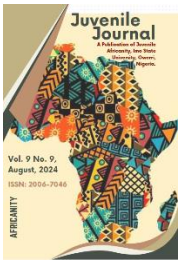


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# Electronic Tax Remittance and Nigeria Revenue Growth

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**Abstract**

This paper investigated on electronic tax remittance and Nigeria revenue growth. The study employed regression analysis, data for the study were sourced from Nigeria Governors Forum data base for Personal income tax, withholding tax and total compliance in South East and North West Nigeria respectively. The study found that e-remittance of PIT and WHT strongly affect revenue generation in Nigeria. The study also revealed that a significant relation exits between PIT and WHT and total tax compliance in South East and North West Nigeria. It is therefore concluded that e-tax remittance in Nigeria significantly affect tax compliance in Nigeria. The study recommends that to ease accessibility by taxpayers, mobile version of electronic tax portal should be created. This will no doubt increase the adoption rate by tax payers as mobile phones are being increasingly used

**Keywords:** Tax, Pit, Wht, Growth, E-tax, Remittance

## 1.1. Introduction

The Finance Act 2020 and Sections 25 of the FIRS Establishment Act grant the FIRS powers to deploy technology to automate the tax administration process, including assessment, collection and information gathering. It will interest you to know that the Finance Act 2021 further strengthens the foregoing. As part of the amendments to the FIRS Establishment Act in the Finance Act 2021, FIRS is now empowered to use third-party technology to automate tax administration Oluwatobi and Stephen (2023).

In line with its mandate to automate the tax administration system, the FIRS launched an e-Tax portal for filing naira-denominated tax returns (TaxPro Max) to ease compliance, ensure convenience and flexibility and increase accountability. The TaxPro Max platform is the FIRS' latest effort at digitalising tax administration in Nigeria. The platform, deployed fully in 2021, gives taxpayers the ability to file tax

returns (Value Added Tax, Tertiary Education Tax and Companies' Income Tax) electronically, pay the applicable taxes electronically/online, enjoy instant credit of withholding tax as well as other credits to the taxpayer's accounts, ascertain capital allowance carried forward and obtain tax clearance certificates.

The platform is accessible via a dedicated link (www.taxpromax.firs.gov.ng). Currently, only Naira denominated tax returns can be filed on the platform. A Document Identity Number (DIN) will be generated upon filing the tax returns, except for Nil returns. The DIN is mandatory to make payment upon successful filing. Also, TaxPro Max allows companies to make tax payments on account. Payments made on account may be used to offset applicable taxes in future. Oluwatobi and Stephen (2023).

### 1.2 Statement of Problem

Following the increasing cases of tax noncompliance, especially tax evasion and its consequences on the ability of government to raise public revenue, the critical questions that comes up is why do some individuals pay their taxes and others rather evade taxes? This issue of tax evasion, avoidance and tax compliance has being a serious growing problem in almost all countries of the world (Mohd, Mohd, & Wan,2013).

According to Okonjo-Iweala (2014), tax contributes about 7% to the gross domestic product (GDP) in Nigeria as against 15% expected of a comparable country. Furthermore, the price of oil has dwindled in the world oil market and this is having a negative effect on the revenue profile of the country because the country has been a monoproduct economy depending on oil revenue since the 1970's. Tax remains the inexhaustible source of revenue and should be the focus of government especially in the era of the volatility of oil price in the world. The tax compliance has been an issue in many developing countries. Most of the earlier researches on tax compliance have focused on economic factors such as tax audits and penalties in order to deter tax evasion. However, this approach has been criticised by researchers who believe in the need of examining E-platform that enhances tax revenue. In the light of the above, this paper attempts to empirically examine Electronic tax remittance and Nigeria economic development.

### 1.3 Objective of the study

The main objective of this study is to investigate on electronic tax remittance and Nigeria revenue growth.

The specific objective is to;

1. Evaluate the effect of E-remittance of PIT in North west on total compliance level in Nigeria
2. Evaluate the effect of E-remittance of PIT in south east west on total compliance level in Nigeria
3. Ascertain the effect of E-remittance of WHT North west on total tax compliance level in Nigeria
4. Determine the effect of E-remittance of WHT in south west on tax compliance in Nigeria.

