

THE ROLE OF E-TAXATION ON REVENUE GENERATION IN NIGER STATE, NIGERIA

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ABSTRACT

Electronic revenue, a computer-based system, enhances revenue collection efficiency and has gained prominence in developing countries. It improves state economic growth by providing adequate infrastructure and reducing government expenses. This study examines the role of e-taxation on Internal Generated Revenue (IGR) in Niger State. The researcher adopts a survey research design in examining the role of e-taxation on Internal Generated Revenue (IGR) in Niger State. The population of the study is 1,023,564 tax payers in Niger state. The sample size of the study is 400 as dictated by Taro Yamani sample size determination formula. This comprises of 331 Taxpayers, 53 Tax officials and 16 Tax experts (consultant). The respondents were selected in to the sample size through simple random sampling technique. The data were collected through primary source. The instrument of data collection is questionnaire. The instrument undergone face validity while reliability test was done through test retest approach. The study used multiple linear regressions to analyse the study variables at 5% significant level. The study revealed from our analysis that electronic registration has negative and no significant effect on revenue generation in Niger State. This explain with the value of the construct coefficient = -.006, t-statistics = -.104 and p - value = .917 which is > .05 level of significant. The electronic filing has negative and no significant effect on revenue generation with the value of the construct coefficient = -.072, t-

statistics = -1.008 and p - value = .314 which is > .05 level of significant. Electronic assessment has negative and significant effect the value of the construct coefficient = -.179, t-statistics = -2.643 and p - value = .009 which is < .05 level of significant. The electronic payment has positive and significant effect on revenue generation with the value of the construct coefficient = .516, t-statistics = 9.572 and p - value = .000 which is < .05 level of significant. The study recommends among others that the State Government should support with everything on their disposal the establishment of e-tax administration to start ripping the benefit of high rate of compliance among taxpayers.

Keywords: Taxation, e- Taxation, Revenue generation, e-filing, e-assessment, e-payment.

INTRODUCTION

1.1 Introduction

Taxation has been the major source of revenue through which governments meets all expenses and attained their economic growth through the provision of adequate and enticing infrastructures. The tax system is an opportunity for the government to collect additional revenue that is needed in discharging its desperate obligations.

Tax is critical for Nigeria's development. It is a cornerstone for an effective state for two reasons. First, tax is a key source of revenue that enable the government to establish the infrastructure, institutions and services, which support countries to be productive and allow citizens to enjoy public goods and services. Second, tax is a key part of the social contract between a government and its people. Unlike natural resources like oil and gas and other sources of government revenue, tax prompts demand for something in return from the government, because it entails taking something from the people (NESG 2018).

An electronic tax system is the integration of information technology into tax administration in the form of electronic tax (E-Tax) (Newman & Ekhatior 2019). Nigeria's revenue from the oil can no longer fully support her development objectives due to the serious decline in oil prices in recent a year which has led to a decrease in the funds available to the Government. Therefore, the need for government to generate revenues internally to help finance her public expenditures become uppermost. For any development and provision of infrastructural facilities a nation has to depend on the amount of revenue generated by its government and the key to unlocking the resources required for such public investment and infrastructure growth is Taxation.

The importance of taxation in promoting economic growth and development as well as the survival of many nations cannot be overemphasized. Through it, the government ensures that resources are channeled towards important projects in society. According to Emmanuel (2013 as cited by Lawal 2021), many developed and developing economies around the world had experimented and proven that no nation can truly develop without developing its tax system

Over the last two decades, several developing countries, including Nigeria (and her sub-national) have joined the global bandwagon of using electronic technologies to increase domestic revenues. Within the new strategies, lie the great potential for achieving sustainable development (Elmi, 2021).

The most prevalent use of electronic tools or Information Technology (IT) systems in tax administrations have been to redefine the core tax administration tasks of registration, processing returns and payments and analysis of relevant information. The 'core tax' component of contemporary electronic channels and tools continues to provide support for these tasks, enabling the tax administration to move away from heavy manual processing and to direct its resources to facilitate,

monitor, and enforce compliance (Aliyu, 2022).

