system and its administration play an important role in state-building and governance, as a principal form of 'social contract' between the state and citizens who can, as taxpayers, exerts accountability on that state as a consequence. In economic terms, taxation transfers wealth from households or businesses to the government of a nation.

Taxation is a means by which the government of a country, through enacting laws raises revenue it needs to carry out its responsibilities to its citizens. Taxation is a method the government employs to take part of the taxpayers' earnings in exchange for the goods and services the government would provide for the citizens. Taxation is a tool the government employs as an incentive to encourage its citizens in performing certain type of activities. For example, the government can allow the taxpayers to deduct interest paid on mortgage loan before taxable income; that is, the taxpayers will not pay tax on the money spent as interest on mortgage loan. Taxation is also an instrument that the government uses as disincentive to discourage its citizens from certain habit. For example, the government may impose a very high tax rate on cigarette and tobacco and alcoholic beverages to discourage the citizens from smoking cigarette and tobacco.

De Villa (2013) defined taxation and income taxation as a "process by which sovereign, through its law-making body, raises revenues used to defray expenses of governments" (p.1). He further defined taxation and income taxation as method used by the government to raise more funds in order to enhance the welfare and protection of its citizens. He also defined taxation and income

taxation as a “collection of the share of individual and organizational income by government under the authority of law” (p.1). Business Dictionary (n.d.) defined taxation as a method used by government to “encourage or discourage certain economic decision” (p.1).

2.2.4 Concept of Information Technology

This section provides an overview of the relevant literature on impact of ICT in tax administration and the variables under investigation, which is followed by the results of the literature. Though there are various types of internally generated revenue, the focus of this research is on tax at the local government level. An efficient, fair and transparent tax improves fiscal performance but also furthers good governance and strengthens legitimacy. Revenue generation agencies will be able to operate an efficient and transparent system by leveraging the power of ICT (Ifueko, 2010).

Most tax reform efforts have been aimed at making the tax system more accessible to taxpayers and administrators (Budak & James, 2016:427). However, reform efforts have often further added to the complexity of the tax system as the need for fairness often outweighs the need for simplicity (James, Sawyer, & Wallschutzky, 2015:281). One of the reform measures adopted globally has been the incorporation of ICT in the tax system to reduce administration costs, improve services and voluntary compliance by taxpayers (Wang, 2002:333; Bird & Zolt, 2008:793; James *et al.*, 2015:293). However, from a policy perspective, the adoption of ICT in tax administration has been impeded by a lack of appropriate political and institutional reforms that create an enabling environment for the effective and efficient functioning of ICT initiatives (Bird & Zolt, 2008:814).

Gcabo (2007:358) predicts that technology can be used to masquerade tax evasion as tax avoidance; Carter and Schaupp (2009:167) note that citizen adoption of e-filing is impeded by negative social influences and a lack of perceived usefulness of the service; Chatama (2013:91) attributes higher revenue collections to enhanced tax administration through the use of ICT; and While reviewing how five countries utilise Computer Assisted Audit Tools and Techniques (CAATTs) to conduct tax audits, Darono and Ardianto (2016:519-522) accentuated that there is still room for improvement in each of the country's selected CAATTs. CAAT must comply within the confines of the country's legislation, human capital and ITC resources.

Differences in results is due to how each country's tax system is designed and administered, how technology is adopted within each economy (Bird & Zolt, 2008:792) and how the research questions for each study are formulated. Therefore, the need for a systematic review of the status of existing literature on the impact of ICT on tax administration to provide a structured overview of current literature is paramount.

ICT therefore makes it possible or easier to automate all the above processes fully or partially, as the case may be. The deployment of ICT solution will assist revenue agencies to effectively and efficiently discharge their mandate in terms of identification and registration of tax payers, returns and payment process, audit, accounting and other tax administration functions. More importantly, fraud or sharp practices inherent in manual transaction processing are eliminated in a fully automated revenue administration system. This leads to more revenue entering the government's coffers or purse.

ICT helps to achieve excellence in revenue generation as it helps to focus on the most important concepts such as "decreasing the number of human errors by automating ordinary procedures",

“making it possible to pay tax anytime and almost anywhere”, and building capacities by training and retraining of its personnel.

One of the pillars of tax administration is access to information in a timely and convenient manner. In this regard, best practice is to have a single database which covers all proceedings in relation to taxable properties or activities and tax payers, registration, valuation, billing, collection and enforcement. The design of the Unique Tax Identification Number is designed to identify a tax payer for life and that will enable such a national database to be created even at the local government level. The UTIN system helps to create the platform for the harmonization of tax administration in Nigeria and provide useful data for the identification and monitoring of tax payers in Nigeria as a whole. The system also helps to create the platform for automation of revenue generation by respective tax authorities, and identifies a tax payer uniquely nationwide, thereby enhancing information sharing between the federal, state and the local government authorities, for proper tax assessment, and reduction in multiple taxation; this will lead to compliance and increased revenue to the government. The ICT system helps in providing various other spin offs for our economy, such as banking and other financial services, procurement, national security, national planning, law enforcement and others.

With the help of Integrated Tax Administration System (ITAS), tax authorities have been able to create the platform by automating their collection system, this represent just one part of an entire system that needs to be integrated to the whole. Building on UTIN, each revenue authority should have a platform to implement an integrated tax administration system. This system automates the processes for registration, self assessment, audit, payments, refund, accounting and other functions of tax authority. Beyond this, for a revenue authority to fully implement an ITAS,

it will give an image of modernity and accountability. It helps the tax payers to trust the system and have a sense of pride in the image or efficiency of public sector revenue management.

Improving tax administration has long been a matter of concern to tax agencies. Money alone is inadequate. However, it is necessary for any country to function, and the most reliable way is to implement an effective tax administration (Bird, 1992:4). Tax administration is becoming more adaptable to risk as it continues to move from being inward looking and procedure focused, to outward looking and taxpayer focused. Tax administrations have a wide range of compliance and customer service programmes that aim to change behaviour among taxpayers (Kerr, 2012: 4). Successful tax administration requires skilled people with leadership skills, integrity, commitment and engagement (AO, 2015:4). A preeminent tax administration is a requirement for taxpayers to co-operate in the operation of a tax system rather than be forced to carry out every aspect of their tax obligations (James & Alley, 2004:1).

2.2.5 Concept of Tax Laws

Successful tax administration requires skilled people with leadership skills, integrity, commitment and engagement (AO, 2015:4). A preeminent tax administration is a requirement for taxpayers to co-operate in the operation of a tax system rather than be forced to carry out every aspect of their tax obligations (James & Alley, 2004:1). Tax law has to be supported with supporting provisions, administrative procedures and decisions as well as appeal arrangements. The tax system cannot work properly without a reasonable degree of willing compliance on the part of taxpayers themselves. According to (Abigaba, 1996) the decentralisation of local authorities had a loophole in the revenue collection and efficiency of service delivery. This was due to the fact that laws were not clear as to times at who should collect revenues and to who to

offer the services, the poor accounting system, untrained personnel and politicians all affected the performance of local authorities could enhance their revenue collection. For example, there are local governments that have approved laws on tenement rates which could relieve them of their dependence on the monthly allocation from Federation Account, but many of them have adopted nonchalant attitude towards this revenue source.

It seems reasonable to conclude that for tax administration to be successful, tax authorities should challenge themselves through a close working relationship with the communities and focus on compliance. Non-compliance is a serious challenge which diminishes income tax administration and tax revenue performance in federal, states and local government areas.

2.2.6 Revenue Generation Capacity

The Revenue generation capacity in this study refers to the various sources of revenue available to the local government areas of the state. These include: taxes, rates and user charges that are derived from various sources. In fact, the 1999 Nigerian Constitution under section (7) of the fourth schedule provides a long list of sources from which local governments could tap local taxes, user fees and benefit charges. The various ways local government generate revenue internally are community tax and rates; property (tenement) rates; general/development rates; licenses, fees and charges like marriage registration fees, cart/truck licenses; interest on revenues such as deposits, investments, profits from the sale of stocks, shares, etc; departmental recurrent revenues from survey fees, repayment of personal advances, nursery and day-care centres fees, rents on local government quarters, etc Moses, Stephen & Basil (2012).

2.2.7 Internally Generated Revenue of Local Government

Internally Generated Revenue in normal day to day parlance refers to those revenue sources that are generated solely by the Local Governments within their tax jurisdictions. Local governments are constitutionally empowered to control and regulate certain activities in their jurisdiction, and in so doing; they impose some taxes and rates on economic activities as a way of generating funds for their operations.

Internally generated revenue (which is revenue generated within the local government area of administration and it entails local tax or community tax, poll tax, or tenement rates, user fees and loans); Internally generated revenue is a strategic source of financing local governments operation and which can be explored given the enabling environment and political will (Adenugba and Ogechi, 2013:421).

As already stated in the proceeding, internally generated revenue formed a greater bulk of the total revenues accruing to the local governments before 1976. With the 1976 Local Government Reforms, these sources were further widened to enable the local governments to collect enough funds to discharge their development responsibilities (Nwankwo, Atakpa and Ocheni, 2012:96). Accordingly, the various local government edicts of the various states in the federation included the following as their major sources of revenue to all the local governments in the country: (a) Community Tax/Community Rates; Property (Tenement) Rates; General/Development/Capitation Rates; Licenses, Fees and Charges; Advertisement fees, Baker houses licenses, Beggar minstrel fees,Bicycle licenses/hire permits, Births, deaths and marriage registration fees, Brick making and block industry licenses, Cigarette sales licenses, Burial fees and charges (on local government burial grounds), Cart/truck licenses, Cattle dealers/Butchers' licenses, Contractors registration fees, Dane guns control licenses,

Dried fish and dried meat licenses, Dog licenses, Fishing/hunting fees, Forestry and fuel/fire wood exploitation fees, Goldsmiths licenses, Hawkers permits/licenses, Hunting licenses, Local liquor brewing/sales licenses, Minor/small/cottage industries licenses, Control of noise licenses, Palm wine fees, Pit sawing licenses, Produce (palm oil/kernel) buying/sales licenses, Rents and plot fees (from Landlords), Retail trade licenses, Slaughter fees, Mobile Seller, Promotion licenses, Cattle dealers' licenses, Sand dredging fees, Building material licenses, Printing press licenses, Cattle market fees, Vulcanizer licenses, Sewing institute licenses, Photo studio licenses, Forestry and fuel Exploration fees etc.

b. Interest on Revenues; Interest on state deposits, Interests on investments, Interests on proceeds from sales machine, Profits from sale of investments/stocks, shares, etc.

c. Departmental Recurrent Revenues: Survey fees – from the Department of Works & Planning, Repayment of personal advances, Refund of salaries and/or allowances, Refund of subsistence of students in training, Re-imbursement of state witnesses expenses, Sales of library books and literature, Nursery school and day-care centres fees, Conservancy or compost charge, Sale of produce e.g. palm oil/kernel, Profit on local government farm accounts, Tractor/grader/caterpillar hires fees, Irrigation fees, Sale of firewood, Sale of timber, Sale of produce, Cattle/goat/sheep/poultry treatment charges, Fodder, Stray animal poundage fees, Workshop repairs receipts, Sale on stores, Sale of unserviceable stores/vehicles, and equipment fees, Rents on local government quarters, Guest/rent house fees/charges, Vehicles, plant and equipment charges, Profit vehicles advances account, Canoe/ferry/mass transit fees, Contribution for maintenance of produce evaluation road usage fees, Fees and charges in local government-maintained markets, Fees and charges in local government motor parks, Registration of business premises, Sale of corn, Sale of scrap metal, etc.

Source: (FRN, 1999, Udey, 2005:48, Bello, 2007:57-78, FRN, 2009:94-112, Bello & Eronini, 2010:66, Gboyega, 2010:91, Nbanefo & Bello, 2010:181, Maruf, 2012:27-30, Adenugba & Ogechi, 2013:421, Moses, Stephen & Basil, 2012:96-98, Ndan, 2013:73-74).

Jumare, (1994) observed that, effective and virile fiscal federalism depends to a large extent on the availability of financial resources. Wheare (1953) aptly argues that each level of government should have adequate resources to perform its functions without appealing to the other levels of government for financial assistance. He emphasized the view that: "If state and local authorities, for example, find that the services allotted them are too expensive for them to perform and hence they call upon the federal authority for grants and subsidies to assist them, they are no longer coordinate with the federal government but subordinate to it Financial subordinate marks an end of federalism, in fact, no matter how carefully the legal forms may be preserved. It follows therefore that state. Local and federal authorities in federalism must be given the power in the constitution, each to have access to and control over its own sufficient financial resources. Each must have a power to tax and to borrow for the financing of its own services by itself Wheare (1953).

Local government financial structures fall within the system of fiscal federalism or what is often defined as "Intergovernmental Fiscal relationship (IGR)" Under such arrangement, there are five distinct sources of revenue for local government. These are financial transfer, local tax which include; community tax or poll tax, property tax or rates, users fees and charges and loans. Whereas financial transfer and loans are external to local government, the others are internal to it. For convenience, we shall make distinction between internal and external sources, with the external further split into transfers (statutory allocations and grants) and loans and advances.

Fees, fines and charges:

Fees and charges are also known as user fees. They are usually paid directly by those who use or benefit from a given product or service towards meeting all or part of the cost. This contrasts with taxes which are normally paid by eligible citizens of a political/economic system as a legal obligation without regard to the benefit that may accrue to the individual from how the tax is utilized. The basis for charging is cost recovery. Policy may permit charging less than the full cost, or may seek respectively a contribution to general revenue. They also note that fees and charges are not generally intended to raise revenue, but to regulate the particular service on which they are levied, and the fees and charges sometimes lag behind the cost of providing the service for which they are charged. Fees and charges are imposed and revenue is realized. The issuance of licenses such as bicycle fees, wheelbarrow fees, canoe and cart licenses are some of the means through which fees and licenses are realized. Others are charges realized from bakeries, sales of liquor in restaurants and public places, erection of signboards, registration of births and marriages, motor parks and markets, personal identification, public urinary and toilets etc. fines are penalties imposed by the customary courts on individual for the contravention of the bye-laws of the local government to regulate and control services allocated to them within their areas of jurisdiction. Note that revenue accruing to the local government from these sources is relatively low. The miscellaneous source is the aggregated area within their powers but still contributes to their finances if coordinated. They include cemetery earnings, payment in lieu of tax or liquor, commission on vehicle license, insurance claims, sale of boarded properties, recovery of losses, court fines etc.

(i) Property and Tenements Rate

Orewa (1991) defines a rate as "a tax on the benefit derived from the occupation or use of any landed property". Such a property includes developed land, or land on which a building or any physical structure is located. It is sometimes referred to as tenement rate because it is not imposed on plants, machinery and furniture. It is not regarded as direct tax for the reason that it is collected from user/occupier of the property. But there is the possibility of shifting the burden from a user/ tenant to the owner, this possibility implies that property or tenant rates can also be regarded as indirect tax. The basis of the assessment of a rate payable on a tenement can be capital, rental and local or flat rate of the property. Hassan (2001) argues that "the tenement rate is potentially a large source of local government revenue such that if property rate is adequately tapped, less emphasis will be placed on allocation". Bello-Imam (1996) observed that property or tenement rates are a tax with high yield potential which potentially is yet to be exploited in Nigeria except in Lagos state and in a few municipal councils". He added that, it has many advantages among which are the difficulty, if not impossibility of evasion or avoidance and it can be increased more easily than the flat rate. It is a very dependable source of revenue considering the fixed nature of property.

(ii) Earnings from commercial undertakings

Local governments are permitted to venture into undertakings that are profit oriented to boost the revenue base of the local government. By budget classifications, the following pooled together constitute the income generating items under this revenue head. Apart from markets, motor parks and income from landed properties most councils virtually have no interest in the operation of commercial undertakings. This is due to lack of financial and management resources, rising costs astronomical increase in wages, public perception about government ventures as shares of the

national cake. The technical know-how for effective sustenance of the undertakings is also absent. There is a number of internal revenue sources that are yet to be exploited by many local governments in Nigeria and that is why many local governments in Nigeria especially in Kaduna state place more emphasis on statutory allocations.

(iii) Jangali (cattle) Tax

It is a tax imposed on those that own cattle. A Fulani man or any man for that matter that has cattle usually tax is imposed on the cattle he owns, which is popularly called Jangali tax. The Jauro who is the Fulani chief in any locality is responsible for the collection of Jangali tax, due to the peculiar difficulty of tracking down the Fulanis, who by nature live a nomadic life. He collects and remits to the nearby village head, who, remits the sum to the district head and then to the local government. The local government retains an agreed percentage and delivers the remaining to the state government.

(iv) Levies/Community/Poll Tax

Poll tax is a flat rate that is charged irrespective of the income levels of the tax payers. It is also called "Development Levy". A poll tax is another name for community tax or a lump-sum tax or Head tax. It is a good example of regressive tax. It collects the same amount of money from each individual regardless of incomes or circumstances; hence its burden fails hardest on the poor. The importance attached to tax by citizens is far reaching. It could pull down government, determine electoral victory and so forth. In fact, poll tax caused the downfall of Margaret Thatcher, influenced John Mayor's policies and caused the famous Aba Women Riot in the 1920s in Nigeria. According to Havemen in Encarta (2004); when the British government implemented a system of local poll taxes in 1990, citizens considered the tax so unfair that they

held demonstrations-some violence around the country. The extreme unpopularity of the tax contributed to the down fall of Prime Minister Margaret Thatcher. Her successor, John Mayor, repealed the tax in 1991. In the United States, the 24th Amendment, ratified in 1964, prohibited the payment of poll taxes as a requirement for voting in federal elections. Until that time, a number of southern states had used poll taxes to deny poor blacks the right to vote. Though poll tax is criticized for being regressive, it does however possess some milk of human kindness in exempting some weak members of the society.