### 1.4 Research questions

The study is guided by the following research questions;

1. To what extent has E-remittance of PIT in North west affected total compliance level in Nigeria?
2. To what extent has E-remittance of PIT South east affected total compliance level in Nigeria?
3. What is the effect of E-remittance of WHT in North west on total compliance level in Nigeria?
4. What is the effect E-remittance of WHT in south east on total compliance level in Nigeria?

### 1.5 Research hypotheses

**$H_0$1:** There is no significant relationship between E-remittance of PIT in North west and total compliance level in Nigeria

**$H_0$2:** There is no significant relationship between E-remittance of PIT in South east and total compliance level in Nigeria

**$H_0$3:** There is no significant relationship between E-remittance of WHT in North west and total compliance level in Nigeria

**$H_0$4:** There is no significant relationship between E-remittance of WHT in south east and total compliance level in Nigeria

### 1.6 Scope of the study

The content scope of this study is to investigate on electronic tax remittance and Nigeria economic development. The geographical scope of this paper consists of North west and the south east Nigeria. Data set for personal income tax and withholding tax as explanatory variable was regressed on Total tax compliance in the both region for the period of 2011-2022.

### 2.1 Conceptual review

#### 2.1.1 E-Taxation

E-taxation is the process of collection and administration of tax procedure through an electronic medium. According to Che-

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

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

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

In the authority of Abdulrazaq, Issa, and Abdulrazzak (2015) Elements of Electronic Tax Payment systems in Nigeria are:

i. Taxpayers in Nigeria can pay the following taxes online, e.g. Value Added Tax (VAT), Petroleum Profits Tax (PPT) Capital gains Tax (CGT) and Companies Income Tax (CIT), through the online system.

ii. More so, tax payers can pay their taxes directly from their various banks account and this is achieved by
FIRS in conjunction with Nigeria inter - bank settlement System (NIBSS),

iii. Tax clearance certificate can now be easily applied for and processed

online without having to visit the office of the tax authority

iv. Easy checking and verification of Tax Identification Number (TIN) thereby making the process of deduction of withholding taxes very easy

v. Electronic exchange of information between tax payers and FIRS official.

vi. Charging of fines and fees for lateness: The online system automatically calculate and impose fines, charges and penalties for late submission of tax returns or late payment of taxes.

### 2.1.2 Withholding tax

According to Vitaly & Damon (2019) Withholding tax is a portion of the lease payment taken immediately upon receipt by the government to be put toward the lessor's income tax for the year. Because of this, withholding taxes should be a consideration for the lessor during the lease negotiation, as they will be liable for them during the course of the lease. Several jurisdictions require the lessor to also file income taxes in the tax jurisdiction of the lessee, which can lead to a double taxation if not monitored electronically. Foreign tax credits are also typically available for corporations to take a deduction on foreign-earned income in the case of a cross-border lease transaction.

### 2.1.3 Value added tax

Bird (2005) defined value added as a multi-staged tax that is charged on goods and services in each stages of production, in Nigeria it was known as service tax before it was charged to value added tax, the final burden of tax or the incidence of tax falls on the consumer it is an indirect tax

### 2.1.4 Company Income Tax and Personal Income Tax

Companies are mandated by law to pay company income tax in Nigeria based on the profit. The amount charged is 30% on the profit earned in the year preceding assessment. Companies resident in Nigeria are liable for CIT on their worldwide income and non-resident companies are liable only to CIT on their Nigerian-source income.

Personal Income Tax (PIT) is a direct tax levied on personal income including wages and salaries, director's fees, dividends, royalties and rental income, amongst others. PIT is paid by resident and non-resident individuals once they engage in taxable or income-generating activities in the country in question. PIT rates may either be flat or graduated, meaning that the tax rate increases as taxable income

increases – those earning more pay a higher proportion of their earnings towards taxes. In the graduated approach, which is the most commonly used, tax rates are based on the income bracket of a tax payer. Individuals are taxed on income earned in an accounting period, referred to as the year of assessment – usually a calendar year. Payroll deductions, called Pay as you Earn (PAYE) in many countries, are used to deduct tax from wages before they are paid to employees, and are mandatory in the formal sector of most countries. But these generally do not cover other kinds of income such as dividends, or income from self-employed people.

