

Self-Assessment Scheme and Revenue Generation in Nigeria

APPAH, EBIMOBOWEI (Corresponding author)
appahebimobowei@yahoo.com

DEPARTMENT OF ACCOUNTING, ISAAC JASPER BORO COLLEGE OF EDUCATION, SAGBAMA,
BAYELSA STATE, NIGERIA

OGBONNA, GABRIEL .NKWAZEMA (PhD, FCA).

DEPARTMENT OF ACCOUNTING, UNIVERSITY OF PORT HARCOURT, NIGERIA

ABSTRACT

This study examines self assessment scheme and revenue generation in Nigeria. To achieve this objective, data was collected from primary and secondary sources. The secondary sources were from scholarly books and journals while the primary source involved a well structured questionnaire of three sections of thirty-eight items with an average reliability of 0.71. The data collected from the questionnaire were analyzed using relevant statistical models. The analysis reveals that self assessment compliance rate significantly affects revenue generation in Nigeria. The correction coefficient is high indicating that strong correlations exist between self assessment compliance Rate and Revenue generation. Therefore, the paper concludes that self assessment scheme influences revenue generation. The paper recommends amongst others that the FIRS should also be efficient in their internal Processes, particularly in processing tax refund and tax correspondence. Insufficient access channel for tax payers to obtain tax guidance and advice would not help the FIRS to achieve greater voluntary compliance. Moreover, the situations would deteriorate further if the FIRS is not responsive to complexities and problems faced by taxpayers. As tax officers are no longer burdened with tax assessment workloads, therefore, it is reasonable for taxpayers to expect and demand better tax services and guidance on tax policy matters from the FIRS.

Keywords: Revenue Generation, Self Assessment, Tax, Nigeria

INTRODUCTION

The self-assessment tax regime is a system of tax administration whereby the tax payer is granted the right, by law, to compute his own tax liability, pays the tax due (at the designated bank) and produces evidence of tax paid at the time of filing his tax return at the tax office, on due date. On the other hand, the tax authority has the responsibilities of enablement to and checks on the taxpayers to ensure compliance with tax administration process. This means that the self-assessment scheme is characterized by partnership and shared roles and responsibilities between the taxpayer and the tax authority (Appah, 2013)

The law provides the taxpayers with the burden of filing tax returns, while the tax authority ensures through enablement, compliance and compliance enforcement activities that the right (correct) amount of tax due is paid and at the right time, and if otherwise to strictly apply sanctions as provided by the tax laws. Malik, (2010) emphasised that this tax regime is complete with a continuum of activities; from taxpayers enablement, filing of tax returns, and payments, tax returns processing, payment/debt management, and compliance/enforcement. Self-assessment applies to employees, self employed, limited liability companies including oil and gas companies; agents/taxable persons, in the case of value added tax (VAT).

Malik, (2010) identified key assumptions on which self-assessment scheme is based to include: the taxpayer is a stakeholder and a partner and should be treated courteously; the taxpayer is honest and indeed demonstrates this by signing a declaration as the correctness of the tax returns; the taxpayer runs the business and knows the right amount of profits and taxes payable; on the part of the Revenue Authority, It should accept returns as filed and later subject the returns to risk assessment. Self- assessment method of payment of taxes was actually introduced in Nigeria in 1992, following the enactment of the appropriate law in 1991. Initially, Self-assessment was not mandatory for every taxpayer until 1998. Even now self-assessment filing has continued to be incentivised, albeit, inadvertently, considering that it was mandatory. To encourage self-assessment Kiabel and Nwikipasi(2001) listed some incentives attached to self-assessment filers to include; non-payment of provisional tax; installment payment of tax due in not more than six instalments to terminate latest by 30th November in the year of assessment; 1% of tax payable is allowed as bonus; returns (Accounts and computations) can be filed within 8 months (an additional 2 months) of the company's year end.