(v) Death Tax/Estate Duty/Inheritance Taxes

Death tax does not mean the dead should resurrect from the death to pay tax to government. What it means however is that, property of the deceased person, which is passed on to the heir apparent, is valued and taxed. The heir apparent pays the tax on behalf of the deceased person. In other words, when a person dies, the property that he or she leaves behind is valued and subjected to tax. An estate tax is a tax on the deceased person's estate, which includes everything the person owned at the time of death, money, real estate, stock, bonds, and proceeds from insurance policies, and material possessions. Most government levy estate taxes before the deceased person's property passes to the heir, although many governments do not impose an estate tax on property inherited by a spouse. An inheritance tax also taxes the value of the deceased person's estate, but after the estate passes to the heir. The inheritor pays the tax. Estate and inheritance taxes are sometimes collectively called death taxes. For anyone to die, death certificate must be paid for allowing himself or herself to die. For depositing the corpse of the deceased, payment must be made for the number of days the corpse stays in the mortuary as well for embalmment or else the corpse would rot. In fact, the piece of land to bury the dead must be paid for. From every indication it is cheaper to live than to die.

(vi) Payroll Tax

Whereas an income tax is levied on all sources of income, a payroll tax applies only to wages and salaries of employees in the payroll of an organization. Employers automatically withhold payroll taxes from employees' wages and forward them to the government. Payroll taxes are the main sources of funding for various social insurance programmes in developed societies, such as those that provide benefits to the poor, elderly, unemployed, and disabled. Although the legislators who set up payroll taxes intended to divide the tax burden equally between employers and employees, this is not necessary the case in practice. Some economists believe that the tax causes employers to offer lower pretax wages to employees than they would otherwise do, in effect shifting the tax burden entirely to employees.

(vii) Petroleum and Allied Products

The taxes paid to the local governments by the petrol stations within the area also a lot. This is also a viable source of revenue as there are numerous petrol stations within the local government areas.

(viii) Signboards:

All signboards that are within the local governments are taxed some certain amount for advert placements within the local governments. Abubakar (1999) noted that for each of the group of sources outlines above there exists specific arrangements for revenue collection. Some revenue like the bulk of those heads 1001-1003 example; community and cattle tax are collected on an annual based while others like revenue commercial undertakings, motor parks and market fees are collected on a daily basis. He added that the amount of money collected from any given

source will depend on addition to a strict adherence to the requirement of the financial management relating to reve4nue collection, the following factors among others would play out: the efficiency of the collection machinery, the total amount of revenue effort exerted by the revenue division, prevailing level and structure of rates, licenses and fees, the mode of collection itself; and the effective level of corruption.

However, as stated earlier, internal sources of revenue comprises of many major and miscellaneous items combined to provide the required fund to finance the enormous functions ascribed to local government as third tier of government. These sources are summarized into the following Revenue Heads.

(ix) Rates

As one of the independent sources of revenue, people residing within a local government area pay rates. Rate is thus, a local tax of the local government which is of three types namely: property rate, Special rate and Capitalization rate.

Property rate is a fixed percentage amount of the current value of a private property levied on the owner of such a property. Capitalization rate which is also a fixed amount of money levied on all ratable adults living in the local government. It is not only fixed but equal for every payer and like the property rate, it is paid annually. As a flat rate, it is generally low so that the low income people can conveniently pay. Special rate is a fixed amount meant to be paid by all ratable adults residing in the local government area. Special rate is usually levied for specific and priority projects like education, water supply, and rural electrification which the local government has inadequate fund for its provision.

(x) Miscellaneous Sources

Revenue can be generated from the payment of levies like development and educational levies. Money can also be realized from rents paid for using any land or building belonging to the local government. Gifts and donations from individuals, philanthropists and corporate bodies also form sources of revenue to the local government. In conclusion, local governments are empowered to generated revenue to enable them carryout their stator and permissive functions.

From the above list, it is clear that many of the various sources of internally generated revenues to local governments are either untapped or under-tapped and are unviable in most local governments in Nigeria. Some, like radio and bicycle are not viable, death registration fees, due to the culture and customs of local people can never be tapped; while others like tenement rates by individual and corporate persons can be potentially lucrative sources of local government revenue, if properly administered and strictly enforced. The level of internally generated revenue by each local government depends on the size of the local government, nature of business activities, urban or rural nature of the council, rate to be charged, instruments used in the collection of revenue, political will and acceptability by the people to pay based on the legitimacy of the council and the socio-cultural beliefs of the citizens regarding the issue of taxation Anifowose and Enemuo (1999), Nbanefo and Bello, (2010:181), Maruf, (2012:2). With courage, honesty, and fair-play local governments may not even bother to wait for external sources if the above internal revenue list is appropriately and adequately tapped and properly accounted for.

2.3 Review of Empirical studies

Limited studies have been conducted on tax administration in respect to revenue generation of different states and countries. In a study conducted by Moses, Stephen and Basil (2012); on Analysis of options for Maximizing Local Government Internally Generated Revenue in Nigeria. They looked critically at the various sources of internal revenue in the local governments, problems of exploiting the various sources of revenue generation, and the reason why most of these sources remain untapped or under-tapped by the local governments in Nigeria. Their study discovered that:

There were reported cases of fraud and embezzlement during their fact-finding visits to a number of councils, particularly in market stillage fees. Apart from the wrong attitudinal orientation of the collectors, collection of revenue, for example, from timber which would have constituted a viable source of revenue for local governments was hampered by illegal felling of trees, inefficiency of staff and other constraints. Low level of training and the generally lazy attitude to work may also have accounted for poor collection of revenue.

Inadequacy and inaccuracy of data were reported as the major setbacks in the collection of tenement rate a source which is particularly lucrative in the urban areas. They also found that rates and fees neither expanded with the growth of the economy nor with the rate of inflation. For example, some of the rates fixed in 1974 were still in force unrevised in many types of council.

They said based on their experiences and available records, that the average revenue collector in the local government is corrupt. In fact, it is the corrupt practices of most revenue collectors that have denied the local governments opportunity to raise sufficient amounts of revenues from their

different internal sources. It is the revenue collectors who in fact are largely responsible for the poor internal revenue generation; they collude with the members of the public, landlords, etc. to defraud and deny the local governments the revenue that should accrue to it. In most of our local governments today, corruption has taken different forms and dimensions, namely– endemic corruption, epidemic corruption, planned corruption, development corruption, among others. Therefore, corruption remained the most devastating single problem undermining efficient and effective internal revenue generation in Nigerian local governments today.

In reviewing the above study, one could deduce that they have depicted other factors and authenticated the ones adduced by scholars and practitioners as factors militating against internally revenue generation in Nigerian local governments and proffered suggestions or way forward. Consequently, they did not state the methodology and scope of the study, because studying 774 local governments in Nigeria is too large. They also concluded and generalized that an average revenue collector is corrupt. It is important to note that in every labour force there are honest and faithful ones. More so, the corruption may have been caused by inadequate incentive package, bad leadership, mismanagement and misappropriation of generated revenue.

Mustapha, (2012), conducted a study on: An Assessment of IGR of Local Governments in Kaduna State. His study aimed at assessing the revenue generation efforts of local governments with a view to determining the level of viability of the respective IGR heads. The methodology is thus: the study population includes all the twenty three local governments in Kaduna state, Nigeria. Three local governments were purposefully sampled for the study through stratified random sampling from the three senatorial zones of the state, namely; Zaria, Kaduna south and Jama'a local governments. Data used were generated from the annual Auditor's Report for Local Government from 2000-2005. The study revealed among other things that:

Over dependence of the local governments on the statutory allocation from the federation account has affected their efforts and initiations to look inward to adequately exploit their existing revenue source and to explore potential or new sources of revenue. The returns from the IGR of the local governments have significant low yield. Corrupt practices are prevalent in the operation and transactions of the local governments; the IGR inclusive. Lack of proper accounting practices and book keeping have constituted a great hindrance to the financial progress of local governments.

Lack of qualified revenue personnel; political influence/interferences; and perception of the tax payers as; they see payment of tax of any sort as a meaningless act. Mustapha study have done so much by discovering some of the hindrances to internal generation of revenue in Zaria, Kaduna South and Jama'a local government areas of Kaduna state from 2000-2005. However, 2005 to date is over a decade and this calls for the need to conduct new study on IGR; to find out changes that occurred, and to authenticate his findings. It is also important to note that we are in computer era (Information and Communication Technology ICT age), which his study neglected, and also the issue of cattle tax need to be reverted since Kaduna state is part of Northern Nigeria which the preoccupation of the inhabitant is agrarian. So, couple with the need of time, this necessitates another study of this kind as IGR form the bulk of local government problem in Nigeria. Therefore, our study seeks to buttress.

Silas (2012), in his study: Over Dependence of Local Government on Statutory Allocations in Nigeria and its Impact on Development. He examined the impact of inappropriate harnessing of revenue sources towards development by local government, examining existing sources of local government finances and possibly exploring new avenues to increase their financial viability.

The study employed largely documentary sources and personal observation for data collection, the Spearman's rank correlation coefficient was used to test the degree of relationship between internally generated revenue, statutory allocations and the level of development in local governments. His study found out that:

The implication of local government over dependence is viewed from the level of uncertainty. Nigeria being a petro-dependent economy with fluctuating oil prices and other sectors merely striving or simply non-existent could spell doom should the 1980s situation of fallen oil revenue reoccur. If it so happens, with local government inability to raise user charges and other internally revenue sources, it will be difficult for them to execute development projects let alone pay their staff. Another level of uncertainty is with what the federal government will give them as their fair share from the federation account and since this is not consistent, it could seriously impinge the developmental abilities.

The second implication is that of autonomy. With the degree of overdependence on statutory allocations, local government cannot be said to be autonomous. This has eluded local governments for a longer period so much that they are unable to attain fiscal independence. This implies they are virtually left at the mercy of the Federal and State Governments.

Silas has pointed out the syndromes and consequences of local governments overdependence on statutory allocation from the federation account, the way it weakens or it makes local government relegate their internal sources of revenue to be less important which make it remain low yield. He also correlated the relationship between the external and internal sources of revenue, the negative effects of the relationship and the looming danger of such effects. Since IGR is sine qua non to local governments' finance and its development, our study seeks to focus

on tax administration particularly the factors bedevilling it over the years.

Cynthia (2010), the Problems of Effective Utilization of Revenue Available to Local Governments in Nigeria: a case study of Aninri Local Government Area of Enugu State. Her study focus on: Analysing the problem of effective utilization of revenue available to Aninri local government area. To ascertain the problems that confronts the council's administration in utilizing revenue for their services. To find out whether the revenue is adequate for the council's expenditure or not; in terms of methodology; the work used the total number of Aninri local government staff, which has the population of 380, Yamane formula was used to determine the sample size of 195. Questionnaire was used for data collection and was analyzed quantitatively using frequency table and percentage parameter. Her study discovered that:

The problem of effective utilization of revenue available to local government, in particular, Aninri local government is not in the hands of the federal and state government, but in the hands of those in the council especially those entrusted with the local government revenue.

One problem that hinders the effective utilization of revenue available to local government is general laxity on the part of the finance department.

The level of development in Aninri local government is unsatisfactory, though the actual revenue is not up to the estimated revenue, but the available revenue is not utilized to produce the basic amenities for the indigenes of Aninri local government like good roads, electricity, pipe borne water etc. Priorities are misplaced; projects are done not according to or as demanded by the people. Lack of accountability; embezzlement of the revenue by top officials, poor leadership, corruption, poor electoral body at the local level, late release of fund from the state government and inadequate skilled personnel's. All these problems hinder effective utilization of revenue available to local governments.

Salami (2011) found corruption and deficiency in the tax administration in Nigeria and untrained tax officials working in the tax system. This has led to not fully collecting the tax revenue; the tax officials ought to have collected. The study recommended the eradication of the wastage and corruption in the tax administration that is preventing the realization of expected revenue.

Olabisi (2010) found that tax administration is not working in Lagos State. The taxpayers in the state do not have access to the needed information in order to pay the required tax. This, the study indicated, has encouraged tax avoidance and tax evasion that allows the taxpayers not to pay the right amount of tax liability due to the government. The study found significant relationship between tax evasion and tax avoidance and the government revenue. There was also relationship between tax rate and tax evasion and tax avoidance. The study concluded that the current tax administration provide an environment that encourages corruption among the tax officials and other loopholes. The study recommended proper enforcement mechanism, heavier punishment for the tax evaders and avoiders. Using Lagos State as an example, the study called for the total rehabilitation of the tax administration in Nigeria. But this study is focused on effect of tax administration on revenue generation capacity of Giwa, Kachia and Zaria local government areas of Kaduna state. The indicators centred on; in term of tax administration are: Tax Personnel, Tax Laws/Legislation and ICT; in respect to how they affect revenue generation in these local governments. The period used in this study is different also due to the dwindlings in the world price of petrol which is the major source of revenue of the country.

Asaolu, Dopemu, and Monday (2015) found long run relationship between tax reform and revenue generation in Lagos States. This, according to the study, has given the Lagos State government the opportunity to perform its obligations to its residents. The study indicated that

there is a room for improvement in the tax system and asked the government to revisit the tax policy reforms in order to address the taxpayers' growth rate in the state that is reducing slowly. Oriakhi and Ahuru (2014) also found long run significant relationship between tax reform and revenue collected by the federal government in Nigeria. The study also found significant relationship between different income taxes and federally generated revenue. The study found tax reform to be prerequisite for the reduction of tax burden on the taxpayers as well as means of raising more funds for the government. The study found value added tax and custom and excise duty as the major contributors to the federally generated revenue. The study recommended improvement of the tax system in general and improvement in collecting value added tax and custom and excise duty in particular in order to generate more revenue for the government which is not the focus of this study. This study is focus on internally generated revenue of local governments in Kaduna state of Nigeria. It is also looking strictly on effect of tax administration on revenue generation at the local government level.

Animasaun (2016) found insignificant relationship between tax administration and revenue generated in Ogun State. The study also found that tax evasion and avoidance have significant effect on revenue generated in Ogun State. The study recommended the reevaluation of the existing tax administration and put in place the necessary mechanism in the anticipation of reduction in tax evasion and avoidance. He was particular about the mechanisms used in the generation process, but the work did not expressly dwell on the types of mechanism to be used to reduce evasion and avoidance of tax.

Ifere and Eko (2014) using Cross River as a case study, found nonworking tax administration in Nigeria. They also found incomparability between the infrastructural development, social

services provided and the tax revenue generated. The study recommended constant review of the tax policies, tax rate that would discourage tax evasion and avoidance, upgrading of the process employed in assessing and collecting taxes, improve the wages and salaries of the tax officials. All these, according to the study, would result in better tax administration in the state. Their case study which is Cross River was too small to be used to generalize their findings, conclusion and recommendation on Nigeria. Their study is different from this research because it was comparing the effect of infrastructural facilities on revenue generation while this study is concerned with the effect tax administration has on revenue generation at the local government level of Kaduna state. While their study is on the southern state of Nigeria, this study is on the local government areas of a Northern state of Nigeria.

Abata (2014) found that tax administration, tax evasion, inappropriate training of the tax officials have significant effect on the ability of government to generate revenue. The study recommended better means of educating the taxpayers as well as encouraging taxpayers to make advance payment of taxes based on the taxes paid from the previous year. Gurama and Mansor (2015) found lack of taxpayers' enlightenment, poor training and remuneration, deplorable working condition, and non-availability of motivational incentives for tax officials as obstacles to generating expected revenue. They recommended improvement in tax officials' training, working condition, salary, and employing employees with accounting and tax skill.

Enahoro and Jayeola (2012) found significant relationship between tax administration and revenue generated by Lagos State Local Governments; corrupt tax officials aid tax evasion and tax avoidance; and relationship between the tax administration and tax regulation. They

recommended improvement in tax administration in Lagos State. They also recommended the private contractors to handle the collection of taxes.

Adenugba and Ogechi (2013) found positive relationship between the procedures in place for the tax officials and revenue generation. They recommended training of the tax officials as a means of encouragement for the growth of revenue.

This research uses tax administration as an independent variable and revenue generation as dependent variable and the use of regression which measures effectively the relationship between variables and how they are related which is an improvement on Enahoro, (2012) study which was on Tax Administration and Revenue Generation of Lagos State which did not measure effectively this relationship. This is timely as the state's economy is facing low revenue generation and also low funding from the federation account due to dwindling proceeds from oil sales, there is therefore need to study how these problem could be solved.

In spite of the importance of tax to the development of any economy since tax is a principal source of government revenue, researches on revenue generation has mostly been geared towards its generation alone without much consideration to the administration (assessment, collection and remittance) which causes its generation. To maximize the collection of the needed tax revenue for the government, it is very important that the revenue agencies are efficient and effective in their duties as they aim at satisfying the taxpaying public. Thus, there is need to examine the effect of tax administration on revenue generation. This study is carried out to fill this gap for the local government areas of Kaduna state and nation's revenue growth. To provide solution to the above problem therefore, this study used data from field study. This research uses tax administration as an independent variable and revenue generation as dependent variable and the

use of regression which measures effectively the relationship between variables which is an improvement on Enahoro, (2012) study which was on Tax Administration and Revenue Generation of Lagos State which did not measure effectively this relationship. This is timely as the country's economy is facing low revenue generation from crude oil and also low funding from the federation account due to dwindling proceeds from oil sales, there is therefore need to study how these problems could be solved.