### 2.1.5 Capital Gain Tax

Jones (2003) described capital gain tax as a tax on capital gains, the profit realized on the sale of a non-inventory asset that was greater than the amount realized on the sale. The most common capital gains are realized from the sale of government bonds precious metals, and property. The amount charged is 10% of the profits from the sale of the qualifying assets.

## 2.2. Theoretical review

Technology Acceptance Model (TAM) This theory was propounded by Davies (1989) the theory was later modified by Venkatesh and Bala in 2008, states that an individual‟s intention towards using a new system is determined by perceived usefulness, and perceived ease of use (PEOU), „„,the degree to which the user expects the target system to be free of effort and more so help to increase the degree of efficiency and effectiveness of performance. Accordingly the perceived ease of use also has a direct effect on predicting usage. TAM models are very useful within and across organizations setup for accessing the applications or technologies, or to make comparisons between user groups or applications. However, the limitation of TAM is when it is used outside of the work place

**Perceived usefulness (PU) –** This refers to the extent to which an individual believes that using a specific system would enhance and improve job performance

**Perceived ease of use (PEOU) –**This refers to the extent to which an individual believes that by using a specific system would be easy to use and free from using a lot of pressure or effort (Davies, 1989).

## 2.3. Empirical Review

Lai (2008) examined the effect of e-filling on revenue generation in Malaysia; it revealed the extent to which tax revenue generation has contributed towards the economy's revenue and Gross Domestic Product and also the effect of tax evasion

and tax avoidance on revenue generation in Malaysia. The study employed both primary and secondary sources of data. Using a survey research design, both descriptive and regression analysis were carried out on the data. Findings from the study revealed that taxation has a significant contribution on revenue generation, taxation has a significant contribution on Gross Domestic Product (GDP) and tax evasion and tax avoidance have a significant effect on revenue generation in Malaysia.

Amabali (2009) studied the antecedents of paperless income tax filing by young professionals in India using Regression analysis. The antecedents of young Indian professionals depended on the perceived ease of the tax system, personal innovativeness in information technology, relative advantage, performance of filing service, and compatibility

Pippin and Tosun (2014) examined electronic tax filing in the United State of America. The study summarizes and analyses the demographic, socio-economic, and geographic factors affecting electronic tax filing (e-filing) in the United States for the years 1999, and 2004–2007 and the growth in e-filing between 1999 and 2007. Secondary data sourced from the IRS Statistics of Income ("SOI") Division and additional demographic and geographic information from the Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS) and the census bureau were used; Analyses was carried out using regression, the rates of efilling are noticed to be lower in rural communities with low population and with a lower share of females, Surprisingly, educational attainment is negatively correlated with e-filing rate and growth in e-filing.

Nasir (2015) examined implementing electronic tax fillings and payments in Malaysia; the main objective was to point out the benefits of maintaining a good e-tax system as opposed to a manual system. The study made use of secondary data from Malaysian Inland Revenue report from 2004 to 2011 using trend analysis to highlight the increase in tax returns since the adoption of an e-tax system in 2004. For the first two years, the number of taxpayers using the e –filling system remained far below expectation at about 5% and the tax authorities were still tackling the challenges posed by the new system such as timely and costly adaptation of the system, uncertainty and security problems, lack of technological exposure in the country etc. all of which had little or no impact on tax returns. 2006 to 2011 brought an increase in the users of the system from the disappointing 4% to an

Encouraging 34% and37% in 2012, over the same period tax returns increased from 14.5% of 52GDP to 15.3%. It also showed how compliance was increased and fewer hours used in collecting taxes. The conclusion of the study was that Electronic systems for filling and paying taxes, if implemented well and used by most taxpayers, benefit both tax payer and tax authorities and guarantees a better standard of living for all citizens.

Allahverd, Alagoz, and Ortakapoz (2017) examined the effect of e-taxation system on tax revenue and cost in Turkey, the study used secondary data gotten from the Turkish revenue authority, the data were examined in two groups which are pre-electronic tax period of 1993-2004 and post-electronic tax period of 2005-2016. Mann-Whitney U Test was used to analyze the data. The research also provided information on the electronic transformation of the tax system and the Turkish Tax System. According to the empirical result of the research, the transition to the electronic tax system positively affected the tax revenues and reduced the cost per tax.