Chiamaka, et al. (2019) posited that the use of Information Technology (IT) to aid tax administration is the initiative that gave birth to the electronic tax system today. Therefore, the integration of information technology in tax administration in the form of E-tax known as electronic taxation has been proven to be a master tool in combating the challenges of any tax system as it provides adequate tax records for easy communication of information and efficiently minimizes cost administration which has led to enhancement in tax revenue. It should be clear that the E-tax system does more than provide information, education and assistance to taxpayers due to its unique components such as electronic registration, filing of tax returns, and electronic tax payment.

The main objective of electronic taxation is to increase the efficiency of tax administrations, specifically by reducing corruption and evasion. Similarly, Nkanor and Udu (2016) perceived that the electronically internally generated revenue method is a veritable tool for the provision of infrastructural development and for eliminating the vices associated with the manual method, certain problems requiring solutions still exist even with the new regime. Given this, (Ibrahim et al., 2015 as cited by Night and Bananuka 2020). Tax revenue sustains economic development and finances both social programme and infrastructure investment. Maisiba and Atambo (2016) asserted that training is essential for this because it provides clients with the skills necessary in raising their attitude toward voluntarily complying with taxation systems; the designers must ensure that its use is friendly.

Taxation like most topics in management sciences is difficult to give a universal definition that is acceptable to everyone. However, some literature on taxation has attempted to define it in such a way that it will at least give insight or a general picture of what it is all about, According to Oyedokun (2020) Tax has been defined by many scholars in the past, it is a compulsory levy imposed by the government on the income of individual and cooperation to generate revenue for running the activities of the government. Taxation is a mandatory financial charge or some other type of levy imposed upon a taxpayer (an individual or other legal entity) by a governmental organization to fund various public expenditures (Falana, 2020). E-taxation is an online network through which taxpayers have a license to the platform via the use of the internet. It is also the system of collection and administration of tax procedure through an electronic medium in other to have entrée into the facilities provided by the tax expert such as the registration for a tax identification number, electronic tax filing of tax returns (Olaoye & Atilola, 2018; Wasao, 2014). Richard & Ekhakor (2019) E-taxation is the development of computer systems and networks in the process of levying and payment of taxes. It involves the application of computer techniques in the process of tax assessment, collection and administration.

This need underscores the eagerness on the part of the government to look inward for new sources of revenue or to become innovative and aggressive in the mode of collecting revenue from existing sources, and one of these existing sources is taxation. It offers itself as one of the most effective means of mobilizing a nation's internal resources and it lends itself to creating an environment conducive to the promotion of economic growth. Therefore, the need for government to introduce a better and more convenient way to collect tax for its citizens through electronic taxation (e-taxation).

Niger State Internal Revenue Service (NGSIRS) recently adopted an electronic tax system without any assessment of its effectiveness and or how it has contributed to the state's economic growth (Falana, 2020). Currently and to the best of the researcher's knowledge, there is no existing study that has empirically shown the extent to which e-taxation impacts revenue generation and economic growth in Niger states of Nigeria. Therefore, to bridge this gap, and this paper becomes highly imperative.

Over the years, revenue derived from taxes has been very low and no physical development took place, thus the impact on the poor is not being felt. Inadequate tax personnel, fraudulent activities of tax collectors and lack of understanding of the importance to pay taxes by taxpayers are some of the problems that we are currently facing in ensuring effective tax revenue in Niger State. Therefore, this study will throw more light on the role of e-taxation on government revenue in Niger State in terms of revenue collections, efficiency and tax compliance.

1.2 Statement of the Problem

The Nigerian tax administration system is marred by numerous problems which have over the years made generating revenue through taxation a herculean task for successive governments. These problems include; multiplicity of taxes, lack of comprehensive data and information on tax payers, poor administration and bottle-necks, poor funding, massive leakages occasioned by corruption, inability to prioritize tax efforts, complexities in administration and payment laws, poor compliance - tax evasion and avoidance, lack of information and education for prospective tax payers ((Etale & Bariweni, 2020). Amidst these challenges, the federal government of Nigeria through Federal Inland Revenue Service (FIRS) started the process of implementing an electronic tax administration system in 2013 through the introduction of the integrated tax administration system (ITAS) was comprised of a set of programs to enhance simplification of tax administration and encourage voluntary compliance and ensure linkages with other stakeholders through the use of information technology. The ITAS is aimed at reengineering and automating the FIRS tax administration processes as well as the procurement, installation and deployment of the Standard Integrated Government Tax Administration Solution (SIGTAS) and hardware infrastructure.