The objective of this study is therefore to find out the effect of tax administration on revenue generation capacity of Zaria, Giwa and Kachia local government areas of Kaduna state. The research question is: what is the effect of tax administration on revenue generation capacity of Zaria, Giwa and Kachia local government areas of Kaduna state?

2.4 Theoretical framework

Congruence Model of Taxation is aimed at diagnosing the causes of revenue administration weaknesses. It was introduced by Seiler (1967) further enhanced by Nadler and Tushman (1980). The model was further brought to tax administration area by Gill (2003) as a diagnostic Model for Revenue Generation that links organizational inputs and outputs. The model provides helpful classification of internal organizational components while discussing on the interaction effects among them. The modernize congruence Model of Taxation believes that in order to understand tax administration efficiency and effectiveness, we must first of all appreciate tax administration as a system that involves some basic components as: (1) The inputs from the perspectives of taxpayers and tax administrators, (2) the strategy that tax administrators adopt to define its vision to community, or its plans to society i.e. when, how, and who to complete the vision, (3) the significant transformation process within which formal, informal, people, and task transforms

inputs resources into outputs, (4) the output, i.e. individual, unit, and system results toward achieving the strategic objectives, (5) the outcome from the perspectives of tax administrators including accountability, transparency, as well as equity and from the view of taxpayers covering responsibility, follow the rule of law, and participation.

The modernize congruence model is more comprehensive and promising for tax administration effectiveness and efficiency. Its exact value depends on the usefulness of a model to be able to identify the root causes of weak revenue generation within a given tax administration. It delivers a comprehensive starting point on the path to fundamental tax administration reform. It provides the conceptual model for a reform process that comprises of collecting information on tax administration undertakings, harmonizing actual result against goals, identifying the roots of problem, developing and selecting actions plans, and finally executing and then evaluating the efficiency and effectiveness of those plans. The guidelines of using modernize congruence model for solving tax administration problems include the following steps:

(1). Identify the Inputs

As stated in Abiola and Asiweh (2012) the reasons for weak tax revenue generation in developing countries is as a result of poor efficiency and effectiveness of tax administration, keeping this in mind, the first step of modernize tax administration model is to gather critical information concerning both taxpayers and tax administration's environment, resources, and history. The information collected will identify the tax administration's overall objectives, core vision and mission, and supporting strategies.

(2). Define the Administration Transformation Components.

This is the second step where analysis goes far beyond just recognizing revenue generation weaknesses. It begins with a data collection process on each of the four transformation components of the administration. As stated in Abiola and Asiweh (2012) and Mansor (2010) some reasons of weak tax revenue generation may be as a result of lack of good integration between the transformation components of tax administration, therefore, data should be collected on the best way to enhance transformation process.

(3). Define the Output

The third step is to investigate the organization's output, which is at the individual, unit, and organizational levels (Gill, 2003). Output analysis includes describing absolutely what output is required at every level to meet the general strategic goals and after that collecting data to measure accurately whether the output is sincerely being accomplished.

(4). Determine Outcome

The fourth step is to pinpoint what the entire process achieves at the end and to precisely determine gaps and holes between planned and actual outcomes in order to recognize the related problems with each individual behavior, unit functioning, or organizational efficiency and effectiveness. Outcomes require tax administrators to regularly account their actions in a transparent and equitable manner Mba (2012).

Application of Modernize Congruence Tax Administration theory in Local Governments

For a given government to generate adequate revenue from tax system, tax administration is expected to work in the most effective and efficient manner, the modernize tax administration model is aimed at guiding in reforming or re-structuring existing tax administration. The modernize tax administration model in this study comprises of four main components namely: inputs, transformation, outputs, and outcomes. It is important to note that transformation and

outputs deal with tax administrators only while inputs and outcomes deals with both taxpayers and tax administrators/the government.

In order for the tax administration to generate adequate revenue, components are expected to work in an integrated manner. There must be a synergy between the Tax Administrators and the Tax payers. Ernestly, tax administration must be vigilant for wrong fit among the components. Therefore, inappropriate fit among any of the tax administration components can lead to non-achievement of objectives. For instance, in the absence of good integration in the transformation components between informal structures and formal or between individuals and their task requirement etc. can create enormous problems. More so, reforming one or two components of the components while leaving others unreformed will bring about the others to fall.

In conclusion, it is believed that the local government areas can generate more revenue from tax system where modernize tax administration model is adopted.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This section attempts to present the details of the research design, population size of the study, sample size, sampling techniques and sources of data. It also comprises of the methods of data collection, instruments for data collection, statistical tools for analysis and interpretation and justification for applying all the instruments of the study.

3.2 Research Design

The research design for the study is Survey Research Design. This is because the information which are needed are gathered through questionnaires, inventories, self-report, observation etc. (Samuel and Oka, 2010). The questionnaire was designed to gather data about the tax administration in place and revenue generation capacity in Kaduna State from the local government staff of Finance and Administration Sector of Giwa, Kachia and Zaria local Government Areas of Kaduna State. The questions on the independent variable - the tax administration, were designed to collect data on the tax administration. The questions on the dependent variable, Revenue Generation Capacity, were designed to collect data on the tax revenue generation. The rationale for focusing on the local government staff of Finance and Administration Sector was based on the fact that they know the type of policies and activities that involve tax administration and revenue generation from the perspective of the government as well as the reasons for the behaviours of the taxpayers within their localities.

3.3 Population of the study

The focus of this study is limited to the staff of Finance and Administration Sector of the selected local government areas of Kaduna state. Thus, since the unit of analysis is organizational in nature, the population frame of the study includes the three (3) local government areas which amounts to 258 staff of the three (3) local government areas. This implicitly means that, the population of the study includes Senior and Junior staff of the Finance and Administration Sector of the three (3) local governments. The population of the study was selected based on the three Senatorial Districts in the state- Giwa is Kaduna Central, Kachia is Kaduna South and Zaria is Kaduna North.

Table 3.1 presents the three (3) local government areas, Units, cadre of staff and the number of staff in each case.

3.4.1 Table of Population Distribution of the study

Local government	**Unit / Cadre**						**Population**
	Finance Unit		**Planning and Budget Unit**		**Administration Unit**		
Giwa	**Senior**	**Junior**	**Senior**	**Junior**	**Senior**	**Junior**	
Giwa	10	18	7	14	15	22	86
Kachia	10	18	7	14	15	22	86
Zaria	10	18	7	14	15	22	86
Total	30	54	21	42	45	66	**258**

Source: Kaduna State Local Government Structure and Staffing Order, 2017

The population of this study is the 258 senior and junior staff of Finance, Planning and Budget and Administration units of Giwa, Kachia, and Zaria local government areas of Kaduna state. Each local government comprises of 86 staff of Finance, Planning and Budget and Administration staff (Kaduna State Local Government Structure and Staffing Order, 2017).

3.4 Sampling Technique and Sample Size

A Simple Random Sampling (SRS) technique was employed in the selection of the sample size. A sample frame of each of the members comprised of Finance, Planning, Budget and Administration staff of Giwa, Kachia and Zaria local government areas of Kaduna state. The sample size for the study was determined using TaroYamane's formula.

There are several approaches to determining sample size. These include using census for small populations, imitating a sample size of similar studies, using published tables, and applying formulae to calculate a sample size (Israel, 1992).

For the purpose of this work, Yamane formula as cited in Israel (1992) was used to calculate the sample size as follows:

$$n = \frac{N}{1 + N\,(e)^2}$$

Where:

N = population size

n = sample size

e = margin of error (in this case 5%)

Therefore,

$$n = \frac{258}{1 + 258\,(0.05)^2}$$

$$n = \frac{258}{1 + 258\,(0.0025)}$$

$$n = \frac{258}{1 + 0.645}$$

$$n = \frac{258}{1.645}$$

n = 157

One hundred and fifty seven (157) Finance, Planning and Budget and Administration Sector local government staff were selected out of 258 as the sample size.

From the stratified total population of the study (258) and the total sample size of 157, the following proportionate sample size was drawn for each stratum using the formula

$n_h = (N_h/N)*n$

Where n_h = is the sample size for stratum $_h$,

N_h = is the population size for stratum $_h$.

N = is the total population size

n = is the total sample size (Trek, 2012).

However, according to (Israel, 1992), to avoid error that may arise in the course retrieving the questionnaire, 30% of the sample size should be added. This is to ensure that the retrieved questionnaire is not less than the sample.

Below is the distribution of sample size for the local government areas:

i) Giwa Local Government Area

$n_h = (86/258)173 = 58$

ii) Kachia Local Government Area

$n_h = (86/258)173 = 58$

iii) Zaria Local Government Area

$n_h = (86/258)173 = 58$

We, therefore added 16 questionnaire to the sample size totaling 173 as our sample size now. Therefore, a total of 58 questions was sent to each local government area.

3.5 Method of Data Collection

The study utilised questionnaires as a method of data collection. The questionnaire was structured to ensure accuracy and speedy response to questions. Questionnaire questions were close-ended. It is to be noted that both primary and secondary data are needed in every valid research. Therefore, both primary and secondary data were utilized in this study. This can be justified on the basis of its validity as the data obtained from the secondary sources to compliment the one generated from the field (questionnaire)

3.5.1 Primary Sources of Data

This is the first hand data that is generated through field work by the researcher; one major instrument was used in gathering information or generating data for the study; namely: Questionnaire. The use of questionnaire can be justified on the basis of its reliability, convenience, preserving anonymity and lower rate of reactivity. The questionnaire was structured in a close-ended form for easier analysis. Questionnaire was framed to sample the opinions of the various local government staff and officials in charge of tax and revenue collection in the selected local governments of Kaduna state.

3.5.2 Secondary Sources of Data

This is the second hand data already generated and stored in texts, files or even in publications forms. The secondary sources of data for this study involves intensive examination and thorough review of published and unpublished documents that are relevant to the study; these include:

textbooks, journals (National and International), newspapers and the internet materials retrieved and reviewed. Others include official records from the local governments selected such as: Kaduna State Local Government Structure and Staffing Order, (2017). This document gives the structural and organizational view of the Kaduna State local government areas and the total number of staff in each local government of the state. Kaduna State Local Governments Harmonised Levies, Rates and Charges (2014). This document gives highlight of the New Harmonised Local Government Revenue Law; see Appendix VI, Kaduna State of Nigeria Financial Memorandom/ Gazette *No. 22, Vol. 48, 21st August, 2014-Supplementary Part A,* see Appendix IV while the Appendix V, is Kaduna State Local Government Structure and Staffing Order, 2017 gives a review of the structure and hierarchical staffing order within the local government areas of the state. This document was used to determine tax laws in Kaduna State, Harmonised Revenue Collections and Schedules. Information was also derived from the Kaduna State Tax (Codification and Consolidation) Law, 2016. This document is an amended Tax Law of Kaduna State of Nigeria. It contains or gives detailed facts on revenue collections, revenue base and taxable capacities of the local governments of Kaduna state. The data obtained from these documents provided source of evidence to support data from the questionnaire and interview.

3.6 Administration of Data Collection Instrument

The sample size derived from the Yamane formula is 157. This 157 sample size of the total population of the study is the minimum. Given the problem of non retrieval of some questionnaires administered, the study felt safe to administer 173 copies of the questionnaires (Israel, 2012). One hundred and seven three questionnaires were retrieved. In each Department

of the local government areas, questionnaires were administered using Simple Random Technique.

3.7 Method of Data Presentation and Analysis

Both descriptive and inferential statistical tools of analysis were employed for presentation, analysis and the test of hypotheses. The descriptive statistical tools that were employed in this study include: frequency distribution tables. Simple percentages and average means score for analyzing and interpreting the data collected. In order to determine the effect of Tax Administration on Revenue Generation Capacity, the study used descriptive statistics to analyse the data. The essence of using the descriptive statistics in this study was to give explanation of the demographic data of the respondents, frequency of the questionnaire questions and to show the administration of the questionnaire. The study also used Karl Pearson correlation Statistical tool through SPSS version 23.0 to measure the degree of the relationship between the dependent and independent variables of the hypotheses of the study.

CHAPTER FOUR

OVERVIEW OF THE KADUNA STATE LOCAL GOVERNMENTS REVENUE GENERATION STRATEGY

4.1 Introductions

This chapter discusses the activities of the Kaduna State Local Governments IGR strategy under the following captions: rates and levies payable, distinction between the old and the new Kaduna State Local Governments IGR Laws, revenue collection duties and responsibilities, collection and receipt of revenue, receipt forms and their distribution, procedure for handling shortages, counterfeit or obsolete currency, cheques and refunds. It also discussed control of receipt and other revenue earning book etc. and lost of funds or revenue-earning books.

4.2 Rates and Levies Payable

Section 4(1) of KD.S Law No. 6 of 2014 states that from the commencement of this law, no rate or levy shall be payable to a Local Government Councils in the state except those contained in the schedule hereto (See Appendix V). Subsection 2 further states that each local government council shall display at a conspicuous place in all the revenue offices of the local government council a chart showing the approved collectible rates and their expected time of payment.

4.2.1 Establishment of Local Government Revenue Committee

Section 5(1) of KD.S Law No. 6 of 2014 provides that there is hereby established for each local government area of the state a Committee hereinafter referred to as "The Local Government Revenue Committee". Subsection 2 states that the Local Government Revenue Committee shall comprise of the following members;

a) Councillor in charge of Finance as Chairman

b) Three Local Government Councillors and;

c) Two other persons experienced in revenue matters to be appointed by the Chairman of the Local Government Council on their person merits.

4.2.1.1 Functions of the Local Government Revenue Committee (LGRC)

Section 6(1) of the Law states that the local Government Revenue Committee shall be responsible for the collection of all the levies, fines and rates under its jurisdiction and shall account for all revenue so collected in a manner to be prescribed by the Chairman of the Local Government Council. Subsection 2 further states that the LGRC shall be autonomous from the Local Government Council Treasury and shall be responsible for the day to day activities of the department which forms its operational arms.

4.2.2 Establishment and Composition of State Joint Revenue Committee

Section 7 of the Law states that there is hereby established in the state a Committee herein referred to as "State Joint Revenue Committee" which shall be comprised of the following members;

a. Chairman of the State Board of Internal Revenue as Chairman
b. Chairmen of the Local Government Revenue Committees
c. A representative of the Ministry for Local Government who shall not be below the rank of a director.
d. A representative of Revenue Mobilization Allocation and Fiscal Commission. e) The State Sector Commander of the Federal Road Safety Corps
e. A representative from the department on Local Government Planning from the Ministry of Economic Planning not below the rank of a Director and

f. A Secretary to be appointed from the State Board of Internal Revenue

4.2.2.1 Functions of the State Joint Revenue Committee

Subsection 8 of the law outlined the functions of the committee as follows;

a. The State Joint Revenue Committee shall carry out periodic review of the rates and levies charged and categorization of the local government areas into Urban Ward, Semi Urban and Rural Ward categories every three (3) years and ensure that the differences amount chargeable by the Local Government Councils in respect of any such scheduled rate or levy are minimized.
b. Implement decision of the Revenue Committee
c. Advice the Revenue Committee on the modalities, functions and other matters related to revenue collections.
d. Harmonies revenue administration in the state
e. Enlighten members of the public, generally on Local Government revenue matters and f) Carry out such functions as may be assigned by the Local Government Council

4.2.3 Powers of Revenue Collectors

Section (12) of KDS Law No. 6 of 2014 provides that Revenue collectors shall have the power to enter into any premises between the hours of 8.00 a.m. and 6.00 p.m. for the purpose of demanding and collecting rates and levies on behalf of the Local Government Council.

4.2.4 Payment

Section 13(1) states that all persons to whom this law applies shall pay to the Local Government Council all rates and levies as prescribe in the schedule hereto:

a. Within sixty (60) days after the service of an assessment notice on him in respect of rates and levies due to be paid annually
b. Within five (5) days from the beginning of every month, in respect of rates and levies due to be paid monthly;
c. Immediate in any other case
d. Meanwhile, subsection (2) reiterates that all payments may be made by way of electronic systems.

Section 14 states that upon request by a revenue collector, it shall be the duty of every person who has paid a rate or levy to show evidence of such payment to the revenue collector.

Section 15 states that upon payment of a rate or levy, revenue collectors shall issue a receipt or any other instrument in the form authorized by the local government council.

Section 16 states that the local government councils may institute recovery action through their legal departments or by employing the services of legal practitioners against defaulters at the revenue courts or any competent court for the purpose of enforcing the collection of rates and levies.

4.2.5 Offences and Penalties

Section 17 (1) states that any person who;

a. Fails to comply with the requirements of a notice served upon him under this law; or
b. Without sufficient cause, fails to attend in answer to a notice or summons served on him under this law, or having attended fails to answer any question lawfully put him, commits an offence under the law.

Subsection (2) states where an offence has been committed under this law by an incorporated or unincorporated organisation, every director, manage or other employee of the organisation who is responsible for the default also commits an offence.

4.2.6 Fines

Section 18 (1) states that any person who contravenes the provisions of this law as aforesaid shall be liable on conviction;

a) For the first time, to a fine not exceeding five thousand Naira (₦ 5,000.00) or to imprisonment for a term not exceeding one (1) month or both.
b) And for each subsequent time, to a fine not exceeding ten thousand Naira
c) (₦10,000.00) or to imprisonment for a term not exceeding three (3) months or both.

Subsection (2) further reiterates that in addition to the penalties imposed above, rates or levies shall be regarded as a debt to the local government council and shall be recoverable as such.

4.2.7 Unauthorized Collection

Section 19 states that any person who;

a) Collects or attempts to collect any rate or levy that is not listed in the schedule to this law; or
b) Collects or attempts to collect any rate or levy without due authority and identification or
c) Mounts a roadblock or causes a road or street to be closed for the purpose of collecting any rate or levy, commits an offence and shall be liable on conviction to a fine of fifty thousand Naira (₦50, 000.00) or imprisonment for three (3) months or both.