Malik, (2010) summarise that; self-assessment requires taxpayers to understand the tax system and procedures, to possess adequate tax knowledge, to be aware of their compliance obligations and to be prepared to comply. Sarker, (2003), defined tax compliance as the degree to which a taxpayer complies (or fails to comply) with the tax rules of his country. He posits that the goal of an efficient tax administration is to foster voluntary tax compliance using all possible methods including penalties.

Since the introduction of self-assessment in 1992, voluntary compliance has not taken root. Perhaps it was because it was run side-by-side with government assessment system due to gray areas in the tax laws and the absence of appreciable efforts at taxpayer enablement; therefore, the need for this study, self-assessment compliance rate and its effect on revenue generation in Nigeria. Therefore, the objective of this is to investigate self assessment scheme and revenue generation in Nigeria. To achieve this objective, the paper is divided into five interconnected sections. The next section presents the literature review. The third section, explains the methodology of the study. The fourth section examines the results and discussions and the final section presents the concluding remarks and recommendations.

LITERATURE REVIEW

Theoretical Literature: The theory of self assessment scheme is guided by the use of the following theories:

Economics of Crime and Expected Utility Theory: The taxpayer compliance Literature is a broad and developing body of knowledge and encompasses many disciplines, including economics and psychology. According to Klepper et al (1989), its foundations lie in the economics of crime and expected utility literature, in which it is assumed that taxpayers are amoral economic evaders who would assess the likely costs and benefits of evasion behaviour compared to those of compliance. They identified these costs and benefits to be associated with the tax rate, audit rate (i.e. percentage of returns subject to audit) the probability of returns of detection and the penalties for non-compliance. However, findings on the effect of each of these factors generally lack consistency. In respect of tax rates, Yitzhakis(1974) argued that an increase in tax rates encourages individuals to declare more income. Friedland, N.et al (1978) in contrast, argued that an increase in tax rate leads to an increase of the probability of underreporting income and to larger non-payment problems, particularly in the case of high income taxpayers. Ali, M.M. et al (2001) suggested that the level of after tax income and marginal tax rates have a significant negative effect on compliance; and this has been supported by the studies of Witte, A.D and woodbury DF(1985). However, the study of Feinstein (1991) cited in Sawkins, JW and Dickie V.A (2003) Shows evidence of a significant negative relationship between the marginal tax rate and non-compliance, and that no significant relationship exists between non-compliance and income. In respect of using tax audits as an enforcement strategy, Jackson B.R and Jaouen P.R(1989) shows evidence in support of their effectiveness in self-assessment systems; though they may need to be specifically designed for the intended taxpayer group. While Witte and Woodbury noted that tax audit effects were more significant among small proprietors than others. Beron et al found that taxpayers significantly underreported adjusted gross income and that the increased probability of audit increased both reported income and tax liability. Further, it was concluded that tax audits were more effective at inducing accurate reporting of deductions rather than of income Dubin and Wilde, (1992) argued that the result of empirical evidence have been inconsistent and that there was no clear pattern for different audit classes or different taxpayers. For instance based on data from the period 1986-1997, Dubin et al (1990) concluded that the audit rates had a significant positive effect on reported tax per return and that the effect was even stronger in the case of assessed liabilities per return with the implication being that increased compliance resulted because of the deterrent effect of tax audits. However, Long S.B and Burnham, D.(1990) contended that it was difficult to determine the effect of the tax audit and the varying probabilities of detection on taxpayer compliance as other possibly influential factors including other enforcement strategies generally did not remain constant. Further, Tauchant, et al (1989) concluded that raising the audit rate had greater impact on high-income wage and salary workers than on taxpayers overall. Torgler, B. (2002) experimental studies suggested more generally that a higher audit rate leads to improved compliance and has a direct effect on tax collections of reported amount, additional taxes and penalties. Alm, J et al (2004) supported and claimed that the decline in audit rate in the United States had an adverse effect on the level of voluntary compliance. In respect of the probability of being audited, Slemrod, J. et al (2001) found that the effect of an increased probability in being audited varied with the level of income with the effect being more marked in the case of high income earners and particularly where there was an opportunity to evade tax. In respect of the threat of penalties, Schwartz, R.D and Orleand, S. (1967) found that non-compliance decisions are indirectly related, and that large fines are more effective deterrent than are frequent audits. However, Silvani, C. and Bear, K (1997) Found that threats of future enforcement actions, including penalties have little impact on the compliance behaviour of taxpayers in countries where non-compliance is high. Clearly, understanding compliance behaviour is complex and it appears that the economics of crime and expected utility theory can assist in only a limited sense.