Despite the growing interest in tax digitalization and its potential impact on revenue generation, there is a significant research gap in understanding the specific efficiency of e-filing, e-payment, e-registration, and e-assessment systems in achieving this objective. While there have been studies examining the overall effectiveness of tax digitalization, there is a lack of comprehensive research focusing specifically on the individual components of tax digitalization and their impact on revenue generation except the work of Adegbe and Akinyemi (2020), and (Amarachi & Nwambe,

2019). These identified gaps in literature call for further study in this area which necessitated this study

Existing literature tends to provide general insights into the benefits and challenges of tax digitalization, but fails to delve into the specific efficiency of e-filing, e-payment, e-registration, and e-assessment systems. This research gap limits our understanding of the extent to which these digital platforms contribute to revenue generation and tax compliance. Additionally, the majority of research conducted in this area has focused on developed countries Etim, Jeremiah & Dan (2022), with limited attention given to developing countries like Nigeria, and specifically, Niger State. This geographical research gap hinders our ability to draw accurate conclusions about the efficiency of tax digitalization in a developing country context.

The primary objective of any tax administration anywhere in the world is to maximize revenue collections by improving tax compliance. However, before the emergence of electronic taxation, tax administrators have been hindered in the efficient and effective discharge of their primary assignments Sani, Abdulsalam, Yusuf, Muhammad, Aishatu and Bashir (2023). Therefore, the researcher is motivated by the above background to conduct a study on investigating the efficiency of tax digitalization and revenue generation in Niger State.

1.3 Aim and Objectives of the study

The aim of the research study is to assess the role of e-taxation on revenue generation in Niger state, Nigeria. These can be achieved through the following specific objectives: -

- i. To assess the effect of electronic registration on tax revenue collection by Niger state internal revenue service (NGSIRS).
- ii. To investigate the effect of electronic filing on tax revenue collection by Niger state internal revenue service (NGSIRS).
- iii. To evaluate the effect of electronic assessment on tax revenue collection by Niger state internal revenue service (NGSIRS).
- iv. To determine the effect of electronic payment on tax revenue collection by Niger state internal revenue service (NGSIRS).

1.4 Research Questions

The following fundamental research questions are raised:

- i. To what extent is the effect of electronic registration on tax revenue collection by Niger state internal revenue service (NGSIRS)?
- ii. To what extent is the effect of electronic filing on tax revenue collection by Niger state internal revenue service (NGSIRS)?
- iii. To what extent is the effect of electronic assessment on tax revenue collection by Niger state internal revenue service (NGSIRS)?
- iv. To what extent is the effect of electronic payment on tax revenue collection by Niger state internal revenue service (NGSIRS)?

1.5 Research Hypotheses

The study is further guided by the following hypotheses:

H₀₁: Electronic registration has no significant effect on tax revenue collection by Niger state internal revenue service (NGSIRS).

- Ho₂:** Electronic filing has no significant effect on tax revenue collection by Niger state internal revenue service (NGSIRS).
- Ho₃:** Electronic assessment has no significant effect on tax revenue collection by Niger state internal revenue service (NGSIRS).
- Ho₄:** Electronic payment has no significant effect on tax revenue collection by Niger state internal revenue service (NGSIRS).

1.6 Significance of the Study

The study is likely to reveal the strengths and weaknesses associated with the implementation of new information technology and its benefits not only to the revenue generated by the government but also to taxpayers by enriching them with the new knowledge of technology to other state government institutions who are also planning to embark on similar modernization programs. This finding of the study will also contribute to understanding the effective usage the e-taxation through self-employed taxpayers that leads to an increase in tax compliance and revenue generation in Nigeria.

