



Self-Assessment Regime, Tax Compliance, And Administration: Evidence From Emerging Economy

Joseph U Madugba^{1*}, Egbide Ben-caleb², Nonye D Uzoka³, Vivian I
Oparah³, Chinagorom Onuoha³, Mmerenini HRH Godwin⁴,
Andrew Agbiogwu⁵, James Dokia⁶

Article Type:

Research Paper

*Corresponding Author:

[joeugochukwu014
@gmail.com](mailto:joeugochukwu014@gmail.com)

Article Process

Submitted:

07 December 2023

Reviewed:

10 January 2024

Revised:

25 January 2024

Accepted:

28 January 2024

Published:

30 Januari 2024

Office:

Department of
Accounting
University of
Muhammadiyah
Malang
GKB 2 Floor 3.
Tlogomas St 246,
Malang, East Java,
Indonesia

P-ISSN: 3021-7261

E-ISSN: 3021-7253

¹Department of Accounting and Finance, Landmark University,
Nigeria

²Department of Banking and Finance, Federal Polytechnic, Owerri,
Nigeria

³Department of Accountancy, Federal Polytechnic, Owerri, Nigeria

⁴Department of Accounting, Enugu State University, Nigeria

⁵Department of Accounting, Alvan Ikeokwu federal University of
Education, Nigeria

⁶Bursary department, Landmark University, Nigeria

ABSTRACT

Purpose: This study self-assessment regime, tax compliance and administration examined effect of fiscal governance quality on tax-payers knowledge, filling of tax returns, financial constraints, ability to pay tax without being compelled.

Methodology/approach: Survey research design was adopted. The population is the 96 Federal Inland Revenue Tax offices and all corporate taxpayers in Nigeria. Using purposive sampling, 15 federal inland revenue tax offices and 25 corporate taxpayers were chosen. 102 respondents out of which 45 were from Federal Inland revenue tax office and 57 from corporate taxpayers. Five-point Likert scale questionnaires were distributed. Out of 750 questionnaires sent out through Google, 252 were returned. Multiple regression was used for analyses using SPSS 22.

Findings: Indicated that the association between tax knowledge and ability to pay tax without compulsion are statistically significant. while filling of tax return and financial constraint have negative effect on fiscal governance quality. The study concluded that self-assessment regime, tax compliance and administration in Nigeria is significant and recommended that loopholes from where tax revenue is lost be covered.

Practical implications: Tax policy makers and taxpayers in Nigeria.

Originality/value: This study has modified the existing variables and introduced new ones like financial constraint and ability to pay tax.

Keywords:

Tax Compliance; Tax Knowledge; Fiscal Governance Quality.



INTRODUCTION

JAMEELA
2,1

The lamentations of the various government about dwindling revenue generated through taxes has redirected the attention of policymakers and the government to designing tax systems that encourages self-compliance and increase revenue the world over. Nigeria is the most populated country in Africa with about 223,804,632 million people ([Worldometer,2023](#)). The country has over the years experienced dilapidated infrastructure as evidenced by bad road network, electricity, and insecurity which has become worse in the last eight years. But the government has ceaselessly cried out for insufficient revenue despite the oil revenue. To increase tax revenue, the Nigerian tax system was reformed in 1992 with the introduction of a self-assessment scheme or system (SAS), though it was not compulsory for all taxpayers until 1998 ([Madugba et.al 2020](#))

44

The self-assessment tax regime is a scheme of tax administration where the taxpayer is allowed the prerogative, by legislation, to calculate his tax liability, pay the tax due (at the selected bank), and make available proof of the tax paid at the time of filing his tax return at the tax office, on the due date. The tax authority on its own has the sole task of enablement and checks on the taxpayers to ensure compliance with tax administrative procedures. This implies that in a self-assessment system, there exists a partnership between the tax authority and the taxpayer (both corporate and individual taxpayers) ([Appah and Ogbonna, 2014](#)).

The Self-assessment system (SAS) has been seen and considered as a contemporary system of tax administration in most countries ([Alm, 2019](#)). This is because it is a shift from the official assessment system (OAS) where tax officials were saddled with the responsibility of tax assessment. Crucial to note is that the proper functioning of the self-assessment system requires the taxpayers to have an understanding and knowledge of the self-assessment system. [Burns and Owen \(2019\)](#) asserted that the self-assessment system condenses administrative costs as abetted by modern technology. [OECD, \(2019\)](#) uphold that most economies have embraced the principle of SAS to cut down cost and ensure timeliness in filing return.