Psychology Theory: There is another body of literature that draws mainly from psychology.

This considers the impact of taxpayer attitudes on compliance behaviour. This too represents a complex field of study and diverse views and approaches exist. The underlying challenge is that any behaviour may represent a multiplicity of attitudes and that tax mentality (i.e. a person's willingness to pay tax) appears to be an important construct with more than one dimension.

Song and Yarborough (1978) found that taxpayers with higher fiscal knowledge had a higher tax ethic than did those with lower fiscal knowledge. Similarly, Lewis et al (1996) found that low fiscal knowledge correlated with negative attitudes towards taxation and that attitudes towards tax could be improved by better tax knowledge. Further, Chan C.W et al (2000) found that where taxpayers used higher stages of moral reasoning, their attitudes towards the tax system were more favourable and they were more compliant.

Smith and Stalan (1991) contended that satisfaction with government and perceptions of fairness appear to play important roles in taxpayers' attitude towards behaviour. Consequently, Ritsema, CM et al (1997) found a positive relationship between taxpayers' perception of fairness and their tax liabilities. Cuccia and Carnes, (2001) added that other factors, including tax law complexity, could affect perceptions of fairness. The relationship between complexity and compliance has been studied by various methods including surveys, experiments and case studies and with mixed findings. MC-Kerchar, (2002) found a positive association between complexity and non-compliance whether intentional or unintentional while Witte and Woodbury found that the impact of complexity on compliance varied with the characteristics of individual taxpayers which included education level, perceptions of fairness and the opportunity to evade. Christensen et al (1994) found that increasing taxpayer education enhanced both the understanding and acceptance of tax law complexity. While studies like Fischer et al (1993) found a positive correlation between tax knowledge and compliance, Eriksen and Fallen (1996) refuted the existence of any direct relationship between these variables. Baldry, J.C, (1999) concluded that reducing the complexity of tax laws might encourage compliance among taxpayers, in that they may, more easily understand the law, the tax structure, and the computation of their own tax liability.

In respect of the level of education and its influence on taxpayer compliance, there are mixed findings evident in the literature. For example, Beron et al found a positive relationship between education and noncompliance, which was consistent with the findings of Witte and Woodbury, Kinsey et al, and others, but in conflict with the finding of a negative relationship between these two variables by Dubin and Wilde. As for income level and its influence on taxpayer compliance, research finding also reveal mixed and inconsistent evidence. However, it does appear that with higher levels of education, taxpayers might improve their tax knowledge as well as income level, and that together they may improve attitudes towards compliance.

Based on the review of the literature, it is clear that there is scope for more research to be undertaken into taxpayer compliance and revenue generation, particularly using different research methods, and across jurisdictions and assessment systems. Accordingly, it was felt that research was needed to identify the factors that may enhance compliance rate as well as increased revenue generation with the introduction of self-assessment in Nigeria; and to identify problems associated with voluntary compliance under self-assessment.

Conceptual Literature

In a self-assessment system, a taxpayer is required to assess his tax liability using a tax return form in which he declares his gross income, allowable deductions, etc. This tax return must then be file with the tax authority together with a payment for the tax liability computed on the said return. The basic feature of a self assessment scheme (SAS) is that it is the taxpayer rather than the tax authority that is responsible for the assessment of tax liability. Sarker, (2003), identified that a SAS has distinct merits compared to an official assessment system and the merits include; (1) SAS is more cost effective as it only selects exceptional cases for further scrutiny (ii) SAS eliminates the administrative nature of assessment work (iii) SAS encourages on early and timely collection of taxes and (v) SAS reduces corruption by reducing contacts with taxpayers.