4.2.8 Enforcement

Section 21(1) of KD.S Law No. 6 of 2014, states that without prejudice of any law on jurisdiction of courts, the revenue courts shall have jurisdiction to entertain all cases under this law. The chief

judge may establish mobile revenue courts for the purpose of enforcing the provisions of this law where he is requested to do so by a local government council.

Subsection (2),(3),(4), in entertaining a case of default, the revenue court shall have power to order the sealing off of any premises, impounding, seizure or confiscation of any moveable property from a defaulter for the purpose of recovering a defaulted rate or levy.

The local government councils may employ the services of law enforcement agencies to enforce this law. Meanwhile, nothing in this law shall be construed as prohibiting a local government council from enforcing penalties stipulated for breach of its Bye law or charging fees as may be approved by the State Joint Revenue Committee for the use of Local Government Council properties, public utilities established and maintained by the Local Government Council, or services rendered by the Local government Councillors its officials to particular persons.

4.3 Distinction between the Old and the New Kaduna State Local Governments Tax Laws

Distinction between the old and the new Kaduna State Local Governments IGR Laws was made to see the workability or lacuna of these laws. These are presented in the table below:

Table 4.1: Distinction between the Old and the New Kaduna State Local Governments IGR Law

S/N	Items	Old Law	New Law
1.	Law	23 different by laws	Old harmonized law
2.	No of Rates/charges	Between 200 and 250 per LGC	Reduced to 20 items in line with provisions of the laws
3.	Basis	No provision	The constitution/tax laws
4.	Revenue administrative structure	No provision	Provides for structure
5.	Collection system	Mostly by cash	e-payment/DBLS
6.	Demand notice	Multiple	Consolidated demand notice
7.	Objection to assessment	No Provision	Provides for objection to assessment by taxpayers
8.	Funding of revenue Collection	No Provision	Provides for 3-5% of revenue collection as incentive and for funding of operation
9.	Provision for service to Taxpayers	No Provision	Provides for 30% of the total revenue
10.	Road block	No Provision	Prohibits mounting of road blocks for revenue collection
11.	Use of consultants/ lease of revenue collection	No Provision	Prohibits the use of consultant in revenue assessments and collection
12.	Tenement rate	Single rate of 5% for both commercial and residential properties	A new regime as follows: Commercial properties: 0.5% Residential properties: 0.25%

			Telecom mast: ₦100,000
13.	Information and complaint system	No provision	Provides for the establishment of complaint/information office
14.	Classification of the local governments	No provision	Classification of the local governments wards into urban, semi- urban and rural

Source: Kaduna State Local Governments Revenue Harmonized Law (2007-2014), KDS Law No. 6 of 2014.

4.4 Revenue Collection Duties and Responsibilities

4.4.1 Duties of the Executive Committee – FM 1.4-1.7

To examine proposals and to submit recommendations to the Local Government Council, as and when necessary, in regard to;

i. Checks as are necessary to satisfy it that the local government revenue is being promptly collected and accounted for
ii. General supervision over…the financial management of the affairs of collection of revenue
iii. Ensure that all revenue are promptly collected and brought to account ensure that Board of Survey or Board of Enquiry is appointed on;
i. Revenue earning book in accordance with the provisions of FM 7.15
ii. That appropriate disciplinary action is taken against any individual held personally responsible for failing to collect revenues for which he is responsible.

The Executive Committee will meet each month to examine the following statements and reports which the committee will require to be laid before it:

i. The bank reconciliation statement as at the end of previous month

ii. The revenue collectors chart

iii. A report on the checking of the accounts of revenue collectors and any irregularities in regard thereto;

iv. A report on the checking of revenue earning books;

v. A statement showing progress in the collection of revenue under the various main head as compared with the estimated amounts.

4.4.1.1 The Finance and Supply Department is Responsible for FM 1.8

1. Seeing that all revenue due to the local government
2. Is collected promptly and
3. Properly paid into the local government funds.

4.4.1.2 The Chairman of the Local Government FM 1.10 (9)

It shall be the duty of the Accounting Officer of the Local Government to establish and maintain an internet Audit Unit to provide a complete and continuous audit of the accounts and records of revenue.

4.4.1.3 The Treasurer (Director Finance and Supply) FM 1.13

The treasurer will be responsible for ensuring that;

i. All revenue due are collected promptly and paid into LG funds

ii. Proper provision exists for the safe custody of the local government securities, revenue earning books, stores and other physical assets.

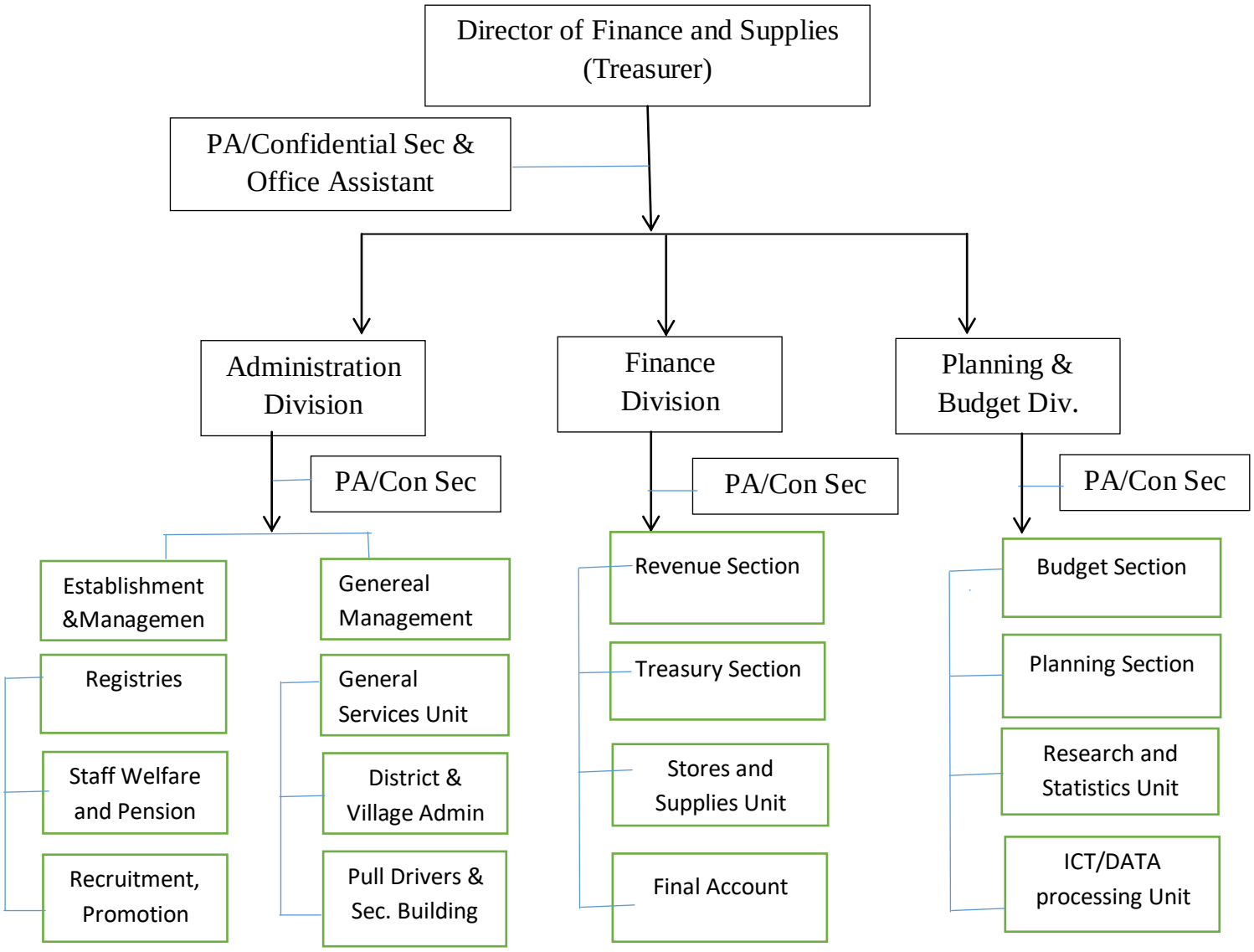
iii. The accounts of all revenue collectors are checked as often as possible and in any case at least once a month.

iv. Maintenance of revenue collectors charts showing the names of all revenue collectors;

v. Any indication that the revenue is likely to fall short of approved estimate

vi. All revenue officers in the local government are under the treasurer and shall render returns to him in accordance with these financial memoranda and other existing regulations.

Figure I: Organizational Structure of Finance and Supply Department



Source: Kaduna state Local Government Service Commission, 2017

4.4.2 Duties and Responsibilities of Revenue Collectors- FM 1.22

1. To keep such books and accounts and other records prescribed by the FM and the treasurer to ensure that all revenues to the LG are collected in full
2. To collect promptly all sums due to the local government
3. To report to his immediate superior, any instances of default in payment
4. To Issue, immediately on payment, receipts or licences in the prescribed form.
5. To record in a revenue collector's cash book details of all receipts of revenue and the payment of all receipts of revenue collections to the treasury or bank;
6. To keep all his revenue earning books under lock and key when not in use
7. To pay all revenue collected into the treasury or bank at intervals prescribed by the local government
8. When required to do so, to present all his revenue earning books, account books and cash to the person responsible for checking his accounts
9. To submit used, partly used and unused revenue earning books, licence books and cash to the person responsible for checking his account.
10. To return all exhausted revenue earning books to the official from whom they were received.

4.5 Collection and Receipt of Revenue

4.5.1 Responsibility of Revenue Collection FM 6.1

All revenue and other monies due to a local government shall be received either by the cashier in the treasury or by a revenue collector

4.5.1.1 Appointment of Revenue Collectors FM 6.2

A local government shall appoint in writing such employees as it thinks fit to be revenue collectors for the local government, to discharge the duties and responsibilities set out in FM 1.20.

4.5.1.2 Payment of Revenue into Treasury or Bank FM 6.3

At intervals prescribed by the Executive Committee or immediately when the maximum sum prescribed by the Executive Committee is held by him, a revenue collector shall pay all local government monies he has collected into the treasury or if so authorized in writing by the treasury, into the nearest branch of the local government bank. Where such authority is given, it shall;

i. Specify the name and branch of the bank at which payment is to be made;
ii. Direct the revenue collector-
    a. To record separately on the bank paying-in-splits details of every cheque received by him as revenue
    b. To enter against each cheque show on paying-in-slip, the number of the receipts issued by him when the cheque was received.

4.5.1.3 Responsibility for Making Payment FM 6.4

Payment to the bank by a revenue collector and the handling of the receipted bank paying-in- slip to the treasury cashier will be made by him personally or by his accredited representatives. Payments direct to the treasury cashier must be made by;

i. The revenue collector himself or
ii. An accredited literate representative

iii. The receipt issued by the cashier may be signed by the payer.

4.5.2 Recording of Revenue Collection FM 6.5

The revenue collector shall record all collectors made by him in a revenue collector's cash book (Form LGT 15A). The revenue collector's cash book shall:

i. Be kept in a bound volume

ii. Have a separate page for each type of revenue

iii. Show the date of receipts, receipts number from whom received, amount and daily total

4.5.2.1 Revenue Collectors Summary Cash Book (Form LGT 16) FM 6.6

Before making payment to the treasury the revenue collector shall;

i. Total the receipts under each type of revenue as shown in the cash book and

ii. Insert such tools in a revenue collectors summary cash book (Form LGT 16)

iii. recording the under mentioned information:

   a. Date

   b. Type of Revenue

   c. Number of receipts issued since last payment (first and last receipts to be quoted for each type of revenue)

   d. Total amount for each type of revenue e. Grand total of all revenue collected

4.5.2.2 Checking of Revenue Earning Books by the treasury Cashier FM 6.7

When making payment s or presenting to the treasury a paying-in slip, the revenue collector shall produce all receipt books, his revenue collectors cash book and revenue collectors cash book and revenue collector's summary cash book. The treasury shall then:

i. Check the cash or paying-in-slip handed over by the revenue collector against all the records so produced.

ii. When the cash or paying-in-slip has been reconciled with the records, date, stamp and sign the duplicate of counterfoil of the last receipt issued in each receipt book.

ii. Prepare a treasury summary receipt on form LGT 18, the original of which will be posted on the appropriate page of the revenue collector's summary cash book.

4.5.3 Revenue Collector Cash Book FM 6.8

The revenue collector shall record collections made by him in a revenue collector's cash book (LGT 15A) or where more than one type of revenue is collected in a columnar revenue collector's cash book on Form LGT 15B.

The Revenue Collectors Cash Book shall;

i. Be kept in original and duplicate

ii. Be entered in indelible ink/pencil, using double sided carbon to make the duplicate

4.5.3.1 Presentation of Paying-in-slip and revenue classification slips to cashier FM 6.9

When paying cash to the treasury or presenting to the treasury a paying-in-slip in respect of a cash paid direct to a bank, a revenue collector shall;

i. Hand his revenue collector's cash book ruled and cash after his last entry to the cashier

ii. In the case of a revenue collector who is paying in more than one type of revenue, he shall also hand to the cashier a complete revenue classification slip on Form LGT 19.

4.5.3.2 Procedures to be followed by the cashier FM 6.10

The cashier in the treasury receiving a remittance from a revenue collector shall;

i. In the case of a direct payment, count the cash and cheek that it agrees with the amount

shown to be paid in according to the revenue collector's cash book or where a bank teller's slip is presented, check that the amount shown on it agrees with the amount shown to be paid in accordance with the revenue collector's cash book, and that numbers of the receipts issued have been entered as required by Financial Memorandum 6.3 (b)

ii. Immediately issue a treasury receipts (Form LGT 17) for the amount paid in and hand the original to the revenue collector.

iii. Where relevant, check the revenue classification slips (Form LGT 19)

iv. Detach and retain the original pages of the revenue collector's cash

v. Book

vi. Where relevant, paste a copy of the revenue classification slip to his own copy of the receipt.

4.5.3.3 Additional Procedures to be Followed FM 6.11

The following additional procedures shall be followed:

i. The original pages from the revenue collector's cash book, detached in the treasury shall be filed for audit and record purposes.

ii. A separate file shall be opened in respect of each revenue collector

iii. The revenue collector shall paste the original copy of the treasury receipt by the cashier in his revenue collector's cash book.

4.6 Receipt Forms and their Distribution

4.6.1 The Forms of Receipt to be issued by a Local Government shall be as Follows:

Form No.	Description
LGT 17	Treasury Receipt
LGT 18	Treasury Summary Receipt

LGT 19A	Departmental Receipt
LGT 20	Departmental Summary Receipt fixed

4.6.2 Procedures for using Form 6.13

The form shown in financial Memorandum 6.10 shall be used as follows;

- The treasury receipts on form LGT 17 must be prepared in triplicate;

i. The original being handed to the payer

ii. The duplicate detached as the treasury receipt voucher and the

iii. Third copy retained in the receipt book.

- The department receipt on form LGT 19A will be issued by revenue collectors for all payments made to them except when specific or fixed fee receipts are available for the particular type of revenue
- Form LGT 19A must be prepared in duplicate, the original being handed to the payer and the duplicate retained in the receipt book
- Where appropriate, a treasury summary receipt prepared in triplicate on form LGT 18 shall be issued for payment made by a revenue collector to the treasury

i. The original being handed to the revenue collector

ii. The duplicate detached as the treasury receipt voucher and the

iii. Third copy retained in the receipt book. However,

iv. The treasury will not issue form LGT 18 where the revenue collector himself has already issued a departmental summary receipt to another revenue collector in such cases

a. The revenue collector will be issued with a treasury receipt on form LGT 17 and

b. The duplicate copy of the department summary receipt issued by him will be attached to

the treasury receipt voucher (the duplicate copy of the treasury receipt)

- Where payment are made by the revenue collector to another for example, fees collected by a village head and paid to a district head;

i. The receiving revenue collector shall issue a department summary receipt in triplicate

ii. The top copy shall be handed to the revenue collector making the payment, the duplicate to the local government cashier when the receiving revenue collector is paying the money at the treasury and

iii. The third copy retained in the receipt book

- Fixed fee printed receipts shall be used for

i. Market or motor park fees or

ii. Other revenues of fixed amount accruing to the local government.

a. A fixed fee printed receipts shall be dated when issued and the revenue collector must properly account for the numbers of all fixed fee receipts which he issues

b. Tax receipt of various types shall be issued sorely for tax and rate revenue on the basis of the procedures set out in financial memorandum 10, 11 & 12

c. Where authorized to do so by the executive committee, a local government may issue machine printed receipts for specified types of revenue.

4.6.3 Preparation and Issue of Receipt FM 6.14

The under mentioned procedure shall be followed when issuing receipts or licenses

i. Receipts and licenses must be completed in indelible pencil or ball point pen and double sided carbon paper used to make copies.

ii. Receipts must be issued in strict numerical order and a separate receipt issued for each individual payments

iii. All receipts other than machine printed receipts and certain fixed fee receipts shall be signed by the receiving official and where possible by the payer where, however, the payer is illiterate the receipt should be signed by a witness other than the receiving officer.

iv. In no circumstances shall an alteration be made to the amount of money shown on a receipt, whether to the words or figures.

a. If the amount of money shown on a receipt, whether to the words or figures.

b. If the amount is incorrectly entered, the original and all copies of the receipt shall be marked "cancelled" in red ink, left in the receipt book and a new receipt or license issued.