Despite the advantages that accompany the self-assessment system, many scholars have argued that its implementation is very confusing and disastrous. This is because no taxpayers ordinarily like to pay taxes especially when the government is not accountable and the quality of governance is at zero. For instance, in a place like Aba, Abia state filled with many industries but the people lack motorable roads to enable the carriage of goods and services from production points to selling or consumption points and corporate firms incur more costs owing to damages suffered on goods carriage, discourages compliance and workability of the self-assessment.

Furthermore, In Nigeria, the budget allocated to tax offices is very insufficient and therefore does not permit the tax offices to organize seminars, conferences, and platforms to educate the corporate taxpayers on the essence of tax payment thereby encouraging self-assessment and compliance. The aftermath of this is under revenue realization and it limits governance quality. Again, many taxpayers are constrained with a lot of expenses and lack knowledge of financial literacy hence mismanaging their funds or income. This factor is also responsible for non-compliance, negative attitude towards tax, and aggressiveness of the corporations in Nigeria.

Well, there exist different opinions on the effect of self-assessment regime and compliance on tax administration in Nigeria. [Ndoricumpa \(2021\)](#), in a study on self-assessment systems on compliance of taxpayers in the entertainment industry in Mombasa-county, found that an affirmative significant association is present between tax knowledge, external tax professionals, and record keeping and tax compliance. This finding was supported by [Yinka and Ejiofor \(2021\)](#) in a study in Nigeria who also found that compliance with tax payment increased drastically with the introduction of SAS in Nigeria. In another study in Nigeria, [Appah and Ogbonna \(2014\)](#) corroborated the former finding.

[Eseneyen and Ewa, \(2020\)](#) in their study on self-assessment and tax revenue in Nigeria between 2003 and 2018 found that tax revenue declined drastically with the introduction of a self-assessment system. [Olaoye and Ayeni \(2018\)](#) also found that tax compliance has a negative and insignificant association with tax revenue. Implying that the self-assessment system does not improve tax compliance for the period of this study. In support of this assertion [Herbert, Nwarogu, and Nwabueze, \(2018\)](#) in their study found that a lack of taxpayers' knowledge of the tax laws and procedures affects tax compliance negatively and insignificantly. [Masud Akali and Alyu \(2015\)](#) in a study in Nigeria corroborated the former finding.

Tax knowledge is fundamental to the efficacious application of a self-assessment regime as this would enable corporate taxpayers to understand the tax system. [Uzoka and Chindu \(2018\)](#) asserted that taxpayers' knowledge divulges the link between the taxpayers' understanding of the tax parameter and their willingness to comply. Therefore, corporate taxpayers are expected to have the requisite knowledge about company income tax, petroleum profit tax, education tax, value-added tax, etc. ([Emuwa, 2016](#); [Assafawa & Sabbath 2019](#)). Tax knowledge of taxpayers has a direct impact on reducing the tendency to evade taxes ([OECD, 2004](#)). Therefore, understanding taxpayers' knowledge is a key factor to be considered by any revenue authority in a self-assessment system. However, [Komolafe and Akpan \(2020\)](#) observe that in-depth tax knowledge may lead taxpayers to avoid tax payments which can equally lead to loss of revenue.

In Nigeria, tax compliance is one of the major problems confronting tax collection and has negatively affected the tax revenue performance. [Alabede and Idris \(2011\)](#) observe that tax revenue has been dropping significantly, in the relative term. For instance, at the national level, the proportion of tax collected from individuals relative to the aggregate of Federal and State revenue has dropped.

LITERATURE AND THEORETICAL REVIEW

Benefit Theory

A major theory considered in this study is the benefit received theory which upholds that tax payment should be a *quid pro quo*. Simply put benefits received from the government should be a motivation for tax payment. However, this theory has been widely criticized on the account that the government provides services generally to society hence is difficult to determine the value of benefit received by an individual. Another criticism of this theory is in every society, the poor receive more benefit from the government and does not pay more than the rich ([Madugba et al, 2016](#)).

In its use for assessing the efficiency of taxes and appraising fiscal policy, the Benefit approach was initially developed by two economists of the Stockholm School. According to this theory, the state should levy taxes on individuals according to the benefit conferred on them. The more benefit a person derives from the activities of the state, the more he should pay tax to the government. A major criticism of this theory is that it is against the principle of taxation. However, the lack of compensatory benefits embedded in taxation is the principal reason for the mismanagement and embezzlement of tax revenue by the political class. This theory will be adopted in this study as it supports the self-assessment system of taxation.

Empirical Review

[Okee and Isoso \(2022\)](#), in their study, found that voluntary tax compliance has a positive, strong, and significant effect on petroleum profit tax revenue, and the changes in petroleum profit tax, are accounted for by voluntary compliance. The study concludes that the government should pay attention to the factors that influence the willingness of citizens to pay taxes and improve on them, thereby improving taxpayers' willingness to pay tax, lending credence to the theory of reasoned action (TRA) which explains an individual's decision. The study recommended that the Government should continue to encourage taxpayer's willingness to pay by doing those things that will motivate voluntary payment of taxes and filing of returns without the use of force.