Furthermore, the recommendations made will be of great help to the Niger State Internal Revenue Service (NGSIRS) and the small taxpayers in carrying out an analysis of the cost-benefit of the use of electronic media in efficient taxation and tax administration to aid in future policy formulation.

1.6 Scope and Limitation of the Study

This study is on revenue generation and e-taxation of government in Nigeria as it focuses on the Niger State Internal Revenue Service (NGSIRS) as the case study. Some tax officials of the tax authority and various taxpayers at all various levels of education were covered in the samples that are ensuring a positive result.

2.0 LITERATURE REVIEW

2.1 Concept of E-taxation

The decline in oil revenue in the global economy has also severely affected the Nigerian economy, which its sharp decline in the revenue profile of the country, difficulties in financing government and unprecedented budget deficit. Achieving its revenue capacity depends on the quality of the resource, which includes technology reform (e- Taxation).

Observing critically the oil boom in Nigeria which has been an enduring blessing has brought about a great shift of attention to oil money. An adverse effect of this boom and euphoria has led to the total neglect of other sectors including Agriculture from which revenue can be generated by the government to provide basic amenities for her citizens. One of the best ways the government can use to generate revenue during this period of dwindling oil revenue is through tax. Unless an aggressive tax system is introduced by the government to ensure the citizens pay their taxes as at when due and with ease Nigeria's economy will remain in this shackle for a long.

An electronic tax system is the integration of Information Technology (IT) into tax administration in the form of electronic tax (E-Tax) (Newman and Ekhator 2019). It can also be viewed as a system of collecting taxes from taxpayers electronically. This is an online platform whereby the taxpayer can access through the internet all the services offered by the tax administration such as the registration for a personal identification number, filing of returns and application for a

compliance certificate. The Electronic tax system in Nigeria introduced the following e-services; e-Filing, e-Payment, e-Registration, e-Stamp duty, e-receipt and e-TCC. E-filing enables taxpayers to file their tax returns through the SIRS Integrated Tax Administration System (ITAS). E-payment is a service rendered for payment of all States government taxes and levies through a payment platform. E-registration is for the registration of new taxpayers with the Internal or Inland Revenue Service for various taxes. E-stamp duty is for the payment of stamp duties on qualifying documents. E-receipt is for receiving and verifying e-receipts generated for taxes paid through the new e-payment. E-TCC is the platform that enables taxpayers to apply for, receive and verify the authenticity of their electronic tax clearance certificate (e-TCC), (Deloitte, 2021).

E-taxation is the process of assessing, collecting and administering the taxation process through electronic means. In developing countries like Nigeria, government revenue collection through electronic means has increasingly gained prominence in policy debates recently. Electronic taxation (or e-taxation) is the process of deploying computer systems and networks in the process of levying and payment of taxes. Electronic taxation is an extension of the growing concept of e-governance and e-commerce through the exchange of data information communication technology systems between the taxpayer and the tax authorities. This computer technique involves the process of tax administration, assessments and collections generally referred to as e-payments and e-filing. Thus, most businesses, organizations and government agencies have keyed in into internet systems and remain competitive and viable in their business transactions.

2.2 Dimensions of E-taxation

2.2.1 Electronic registration

Electronic registration (e-registration) is the process of registering for taxes online. It is a key component of e-taxation, which is the use of electronic technology to administer and collect taxes. E-registration has a number of benefits for both taxpayers and tax authorities. For taxpayers, e-registration is convenient, efficient, and accurate. It can be done from anywhere with an internet connection, and it eliminates the need to fill out and submit paper forms. For tax authorities, e-registration reduces the administrative burden of processing tax registrations and makes it easier to track and manage taxpayer information.

The electronic tax system provides education and information to taxpayers through electronic registration, filing, and payment. In general, the e-tax system is a comprehensive internet portal that can be accessed 7 days a week and 24 hours a day, which provides taxpayers with a safe self-service option package, a single point of information and action, and does not require intervention by tax administration personnel (Allahverdi, Alagoz & Ortakarpuz, 2017). When explaining electronic taxes, online filing and tax declarations, which are generally web-based portals that allow taxpayers to pay electronically, share information about tax assessments between different government departments, and educate taxpayers on tax matters, are evaluated. E-taxation services are taxation services used in most countries and sometimes forced by customers (Dečman & Klun, 2015).