4.7 Procedure for Handling Shortages, Counterfeit or Obsolete Currency, Cheques and Refunds

4.7.1 Procedures for handling shortages, obsolete and counterfeit money 6.14-6.16

If money tendered by a payer is short of the state amount or includes obsolete or counterfeit currency, the revenue collector must:

a. Take up the matter at once with the payer and

b. Also if possible a witness

If shortages are found in the amounts actually received by the treasury cashier the following procedure will be followed;

i. The treasury receipt or treasury summary receipt must be made out for the full amount stated to be remitted.

ii. The full amount shown on the treasury receipt or treasury summary receipt will be debited in the cash book and credited to the appropriate revenue sub- head.

iii. A payment voucher will be made be out for the amount of the deficiency debiting a

personal advance account in the name of the revenue collector or other person and crediting the cash book.

ii. The treasury must formally notify the amount of the deficiency to the revenue collector for other person concerned and to the executive committee. The procedure regarding losses of funds as set out in financial memoranda chapter 8 will then apply.

4.7.2 Payment on Account FM 6.17

Payment on account should not be accepted for amounts of less than N10.00 due to the local government. For larger debts, if a payment on account is accepted, the receipt should be made out for the amount is accepted the receipt should be made out for the amount paid and clearly marked on account only.

4.7.3 Acceptance of Cheques FM 6.18

Cheques drawn on banks in Nigeria other than cheques drawn by individual may be accepted in payment of amounts due to the local government provided that the revenue collector has no reason to suspect the standing of the drawer or that the cheques might not be met.

4.7.4 Examination of Cheques FM 6.19

Cheques must be carefully examined to ensure that before acceptance:

i. The cheques is made out to "the……local government" and crossed;

ii. The cheques in signed by the drawer and the name and address of the drawer is written in block capitals on the back of the cheque (unless his name is printed on the front of the cheques)

iii. The cheques is not post-dated. The acceptance of post-dated cheques is forbidden

iv. The cheques is not dated earlier than two months before the date on which it is

presented.

v. The amount in words and figures agree

vi. Any alteration on the cheques is signed in full by the drawer

vii. The cheques is marked "commission to drawer's account" and signed in full.

4.7.5 Endorsement of cheques before payment into bank FM 6.20

Before they are paid into the bank, cheques must be suitably endorsed by an official of the local government so authorized by the local government.

4.7.6 Refund 6.21

i. Revenue or other monies overpaid or incorrectly received must be refunded

ii. To the payer as soon as possible

iii. Refunds to revenue should not be treated as expenditure but deducted from the relevant revenue head and sub-head.

iv. The deducted should be made in the year in which the refund is made regardless of the year in which the refund is made, regardless of the year in which the revenue was collected.

v. Where however, a refund is made in respect of a revenue item no longer collected, the refund should be charged to head 1008 sub-head 2 recovery of losses and overpayments.

4.7.8 Treatment of Excess Revenue FM 6.22

Excess discovered in the hands of revenue collector during an examination of their record should not be refunded to the revenue collector.

i. But placed on deposit account or

ii. Credited to revenue head 1008 sub-head 4-unclaimed deposits until the revenue collectors book have been scrutinized and the cause of the excess identified.

4.7.9 Recurring Items of Revenue FM 6.23

Where revenue becomes due to the local government as recurring fixed intervals, for example rent on plot fees.

i. A register of recurring must be kept by the appropriate department

ii. The register shall be kept on Form LGT 21 for revenue which becomes due each month and

iii. On form LGT 22 for revenue receivable on an annual basis

iv. The remark's columns in the two registers will be used to record

   a. Dates when demand notes or reminders are dispatched to the debtor

   b. Where appropriate the dates when special reports concerning outstanding amount are submitted to the Executive Committee.

4.8 Control of Receipt and other Revenue Earning Book Etc.

4.8.1 Receipt Book Register FM 7.1

i. A receipt book register on form LGT 24 shall be kept by the treasury to

ii. Record the receipt of all revenue earning books

iii. The issue of such books to officials of the local government

iv. The ultimate return of the books to the treasury and their final disposal

4.8.2 Ordering and Receipt of Revenue-Earning Books FM 7.2-7.4

i. A separate folio of the receipt book register shall be maintained for each type of receipt.

ii. As far as possible, entries should be so arranged that all receipts of one particular type of receipt book may be concentrated in one section of the register.

iii. An index must be prepared giving ready reference to the pages on which various types of receipts books are recorded.

iv. Receipt and other revenue-earning books must only be obtained from sources including the government printer, notified by or approved by the local government.

v. No order for the printing or purchase of receipt or other revenue-earning books shall be placed without the express authority of the Executive Committee

vi. When such authority has been given a copy of the order issued by the treasurer shall be sent to the Internal Auditor and the Auditor –General.

vii. The order shall direct the supplier to forward copies of the delivery notes containing full details of the printed receipts direct to the Internal Auditor and the Auditor-General.

viii. When new stocks of books are received, they should be examined at once with the issue or consignment note forwarded by the supplier

ix. Details of each book entered separately in columns 1-4 of the receipt book register

x. Details of the actual receipt must be sent to the Auditor-General

xi. The Auditor-General and the Executive Committee must be informed of any discrepancies between the note and quantities actually received.

4.8.3 Issue of Revenue-Earning Book FM 7.5-7.7

i. Only one revenue-earning book in respect of each revenue item should be issued at a time when the previous book is returned, fully used.

ii. Where this arrangement is not practicable issues should be limited to the quantity of books needed for the probable collections over the ensuring month.

iii. All issues of revenue-earning books must be in strike numerical sequence

iv. The details being recorded immediately in column 5, 6 and 7 of the receipt book register

v. The name of the recipient will be entered in block letters in column 6 of the register

vi. The official to whom a revenue-earning book is issued will sign his name in column 7 of

the receipt book register acknowledging receipt of the book

vii. Where an illiterate messenger is sent by a revenue collector to collect a revenue-earning book from the treasury, the revenue collector must sent all written application with the messenger detailing his requirements.

viii. This application will be numbered and filed by the treasury official responsible for the issue of the books.

ix. The number of the filed application will be recorded in column 7 of the receipt book register and a witness other than the issuing officer, must sign the register in confirmation of the issue of the revenue-earning book.

4.8.4 Return of used or Surplus Revenue-Earning Book Books FM 7.8-7.9

All revenue-earning books must be returned to the receipt book store in the treasury when;

a. They are exhausted or

b. Are of no further use or

c. No immediate use

The official in charge of the store will complete column 8 and 9 of the receipt book when he receives the revenue-earning books. The treasurer must ensure that the following action is taken on return of revenue earning books to the treasury:

i. A check is made to verify that all sums recorded on the book copies of the individual receipts have been brought to account at the treasury

ii. Returned books are checked to verify that all book copies of receipt are intact.

4.8.5 Receipt Book Distribution Register FM 7.11

i. Any revenue collector issuing revenue-earning books to subordinate revenue collectors must;

ii. Keep a receipt book register and a receipt book distribution register and

iii. Comply with the provision of this chapter of the financial memoranda regarding the keeping of these registers and receipts and issue of revenue-earning books.

4.8.6 Safe Custody of Revenue-Earning Books in Treasury 7.12

i. All revenue-earning books unused, used, partly used or obsolete must be safeguarded from theft or misuse and kept in a secure place under lock and key.

ii. The official carrying out the check will insert the date and his signature in column 10 of the register.

iii. If any loss or damage is discovered during the course of such checks, the procedure laid down in financial memoranda chapter 8 shall be followed.

4.8.7 Auditor-General Certificate FM 7.14-7.15

i. After the completion of each audit, the Auditor-General shall issue a certificate stating which exhausted or obsolete revenue-earning books are no longer required for audit purposes and may therefore as far as he is concerned, be destroyed.

4.8.8 Appointment of Board of Survey FM 7.5

i. A board of survey shall be appointed annually by the Executive Committee and

ii. Shall consist of two members of the Executive Committee and one senior official

iii. The board will check the stock of revenue-earning books in the store against the receipt book register

iv. And make recommendation to the local government/Executive Committee concerning

a. Which of the revenue-earning books that are used up

b. Obsolete or spoilt

v. Should be destroyed

vi. Books may be recommended for destruction provided that;

a. They have been audited and all audit queries concerning them have been cleared satisfactorily

b. A certificate has been given by the Auditor-General as provided in financial memorandum 7-14 stating that the revenue-earning books are no longer for audit purposes

c. At least five years have collapsed since the book were returned to store due to their being exhausted, spoilt or obsolete.

4.8.9 Destruction of Revenue-Earning Books FM 7.16-7.18

i. On the approval of the local government upon the recommendation of the annual Board of survey.

ii. When approval has been given the books must be burnt in the presence of two senior officers designated by the local government.

iii. Prior notice must be given to the Auditor-General so as to enable an Audit Officer attend and witness the destruction

iv. A list must be prepared in triplicate of all revenue earning books destroyed

v. One copy of the list shall be forwarded to the council and one copy to the Auditor-General

vi. Detail of the books destroyed must be entered in column 11 of the receipt book register 7.18

4.9 Lost of Funds or Revenue-Earning Books

4.9.1 Procedure to be followed in dealing with loss FM 8.1

i. All losses of funds (including losses arising from the receipt of counterfeit or obsolete

currency) and receipt books, must be reported immediately to the Chairman by the person who discovers or suffers the loss.

ii. No one has the discretion to withhold or delay such a report, even it immediate restriction is made or is promised.

iii. On receipt of such loss report, the Chairman shall form:

a. The Executive Committee

b. The treasurer if he has not himself made the report to the Chairman

iv. The council

c. The internal Auditor

d. The Auditor-General

4.9.2 Handling of Theft, Fraud or Embezzlement the Loss FM 8.3

Where there appears to be evidence of theft, fraud or embezzlement the loss must in addition be reported to the police. The Chairman's initial report to the loss shall give the following particulars;

i. Date loss discovered

ii. Manner in which loss was discovered

iii. Amount/receipt book lost

iv. Data on or period within which loss occurred

v. Names and appointments of persons directly concerned in the loss

vi. Whether the loss had been reported to the police

4.9.3 Action by Chairman in case of theft, fraud or embezzlement the loss FM 8.4

i. Asked the persons involved to refund full or to make proposals in writing for refunding within fourteen days of the date of discovery of the loss.

ii. Where the person does not refund the amount of the loss within fourteen days, the chairman shall instruct the treasurer to recover the amount in restallments or in one lump sum from the employee's personal emoluments.

4.9.4 Responsibility for Recovery of Loss FM 8.5

i. The amount of the deduction made under financial memorandum 8.4 (2) shall not exceed one third of the personal emoluments of the employee concerned.

ii. The chairman and the treasurer shall be jointly and severally responsible that appropriate deductions are correctly made from the personal emoluments employee concerned.

4.9.5 Board of Enquiry on Losses FM 8.6

The Board shall as soon as possible report to the Executive Committee on its findings in the following forms:

i. The nature of the property loss (cash, sum due, stores, books of account)

ii. The total value of the property loss

iii. The date on which the loss was discovered

iv. Whether the loss was reported to the Police

v. The adequacy of the means of safeguarding the property (safe accommodation, door, locks, night guards etc.)

vi. The reasons why the system of internal check and supervision failed to prevent the loss

vii. The action recommended by the Board of Enquiry to prevent a recurrence of the loss

viii. The amount already recovered or recommended to be recovered from him and any legal or disciplinary action taken or recommended to be taken against him

ix. The recommendations of the Board of Enquiry as to the recovery or write amount loss.

4.9.6 Decisions by Local Government on Losses FM 8.8

The Executive Committee shall consider the report of the Board of Enquiry as soon as possible and shall act as follows;

i. If the action under FM 8.4 has not resulted in the recovery of the full amount of the loss, take further steps towards the recovery of the amount of the loss still outstanding
ii. Direct the secretary to institute disciplinary proceedings against the employee in accordance with staff regulations
iii. Forward a copy of the report together with the decisions thereon to the Council and the Auditor- General

4.9.7 Recovery of Loss from Non-Employee FM 8.9

Where the person held to be responsible for the loss is not an employee of the local government and the action taken by the chairman in accordance with financial memorandum 8.4 (1) has not resulted in the recovery of the full amount of the loss, the Council shall decide on the further steps to be taken to recover the amount of the loss still outstanding from the person concerned, either with his consent or as a result of civil action.

4.9.8 Action for Recovery of Loss FM 8.10-12

i. Where a local government decides to institute civil suit to effect recovery of a loss, action must be taken without delay
ii. Where any civil action is instituted by a local government against a person in connection with a loss of funds
iii. The chairman shall be responsible for ensuring that the case is effectively pursued
iv. Where judgment is obtained against any person, the chairman shall ensure that all the necessary action is taken to enforce the judgment.

v. When appropriate action taken to recover the amount of the loss failed or due the death of the person held to be responsible the Executive Committee may write off the amount lost subject to the provisions of the law.

4.10 Conclusion

The essence of maintaining a good revenue ledger /register can not be over-emphasized, because it is a necessary ingredient for prosecuting defaulters. A defaulter can get off the hook easily if the register is not properly maintained. There is nothing wrong in keeping the files in loose forms and properly filed, but it is better if it is kept in a in the soft copies with the help of the computers, electronic gadgets and also in hard copy notebook, as this facilitate monitoring and control and also reduce fraud to the bearest minimum. It is hoped that the revenue collection system be fully automated, this will not pose any serious challenge keeping the ledger/register using the computer, internet and other information technology.

4.11 Data Presentation of Revenue Generation Capacity in the Local Government Areas.

Analysis of the data collected for dependent variable of the study which is "revenue generation capacity" of the Local Governments. The data collected were presented and analyzed as follows:

The main source of data from revenue jurisdiction are summarised on table 5.1.1, 5.1.2 and table 5.1.3 for Zaria, Giwa and Kachia Local Government areas respectively. The tables show the contribution of each revenue base and the graduation of the figures between 2013 to 2017; the component parts include the following heads: taxes (1001), local rates (1002), local licences, fees and fines (1003), earnings from commercial undertakings (1004), rent on local government property (1005), interest, payment and dividends (1006) and miscellaneous specific revenue (1008).

Table 4.1.1: Giwa Local Government IGR Summary from 2013 to 2017

Heads	IGR (₦) Year 2013	IGR (₦) Year 2014	IGR (₦) Year 2015	IGR (₦) Year 2016	IGR (₦) Year 2017	Total Heads(₦)	Percentage
1001	-	-	-	-	-	-	-
1002	4,800,000	890,000	13,120,780	1,160,000	2,310,000	22,280,780	4.3%
1003	10,429,271	1,390,000	15,000,000	1,341,300	1,516,000	29,676,571	5.8%
1004	14,380,880	3,280,000	6,240,825	2,880,000	2,345,000	19,091,880	3.7%
1005	4,867,910	1,340,000	700,000	371,000	360,000	7,638,910	1.5%
1006	3,000,000	220,000	200,000	300,000	220,000	3,940,000	0.8%
1008	87,474,321	44,970,000	164,000,000	102,540,000	36,000,000	434,984,321	84.7%
Total IGR	**124,952,382**	**52,090,000**	**199,261,605**	**108,592,300**	**42,751,000**	**513,711,862**	**100%**

Source: Giwa Local Government Budgets and Planning Unit, (2013-2017).

Table 4.1.2: Kachia Local Government IGR Summary from 2013 to 2017

Heads	IGR (₦) Year 2013	IGR (₦) Year 2014	IGR (₦) Year 2015	IGR (₦) Year 2016	IGR (₦) Year 2017	Total Heads(₦)	Percentage
1001	-	-	-	-	-	-	-
1002	3,200,000	1,290,521	3,120,780	2,183,000	1,310,000	11,104,301	2.6%
1003	4,419,281	2,690,815	8,500,300	1,342,380	2,516,300	19,446,076	4.5%
1004	10,260,220	3,280,432	6,240,825	2,880,000	1,345,300	24,006,777	5.5%
1005	2,867,710	6,270,900	5,700,000	5,371,000	3,360,000	23,569,610	5.4%
1006	2,920,000	3,220,000	5,424,000	3,312,500	2,450,000	17,326,500	4.0%
1008	62,284,541	45,270,000	67,420,300	87,540,000	76,300,000	338,814,841	78.0%
Total IGR	**85,951,752**	**62,022,668**	**96,406,205**	**102,628,880**	**87,281,600**	**434,291,105**	**100%**

Source: Kachia Local Government Budgets and Planning, (2013-2017).

Table 4.1.3: Zaria Local Government IGR Summary from 2013 to 2017

Heads	IGR (₦) Year 2013	IGR (₦) Year 2014	IGR (₦) Year 2015	IGR (₦) Year 2016	IGR (₦) Year 2017	Total Heads(₦)	Percentage
1001	-	-	-	-	-	-	-
1002	41,200,000	55,700,000	40,000,000	40,000,000	70,000,000	246,900,000	37.0%
1003	13,596,400	21,858,301	15,000,000	15,000,000	13,900,000	79,354,701	11.8%
1004	4,000,000	12,610,000	5,000,000	5,000,000	35,600,000	62,210,000	9.3%
1005	4,200,000	3,210,000	3,215,000	3,200,000	4,210,000	18,035,000	2.7%
1006	210,000	200,000	300,000	230,000	500,000	1,440,000	0.2%
1008	34,317,200	15,300,000	81,000,000	96,503,035	36,000,000	263,120,235	39.2%
Total IGR	**97,523,600**	**108,878,301**	**144,515,000**	**159,933,035**	**160,210,000**	**671,059,936**	**100%**

Source: Zaria Local Government Budget and Planning Unit, (2013-2017).