[Abusomwan and Oziegbe \(2021\)](#) examined Self-Assessment, Tax audit, Tax knowledge, and Tax Compliance. The Structural equation model was used to test the hypothesis. The measurement model and the path analysis were also employed. The outcome revealed that SAS does not have a direct impact on voluntary tax compliance.

[Olaoyea and Busari \(2021\)](#) examined the implications of tax audits and investigations on taxpayers' compliance in Nigeria. The study employed a cross-sectional survey research design, and a judgmental sampling technique was adopted using a self-structured questionnaire administered to selected senior members of Federal Inland Revenue Services (IFRS). The outcome showed that regular tax audits influence tax compliance.

[Hantono \(2021\)](#) examined the effect of tax knowledge, tax awareness, and tax morale on tax compliance. The OLS regression was used and findings showed that tax knowledge and tax awareness boost tax compliance. The result also showed that tax morale hurts tax compliance.

[Eseneyen and Ewa \(2020\)](#), in their study on the Efficiency of the Self-Assessment System of Taxation in Nigeria. The objective was to determine if revenue generated from tax before and after the implementation of SAS impacts tax revenue. Findings showed that the Self-Assessment System of taxation has a negative but insignificant effect on tax revenue in Nigeria.

[Kojo and Daniel \(2020\)](#) examined the effect of dimensions of tax knowledge on tax compliance in the Ghanaian context using small and medium enterprises. The results of the study suggest that knowledge of tax rights and responsibilities, knowledge of employment income, and awareness of sanctions were found to have a positive and significant relationship with tax compliance

[Anyanduba and Oboh \(2019\)](#) examined the determinants of tax compliance behavior under the self-assessment scheme in Nigeria. A non-

random stratified sampling technique was used to evaluate taxpayer behaviour. Data was also gathered using questionnaires from three of the six geopolitical zones in Nigeria, namely South-South, South-West, and North-central zones respectively. The specific locations were Edo state, Lagos state, and Federal Capital Territory, Abuja resulting in 550 respondents who were analyzed. The results showed that tax audit and awareness of offenses and penalties had a positive and significant impact on tax compliance behaviour under the self-assessment scheme in Nigeria. The simplicity of tax administration and returns, tax knowledge, and taxpayers' integrity had a positive but not significant impact on tax compliance behaviour under the self-assessment scheme in Nigeria.

Eluro (2018), investigated determinants of tax Compliance under the self-assessment system in private secondary schools: evidence from Delta North senatorial zone. The data was collected through the administration of a four-point Likert-type questionnaire distributed to the secondary schools. Only 24 of the questionnaires were duly completed and returned. The student t-test and One-way analysis of variance were adopted for the test of the hypothesis and the outcome showed that tax compliance is mostly determined by tax clearance certification and least determined by social acceptance. Among the causes of non-compliance is the complexity of the filing process which is ranked the highest. In addition, there is low tax-related government assistance concerning compliance under the self-assessment scheme.

H01: the effect of tax knowledge, filling of tax returns, financial constraint, ability to pay tax without being forced on fiscal governance quality is not significant

It is against these backdrops that this study is designed to examine the effect of taxpayer knowledge, filing of tax returns, financial constraints, and ability to pay tax without being forced on fiscal quality of governance in Nigeria.

The adoption of the Self-Assessment System (SAS) results in a substantial shift of responsibility to taxpayers about their compliance obligations. The compliance responsibilities for taxpayers include an obligation to report, compute, and pay their taxes according to tax laws. In discharging these obligations, taxpayers must understand the tax laws, compute and pay the correct amount of tax liability, as well as keeping appropriate records. In addition, as the Federal Inland Revenue (FIRS) officials are relinquished from the tasks of assessment and review of tax returns under the Self-Assessment (SAS) scheme, their emphasis has shifted to enforcement activities, mainly to tax audits and investigations. Greater tax compliance obligations under the SAS environment, with a higher possibility of audit, may require taxpayers to seek assistance from external tax professionals to handle tax matters on their behalf. The impacts of the self-assessment system on corporate taxpayers in terms of their voluntary compliance constitute a subject of study (Gbenga and Umoen 2014). Some of the basics that every corporate taxpayer requires for proper compliance under the self-assessment system are:

Oladipupo and Obazee (2016) construed that tax knowledge is the depth of responsiveness or understanding of the taxpayers to tax statutes. It involves the taxpayers' level of comprehension of tax legislation, burning issues, and readiness to flow without being cohosted (Madugba and Mgbokwo, 2015). For

proper functioning of the self-assessment scheme, it is the core responsibility of the tax authorities or their agents to sensitize the taxpayers on burning issues in taxation and educate them on procedures to flow with it to avoid non-compliance (Salaudeen and Afoyebi, 2018; Sohee and Teakyoony 2018). The study of Hantono. (2021) found tax knowledge to be a significant determinant of the level of tax compliance.