2.2.2 Electronic filing

E-filing systems increase the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately. Returns filed electronically have much lower error rates than paper returns and substantially cut the need to impose penalties and other punitive measures to foster compliance (Okoye & Adesanya, 2021). Nigeria joined the trend in 2015 when Federal Inland Revenue Service (FIRS) in collaboration with Inter – bank settlement System (NIBSS) implemented the technology in the Nigeria tax system (Okunowo, 2015).

Electronic tax system was introduced by Nigeria Tax Authority to increase financial collection, administration, render services to the tax payers all the time from anywhere, reduce costs of compliance and improve tax compliance. It is rapidly replacing paper-based tax reporting systems. Promising many advantages over the traditional method of hard copy tax filing, these systems promise faster process, lower costs and increased efficiency Electronic tax filing or e-filing is a process where tax documents or tax returns are submitted through the internet, usually without the need to submit any paper return (Olatunji & Ayeni-Agbaje, 2022). The e-filing system encompasses the use of internet technology, the Worldwide Web and Software for a wide range of tax administration and compliance purposes. Electronic taxation differs among countries hence the name of the system differs from country to country.

2.2.3 Electronic payment

According to Federal Inland Revenue Service (2015), the FIRS introduced ITAS in 2013 to improve tax administration in Nigeria and transform the tax compliance process away from the current manual system which is tedious and bureaucratic. The aim of the project is to automate all core processes around registration, payment, assessment, debt and credit management, audit and investigation, case management, and returns filing (Okoye & Adesanya, 2021). E-filing systems increase the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately. Returns filed electronically have much lower error rates than paper returns and substantially cut the need to impose penalties and other punitive measures to foster compliance.

2.2.4 Electronic assessment

Electronic assessment of e-taxation refers to the use of electronic systems and technologies to assess and collect taxes. This method of revenue generation has several advantages, including increased efficiency, improved accuracy, and reduced opportunities for corruption. By implementing electronic assessment systems, governments can streamline the tax collection process, making it easier for taxpayers to comply with their obligations and reducing the administrative burden on tax authorities.

The goal of any tax authority is to establish a system of tax administration that allows for the collection of required taxes at minimum cost (Onuiri Ernest & Fikayo, 2015). A tax authority engages in many activities, such as processing returns and related information from taxpayers, entering tax return data into a database, matching returns against filing requirements, processing tax payments and matching them against assessments, and issuing assessments and refunds. One

way to boost a tax authority's efficiency is by expanding its use of information and communication technology. Such technology can facilitate a broad range of services, including registering taxpayers, filing returns, processing payments, issuing assessments and checking against third-party information. E-filing systems increase the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately (Olurankinse & Oladeji, 2018).

2.3 Empirical Literature

Etale and Bariweni (2020) conducted a study to assess the impact of electronic tax system adoption on tax administration in Nigeria. Data from 89 Federal Inland Revenue Service staff in five states were collected through a structured questionnaire and analyzed using Pearson correlation. The results indicated a positive correlation between tax administration and electronic registration, electronic filing of tax returns, and electronic issuance of tax clearance certificates. The study concluded that electronic tax administration systems have enhanced tax administration in Nigeria by reducing costs and streamlining processes. Recommendations included the widespread implementation of electronic processes in tax administration and the proactive training of the workforce in using new electronic methods. While the study highlights the positive correlation between electronic tax systems and improved tax administration but acknowledges limitations such as a small sample size from specific regions, potentially limiting generalizability. Relying solely on Pearson correlation may overlook other relevant factors, and the absence of a comprehensive discussion on challenges of electronic tax systems is a notable drawback. To improve future research, scholars should conduct larger-scale studies with diverse factors, using qualitative approaches and case studies for a more comprehensive understanding. Researchers should address potential challenges and drawbacks to contribute to a nuanced understanding. Policymakers are advised to invest in comprehensive training programs for tax personnel to ensure effective implementation of electronic tax systems nationwide.