Tables 4.1.1, 4.1.2 and 4.1.3 above, show the trend of IGR efforts in relation to taxable jurisdiction of Giwa, Kachia, Sabon Gari and Zaria Local Government Areas of Kaduna State. It is noticed that Head 1001 has not been represented as the data for it were not available. This may suggest that the revenue head have been muddled up in the miscellaneous items. Head 1008 contribute highest to the local governments TIGR, Giwa local government with 84.7%, Kachia with 78.0%, Sabon Gari with 43.0% while Zaria Local Government with 39.2% respectively, followed by Head 1002 40.4% for Sabon Gari, 37.0% for Zaria local government, 4.3% for Giwa and 2.6% for Kachia local government. Head 1003 5.8% and Kachia Head 1004 5.5% respectively. Head 1005 and 1006 constitute several other contributions to the local governments TIGR. This shows that the local governments IGR effort differs and has not been fully tapped to the fact that, some heads have not been contributing adequately to the TIGR of the local governments. This is however, contrast with the study of Maruf (2012) who showed that Heads

1003, 1004 and 1005 has the highest contribution to local governments TIGR. There are a number of reasons for the apparent differences in the taxable powers between the four (4) local governments.

First and foremost is the difference in the enabling resources between the three local governments. Two factors have been associated, vis-a-vis the economic structures and public/private investment; in the case of Zaria Local Government Area and some parts of Kachia area, the economic centres had shifted from Agriculture to Industry and services. This development has created a wider economic environment for multiples of private and public sectors participation in the commercial and semi-trading activities. In effect, besides the development of Markets in Zaria local government area, Motor Parks, other stable and viable revenue yielding sources includes, main trade and commercial houses situated around Tudun Wada, Kofan Doka, Dan-Magaji, Wuwasa, Gwuragwaje which contains private schools, Private Hospitals and Clinics, Banks, Mechanics and Technicians Garages. Block Industries, Automobile companies/shops, filling Stations and Agro Allied Companies etc. all Scattered in Zaria local government areas. Most of these market centres and business activities are fairly well-developed and stable throughout the seasons.

In contrast, Giwa Local Government, regardless of its origin, has a very short history of existence as a local government council. It was created in 1991, during Ibrahim Babangida military regime. The local government was carved out of Igabi Local Government. Besides the few and inelastic tax jurisdictions, the entire economic structure revolves around agricultural proceeds.

There are large peasant farmers, who to some extent work side by side with very few mechanised farmers. Like other rural local governments, the main source of revenue of Giwa Local Government has been the collection from the sale of agricultural outputs, mostly done during the

market days. Even though there seems to be high level of reliability over the collection of revenue from market centres and motor parks, the problems of inadequacy of socio- economic infrastructures and lack of rural feeder roads in most of the market areas have reduced the fiscal powers of Giwa Local Government.

For instance, market and motor parks centres at Giwa/Shika District provided sizeable revenue between the month of September to April, whereas revenue collections from Fatika District is uncertain and unstable because of their non-existence during the rainy season.

The foregoing comparative analysis provides the objective basis under which the taxable jurisdictions of local governments could be assessed. If the revenue jurisdiction has been fairly well developed to the extent that variation in terms of their tariffs and coverage's may not have any political prejudice. Example could be seen in appendix (v) where the Kaduna State Government harmonized the levies, rates, fees and charges to be collected by the Local Governments. This review enable Zaria Local Government to generate large sum of revenue from these sources with possible little tax efforts.

In contrast, the revenue jurisdiction of rural local government has been relatively inelastic and static and could not be adjusted incrementally without any political prejudice. Complying with variation in the taxes and rates for instance can prove highly cumbersome and expensive for the participation of the private commercial operators. Notwithstanding, variations can also have a distorting effect upon patterns of trade, creating artificial price differentials within relatively small and homogeneous rural areas. In this respect, no matter the extent of the revenue effort put in place, the revenue drive would be very small.

The second most contentious area surrounding revenue generation from these sources centres is

the concept of equity between the local tax payers (governed) and the local government (governors). Equity in terms of local government taxation implies the contractual agreement between the government and the tax payers, where the best results can be achieved if the direct recipient of public goods meets all or most of the costs of providing that good. Many of the public services provided in the local governments are not provided uniformly to the entire population. Rather in distinguishable quantities and qualities. As such, the local government taxes should be consistent with the rate of public goods and services being supplied to individual tax payers, commensurate with the consumption capacity. In the case of Zaria Local Government area, tax payers, besides the local and State Government services, federal government participate actively in the provision of public goods and services. Other services at the city level, Police and Fire Protection primarily served the local government tax payers and the businessmen equivalent to the amount being received as taxes.

In contrast, the system of taxation on agricultural proceeds within the rural local governments contradicts the principle of fairness and justice "when it is not commensurate and consistent with the benefits one derives from the economy". A lack of correlation between the tax incidence and agricultural incomes is of course the major weakness of the tax system existing within the rural local governments. In fact, most people in the rural local government areas experience little presence of government (in rare cases local governments) in the provision of services. Many of the revenue sources of local governments have been centrally placed for its tax burden to fall on the peasant farmers. This makes the taxable Capacity of the rural local governments to be relatively very low, because their economic bargaining fiscal powers are more on people rather than on income and wealth.

CHAPTER FIVE

DATA PRESENTATION AND ANALYSES

5.1 Introduction

This chapter presents, analyses, gives a statistical test of hypotheses and also presents major findings of the research. The chapter explores the data derived from the questionnaire to make statistical analysis using the percentage distribution parameter. This chapter also includes background information about the respondents, statistical test of hypotheses using the non-parametric tool called Karl Pearson Product Moment correlation. This is used to determine the significant level of relationship between independent and dependent variables.

5.2 Presentation of Data

Data for this research were collected using questionnaire. The table below showed how the questionnaires were administered to the various strata of the chosen sample size of 340. For the sake of non retrieval of the questionnaire administered, 20% questionnaires of the sample size were added, totaling 340 questionnaires. The table below shows the number of questionnaire administered, retrieved and their percentages.

Table 5.1: Administration of Questionnaire

Category of Staff	Number of questionnaire administered	Number Retrieved	Percentage (%)
Management	33	33	19.1
Senior Staff	60	60	34.7
Junior Staff	80	80	46.1
Total	173	173	100

Source: Field Survey, 2019

The bulk of the local government staff or respondents are junior staff and senior staff respectively. This means most of them have adequate knowledge about government policies on tax administration and revenue generation capacity in the local government areas of the state.

5.3 Data Analyses

This section analysed the demographic data of the respondents and the frequency/percentage of the questionnaire questions using descriptive statistics.

Table 5.2.1: Gender of the Respondents

	Frequency	Percentage (%)
Gender		
Male	103	59.5
Female	70	40.1
Sub-Total	173	100

Source: Field Survey, 2019.

The analysis in table 5.2.1 showed that most of the respondents were males constituting 59.5% while females were only 40.1%. This may not be unconnected with lack of enrolment of more females in schools, early marriages of females and the notion held by parents that forbid western education for females in some units of the local governments except for males. In some units or sectors of the local governments, it is expected that there should be more of male civil servants than the females because of the physical strength needed in the course of work. This is in consistent with (Jurkiewicz *et al*. 1998).

Table 5.2.2: Age Distribution of the Respondents

Parameter	Frequency	Percentage (%)
Age		
20-30	20	11.6
31-40	20	11.6
41-50	70	40.1
51-60	43	24.9
61 upward	20	11.6
Sub-Total	173	100

Source: Field Survey, 2019.

Table 5.2.2 revealed that most of the respondents were between the ages of 41-50 years constituting 40.1% and ages 51 – 60 which represents 24.9%. 20-30, 31-40 and 61 upward constitute 11.6% respectively. This implies that the bulk of these local government government staff are aging. This therefore leads to ineffectiveness and inefficiency despite effort made by the local government commission of the state in training and developing them. This is consistent with (Abiola and Asiweh, 2012). They said that, one of the problems of tax administration is lack of adequate training for officials.

Table 5.2.3: Marital Status of the Respondents

Parameter	Frequency	Percentage (%)
Marital Status		
Single	73	42.2
Married	100	57.8
Total	173	100

Source: Field Survey, 2019.

Table 4.2.3 further revealed that most of the respondents that are married constitute 57.8% while singles constituted 42.2%. This implies that the civil servants are stable and staff turnover is low but the tendency to attend to private matters more than official matters during official hours is high. The majority of the participants in this study were married and this may be due to their responsibilities as married couple. That is, they know the effect taxation is having on the net pay or take home pay of their client better.

Table 5.2.4: Educational Qualification of the Respondents

Parameter	Frequency	Percentage (%)
Educational Qualification		
GCE/SSCE	50	28.9
NCE/ND/OND	80	46.2
First Degree/HND	30	17.2
Masters Degree and Above	13	7.5
Total	173	100

Source: Field Survey, 2019.

From the analysis in table 5.2.4 most of the respondents (local government staff) are NCE/ND/OND holders constituting 46.2% while GCE/SSCE/, First Degree, Masters Degree and above holders constituted 28.9%, 17.3%, and 7.5% respectively. This implies that most of the local government staff are continually being trained/retrained by the civil service. This enhances their efficiency at work. This is in consistent with (Robbins 2004 and Adam 2008). They stated that, if the civil servants and trained and retrained, it will enhance their performance and increase efficiency.

Table 5.2.5: Staff Category of the Respondents

Parameter	Frequency	Percentage (%)
Staff Category		
Management	60	34.7
Senior Staff	70	40.1
Junior Staff	30	17.3
Contract Staff	13	7.5
Total	173	100

Source: Field Survey, 2019.

Table 5.2.5 showed that most of the local government staff are senior staff constituting 40.1%, while management, junior and contract staff constitute 34. %, 17.3% and 7.5% respectively. This implies that there is generational gap in the local government commission Service of the state.

Table 5.2.6: Working Experience of the Respondents

Parameter	Frequency	Percentage (%)
Working Experience		
A month – 5 years	10	5.8
6 – 10 years	40	23.1
11 – 15 years	60	34.7
16 – 20 years	40	23.1
21 – 25 years	15	8.7
26 – 30 years	5	2.9
31 – 35 years	3	1.7
Total	173	100

Source: Field Survey, 2019.

Table 5.2.6 revealed that most of the civil servants have acquired working experience ranging from 11-15 years constituting 34.7% while those between the ranges of 6 - 10, 16-20, 21-25, 26-30 and 31-35 years represented 23.1%, 8.7%, 5.8%, 2.9% and 1.7% respectively. This implies that most of the people that may be employed later may not be able to have on-the-job training and necessary skills that would have been learned from those that have being working in the local government commission service, thereby reducing their productivity.

Table 5.3.1: Responses of Local Government Staff on the Relationship between Personnel and Revenue Generation Capacity

Code	SA Freq	SA %	A Freq	A %	U Freq	U %	D Freq	D %	SD Freq	SD %	Total Freq	Total %
PTRG1	80	46.2	60	34.7	20	11.6	5	2.9	8	4.6	173	100
PTRG2	20	5.8	48	27.7	5	2.9	50	28.9	60	46.2	173	100
PTRG3	70	40.1	65	37.6	4	2.3	20	11.6	14	8.1	173	100
PTRG4	80	46.2	50	28.9	3	1.7	20	11.6	20	11.6	173	100
PTRG5	20	11.6	25	14.3	5	2.9	68	39.3	60	34.7	173	100
PTRG6	60	34.7	60	34.7	3	1.7	25	14.3	25	14.3	173	100
PTRG7	80	46.2	60	34.7	2	1.2	15	8.6	16	9.2	173	100

Source: Field Survey, 2019.

From table 5.3.1, P**TRG1** is a statement on the provision for training and development of personnel to improve their performance. 46.2% strongly agreed that training and development of personnel help to improve their performance, 34.7% agreed, 11.6% were undecided, 2.9% disagreed and 4.6% strongly disagreed. Most of the local government staff constituting 80.9% are of the view that there is provision for training and development of personnel in order to improve their performance. This implies that for the local government areas of the state to

succeed in the achievement of their objectives in terms of revenue generation, it must be able to effectively and efficiently train and develop her workforce or personnel, Afuberoh and Emmanuel (2014),

PTRG2 is the statement that there is regular training, seminar and workshops organized by the local government authorities. 5.8% of the local government staff strongly agreed that there is regular training, seminars and workshops organized by the local government authorities, 27.7% agreed, 2.9% were undecided, 28.7% disagreed and 46.2% strongly disagreed. Most of the local government staff constituting 74.9% are of the view that there is need to organize training, seminars and workshops on regular basis in order to enhance performance. This implies that training and development is an important determinant of competency, effectiveness and efficiency in the local government commission Service (Ogbonna and Appah 2012).

PTRG3 is the statement that local government staff training and development programmes have impact on work status, recognition, performance and responsibilities. 40.1% strongly agreed that training and development have positive impact on work status amd performance. 37.6% agreed, 2.3% were undecided, 11.6% disagreed and 8.1 % strongly disagreed. Most of the respondents constituting 77.7% are of the view that training and development have positive impact on work status and performance. This implies that the civil servants have the modern knowledge and tools that are required for the job as well as the will to do what is expected of them. James et al (2015)

PTRG4 is the statement that training and development of personnel is necessary to improve the quality and quantum of revenue generation capacity. 46.2% strongly agreed, 28.1 agreed, 1.7% were undecided, 11.6% disagreed and 11.6% strongly disagreed. Most of the respondents constituting 74.3% are of the view that training and development of personnel is necessary to

improve the quality and quantum of revenue generation capacity. This implies that when the local government staff are well trained with the modern and necessary skills, it will help to enhance effectiveness and efficiency which in turn will lead to increase in the quantity of revenue generated by the local governments. This is consistent with Afuberoh and Emmanuel (2014). They stated that, for the local government areas of the state to succeed in the achievement of their objectives in terms of revenue generation, it must be able to effectively and efficiently train and develop her workforce or personnel.

PTRG5 is on the Revenue Collectors are trained on the modern ways of collecting or generating revenue. 11.6% strongly agreed, 14.3% agreed, 2.9% were undecided, 39.3% disagreed and 34.7% strongly disagreed. Most of the respondents in the local government areas constituting of 74.0% were of the view that revenue collectors need to be trained on the modern ways of generating revenue. This implies that the local government staff are ineffective and inefficient in the modern ways of generating revenue and it affects the quantum of revenue generated (Nto 2016).

PTRG6 is a statement that revenue collectors and administrative staff are highly committed and dedicated. 34.7% strongly agreed, 34.7% agreed, 1.7% were undecided, 14.3% disagreed and 14.3% strongly disagreed. Most of the respondents representing 69.4% were of the view that the local government revenue collectors are highly dedicated and committed to work. This implies that civil servants are engaged in form of creation, spontaneous innovative behaviours and work.

PTRG7 is the statement that, activities of compromised local government revenue collectors and other administrative staff have negative impact on revenue generation capacity. 46.2% strongly agreed, 34.6% agreed, 1.2 were undecided, 8.6% disagreed and 9.2% strongly disagreed. Most of

the respondents constituting 80.8% are of the view that activities of compromised staff have negative impact on revenue generation capacity. This implies that the quantum of revenue generated is largely dependent on the faithfulness and integrity of the revenue collectors. This is consistent with the views of A.O, (2015:4). He stated that; successful tax administration requires skilled people with leadership skills, integrity, commitment and engagement.

Table 5.4.2: Responses of Local Government Staff on the Relationship between Enforcement of Tax Law and Revenue Generation Capacity

Code	SA Freq	SA %	A Freq	A %	U Freq	U %	D Freq	D %	SD Freq	SD %	Total Freq	Total %
IERG1	70	40.1	60	34.7	5	2.9	18	10.4	20	11.6	173	100
IERG2	30	17.3	20	11.6	3	1.7	70	40.1	50	28.9	173	100
IERG3	20	11.3	40	23.1	2	1.2	50	28.9	61	35.3	173	100
IERG4	30	17.3	40	23.1	3	1.7	50	28.9	50	28.9	173	100
IERG5	65	37.6	50	28.9	2	1.2	30	17.3	26	15.0	173	100
IERG6	30	17.3	20	11.6	-	-	63	36.4	60	34.7	173	100

Source: Field Survey, 2019.

From table 5.4.2, **IERG1** is a statement the existing tax laws are very sound and effective. 40.1% strongly agreed that the existing tax laws are very sound and effective, 34.7% agreed, 2.9% were undecided, 10.4% disagreed and 11.6% strongly disagreed. Most of the local government staff constituting 74.8% are of the view that the existing tax laws in the local government areas of Kaduna state are very sound and effective. This implies that the inability of the local government areas to generate adequate revenue is not due to deficiencies in the existing tax laws, but due to improper enforcement of the relevant laws by the personnel to command maximum compliance. This is consistent with James and Alley (2004:4) which states that, a prominent tax

administration is a requirement for the taxpayers to cooperate in the operation of a tax system rather than be forced to carry out every aspect of their tax obligations.

IERG2 is the statement that the prevailing tax laws are well implemented to ensure adequate revenue generation. 17.3% strongly agreed, 11.6% agreed, 1.7% were undecided, 40.1% disagreed and 28.9% strongly disagreed. Most of the local government staff constituting 69.0% are of the view that the prevailing tax laws are not well implemented to ensure adequate revenue generation in the local government areas of the state. This implies that the prevailing tax laws in the local government areas though well written and codified, are not well enforced to ensure maximum compliance which leads to increased revenue generation. This is consistent with the views of Abigaba (1996). He said that, tax system cannot work properly without a reasonable degree of willing compliance on the part of the taxpayers. He further stated that there is a loophole in the revenue collection and efficiency of local government service delivery.