This can be defined as a financial limitation that limits the compliance rate of the payer. It could be a result of wrong financial decisions made by the taxpayer which cripple or affect the finances negatively. Usually, when taxpayers are faced with financial challenges, the moral to voluntarily comply with tax payments are dashed. One way that help taxpayers overcome this is through proper financial literacy. The tax authorities can embark on educating the taxpayers on how best to manage their finances without evading taxes.

METHODS

This study adopted the descriptive research design. This is because the objective of the study is to systematically obtain information to describe how self-assessment endues tax compliance. The population of this study is the 96 conventional Federal Inland Revenue Tax offices in Nigeria and all corporate taxpayers in Nigeria. The study utilized the purposive sampling technique considering responses from our respondents, fifteen conventional federal inland revenue tax offices and twenty-five corporate taxpayers were chosen for the study. One hundred and two respondents out of which forty-five were from conventional Federal Inland revenue tax office and fifty-seven responses from corporate taxpayers.

The source of data is primary and five-point Likert scale questionnaires were designed to generate responses from respondents. Out of a total number of 750 questionnaires sent out through Google, only 252 were returned. The study made use of inferential and descriptive statistics to analyze the responses with the aid of SPSS. The dependent variable in this study is tax administration measured with governance quality while the independent variable is self-assessment regime and tax compliance determined with taxpayers knowledge (TKW), filling of tax returns (FTR), financial constraints (FCT), ability to pay tax without being compelled (PAC).

Mode specification

$GEQ = f(TKW, FTR, FCT, PAC) \dots\dots\dots 1$

$GEQ_{it} = \beta_0 + \beta_1TKW_{it} + \beta_2FTR_{it} + \beta_5FCT_{it} + \beta_6PAC + e_t \dots\dots\dots 2$

Where GEQ is governance quality, TKW is tax-payers knowledge, FTR is filling of tax returns, FCT is financial constraints, and PAC is the ability to pay taxes without being compelled.

RESULTS & DISCUSSION

To ascertain the internal consistency of the responses, the study employed a reliability statistic thus:

Table 1. Reliability statistic (Item-Total Statistics)

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected if Item-Total Correlation	Cronbach's Alpha if Item Deleted
TKW	24.9700	4.908	.944	.934
FTR	24.9704	4.756	.918	.935
FCT	24.8964	5.410	.715	.952
PAC	25.0236	4.953	.662	.964
GEQ	24.8596	5.300	.824	.944

Source: Authors' computation, 2023

From Table 1, it is evident that all the data variables in this study meet the benchmark for further research. The individual Cronbach Alpha for Taxpayers knowledge (TKW) is 0.934. This value is more than the benchmark of 0.7, therefore is fine for further analysis. Again, filling of tax returns (FTR) has a Cronbach value of 0.935, financial constraints (FCT) has a Cronbach Alpha of 0.952, and Tax compliance (PAC) is shown to have a Cronbach Alpha value of 0.964. The Cronbach Alpha statistical value of 0.944 was noticed for governance quality (GEQ). All the Cronbach Alpha values for individual variables meet the benchmark of 0.7, hence are considered internally consistent to measure the reliability of the data variables in this study.

Table 2 Reliability statistics

Cronbach's Alpha	N of Items
.951	7

Source: Authors' computation, 2023

Table 2 presents the general Cronbach Alpha results for the entire variables to be 0.951. This value is also greater than 0.7 meaning that the data variables measured the internal consistency of the questionnaire.

Table 3 Descriptive Statistics

	N	Minimu m	Maximu m	Mean	Std. Deviation
TKW	252	2.70	5.00	4.1320	.41345
FTR	252	2.40	5.00	4.1316	.45988
FCT	252	2.50	5.00	4.1592	.39679
PAC	252	2.50	5.00	4.1528	.40132
GEQ	252	2.80	5.00	4.2424	.36300
Valid N (listwise)	252				

Source: Author's computation, 2023

Table 3. indicated that the mean value of 4.1320 was observed for the tax knowledge (TKW) of the corporate taxpayers. This implication of this is that a greater population of our respondents agreed that a good number of corporate taxpayers in Nigeria have a good knowledge of the tax. The standard value of 0.41345 was also indicated for the same variable meaning that the data

variables are dispersed around the mean. The minimum and maximum number of 2.70 and 5.00 was also noticed for the data variable.