Barati and Bakhshayesh (2015) examined electronic tax system and the challenges facing kermansah province tax payers in Iran, the researcher made used of primary data gotten from questionnaires administered to resident of kermansah province, analyses were carried out using Spearman correlation coefficient, variance analysis, superiority indexes, the agent exploring analysis, structural equations model , in which high sensitivity is used to check their compliance and review. Results show that: technical and infrastructural variables(95/0), social influence(90/0), the expected effort(51/0), legal issues(40/0), expected performance(32/0), information access (18/0) and perceived risk(11/0) are factors of importance and more influence on the affecting factors for the adoption of electronic tax, respectively

### 3.1 Research Design

This study used quasi-experimental design. According to Amaefule, Onyekpere, and Onyekperem (2017), a quasi-experimental design takes several measures so that the relationship between the dependent and independent variables over a given period can be measured.

### 3.2 Sources of Data

Data were obtained from data base of the Nigerian Governors forum. Electronic Data were sourced from North west and South east proxied by PIT and WHT from 2000-2022 as explanatory variables while Total tax compliance was used as dependent variable.

### 3.3 Method of Data Analysis

The study employs multiple regression analysis to determine the effect of electronic tax remittance and Nigeria Revenue growth.

#### 3.3.1 Description of Analytical Technique

The multiple regression analysis technique was used to establish the relationship between E-tax variables and Nigeria revenue growth using Econometric View (E-view) software. The goal of the regression analysis is to discover the relationship that exists between the dependent and a combination of the independent variables.

#### 3.3.2 Model Specification

The statistical data were analyzed using tables, which were used to run a regression or model to determine the relationship that exists between dependent and independent variables. The regression analysis results were used to test the formulated hypothesis, which we either accepted or rejected.

**Functional model**

TTC = F (NWPIT, NWWHT, SEPIT, SEWHT) ……1

**Linear model**

TTC = b0 + b1 NWPIT + b2 NWWHT + b3 SEPIT + b4 SEWHT et……2

Where;

TTC = Total tax Compliance

NWPIT = North West compliance on PIT

NWWHT = North West compliance on WHT

SEPIT = South East compliance on PIT

SEWHT = South East compliance on WHT

et = Error-term

**Student T-Test**

If the t-calculated is greater than the t-tabulated; we reject the null hypothesis (H0) and accept the alternative hypothesis (H1), if otherwise accept H0.

**Joint Test**

If f-calculated is greater than f-tabulated, we reject $H_0$ and accept $H_1$, If otherwise; we accept $H_0$ and reject $H_1$.

**Data Presentation, Analysis and Interpretations**

### 4.1 Data Presentation

This section presents the dependent and independent variables that were subjected to empirical investigation. TTC being the

dependent variable was used as proxy for dependent variable. Data set for compliance were disaggregated into NWPIT, NWWHT, SEPIT and SEWHT.

**4.1: Data Presentation**

**Table 4.1: Data set for NWPIT, NWWHT, SEPIT, SEWHT and TTC**

| YEAR | TTC | NWPIT | NWWHT | SEPIT | SEWHT |
|---|---|---|---|---|---|
| 2012 | 16,420,457,123.00 | 4,332,959,785.00 | 2,546,181,884.00 | 4,220,012,764.00 | 2,660,143,865.00 |
| 2013 | 14,552,429,902.00 | 3,746,257,749.00 | 2,305,640,759.00 | 3,642,372,716.00 | 2,422,561,490.00 |
| 2014 | 14,897,530,710.00 | 4,152,064,090.00 | 2,151,966,893.00 | 4,058,219,988.00 | 2,260,363,578.00 |
| 2015 | 12,465,228,161.00 | 3,296,709,387.00 | 1,920,027,384.00 | 3,207,800,419.00 | 2,016,542,441.00 |
| 2016 | 11,648,489,773.00 | 3,048,901,400.00 | 1,860,919,359.00 | 2,925,373,202.00 | 1,932,581,123.00 |
| 2017 | 12,316,708,536.00 | 3,159,740,125.00 | 1,971,100,139.00 | 3,057,387,186.00 | 2,067,311,388.00 |
| 2018 | 24,156,623,222.00 | 6,811,617,708.00 | 3,490,258,571.00 | 6,641,150,299.00 | 3,624,774,208.00 |
| 2019 | 17,213,070,445.00 | 3,961,405,276.00 | 3,065,030,137.00 | 3,821,296,523.00 | 3,190,159,133.00 |
| 2020 | 16,236,405,216.00 | 3,297,081,016.00 | 3,162,967,662.00 | 3,180,689,436.00 | 3,291,675,448.00 |
| 2021 | 12,853,264,751.00 | 2,971,828,225.00 | 2,280,227,217.00 | 2,866,525,678.00 | 2,373,404,465.00 |
| 2022 | 15,263,848,677.00 | 3,603,986,463.00 | 2,611,250,453.00 | 3,533,494,242.00 | 2,732,286,731.00 |
| 2023 | 13,215,390,673.00 | 2,812,503,895.00 | 2,462,503,058.00 | 2,753,192,462.00 | 2,569,668,583.00 |