IERG3 is the statement that tax payers have adequate knowledge of the prevailing tax laws in your local government. 11.6% strongly agreed that tax payers have adequate knowledge of the prevailing tax laws in your local government. 23.1% agreed, 1.2% were undecided, 28.9% disagreed and 35.3% strongly disagreed. Most of the respondents constituting 64.2% are of the view that tax payers have no adequate knowledge of the prevailing tax laws in your local government. This implies that the tax payers are not well informed of the prevailing tax laws in the local government areas. Seminars, workshops and other enlightenment programmes which are supposed to be organized to educate the tax payers are neglected. This consequently leads to tax evasion and avoidance, and this has serious negative effect on the quantum of revenue generated by the local government. This is consistent with the views of Abiola and Asiweh

(2012). They stated that one of the many problems of tax administration is lack of adequate staff training and development programmes for tax officials.

IERG4 is the statement that tax defaulters are adequately punished by the relevant authorities in your local government. 17.3% strongly agreed, 23.1agreed, 2.9% were undecided, 28.9% disagreed and 35.3% strongly disagreed. Most of the respondents constituting 64.2% are of the view that tax defaulters are not adequately punished by the relevant authorities in your local government. This implies that there are high cases of tax evasion and avoidance since defaulters are not adequately punished to serve as deterrent to others. This may be connected to leniency on the ground of relationships or compromise on the part of the revenue collectors or legal authorities. This is consistent with Afuberoh and Emmanuel (2014). They said that the problems of tax administration in Nigeria are caused by personnel problems such as: compromise, corruption, under staffing, poor remuneration for tax officials.

IERG5 is the statement on tax authority use their statutory power maximumly to enforce compliance. 37.5% strongly agreed, 28.9% agreed, 1.2% were undecided, 17.3% disagreed and 15.0% strongly disagreed. Most of the respondents in the local government areas constituting of 66.4% were of the view that tax authorities do not use their statutory power maximumly to enforce compliance. This implies that the tax authorities in the local government are ineffective and inefficient in the enforcement and implementation of tax laws, this affect the quantum of revenue generation. This is consistent with the views of Abigaba (1996). He said that, tax system cannot work properly without a reasonable degree of willing compliance on the part of the taxpayers. He further stated that there is a loophole in the revenue collection and efficiency of local government service delivery.

Table 5.4.3: Responses of Local Government Staff on the Relationship between Information and Communication Technology and Revenue Generation Capacity

Code	SA Freq	SA %	A Freq	A %	U Freq	U %	D Freq	D %	SD Freq	SD %	Total Freq	Total %
ICTRG1	20	11.6	30	17.3	3	1.7	50	28.9	70	40.1	173	100
ICTRG2	90	52.0	50	28.9	2	1.2	16	9.2	15	8.7	173	100
ICTRG3	20	11.6	15	8.7	3	1.7	80	46.2	55	31.8	173	100
ICTRG4	80	46.2	60	34.7	5	2.9	18	10.4	20	11.6	173	100
ICTRG5	18	10.4	20	11.6	5	2.9	60	34.7	80	46.2	173	100
ICTRG6	30	17.3	25	14.5	4	2.3	65	37.6	49	28.3	173	100
ICTRG7	20	11.6	35	20.2	3	1.7	60	34.7	55	31.8	173	100

Source: Field Survey, 2019

From table 5.4.3 above, **ICTRG1** is the statement that, there are sound ICT gadgets for revenue collectors at the local government level. 11.8% strongly agreed, 8.8% agreed, 2.9% were undecided but 44.1% disagreed and 32.4% strongly disagreed that there are sound ICT gadgets for revenue collectors at the local government level. Most of the respondents constituting 76.5% were of the view that there are no sound ICT gadgets for revenue collectors at the local government level. This implies that there is poor, little or no application of sound and modern ICT gadgets in the generation of revenue at the local government. This is consistent with the views of Abiola and Asiweh (2012). They stated that, among the problems of tax administration in Nigeria include; lack of adequate equipment for the tax administrators to carry out their effectively and efficiently. Nto (2016) argued that unavailability of database, ineffective mechanism of locating evaders, and nonworking of the internal control mechanism are responsible for ineffective and inefficient tax administration.

ICTRG2 is the statement that the ICT facilities have significant relationship with revenue generation. 44.1% strongly agreed, 38.2% agreed, 1.5% were undecided but 4.4% disagreed and 11.8% strongly disagreed that ICT facilities have significant relationship with revenue generation. Most of the respondents constituting 82.3% were of the view that ICT facilities have significant relationship with revenue generation. This implies that the quantum of revenue generated internally can be influenced by the level of ICT facilities available. It also implies that the quality of information technology determines the quantum of revenue generated by the government, which means, the insufficient amount of revenue generated by the local government of the state over the years is due to the ineffective and inefficient level of ICT facilities applicable in the local governments. Bird (1994:4)

ICTRG3 is the statement that Record keeping and Tax Register for tax payers in your local government areas is ICT compliant. 26.5% strongly agreed, 11.8% agreed, 1.5% were undecided but 30.9% disagreed and 29.4% strongly disagreed that Record keeping and Tax Register for tax payers in your local government areas is ICT compliant. Most of the respondents constituting 60.3% were of the view that record keeping and tax register for tax payers in the local government areas is not ICT compliant. This implies that the data base needed to keep information about the tax payers, the kinds of businesses and the locations of the businesses is not available. Records are manually kept which can be destroyed if there is fire outbreak or any other Act of God. It also imply that some businesses are not captured in the books since there is not automated means of identifying and assessing tax payers within the local government areas of the state. This is consistent with the views of Abiola and Asiweh (2012). They stated that, among the problems of tax administration in Nigeria include; lack of adequate equipment for the tax administrators to carry out their effectively and efficiently. Nto (2016) argued that

unavailability of database, ineffective mechanism of locating evaders, and nonworking of the internal control mechanism are responsible for ineffective and inefficient tax administration.

ICTRG4 is the statement that there is insufficient ICT facilities for record keeping at the local government level. 44.1% strongly agreed, 41.2% agreed, 1.5% were undecided but 4.4% disagreed and 8.8% strongly disagreed that there is insufficient ICT facilities for record keeping at the local government level. Most of the respondents constituting 85.3% were of the view that there is insufficient ICT facilities for record keeping at the local government level. This implies that the ICT facilities are not adequate to carry out work efficiently and effectively. This inadequacy have negative influence on the quality and quantity of revenue generated by the local government areas Abiola and Asiweh (2012) and Nto (2016)

ICTRG5 is the statement that there is poor management of ICT facilities at the local government areas. 47.1% strongly agreed, 41.2% agreed, 1.5% were undecided but 5.9% disagreed and 4.4% strongly disagreed that there is poor management of ICT facilities at the local government areas. Most of the respondents constituting 88.3% were of the view that there is poor management of ICT facilities at the local government areas. This implies that the ICT facilities are in deplorable state, hence, they cannot yield the required output to enhance effectiveness and efficiency. This is consistent with the views of Chatama (2013:91). He said that, ICT enhances higher revenue collection and improves tax administration.

ICTRG6 is the statement that there is adequate ICT oriented/experienced staff in your local government area. 5.9% strongly agreed, 8.8% agreed, but 44.1% disagreed and 41.2% strongly disagreed that there is adequate ICT oriented/experienced staff in your local government area. Most of the respondents constituting 85.3% were of the view that there is no adequate ICT

oriented/experienced staff in your local government area. This implies that the number of personnel or manpower needed in the local government areas of the state who are ICT literate are very few. Bird (2015) said that the local government system is crowded with men and women who are not ICT compliant. This affect the administrative effectiveness and efficiency of the local government areas.

ICTRG7 is the statement that most tax payers make their payments through electronic means. 20.5% strongly agreed, 17.6% agreed, 2.9% were undecided but 26.5% disagreed and 29.4% strongly disagreed that most of the tax payers make their payment through electronic means. Most of the respondents constituting 55.9% were of the view that most tax payers do not make their payments through electronic means. Moses, Stephen and Basil (2012) said that so far tax payers still pay cash to the local government revenue collectors which is against the tax laws of the state. This encourages corruption on the part of the revenue collectors as it is tempting to divert or create an expense in order to siphone such revenue collected. Cash collection encourages corrupt tendency.

Table 5.4.4: Responses of Local Government Staff on Revenue Generation Capacity

Code	SA Freq	SA %	A Freq	A %	U Freq	U %	D Freq	D %	SD Freq	SD %	Total Freq	Total %
RGC1	75	43.4	70	40.1	-	-	15	8.7	12	6.9	173	100
RGC2	80	46.2	60	34.7	3	1.7	15	8.7	15	8.7	173	100
RGC3	30	17.3	20	11.6	3	1.7	70	40.1	50	28.9	173	100
RGC4	20	11.6	30	17.3	3	1.7	50	28.9	70	40.1	173	100
RGC5	18	10.4	22	12.7	3	1.7	80	46.2	40	23.1	173	100

Source: Field Survey, 2019

From table 5.4.4 above, **RGC1** is the statement that your local government has several sources of revenue generation. 43.4% strongly agreed, 40.1% agreed, but 8.7% disagreed and 6.9% strongly disagreed that the local government has several sources of revenue generation. Most of the respondents constituting 83.5% were of the view that the local government has several means of revenue generation. Adenugba and Ogechi (2013:421) posited that apart from the statutory allocations to the local government areas, there are other viable streams of revenue generation that the local governments have neglected over the years.

RGC2 is the statement that there is strong revenue generation plan in your local government. 46.2% strongly agreed, 34.7% agreed, 1.7% were undecided but 8.7% disagreed and 8.7% strongly disagreed that there is strong revenue generation plan in their local government areas. Most of the respondents constituting 80.9% were of the view that there is strong revenue generation plan in their local government areas. This implies that there is a strong and viable revenue generation plan at the local government areas of the state but these plans have not been properly implemented and enforced or translated into generating adequate revenue into government coffers. The available revenue base have not been adequately exploited to complement the statutory allocations, but these streams have been neglected over the years thereby making the local governments to become vulnerable, dependent, ineffective and inefficient in the discharge of their constitutional responsibilities. Moses, Stephen & Basil (2012).

RGC3 is the statement that the level of commitment of your local government towards identifying more sources of revenue is essentially effective. 17.3% strongly agreed, 11.6% agreed, 1.7% were undecided but 40.1% disagreed and 28.9% strongly disagreed that the level of commitment of their local government towards identifying more sources of revenue is essentially

effective. Most of the respondents constituting 69.0% were of the view that the level of commitment of your local government towards identifying more sources of revenue is essentially is not effective. This implies that there is no serious commitment and dedication towards identifying and exploiting other streams of revenue to the government. Moses, Stephen & Basil (2012), argued that, the local governments of the country are undertapping the revenue base or source within their jurisdiction, thereby making them too dependent and vulnerable.

RGC4 is the statement that your local government revenue generation is essentially satisfactory. 11.6% strongly agreed, 17.3% agreed, 1.7% were undecided but 28.9% disagreed and 40.1% strongly disagreed that their local government revenue generation is essentially satisfactory. Most of the respondents constituting 69.0% were of the view that their local government revenue generation is essentially not satisfactory. This implies that there is serious inadequate revenue generation capacity at the local government areas due to their lack of commitment towards tapping effectively and efficiently available sources of revenue and over dependence on statutory allocation Silas (2012).

RGC5 is the statement that most of the sources of revenue generation in your local government areas are effectively and efficiently tapped. 10.4% strongly agreed, 12.7% agreed, 1.7% were undecided but 46.2% disagreed and 23.1% strongly disagreed that most of the sources of revenue generation in your local government areas are effectively and efficiently tapped. Most of the respondents constituting 69.3% were of the view that most of the sources of revenue generation in their local government areas are not effectively and efficiently tapped. Moses, Stephen & Basil (2012), posited that, there is no serious commitment towards tapping effectively and efficiently available sources of revenue.

5.4 Test of Hypotheses

This section shows the empirical test of the hypotheses formulated at the beginning of the study. The hypotheses were tested using Karl Pearson's Product Moment Correlation. However, all computations were done using the Statistical Package for Social Sciences (SPSS), Version 23.

5.4.1 Decision Rule

All parameters are judged on the basis of their respective probability values which are denoted as Sig (Two Tailed.) in this case. Where the p-value is less than 0.05, irrespective of the coefficient of the parameter, the parameter is said to be significant at 5% level of significance or 95% confidence level and the null hypothesis is rejected and the alternate accepted. However, where the p-value is greater than 0.05, the parameter is said to be insignificant at 5% level of significance and the null hypothesis is accepted.

Table 5.4.0 Correlations

		Revenue Generation Capacity
Quality Personnel	Pearson Correlation	.403**
	Sig. (2-tailed)	.000
	N	369
Enforcement of Tax Laws	Pearson Correlation	.404**
	Sig. (2-tailed)	.000
	N	369
Application of ICT	Pearson Correlation	.521**
	Sig. (2-tailed)	.000
	N	369

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 1

$H_0$1: Quality Personnel have no significant relationship with tax base of selected local government areas of Kaduna state.

From table 5.3.0 above, the Pearson's Product Moment Correlation (r) gives a coefficient of 0.403 in respect of the correlation between Personnel and tax base. This coefficient is positive and moderate. This implies that there is a positive relationship between personnel and tax base in the local government areas. As such, an increase in the quality of Personnel will lead to an increase in the Revenue Generation Capacity the local governments of the State. However, the significance of this will be assessed through the probability value of the coefficient as given by the Sig. two tailed in table 5.3.0 above. The p-value being 0.000 is less than 0.05 level of significance and thus indicates that we have enough statistical evidence to reject the null hypothesis at 95% confidence level.

Based on the above, we therefore, we reject the null hypothesis, H_{01}, which states that "Personnel have no significant relationship with tax base of the local government areas of Kaduna state"; and accept its alternate hypothesis, H_{11}, which states that "Personnel have significant relationship with tax base of the selected local government areas of the state".

Hypothesis 2

$H_0$2: Application of ICT has no significant relationship with Tax yield of selected local government areas of Kaduna state.

From table 5.3.0 above, the Pearson's Product Moment Correlation (r) gives a coefficient of 0.521 in respect of the correlation between Application of ICT and tax yield. This coefficient is also positive and moderate. This implies that there is a positive relationship between the

application of ICT and tax yield in the selected local government areas of Kaduna State. As such, an increase in the use of ICT will lead to an increase in the tax yield or Revenue Generation Capacity of the selected local government areas of the State.

However, the significance of this is assessed through the probability value of the coefficient as given by the Sig. two tailed in table 5.3.0 above. The p-value being 0.000 is less than 0.05 level of significance and thus indicates that we have enough statistical evidence to reject the null hypothesis at 95% confidence level.

Based on the above, we therefore, reject the null hypothesis, H_{01}, which states that "application of ICT has no significant relationship with tax yield of local government areas of Kaduna state"; and accept its alternate hypothesis, H_{11}, which states that "application of ICT has significant relationship with tax yield of local government areas of Kaduna state".

Hypothesis 3

$H_0$3: There is no significant relationship between enforcement of tax laws and taxable capacity of selected local government areas of Kaduna state.

From table 5.3.0 above, the Pearson's Product Moment Correlation (r) gives a coefficient of 0.404 in respect of the correlation between enforcement of tax laws and taxable capacity. This coefficient is positive and moderate. This implies that there is a positive relationship between enforcement of tax laws and taxable capacity in selected local government areas of Kaduna State. As such, an increase in the level of enforcement of tax laws leads to an increase in the Revenue Generation Capacity of the local governments of the State.

However, the significance of this is also assessed through the probability value of the coefficient as given by the Sig. two tailed in table 5.63 above. The p-value being 0.000 is less than 0.05

level of significance and thus indicates that we have enough statistical evidence to reject the null hypothesis at 95% confidence level.

Based on the above, we therefore, reject the null hypothesis, H_{01}, which states that "implementation and enforcement of tax laws have no significant relationship with taxable capacity of selected local government areas of Kaduna state" and accept its alternate hypothesis, H_{11}, which states that "enforcement of tax laws have significant relationship with taxable capacity of the local government areas of Kaduna state".

5.5 Summary of Findings

The outcome suggested that management and organisational approach in the implementation of tax policy or laws is very weak. The weaknesses could be traced to, inadequate staffing of the tax-collecting organisation and unproductive training and development programmes or schemes. Though, there are staff training and development programmes, these programmes do not have practical impact on the job they do. These are key areas the tax management and organisation ought to address in order to be goal oriented agency.

Most of the tax officers are misfit for the job. Their employment is like putting a square peg in a round hole. They lack knowledge of the job and even for the knowledgeable among them; there is inadequate periodic training and development. Tax policies change frequently (Lymer and Oats 2010) thereby rendering obsolete, the little knowledge some of the officers earlier had. Speaking in an interview with the Daily Sun, Kunle Quadri, the chairman of the Chartered institute of taxation in Nigeria (CITN) stated "*let us have tax men that have been trained to do the job while in administration we need to have a round peg in a round hole"* (Ogbonna 2010). There is the need to move focus from employment of rent seeking personnel to those who are

knowledgeable in the field of taxation (Garde 2004). Their salary should be handsome to help curb activities of bribery and corruption that have so jeopardised the tax administration in Nigeria and the loss of confidence of the people on the revenue officers and the government in general.

Previous studies have found tax administration to have significant effect on the tax revenue generation in Nigeria. The ineffective and inefficient tax administration has been found to be a major problem causing the governments in Nigeria to be losing revenue. For example, Salami (2011) found inadequate tax revenue generation in Nigeria due to corruption and wastage in the tax administration. Olabisi (2010), Oriakhi and Ahuru (2014), Micah and Alasin (2017), Eze, Iorwuese, and Abba (2016) found ineffective and inefficient tax administration as obstacle to realizing expected tax revenue generation in Nigeria. Tax administration has been and it is still the focus of research because of its importance in generating funds for the governments in Nigeria. The problems facing the tax revenue generation at federal, state, and local governments are similar in Nigeria. Many researchers have linked the poor tax revenue generation to the poor tax administration in place in Nigeria (Ifere & Eko, 2014; Abata, 2014; Abiola & Asiweh, 2012; Enahoro & Jayeola, 2012) and these researchers and many others called for the improvement of the tax administration in order to increase the tax revenue generation in Nigeria.