Olaoye et al. (2023) investigated the impact of an electronic tax system on internally generated revenue in Ekiti State Internal Revenue Service, using electronic tax registration, electronic filing of tax returns, and electronic tax payment as proxies. The study, based on cross-sectional survey data from 94 respondents, found that electronic tax payments had no statistically significant effect on the state's internally generated revenue. The research suggests that the intended goal of the electronic tax system in Ekiti State will not be achieved unless issues related to electronic tax filing and payment are fully addressed. While the study's limitations, including a small sample size and reliance on a cross-sectional survey, raise concerns about the generalizability of findings to the entire Ekiti State Internal Revenue Service. The use of proxies for an electronic tax system is criticized for oversimplifying its complex dynamics. The study lacks a detailed exploration of reasons behind the non-significant effect of electronic tax payments on internally generated revenue. To enhance validity, future research is recommended to use a more extensive and diverse sample, employing both quantitative and qualitative methods. Researchers should delve into specific factors contributing to the lack of significance in electronic tax payments, explore barriers or inefficiencies in implementation, and consider conducting a longitudinal study for insights into

evolving effects over time. Policymakers in Ekiti State are advised to address identified issues in electronic tax filing and payment through targeted reforms and enhanced infrastructure to ensure the system achieves its intended goals.

Both Etale and Bariweni (2020) and Olaoye et al. (2023) conducted studies on the impact of electronic tax systems, focusing on specific regions in Nigeria. Both studies utilized electronic tax registration, electronic filing of tax returns, and electronic processes as key components in their assessments. Both identified positive correlations between electronic tax systems and improved tax administration, emphasizing benefits such as cost reduction and streamlined processes. However, both studies acknowledged limitations, including small sample sizes and potential regional specificity, impacting the generalizability of their findings. While Pearson correlation was employed in Etale and Bariweni (2020), Olaoye et al. (2023) used cross-sectional survey data. Both studies recommended broader, more diverse research methodologies, including qualitative approaches, case studies, and larger sample sizes, to enhance the comprehensiveness and generalizability of future studies. Policymaker recommendations in both studies emphasized the need for widespread implementation of electronic processes and comprehensive training programs for tax personnel to ensure effective nationwide implementation of electronic tax systems. Both studies also highlighted the importance of addressing specific challenges and drawbacks associated with electronic tax systems for a more nuanced understanding and successful implementation.

2.4 Theoretical Framework

The study reviewed various theories on efficiency of tax digitalization and revenue generation. The main theories reviewed include the Theory of Digital Diffusion and Optimal Taxation Theory

2.10.1 Theory of Digital Diffusion

Innovation theory was developed by a sociologist Everett Rogers in 1962 in the first edition of a publication 'Diffusion of Innovations' in 1962. The theory of digital diffusion is based on the notion that adoption of an innovation involves the spontaneous or planned spread of new ideas. It involves the application of new idea, practice or object that is perceived as new in (Rogers, 1995). The theory stressed that it is the perception of change that is important, if the idea seems new to the potential adopter then it should be considered to be an innovation. The theory approached innovation diffusion by considering a variety of case studies on some topics including controlling scurvy in the British Navy, diffusion of hybrid corn in Iowa, diffusion of new news, bottle feeding a babies in the third world, how the refrigerator got its hum, Xerox Parc and Apple computers, digital economy, black music in white America and the possible information technology of administrations and products (Thomas, 2023). The philosophy of this theory is associated with the independent variable of this study, hence considered appropriate and relevant to the study as the theory contented that a technological innovation embodies information and its adoption acts to reduce complexities as applicable tax related issues in Nigeria.

The Theory of Digital Diffusion can be applied to investigate the efficiency of tax digitalization and revenue generation. By understanding the key concepts and factors associated with digital diffusion, researchers can analyze how the adoption and spread of digital technologies impact tax systems and revenue generation.