Source: NGF data base

**4.2 Presentation of estimated result and interpretation**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | -0.002524 | 0.001739 | -1.451773 | 0.1899 |
| NWPIT | 3.59E-11 | 1.36E-11 | 2.638256 | 0.0335 |
| NWWHT | -5.29E-11 | 3.42E-11 | -1.546007 | 0.1660 |
| SEPIT | 2.000000 | 1.38E-11 | 1.44E+11 | 0.0000 |
| SEWHT | 3.000000 | 3.32E-11 | 9.04E+10 | 0.0000 |
| R-squared | 0.997865 | Mean dependent var | | 1.51E+10 |
| Adjusted R-squared | 0.983435 | S.D. dependent var | | 3.37E+09 |

| | | | |
|---|---|---|---|
| S.E. of regression | 0.000735 | Akaike info criterion | 11.29772 |
| Sum squared resid | 3.79E-06 | Schwarz criterion | 11.09567 |
| Log likelihood | 72.78630 | Hannan-Quinn criter. | 11.37252 |
| F-statistic | 5.78E+25 | Durbin-Watson stat | 1.991890 |
| Prob(F-statistic) | 0.000000 | | |

**Source: e-view 10.0 output**

### 4.3 Test of hypotheses

The hypotheses of this study as stated in section one was tested using the student T-test distribution as a test for individual significant of the dependent variables at 5% significance level and joint test of significance using F-statistics

**Test of hypothesis one**

**$H_0$1:** There is no significant relationship between E-remittance of PIT in North west and total compliance level in Nigeria

The result of hypothesis one between E-remittance of PIT in North west and total tax compliance showed positive relationship with a coefficient of 3.59E-11. The positive value indicates a direct and increasing effect on total tax compliance in the north west region. The probability value for E-remittance of PIT was obtained as 0.0335. Since the Prob. value 0.0335 is less than 5%, it implies that at there is a significant relationship between E-remittance of PIT in North west and total compliance level in Nigeria.

**Test of hypothesis two**

**$H_0$2:** There is no significant relationship between e-remittance of PIT in South east and total compliance level in Nigeria

The result of hypothesis two e-remittance of PIT in South east and total compliance level in Nigeria showed positive relationship with a coefficient of 2.0000. The positive value indicates a direct and increasing effect on total tax compliance in the south east region. The probability value for e-remittance of PIT was obtained as 0.0000. Since the Prob. value 0.0000 is less than 5%, it implies that at there is a significant relationship between e-

remittance of PIT in south east and total compliance level in Nigeria.

**Test of hypothesis three**

**$H_0$3:** There is no significant relationship between religiosity in remittance of WHT in North west and total compliance level in Nigeria

The result of hypothesis three on e-remittance of WHT in North west and total compliance showed negative relationship with a coefficient of -5.29E-11. The negative value indicates an inverse and decreasing effect on total tax compliance in the north west region. The probability value for e-remittance of WHT was obtained as 0.1660. Since the Prob. value 0.1660 is greater than 5%, it implies that there is no significant relationship between e-remittance of WHT in North west and total compliance level in Nigeria.