He further posits that SAS can be effectively implemented if certain critical factors are considered. These factors include; (i) the process of deciding which tax returns should be audited. Taxpayers, who may not be selected for an audit, would be motivated to cheat. A deficient process will also reduce compliance. Under SAS, non-compliance should be dealt with justly and swiftly to encourage the majority of taxpayers to comply. In order to detect fraud or non-compliance, taxpayer data is important and this requires a certain level of computerization. In its absence, it would be extremely difficult to maintain compliance in a SAS; the educational level of taxpayers is crucial in determining whether the SAS will work effectively. There must also be an observance of proper accounting standard of business. In the absence of proper accounting standards or record keeping, a taxpayer would not be able to declare his income accurately or enable the tax authority to conduct an accurate audit.

CITA (2004) and PITA (2011) is clear on the issue of self-assessment when it stipulate in section 44 of PITA that "a taxable person required by this Act to file a return of income shall in return calculate the amount of tax payable." Kiabel (2007) argued that self-assessment is a scheme in which the taxpayer is required to assess himself to tax and make payment by forwarding the assessment along with the cheque for the tax due to the tax authority. He further opined that the self-assessment scheme was actually introduced in order to encourage voluntary compliance, reduction of tax evasion and to provide taxpayer a challenge to be more responsible to his civic obligation. This self-assessment programme avoids the objectives and protracted disputes inherent in Revenue assessment (Kiabel 2007).

The self-assessment system requires every taxpayer to provide full information about his or her income and to calculate the payable and make payment to the tax office in accordance with the tax laws. (Kiabel and Nwikipasi, 2009). They also argue that the system of self-assessment relies heavily on voluntary compliance with the tax laws as its success depends on the integrity of the taxpayers. It is the most convenient means of payment of tax. (Kiabel and Nwikipasi, 2009). Self-assessment gives the taxpayer greater control and responsibility over his tax affairs. It applies for income tax purposes to; (a) self-employed people, (b) people receiving income from sources where some or all of the tax cannot be collected under the P.A.Y.E system.

Malik, (2010) further grouped self-assessment tax regime into two components: **enablement and compliance enforcement**. A Myriad of features are derivable from this broad categorization, bearing in mind that the driving force is that the taxpayer bears the burden of computing and paying the tax due.

Enablement: Whereas the taxpayer bears the burden of computing and paying tax due, the Revenue Authority ensures that the taxpayer is sufficiently enabled to perform this function. The Inland Revenue Service of the United State of America considers taxpayer enablement so important that it forms part of its vision. This feature runs through the process flow but especially before the due date for filing tax returns:

- (a) Books and Records: Section 47 PITA is clear on these issues. Various tax laws require the Revenue Authority to determine the books and records to be kept by the taxpayer for the purpose of establishing the tax due. Part of the enablement function of the Service is to develop templates of records and books to be kept for tax purposes. Drawing from the vision of FIRS “to make taxation the pivot of national development” will require good record keeping since administration of taxes rely on good records. The tax laws require the service to prescribe the types of records to be kept. Section 47 PITA.
- (b) Designing Simple Tax Forms: One of the ways the taxpayer will be enabled to comply is through the designing of simple and user-friendly tax forms that capture all declarations to be made.
- (c) Notes for Completing Tax Forms: All tax forms should be accompanied by guidance notes so that the taxpayer (especially individuals and fringe companies) does not incur extra costs through the engagement of external professionals/advisors to complete the forms. Bear in mind that the Revenue Authority should do all in its powers to encourage compliance.
- (d) Availability of Forms: The taxpayer should be able to collect/have access to forms with minimal efforts. The forms should therefore be made available at websites and places frequently visited by taxpayers, e.g. churches/mosques, banks, post offices, shops/supermarkets, etc.
- (e) Educating the Taxpayer on the Requirements of the Tax Laws: While the taxpayer bears the burden of paying/filing, he should be educated on the requirement of tax laws which are:
 - i. due dates for filing tax returns/payments;
 - ii. Sanctions for failure to pay/file on due dates (interests, penalties and legal actions etc);
 - iii. Incentives contained in the tax laws and the benefits of voluntary compliance; and
 - iv. A wide range of guidance notes and leaflets on various subjects.
- (f) Taxpayers’ Rights
In summary;
 1. The taxpayer is entitled to fairness;
 2. The Revenue Authority must be helpful to the taxpayer;
 3. The taxpayer is entitled to efficient service: (this include timeliness and a perception of the Revenue being able to detect “tax reduction schemes”); and
 4. The taxpayer has the right of appeal.For all the rights of the taxpayer, there is the reciprocal obligation to be:
 - a. Honest;
 - b. Give accurate information;
 - c. Pay taxes as and when due; and
 - d. Give the tax official all the co-operation required to execute tax duties.
- (e) Other Information that would enable the taxpayer comply voluntarily.

Tax Compliance: According to Malik, (2010), tax compliance activities are the major role the Revenue Authority plays in the self-assessment regime. Recall that the taxpayer bears the burden of computing the tax and paying not later than due date. Once the tax returns are filed, the Revenue Authority processes the returns to ensure that the correct amount of taxes were declared and paid at the right time.

Tax compliance enforcement is on the flip side of taxpayer enablement (see 2.1). Put another way, taxpayer enablement is a justification for strict tax enforcement. It is made up of the following activities, among others:

- (a) Imposition of penalties for late filing (without fail);
- (b) Charging of interest for late payment (without fail);
- (c) Prompt distraint actions;
- (d) Up-to-date debt management portfolio (by amount, age, type, office, etc).
- (e) Prompt prosecution of tax defaulters, and
- (d) Administrative assessment that is based on third party information/audit.

With appropriate taxpayer enablement in place, it is the tax compliance enforcement action that brings about a change in behaviour: from non-compliance to voluntary compliance. To achieve this desired change in behaviour, the Revenue Authority must be divested of discretionary powers that may negatively influence change in attitude.

The research-oriented hypothesis for which tests of significance would be conducted is provided below;

Ho₁ “Self Assessment Compliance Rate does not significantly affect Revenue Generation”.

Ho₂ “Compliance Measures does not significantly affect Revenue Generation”.

Ho₃ “Compliance Enforcement does not significantly affect Revenue Generation”.

MATERIALS AND METHODS

The primary data for the study were generated through the administration of questionnaires conducted to examine self assessment scheme and revenue generation in Nigeria. The target population includes all Federal Inland Revenue Offices in Nigeria while the accessible population includes Federal Inland Revenue Offices in Asaba, Owerri, Port Harcourt, Uyo and Yenagoa. The first part of the questionnaire contains questions on organization’ and respondents’ characteristics. The second part of the questionnaire examined the revenue generation factors using five point scale of 5- strongly agree (SA), 4- agree (A), 3- undecided (U), 2- disagree (D) and 1-strongly disagree (SD). The third part of the questionnaire examines the self assessment scheme as provided by Kibiel and Nwikpasi (2001), Torgler (2002), Sarker (2003) and Marlik (2010). A total of two hundred (200) questionnaires were distributed and one hundred and fifteen (115) usable questionnaires were completed and used for the analysis. The questionnaire were pre-tested using thirty (30) respondents and a reliability test was done on the data collected using Cronbach Alpha model, to explore the internal consistency of the questionnaire (Kothari, 2004; Krishnaswamy, Sivakumar and Mathirajan, 2004; Baridam, 2008). The result of the reliability test shows that the designed questionnaire is highly reliable at 0.71. Excel software helped us to transform the variables into format suitable for analysis, after which the Statistical Package for Social Sciences (SPSS) was used for data analysis. The ordinary least square was adopted for the purpose of hypothesis testing. The ordinary least square was guided by the following linear model:

$$Y_i = f(X) \dots\dots\dots (1)$$

$$RG = \beta_0 + \beta_1 SACR_1 + \beta_2 CM_2 + \beta_3 CE_3 + \varepsilon \dots\dots\dots (2)$$