The Optimal Taxation Theory analyses how taxes can be stretched to produce the best social welfare effects (Heller stein, 1997). The Ramsey rule and the Laffer curve model are two of the models included. Ramsey's rule: The model generates the functions specified by (Ramsey, 1927); He proposed that the excess burden of taxation could be reduced by making the tax rate inversely proportionate to the price elasticity of demand for physical and intangible electronic goods. This model implies that governments try to reduce the excess burden (efficiently loss) of taxing to meet a specific revenue target. Ramsey's rule defines "optimal" taxes as the rate that reduces the extra burden of taxing while still producing the requisite income from physical and intangible electronic transactions.

The Laffer curve is a graph that depicts the relationship between two variables. Economist Arthur Laffer created the Laffer curve model of optimal taxation. The model implies that the government will try to generate as much revenue as feasible, regardless of the efficiency losses that taxes cause. The government's quest for more money can only be limited by constitutional limits and other legislation. The Laffer curve takes into account the inverse relationship between taxation and tangible and intangible electronic products, as well as the influence this relationship has on tax revenues. In electronic commerce transactions, the research shows that a higher tax rate is not always the most revenue-maximizing rate; in fact, a lower tax rate may produce more money than a higher tax rate (Effiong & Attah, 2018).

3.0 RESEARCH METHODOLOGY

This study will adopt a survey research design in examining the role of e-taxation on internal revenue generation in the Niger states of Nigeria. The researcher adopts a survey research design in examining the role of e-taxation on Internal Generated Revenue (IGR) in Niger State. The population of the study is 1,023,564 tax payers in Niger state. The sample size of the study is 400 as dictated by Taro Yamani sample size determination formula. This comprises of 331 Taxpayers, 53 Tax officials and 16 Tax experts (consultant). The respondents were selected in to the sample size through simple random sampling technique. The data were collected through primary source. The instrument of data collection is questionnaire. The instrument undergone face validity while reliability test was done through test retest approach. The study used multiple linear regressions to analyse the study variables at 5% significant level. Statistical Package for Social Sciences (SPSS) version 26 was explored to analyse the data.

4. 0 Results and Discussions

A questionnaire was used in the data collection with 400 distributed while 303 were retrieved. Hence, analysis here is based on the 303 validly filled and returned questionnaire.

4.1 Reliability Test

The result of the study reliability test is shown in table 1.

Table 1 Reliability Statistics

Alpha	Cronbach's	N of Items
Electronic Registration	.879	5
Electronic filing	.863	5
Electronic Assessment	.887	5
Electronic Payment	.888	5
Revenue Generation	.876	5

From the result of the study reliability test, it can be seen that all the study construct Cronbach's alpha are all above the minimum required threshold of .5. With this result, we can say that all the variables used in the study are reliable.

4.2 Collinearity Test

The result of the study collinearity test is shown in table 2.

Table 2 Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Electronic Registration	.777	1.287
Electronic filing	.532	1.881
Electronic Assessment	.501	1.996
Electronic Payment	.668	1.498

a. Dependent Variable: Revenue Generation

The values of the study tolerance ranges between .501 and .777 while the values of the VIF ranges from 1.287 to 1.996. This result means that there is no collinearity concern in the study.

4.3 Model Summary

The result of the study model fit is shown in table 3.

Table 3 **Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.499 ^a	.249	.239	4.372	1.997

a. Predictors: (Constant), Electronic Payment, Electronic Registration, Electronic filing, Electronic Assessment

b. Dependent Variable: Revenue Generation

The result of the model summary in table 3 depicts that the value of $R = .499$ which means the model has good level of prediction. The R - square value of .249 shows that the variability in the revenue generation is accounted for by electronic registration, electronic filing, electronic assessment and electronic payment. The adjusted R square value of .239 shows that the four independent variables predicted the changes in the dependent variable. The value of the Durbin-Watson = 1.997 means that the model is fit.