**4.3.3 Serial Correlation LM Test**

| | | | |
|---|---|---|---|
| F-statistic | 4238601. | Prob. F(2,5) | 0.4532 |
| Obs*R-squared | 11.99999 | Prob. Chi-Square(2) | 0.4525 |

**Test of hypothesis Four**

**$H_0$4:** There is no significant relationship between e-remittance of WHT in south east and total compliance level in Nigeria

The result of hypothesis three on e-remittance of WHT in south east and total compliance showed positive relationship with a coefficient of 3.0000. The positive value indicates a direct and increasing effect on total tax compliance in the south east region. The probability value for e-remittance of WHT was obtained as 0.0000. Since the Prob. value 0.0000 is less than 5%, it implies that there is a significant relationship between e-remittance of WHT in south east and total compliance level in Nigeria.

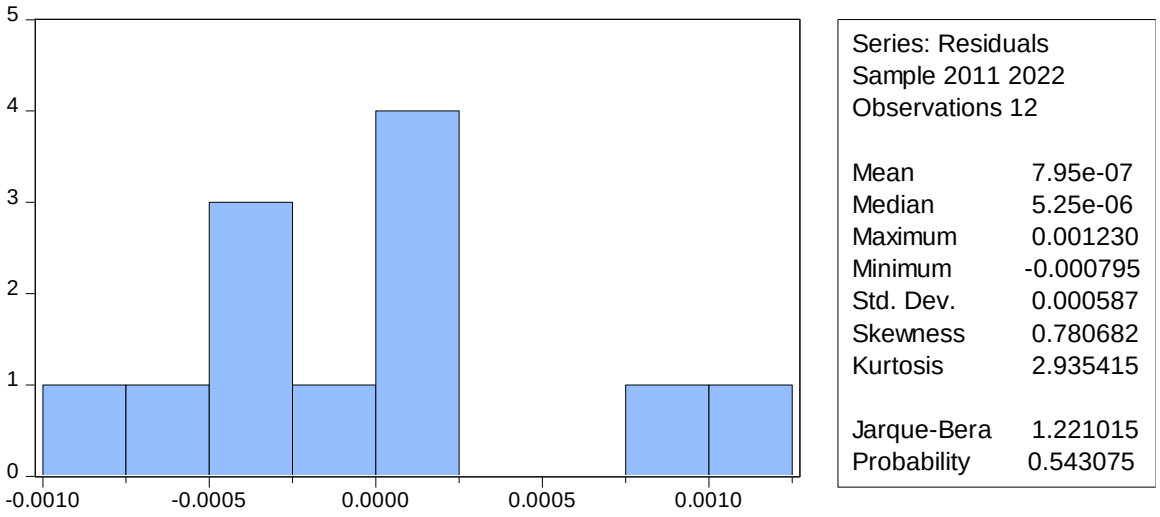
The Breusch-Godfrey Serial Correlation LM Test was used to testing for serial correlation in the model. The result shows that there is no serial correlation in the estimated equation since the p-value of f-cal is greater than 5%.

**Heteroskedasticity Test: Breusch-Pagan-Godfrey**

| | | | |
|---|---|---|---|
| F-statistic | 2.241250 | Prob. F(4,7) | 0.1655 |
| Obs*R-squared | 6.738490 | Prob. Chi-Square(4) | 0.1504 |
| Scaled explained SS | 2.223979 | Prob. Chi-Square(4) | 0.6946 |

The Heteroskedasticity test is used to test how consistence or large is the variance amongst the selected variables. The result shows that the variance amongst the variables are homoscedastic since the p-value of f-cal is greater than 5%.

### 4.3.5 Normality test




The Jarque Bera statistics P value were obtained as 1.221015 and 0.543075 which is greater than 5%, we then reject the alternative hypothesis and accept the null hypothesis that the stochastic variable is normally distributed.

## 4.5 Discussion of findings

In this section, the empirical works of authors were discussed in relation to our findings.

**The relationship between e-remittance of PIT in North west and total compliance level in Nigeria**

The estimated slope of e-remittance of PIT in North west showed a positive relationship with total compliance level. The positive value indicates a direct and increasing effect on total compliance level in Nigeria. This implies that a percentage increase in the slope of e-remittance of PIT in North west, will result to a corresponding increase on total compliance level in Nigeria.

**The relationship between e-remittance of WHT in North west and total compliance level in Nigeria**

The estimated slope of e-remittance of WHT in North west showed a negative relationship with total compliance level. The negative value indicates an inverse and decreasing effect on total compliance level in Nigeria. This implies that a percentage increase in the slope of e-remittance of WHT in North west, will result to a corresponding decrease on total compliance level in Nigeria.