Filing of tax Returns (FTR) was indicated to have an average value of 4.1316. This value implies that a higher population of our respondents agreed that every corporate taxpayer is educated or perhaps enlightened about tax payments. The same variable showed a standard deviation value of 0.45988. This implies that the data variables are spread around the mean value. It also signifies the proper distribution of the data variable. More so, the minimum number observed for the variable is 2.40 while the maximum number is 5.00. Financial Constraints (FTR) are indicated to have a mean value of 4.1592. This implies that a greater number of our total respondents agreed that corporate taxpayers file tax returns with the Federal Inland Revenue Service. This supports the assertion that corporate taxpayers have tax knowledge. The standard deviation of 0.39679 was also shown for the same variable, implying that the data variables are spread around the mean. The minimum and maximum values of 2.50 and 5.00 were also indicated for TRN.

The ability to pay tax without being compelled (PAC) is indicated to have a mean value of 4.1528. This value is positive and implies that a good number of the total respondents in this study agreed that there is evidence of loss of revenue. The standard deviation of 0.40132 was also indicated meaning that the data variable a dispersed around the mean. In addition, the minimum and maximum values of 2.50 and 5.0 were also shown for the same variable.

From Table 3 there is evidence that supports the statistical value of 4.2424, for governance quality (GEQ). This value validates that a greater number of the total population in our study agreed that there is governance quality in Nigeria. The standard deviation of the value of 0.36300 was noticed and supporting the data variable is spread around the value. The minimum and maximum value of 2.80 and 5.00 was also shown for the data variable.

Normality Test.

A normality test is usually employed for testing the goodness of fit of panel data of this nature when the researcher is not concerned with the long-run effect or association of such data variables. For the normality test, the researcher employed the Kolmogorov-Smirnov and Shapiro-Wilk test to establish the goodness of fit of the data variables in this study as contained in Table 4

Table 4 Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
GEQ	.109	250	.000	.969	250	.000

a. Lilliefors Significance Correction

Source: Author's computation, 2023

Evidence from Table 4 indicated that governance quality (GEQ) has a Kolmogorov-Smirnov statistic value of 0.109 and a probability value of 0.000. This implies that the data variable for GEQ is normally distributed. This assertion stands because the probability value though not greater than zero is far from the point of less than zero. Again, the Shapiro-Wilk test statistic of 0.969 is positive though not greater than zero but is far from the point of zero. To further buttress the normality of the data variable, a histogram is attached below.

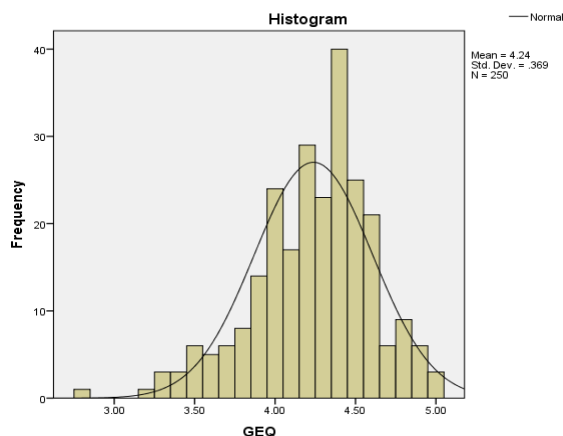


Figure 2 Histogram showing the normality of the data.

Source: chattered by authors

The histogram in Figure 1 indicates that data for Governance quality (GEQ) the dependent variable in this study is skewed to the right but this is very far from the; point of zero. Meaning that the data variable is good enough and normally distributed as contained in Table 4.2. To further buttress this, the histogram in Figure 1 has a bell-shaped curve, also confirming the normal of the data variable.

Multi-collinearity test

The researcher employed a tolerance test and variance inflation factor for the multi-collinearity test as indicated below

Table 5 Coefficients^a

Model	Collinearity Statistics	
	Toleranc e	VIF
1	TKW	.096 1.374
	FTR	.141 7.083
	FCT	.160 1.648
	PAC	.155 1.240

a. Dependent Variable: GEQ

Source: Author’s computation, 2023

Table 5 shows the tolerance value of 0.069 is shown for Taxpayers' knowledge (TKW), the statistical value of 0.141 was also indicated for filling of tax returns (FTR), 0.160 for financial constraints (FCT), 0.155 for ability to pay tax without being compelled (PAC), these values are is not greater than 0.10, suggesting that the multiple correlations among the variables are very low and acceptable as corroborated by the Variance Inflation Factor (VIF) value of 1.374 for taxpayers’ knowledge (TKW), 7.083 for filling of tax returns (FTR), 1.648 for financial constraints (FCT), 1.240 for ability to pay tax without being

Joseph Madugba, Egbide Ben-caleb, Nonye Uzoka, Vivian Oparah, Chinagorom Onuoha, Mmerenini Godwin, Andrew Agbiogwu, James Dokia.. Tax Compliance, Tax Knowledge, Fiscal Governance Quality compelled (PAC), These values are not greater than the benchmark of 10 and therefore are considered good for further statistical analysis.