5.6 Major Findings

Based on the data presented and analysed, the study arrived at the following as the major findings which by implication are the factors that affect tax administration and revenue generation capacity in the local government areas of Kaduna state.

1) That the local government areas or councils send their staff for training programmes but not often. This means that the staff of the Finance, Planning and Budget and Administration sector of the selected local government areas of Kaduna state are not highly skilled and this has affected the effectiveness of the machinery to generate revenue internally. Also, lack of skilled-manpower, improper accountability, high rate of tax avoidance and evasion, corruption and fraudulent acts and frequent interference by the state government are stumbling blocks to the local government IGR efforts. It was found that there is urgent need to have regular training and development programmes in order to improve the quality of personnel in these selected local governments of the state. It was also revealed by the study that, if the personnel are trained on the modern strategies of revenue generation, it will help to enhance effectiveness and efficiency which will definitely bring increased revenue generation the local governments of the state. It was also found in the study that most of the local government personnel are ineffective and inefficient in the modern ways of generating revenue and this affects the quantum of revenue generated by the local governments and the state as a whole.
2) That the application of ICT has significant relationship with tax yield in selected local government areas of Kaduna State. The introduction of ICT in the form of e-payment/DBLS where taxpayers will go to the bank and make payment, internet generation of Tax Identification Numbers (TIN) and tellers taken to revenue section of the

local government, then receipts are issued help to increase the quantum of revenue generated by the local governments and that of the state government generally. It was observed that most of the Tax Authorities (especially the States and Local Government) lack the desired institutional capacity to administer the taxes under their purview effectively and efficiently. It was found that these local government areas do not have comprehensive data base, modern telecommunication structure/system of all the tax payers and businesses. People and organisations can therefore afford to take every slightest opportunity to evade tax obligation. These local government areas need a very good data base, Information Technology that will contain the details of the tax payers such that relationship in terms of assessment and collection will be made easy. It was also found that there is no centralised data base or Web site for these selected local governments of the state that contain details of the tax payers and the location of their businesses.

3) That effective enforcement of tax laws have significant relationship with taxable capacity in the selected local government areas of Kaduna state. It was found that the inability of the local governments of the state to generate adequate revenue is not due to deficiencies in the existing tax laws but it is due to improper or ineffective implementation and enforcement of the tax laws by the local government authorities or personnel. This is not unconnected to the fact that some of the revenue collectors are lenient or compromise with tax defaulters on the grand of personal relationships. This abnormally affects the quantum of revenue generated in these local governments of the state.

In modern days, the tax officer may not be required to go out chasing the tax payers if there is a centralised data base. What would have been obtainable is voluntary compliance which is far

from being at the moment. According to Quadri cited in Ogbonna (2010), the lack of data base to show who should pay tax in these local governments is the first problem that needs to be addressed as that accounted for a very high rate of evasion of tax.

CHAPTER SIX
CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter contains the conclusion and recommendations of this research work.

6.2 Summary

The general objective of the study was to assess the effects of tax administration on revenue generation capacity of selected local government areas of Kaduna State with specific emphasis on Giwa, Kachia and Zaria local government areas. The study was guided by three research questions, three objectives and three research hypotheses. Chapter one provided background to the study by giving a vivid picture of the meaning of taxation, tax administration and revenue generation capacity. The chapter also contained a statement of the problem which necessitated the execution of this research work. Other sub-topics were also captured; prominent among them were scope of the study which covered three local government areas of Kaduna state, representing the three senatorial zones (Kaduna North, Kaduna Central and Kaduna South), the time frame of the scope is ranging from 2013 to 2017.

Chapter two of the dissertation gave a critical review of relevant and related literature. Here, taxation, tax administration and revenue generation were given scholarly or conceptual definitions and their distinctions were given. The concept of local government tax was extensively discussed with its types. Empirical literature or studies was also captured. So many empirical related studies were reviewed and their lines of divergence were drawn. Theoretical models or framework was also contained in this chapter. The theoretical framework of the study was “Modernized Congruence Theory of Taxation”.

Chapter three was a discourse of the methodology employed to collect data for the research work. Survey method was adopted with instrument such as questionnaire and interview schedule were also used for this work. Krejcie and Morgan sample size template was used in the determination of the sample size for the study. The target population was revenue collectors of the local government areas and the tax payers of all categories within the areas of study. Karl Pearson Product Moment correction denoted by (r) was adopted to test the relationship between the dependent and independent variables of the hypotheses. Chapter four covered the study areas of the research which are: Giwa, Kachia, Sabon Gari and Zaria local government areas of Kaduna State. The chapter contains historical, functions, structural and organizational framework of the local government areas.

Chapter five contained presentation, analyses, interpretations and major findings of the research. Analyses of the data collected were done using tables and simple percentage. The hypotheses formulated for this work were also tested and objected inferences made.

6.3 Conclusion

Diversification of revenue sources for economic development is very important if the local government areas of Kaduna state must rank among equals in the improvement of the lives of their citizens. The focus on revenue from oil and gas amounts to putting all her eggs in one basket. In this modern days the speedy technological development will in no distant time render obsolete the use of such mineral resources like oil and gas and possibly replace same with solar energy which is more environmental friendly. Besides, the end of fluctuations in the oil price which characterise the oil market is not in sight. Therefore, to build and maintain the culture of sustainable development, there is urgent need for a review and restructure of the nation's tax

policy and administrative system. Why government takes step to address the perennial annual budget deficits and tax gap, the citizens should wake up to their civic responsibilities in terms of tax compliance.

Unless the citizens work in hand with the government, every effort of the later to better their lives may prove abortive. Inequitable tax which is one of the major problems in taxation was promoted by the actions of those in the informal sector. However, government should note that it is not possible to tax a nation into prosperity. High tax rates will not only increase evasion but will equally discourage investment. This is the case of fiscal neutrality. Economic decisions may be influenced due to high tax rates and that may impact negatively on the nation's economy. (Bowles 1999) cited in Richardson (2006), posited that the higher the marginal tax rate, the higher the likelihood of evasion. In this era of globalization, unfriendly tax policies may create room for capital flight from Nigeria to other countries with more relaxed tax policies. The move towards borderless world has opened up new opportunities for taxpayers to minimise their tax liabilities (Owens 2006).

The study concludes that there is no meaningful project that can be executed in the local government without adequate financial resources that are derived from revenue. Revenue is the vital fluid that ensures that local government is run effectively and in a sustainable manner for the overall wellbeing of its populace. The idea of local governments being too tight to monthly statutory allocations should be reduced and look inwardly to improve their IGR. They must explore the innovative approach of generating revenue internally that will stand as viable option in case of eventuality from external sources. Internally Generated Revenue is a means to an end and also strategic source of financing local governments operations and which can be explored

given the enabling environment and political will. Hence, the internal revenue sources stand as viable option in case of eventuality from external sources. Some bedevilling snags however exist; which have hindered efficient and effective internal revenue generation in the local government.

6.4 Recommendations

In view of the research findings made in chapter five, the study recommends that;

1) A conscious effort should be made to enhance the effectiveness and efficiency of revenue officers of the Local Government Revenue Committee. Competent, dedicated and honest men should be hired to manage the affairs of revenue and this will go a long way improving revenue generation. This should be done through conscious effort of training and retraining, provision of greater motivation for the personnel and provision of better working environment for an enhanced productivity. The state and local government areas should ensure that modern training and development programmes aimed at educating and equipping the staff/personnel are organised on regular bases. The training should be systematic, that is, the management should be engaged in training like: On-the-Job training, Job rotation training, Coaching, Apprenticeship and Modeling training. These types of training are management-development programmes aimed at training and developing the manager to his or her fullest potentials. There are other types of training and development programmes for staff or middle/junior staff such as: Study Visit, In-service training and Industrial Attachments, seminars, Workshops etc. When a staff is well equipped on the areas of financial management, revenue generation, tax laws and others, he becomes very sound and knowledgeable to generate enough revenue to the government. It also helps to bring about creative and innovative mind in the staff. Most

of the staff in the local government area are ineffective and inefficient because they lack the basic and modern training. Put the round peg in the round hole and the square peg in a square hole, then you get the right results. Once the quality of personnel is improved, there will be effectiveness and efficiency in tax administrations thereby leading to increased revenue generation.

2) The tax laws in the state should be properly re-enforced and implemented. Revenue courts and other agencies should be restructured to ensure that related cases of revenue/tax default are properly and quickly tried to bring compliance. There is need for the government to ensure that tax laws or polices are regularly reviewed and updated to address current issues arising from collection or generation of revenue. The local government areas should ensure without prejudices, people with competence, related qualifications such as in Accounting, Commercial Law, Business Administration, Financial Management, Taxation and Auditing etc, are employed to handle or manage this unit of the local government. These set of professionals will help to inject business-like ideas into this area and it will ensure that tax laws are effectively and efficiently implemented. Again, the local government should partner with the courts as well as the police/security agents to ensure that tax laws or policies are well enforced to bring about increased revenue generation. 2% to 5% incentives of the total revenue generated by the reveue/tax collectors over a period as stated in the Tax Laws of the state should always be given to them. Any act of corruption or fraud by the revenue/tax collectors or administrations should not be tolerated. Anti-corruption and other related offences agencies must be kept abreast of any act of misconduct by the tax collectors or authorities. More so, serious punitive measures such as repayment, withholding of

salaries or outright dismissal should be employed for all those caught in the act of corruption. Again, the tax policies and laws should be properly and strictly enforced to serve as deterrent to other people who will not take payment of taxes seriously.

3) For a better tax administration, adequate machinery should be put in place and strengthened. As a basis for efficient and effective revenue collection, it is necessary that professionals are recruited, deployed appropriately, retrained in modern scientific techniques (ICT), adequately compensated and equipped with adequate managerial tools that fit the test of time. In addition, the local government administration and Finance Sector should equally be equipped with modern scientific gadgetry for efficient and effective administrative and financial operations. Local government tax collectors, administrators and tax payers should be properly trained on the use of modern information gadgets such as internet enabled handsets or phones in the payment of tax without necessarily going far distances to make cash or bank payments. Tax payers should be trained how they can make payments at the comfort of their houses, TIN is generated and receipts are issued, this will help to increase revenue generation. The adoption of ICT in the process of generating revenue will help to bring about effectiveness and efficiency in terms of registration and identification of tax payers, returns and payment process, audit, accounting and other tax administration functions. Most importantly, fraud or sharp practices inherent in the manual transactions will be eliminated in a fully automated revenue administration system. ICT helps to decrease the number of human errors by automating ordinary procedures of revenue generation. With the help of ICT, tax authorities will be able to create platforms through which tax payers and businesses can be identified, registered, assessed, audited and payments are made

without necessarily going to the streets or business premises to chase tax payers. Since we are in information or digital age, it is pertinent to adopt ICT fully in every aspect of life especially in the areas of Tax Administration and Revenue Generation.

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APPENDIX I

INTRODUCTORY LETTER TO RESPONDENTS

Department of Public Administration,
Faculty of Administration,
Ahmadu Bello University,
Zaria.

Dear Respondent,

I am an M.Sc. student of the above department in Ahmadu Bello University, Zaria currently writing a research dissertation on a topic: **"Effect of Tax Administration on Revenue Generation Capacity of selected Local Government Areas of Kaduna State"**. In the light of this, I need some information to assist me in testing and analyzing the stated hypothesis of this research.

All information supplied will be treated with utmost confidentiality and will be used solely for the purpose of this research. Please tick appropriately the option in the questions and comment where necessary or applicable.

Thanks for your anticipated cooperation.

Ajimbe Titus Arianrie
P16ADPA8005

Questionnaire 1: For Local Government Staff

Respondent are please required to supply answers to the questions by ticking the box that is applicable and filling the blank spaces were provided.

Part One: Background Information:

a. Your designation or position ……

b. Local Government……..

c. Highest Qualification……

d. Main occupation of the people of the area……

QUESTIONNAIRES TO RESPONDENTS (TAX PAYERS)

INSTRUCTIONS: Please tick the appropriate options from the alternatives provided as your answer.

SECTION A: BIO-DATA

1. Age (a) 25-30 years (b) 31-40 years (c) 41-50 years (d) 51 and above

2. Gender (a) male (b) female (c) others

3. Marital status (a) married (b) single (c) divorced (d) others (specify_____)

4. Unit _____

5. Rank _____

6. Number of years in service_____

7. Educational background (a) SSCE (b) OND/NCE (c) BSC/Bed/HND (d) others

SECTION B: Below are statements that describe how you perceive Effect of tax Administration on Revenue Generation Capacity in Zaria, Giwa and Kachia local government areas of Kaduna state. Please indicate by ticking the appropriate box your level of acceptance regarding the respective statements.

KEY:
SA= Strongly Agreed, A- Agreed, UD- Undecided, D-Disagreed, SD-Strongly Disagreed,

S/N.	Impact of personnel on Local Government Tax Base	SA	A	UD	D	SD
8.	There is provision for training and development of personnel within the revenue unit in order to improve their performance.					
9.	There is regular training, seminars and workshops organized by the local government authorities					
10.	The training and development programmes have impact on work status, recognition, performance and responsibility.					
11.	Training and development of personnel is necessary to improve the quality and quantum of revenue generation capacity.					
12.	Revenue collectors are trained on the modern ways of collecting or generating revenue.					
13.	Revenue collectors and administrative staff are highly committed and dedicated					
14.	Activities of compromised staff have negative impact on revenue generation capacity					
	Enforcement of Tax Laws and taxable capacity					
15.	The existing tax laws are very sound and effective					
16.	The prevailing tax laws are well implemented to ensure adequate revenue generation					
17.	Tax payers have adequate knowledge of the prevailing tax laws in your local government area					
18.	Tax defaulters are adequately punished by the relevant authorities in your local government area					
19.	Tax authority use their statutory power to enforce compliance in your local government area					
	Level of ICT compliance and Tax Yield					
20.	There are sound ICT gadgets for tax collectors in your local government					
21.	The ICT facilities have effect on tax yield					
22.	There is good record keeping and registers for tax payers in your local government.					
23.	There are insufficient ICT facilities for record keeping and tax registers.					
24.	There is high level of ICT compliance in your local government.					
25.	There are adequate ICT oriented staff in your local government					
26.	Tax payers make their payment through electronic means					
	Revenue generation Capacity					

27.	Your local government has several sources of revenue generation					
28.	There is strong revenue generation plan in your local government					
29.	The level of commitment of your local government towards expanding the tax base is essentially effective					
30.	Your local government taxable capacity is essentially satisfactory.					
31.	Most of the sources of revenue generation in your local government are efficiently and effectively tapped					

Source: Author Survey, 2019

APPENDIX II

Krejcie and Morgan Table for Determining Sample Size

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10,000	370
150	108	750	254	15,000	375
160	113	800	260	20,000	377
170	118	850	265	30,000	379
180	123	900	269	40,000	380
190	127	950	274	50,000	381
200	132	1000	278	75,000	382
210	136	1100	285	1,000,000	384

Note: N=Population size,
S=Sample size,
Source: Krejcie and Morgan, 1970

APPENDIX III

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Question 1	173	1	4	2.04	.936	.463	.133
Question 2	173	1	2	1.54	.499	-.167	.133
Question 3	173	1	4	1.46	.581	1.041	.133
Question 6	173	1	7	3.44	1.080	.132	.133
Question 7	173	1	4	2.27	.928	.254	.133
Question 8	173	1	4	1.28	.555	2.304	.133
Question 9	173	1	5	1.79	.827	1.269	.133
Question 10	173	1	5	1.62	.870	1.515	.133
Question 11	173	1	5	1.46	.701	2.104	.133
Question 12	173	1	5	1.93	.944	1.015	.133
Question 13	173	1	5	1.88	.929	1.166	.133
Question 14	173	1	5	2.08	1.100	.979	.133
Question 15	173	1	5	1.96	1.105	1.091	.133
Question 16	173	1	5	2.09	1.189	.952	.133
Question 17	173	1	5	2.10	1.181	.941	.133
Question 18	173	1	5	2.14	1.173	.954	.133
Question 19	173	1	5	2.09	1.182	.997	.133
Question 20	173	1	5	2.19	1.212	.854	.133
Question 21	173	1	5	2.07	1.133	.980	.133
Question 22	173	1	5	2.20	1.204	.788	.133
Question 23	173	1	5	2.22	1.182	.684	.133
Question 24	173	1	5	2.12	1.123	.867	.133
Question 25	173	1	5	2.14	1.116	.889	.133
Question 26	173	1	5	1.81	1.071	1.498	.133
Question 27	173	1	5	2.19	1.158	.744	.133
Question 28	173	1	5	2.10	1.150	.951	.133
Question 29	173	1	5	2.21	1.115	.684	.133
Question 30	173	1	5	2.01	1.122	.929	.133
Question 31	173	1	5	1.95	1.084	1.098	.133
Valid N (listwise)	173						

APPENDIX IV

Correlations

		Revenue Generation Capacity
Quality Personnel	Pearson Correlation	.403**
	Sig. (2-tailed)	.000
	N	369
Enforcement of Tax Laws	Pearson Correlation	.404**
	Sig. (2-tailed)	.000
	N	369
Application of ICT	Pearson Correlation	.521**
	Sig. (2-tailed)	.000
	N	369

**. Correlation is significant at the 0.01 level (2-tailed).