**The relationship between e-remittance of PIT in South East and total compliance level in Nigeria**

The estimated slope of e-remittance of PIT in South east showed a positive and direct relationship with total compliance level. The positive value indicates a direct and increasing effect on total compliance level in Nigeria. This implies that a percentage increase in the slope of e-remittance of PIT in south east, will result to a corresponding increase on total compliance level in Nigeria.

**The relationship between e-remittance of WHT in South East and total compliance level in Nigeria**

The estimated slope of e-remittance of WHT in South east showed a positive and direct relationship with total compliance level. The positive value indicates a direct and increasing effect on total compliance level in Nigeria. This implies that a

percentage increase in the slope of e-remittance of WHT in south east, will result to a corresponding increase on total compliance level in Nigeria.

## Summary of Findings, Conclusion and Recommendations

### 5.1 Summary of findings

This paper has succeeded in investigating on electronic tax remittance and Nigeria revenue growth. The geographical scope of the study consists of North west and South east region of Nigeria. Electronic remittance was disaggregated into NWPIT, NWWHT, SEPIT, SEWHT as explanatory variables while TTC was used as proxy for tax compliance level in Nigeria. After subjecting the variables to regression analysis, the following findings were obtained;

1. E-remittance of PIT in North west and total tax compliance showed positive relationship with a coefficient of 3.59E-11. The positive value indicates a direct and increasing effect on total tax compliance in the north west region. The probability value for e-remittance of PIT was obtained as 0.0335. Since the Prob. value 0.0335 is less than 5%, it implies that at there is a significant relationship between e-remittance of PIT in North west and total compliance level in Nigeria.
2. E-remittance of PIT in South east and total compliance level in Nigeria showed positive relationship with a coefficient of 2.0000. The positive value indicates a direct and increasing effect on total tax compliance in the south east region. The probability value for culture remittance of PIT was obtained as 0.0000. Since the Prob. value 0.0000 is less than 5%, it implies that at there is a significant relationship between culture remittance of PIT in south east and total compliance level in Nigeria.
3. E-remittance of WHT in North west and total compliance showed negative relationship with a coefficient of -

5.29E-11. The negative value indicates an inverse and decreasing effect on total tax compliance in the north west region. The probability value for e-remittance of WHT was obtained as 0.1660. Since the Prob. value 0.1660 is greater than 5%, it implies that there is no significant relationship between e-remittance of WHT in North west and total compliance level in Nigeria.

4. The result of hypothesis three on e-remittance of WHT in south east and total compliance showed positive relationship with a coefficient of 3.0000. The positive value indicates a direct and increasing effect on total tax compliance in the south east region. The probability value for e-remittance of WHT was obtained as 0.0000. Since the Prob. value 0.0000 is less than 5%, it implies that there is a significant relationship between e-remittance of WHT in south east and total compliance level in Nigeria.

## 5.2 Conclusion

Over the years, tax compliance levels remain low and tax collections are below the targets set by most revenue collection authorities. The introduction of electronic tax systems in most countries across the global divide, developing countries like Nigeria, still face the challenges of low tax compliance and tax administration. It was argued that online tax systems are rapidly replacing paper-based tax reporting systems. Promising many advantages over the traditional method of hard copy tax filing, these systems promise faster processing, lower cost and increased efficiency. However, this study concludes that E-tax payment adoption significantly affects revenue generation in Nigeria.

## 5.3 Recommendation

The paper proffers the following recommendations;

1. e-remittance assert positive and significant and negative and insignificant effect respectively for tax

compliance for both PIT and WHT in North west. Hence, there is need for tax authorities to improve on sensitization of the citizen and firms on compliance via electronic tax channels

2. Federal Inland Revenue Services must ensure that the website is of good quality and accessible to all and sundry.
3. To ease accessibility by taxpayers, mobile version of electronic tax portal should be created. This will no doubt increase the adoption rate by tax payers as mobile phones are being increasingly used
4. There should be a collaborative work between the government, Federal Inland Revenue Services and taxpayers in Nigeria. This will reveal the shortcomings besetting the effectiveness of the system.

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