JAMEELA
2,1

Test of Hypothesis

The relationship between taxpayers' knowledge, filing of tax returns, financial constraints, and ability to pay tax without being compelled on governance quality in Nigeria is not significant.

Decision rule: *Reject the null hypothesis if the probability value computed using SPSS is less than or equal to 0.05 ($p \leq 0.05$)*

52

Table 6. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.918 ^a	.842	.838	.14599	1.169

a. Predictors: (Constant), TKW, FTR, FCT, PAC
b. Dependent Variable: GEQ

Source: Authors computations, 2023

Table 6 showed the association (R) is 91.8% which implies an optimistic bond between the governance quality and the explanatory variables. The coefficient of determination of 84.2 % suggests that independent variables (TKW, FTR, FCT, PAC) could explain about 84.2% of the variations in GEQ 15.5% relate to other factors not included in the model. This result indicates that self-assessment and tax compliance are a function of governance quality. In other words, proper use of revenue generated from tax will induce compliance.

The standard error is used to confirm the exactness of the estimates represented by the regression parameter measuring the precision of the expected figures. Thus, Std. Error of the Estimate showed 0.14599 values meaning that the regression line and the association, as well as the expected values, are perfect. The Durbin-Watson of 1.169 indicates the absence of autocorrelation in the distribution.

Table 7. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.632	6	4.605	216.089	.000 ^b
	Residual	5.179	243	.021		
	Total	32.811	249			

a. Dependent Variable: GEQ

b. Predictors: (Constant), TKW, FTR, FCT, PAC

Source: Authors' computation, 2023

The F Statistics as shown in Table 7 is 216.089 while the significant value is $0.000^b < 0.05$ level of significance. This outcome is significant and shows that the model is superior and robust. Thus, the independent variables mutually and appreciably impact the dependent variable (GEQ).

Table 8. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	.795	.118		6.737	.000
1	TKW	-.176	.083	-.201	-2.125	.035
	FTR	-.051	.056	-.065	-.911	.363
	FCT	.118	.099	.129	1.183	.238
	PAC	.955	.104	1.056	9.205	.000

a. Dependent Variable: GEQ

Source: Authors' computation, 2023

Evidence from Table 8 indicated that taxpayers' knowledge (TKW) has a co-efficient regression value of -0.176 and a probability value of 0.035, meaning that taxpayers' knowledge has a negative but significant association with governance quality in Nigeria. The implication of this is that taxpayers know tax payments. A caveat however is that whether their knowledge about tax payment induces them to pay taxes or not was not considered in this study.

Filing of tax returns (FTR) has a negative and insignificant association with governance quality in Nigeria. This is confirmed by a co-efficient of regression value of -0.051 and probability value of 0.363, meaning that Tax education is not a determinant of governance quality in Nigeria. This finding simply suggests that taxpayers are not properly educated about benefits and the essence of tax payment and hence do not comply. A limitation is that whether tax officials or collector visit the business premises of taxpayers or perhaps holds discussion with taxpayers was not considered.

Table 8 shows that financial constraints (FCT) are indicated to have a positive but insignificant association with governance quality in Nigeria. This assertion is supported by a co-efficient regression value of 0.118 and a probability value of 0.238. Implying that taxpayers are aware of the filing of tax returns or that proper tax returns are not filed by the taxpayers. Again, it means that filing tax returns is negatively affected by governance. A limitation is whether these corporate taxpayers are aware that the information to be supplied in the tax forms or documents was not considered.

Statistical evidence as contained in Table 8 showed that the ability to pay tax without being compelled (PAC) has a co-efficient regression value of 0.955. This value is further found to be significant at 0.05%. Confirming that loss of tax revenue has a positive and significant association with governance quality. This finding implies that as the government continues to lose revenue due to non-compliance etc, it will affect the ability of the government to properly deliver good governance to the people. A caveat is that the cause of such loss of revenue was not considered in this study.