4.4 ANOVA

The result of the study ANOVA is shown in table 4.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1889.608	4	472.402	24.710	.000 ^b
	Residual	5697.124	298	19.118		
	Total	7586.733	302			

a. Dependent Variable: Revenue Generation

b. Predictors: (Constant), Electronic Payment, Electronic Registration, Electronic filing, Electronic Assessment

The value of the F-Statistics in the ANOVA table is 24.710 and is significant at .000. This result implied that the model is statistical significant and is fit for further analysis.

4.5 Test of Hypotheses

The result of the study ANOVA is shown in table 4.5

Table 5 **Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.902	1.223		11.369	.000
	Electronic Registration	-.006	.054	-.006	-.104	.917
	Electronic Filing	-.072	.071	-.069	-1.008	.314
	Electronic Assessment	-.179	.068	-.187	-2.643	.009
	Electronic Payment	.516	.054	.588	9.572	.000

a. Dependent Variable: Revenue Generation

The result of the test of the first hypothesis revealed that electronic registration has negative and no significant effect on revenue generation in Niger State. This explain with the value of the construct coefficient = -.006, t-statistics = -.104 and p - value = .917 which is > .05 level of significant. This means that a decrease in electronic registration by 1 unit will not decrease revenue generation by -.006 units. With this result, the study therefore, accepts the null hypothesis and rejects the alternate.

The result of the test of the second hypothesis revealed that electronic filing has negative and no significant effect on revenue generation in Niger State. This explain with the value of the construct coefficient = -.072, t-statistics = -1.008 and p - value = .314 which is > .05 level of significant. This means that a decrease in electronic filing by 1 unit will not decrease revenue generation by -.072 units. With this result, the study therefore, accepts the null hypothesis and rejects the alternate

The result of the test of the third hypothesis revealed that electronic assessment has negative and significant effect on revenue generation in Niger State. This explain with the value of the construct coefficient = -.179, t-statistics = -2.643 and p - value = .009 which is < .05 level of significant. This means that a decrease in electronic assessment by 1 unit will decrease revenue generation by -.179 units. With this result, the study therefore, rejects the null hypothesis and accepts the alternate.

The result of the test of the fourth hypothesis revealed that electronic payment has positive and significant effect on revenue generation in Niger State. This explain with the value of the construct coefficient = .516, t-statistics = 9.572 and p - value = .000 which is < .05 level of significant. This

means that a decrease in electronic payment by 1 unit will increase revenue generation by .516 units. With this result, the study therefore, rejects the null hypothesis and accepts the alternate.

5.1 Conclusion

The main objective of this study is to assess significant Role the of E-taxation system on Revenue Generation in Niger State. The study found among others that E-tax can significantly enhances revenue generation efficiency and taxpayer's compliance in Niger State. Based on the findings of study the researcher concluded that electronic registration has negative and no significant effect on revenue generation in Niger State. This explain with the value of the construct coefficient = -.006, t-statistics = -.104 and p - value = .917 which is $> .05$ level of significant. The electronic filing has negative and no significant effect on revenue generation with the value of the construct coefficient = -.072, t-statistics = -1.008 and p - value = .314 which is $> .05$ level of significant. Electronic assessment has negative and significant effect the value of the construct coefficient = -.179, t-statistics = -2.643 and p - value = .009 which is $< .05$ level of significant. The electronic payment has positive and significant effect on revenue generation .

5.2 Recommendation

In the light of the above results and discussions, the study recommends that:

- i. The State Government should support with everything on their disposal the establishment of e-tax administration to start ripping the benefit of high rate of compliance among taxpayers.
- ii. The system must be secured to guarantee taxpayer confidentiality and minimize fraud especially with respect to online payment.
- iii. There should be a harmonized joint committee by the State government under the watch of the NGSIRS/LGs and Joint Tax Board to ensure the effective implementation of the E-tax administration system at all levels of government.
- iv. Proper monitoring and control of the system must be put in place such as collection of relevant information's about users in order to evaluate usage and address challenges faced and also provision of data validation mechanism as is the case with smart systems.
- v. Tax incentives should be granted to E-tax users in order to encourage taxpayers in adopting the system as well as to ensure total compliance.
- vi. The E-tax system should be constantly reviewed so as to address emerging problems and to evolve with the changing economic landscape and increased complexity of today's business.

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