CONCLUSION

The lamentations of the various tiers of government regarding the dwindling tax revenue have redirected the attention of policymakers and the government to designing tax systems that encourage self-compliance and increase revenue the world over. This was the core crusading of the benefit received theory

adopted in this study. This study examined the effect of tax knowledge, filing of tax returns, financial constraints, and ability to pay tax without being compelled on governance quality (GEQ). Data was gathered through the administration of a questionnaire distributed to our respondents and regression analysis of the inferential statistics was used to test the hypothesis, a significant outcome indicated that only tax knowledge and the ability to pay tax without being compelled were found to be a significant determinant of governance quality while, financial constraints and filling of tax returns are not significant.

The study therefore concluded that the self-assessment system and tax compliance are determinants of good tax administration in Nigeria. Hence, recommended that Tax administrators should as a matter of urgency engage in extensive advertisement and one-on-one talk with taxpayers to boost their knowledge on self-assessment and tax compliance. Again, the government should identify areas through which tax revenue is lost and block or possibly make policies and laws that discourage people from evading taxes.

One major limitation in this study was access to data. However, the researcher was able to overcome this through the use of a contact person who helped to explain to the respondents that their identity will not be disclosed. Further studies can be carried out in other emerging in Africa and emerged economies in the world.

REFERENCES

- Abusomwan, R., E., & Oziegbe, D., J. (2021), Self-Assessment, Tax audit, Tax knowledge and Tax Compliance a Structural Equation Model (SEM) Approach. *International Journal of Research and Scientific Innovation (IJRSI)* VIII, (VIII). 2321-2705, www.rsisinternational.org
- Alabede, J.O., Zainol Ariffin, Z., & Idris, K. Md (2011), Public Governance Quality and Tax Compliance Behavior in Nigeria: The Moderating Role of Financial Condition and Risk Preference. *Issues in Social and Environmental Accounting*. 5(1/2) 3-24 <https://iiste.org/Journals/index.php/ISEA/article/view/951>
- Alm, J. (2019). What Motivates Tax Compliance? *Journal of Economic Surveys*. 33, (2). 353–388. <https://doi.org/10.1111/joes.12272>
- Anyaduba, J & Oboh, T. (2019). Determinants of tax compliance behaviour under the self-assessment scheme in Nigeria. *Accounting and Finance Research* 8(2) 12-34. <https://doi.org/10.5430/afr.v8n2p>
- Appah, E., & Ogbonna, G. N., (2014), Self-Assessment Scheme and Revenue Generation in Nigeria. *Developing Country Studies*. 4(10). ISSN 2225-0565 <https://iiste.org/Journals/index.php/DCS/article/view/12867>
- Assfawa, A. M., & Sebhatb, W. (2019). Analysis of tax compliance and its determinants: Evidence from Kaffa, Bench Maji and Skeka zones Category B Taxpayers, SNNPR, Ethiopia. *Journal of Accounting, Finance and Auditing Studies*, 5(1), 32-58. <https://doi:10.32602/jafas.2019.2>
- Burns, S. & Owen, O (2019) Nigeria: No longer an oil state?", Oxford Martins School Working Paper.
- Eseneyen, J. M & Ewa U (2020), Efficiency of the Self-Assessment System of Taxation in Nigeria. *Scholars Journal of Economics, Business and Management*. 7 (9), ISSN 2348-5302. <https://doi:10.36347/sebum.2020.v07i09.001>

- Eluro, D C. (2018) Determinants of tax compliance under self-assessment: evidence from Delta North senatorial zone. *Research Journal of Finance and Accounting*. 9(7):95-108.
- Emuwa, T. I. (2016). Tax legislation for SMEs. Taxation Roundtable Chamber of Commerce & Industry, Lagos.
- Herbert, W. E., Nwarogu, I. A. & Nwabueze, C. C. (2018) Tax reforms, and Nigeria's economic stability, *International Journal of Applied Economics, Finance and Accounting*, 3(2), 74-87, DOI: 10.33094/8.2017.2018.32.74.87.
- Gberegbe, B., & Umoren, A (2017). The perception of tax fairness and personal income tax compliance of Smes in Rivers State. *Journal of Research in Business and Management* 5(2), 40-51. www.questjournals.org.
- Komolafe B, Akpan U (2019). Nigeria's oil revenue rose by 129% to N9.4 trillion in 2018. 2019 <https://allafrica.com/stories/201902050244.html>.
- Kojo, K., Martin, K., Ebenezer, N., Martin, A., Daniel, E., & Charlse, K. (2020). Tax knowledge and tax compliance of small and medium enterprises in Ghana. South East Asia *Journal of Contemporary Business, Economics and Law*, 21(5), 2-34. https://seajbel.com/wp-content/uploads/2020/07/SEAJBEL21_267-1.pdf.
- OECD (2019) Revenue Statistics 2019: Tax revenue trends in the OECD
- Okee, C. F., & Isoso, M. C., (2022), Voluntary Tax Compliance and Petroleum Profit Tax Revenue Generation in Nigeria: An Empirical Analysis. *International Journal of Innovative Finance and Economics Research* 10(4):15-27. www.seahipaj.org.
- Olaoye, C.O & Ayeni, O.F (2018) Effects of Value Added Tax and Custom Duties on revenue generation In Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 6(3): 78-85.
- Olaoyea, S & Busarib, T. (2021). Implications of tax audit and investigation on taxpayers' compliance in Nigeria. *International Journal of Innovation, Creativity and Change*. 15(3) 4-21. www.ijicc.net.
- Olaoye, O., Ayeni-Agbaje, C., & Alaran-Ajewole, T. (2017) Tax information, administration and knowledge of taxpayers' compliance with block molding firms in Ekiti State. *Journal of Finance and Accounting* 5(4),. 131-138. <https://doi.org/10.11648/j.jfa.20170504.12>
- Madugba, J. U., Ekwe, M.C., & Mgbokwo, J.K (2015) Corporate Tax and Revenue Generation: Evidence from Nigeria. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)* 6 (5) 333 – 339 @ scholar link Research Institute Journal ISSN 2141-7024, 2015
- Madugba, J. U., Ben-Caleb, E. , Agburuga T.U., Obadiaru1, D.E., Ani W.U & Ben-caleb, J.O (2020), Optimal Tax Behaviour and Corporate Survival: The Nigeria Experience. *Research in World Economy*. 11(6) doi.org/10.5430/rwe.v11n6p108
- Masud A, Akali MY, & Aliyu A.(2015) Tax Complexity and Tax Compliance in Pre and Post Self-Assessment System Implementation in Nigeria. https://www.researchgate.net/publication/297917991_Tax_Complexity_and_Tax_Compliance_in_Pre_and_Post_Selfassessment_System_Implementation_in_Nigeria

- Ndoricumpa, A. (2021) "Tax Reforms, Civil Conflicts and Tax Revenue Performance in Burundi", *Scientific African*. 13(2021), [Online]. Available at: <https://doi.org/10.1016/j.sciaf.2021.e00927>
- Salaudeen, Y.M. & Atoyebi, T.A. (2018). Tax Burden Implication of Tax Reform. *Open Journal of Business and Management*, 6, 761-777. DOI: [10.4236/ojbm.2018.63058](https://doi.org/10.4236/ojbm.2018.63058)
- Sohee K & Taekyoon K. (2018). Tax Reform, Tax Compliance and State-building in Tanzania and Uganda. *Africa Development*, 43(2), 35-64. <https://www.jstor.org/stable/26640998>
- Oladipupo, A.O. & Obazee, U. (2016). Tax knowledge, penalties, and tax compliance in small and medium scale enterprises in Nigeria. *iBusiness*, 8(2), 1-9. DOI: [Doi:10.4236/ib.2016.81001](https://doi.org/10.4236/ib.2016.81001)
- Hantono. (2021). the impact of tax knowledge, tax awareness, and tax morale on tax compliance. *International Journal of Research*, 9(1),. 49-65. <https://doi.org/10.29121/granthaalayah.v9.i1.2021.2966>
- Olurankinse, F. & Oladeji, O. E. (2018), Self-Assessment, Electronic-Taxation Payment System and Revenue Generation in Nigeria. *Accounting & Taxation Review*, 2, (1), ISSN: 2635-2958.
- Uzoka, P. U & Chiedu, C.O (2018). Effect of Tax Revenue on Economic Growth in Nigeria. *International Journal of Social Sciences and Management Research*, 4(7): 17 – 24. [https://doi: 10.7176/EJBM](https://doi.org/10.7176/EJBM).
- Worldometer(2023) (www.Worldometers.info) <https://www.worldometers.info/world-population/nigeria-population/>
- Yinka M. S., & Ejiofor, O.C. (2021), Tax Reform and Tax Compliance Behavior of Companies in Nigeria. *MPRA Munich Personal RePEc Archive*, Online at <https://mpra.ub.uni-muenchen.de/111367/>.

How to Cite:

Madugba, J., Egbide, B.- caleb, Nonye. D, U., Vivian I., O., Chinagorom, O., Mmerenini, G., Andrew, A., & James, D. (2024). SELF-ASSESSMENT REGIME, TAX COMPLIANCE, AND TAX ADMINISTRATION: EVIDENCE FROM EMERGING ECONOMY. *Journal of Multiperspectives on Accounting Literature*, 2(1), 43-56. <https://doi.org/10.22219/jameela.v2i1.30692>