That is the a priori expectation $\beta_1 - \beta_3 > 1$

Where: RG = Revenue Generation; SACR = Self assessment compliance Rate; and CM = Compliance Measures and CE = Compliance Enforcement. $\beta_1, \beta_2, \beta_3$, are the coefficients of the regression, while ε is the error term capturing other explanatory variables not explicitly included in the model.

RESULTS AND DISCUSSIONS

This section of the study presents the results and discussion of data obtained from the questionnaires distributed to respondents.

Ho₁ “Self Assessment Compliance Rate does not significantly affect Revenue Generation”

The test of significance conducted as shown in table 1 shows that; Self Assessment Compliance Rate had a calculated t-value of 18.7 and a corresponding significant/probability Value (PV) of 0.039. $PV = 0.039 < 0.05$ level of significance therefore the researcher rejects the null hypothesis and concludes that Self Assessment Compliance Rate is significant in determining the level of Revenue Generation. Conventionally, $t_{\text{calculated}} = 18.7 > t_{\text{tabulated}} (0.05, 5) = 2.571$ therefore the researcher upholds the above decision and concludes Self Assessment Compliance Rate significantly affect Revenue Generation. Having identified that moderate

relationships exist between the independent variables and the dependent variable, we proceeded to find out the effects of these explanatory variables on the criterion variable using the regression analysis. The Coefficient of Determination (R^2) = 1.0. This implies that 100% variation in Revenue Generation is accounted for by variations in Compliance Measures and Compliance Assessment. This indicates that the model has a good fit. It shows that all the explanatory variables (in group) had significant multiple effect on Revenue Generation. The F-calculated = 17254 with a corresponding significant F-value of 0.000. This significant value $0.000 < 0.05$, the researcher therefore concludes that the model is useful. Conventionally $F_{cal} = 17254 > F_{tab} (0.05, 2, 3) = 9.55$ hence a useful model.

Ho₂ “Compliance Measures does not significantly affect Revenue Generation”

The test of significance conducted to show the individual effects of each of the explanatory variable as shown in table 4.2 above shows that; Compliance Measures had a calculated t-value = 71.865. The positive sign of the t-value shows that compliance measures affect revenue generation positively; it therefore implies that better Compliance Measures will increase Revenue Generation. This is in agreement with the a priori expectation ($\beta_1 > 0$).

Table 4.2 also showed that t-value = 71.865 > t-tabulated (0.05, 5) = 2.571 therefore the researcher rejects the null hypothesis.

More so, the corresponding sig. Value/probability Value (PV) = 0.000 < 0.05 level of significance, the researcher upholds the above decision and concludes that Compliance Measures significantly affects Revenue Generation within the period of the study.

Ho₃ “Compliance Enforcement does not significantly affect Revenue Generation”

The test of significance conducted as shown in table 4.2 above also shows that; Compliance Enforcement had a calculated t-value = 0.130. The positive sign of the t-value shows that compliance Enforcement affect revenue generation positively, it therefore implies that more Compliance Enforcement will increase Revenue Generation. This is in conformity with the a priori expectation ($\beta_2 > 0$). From table 4.2, t-calculated = 0.130 < t-tabulated (0.05, 5) = 2.571 therefore the researcher accepts the null hypothesis. More so, the corresponding sig. Value/probability Value (PV) = 0.905 > 0.05 level of significance, the researcher upholds the above decision and concludes that Compliance Enforcement does not significantly affects Revenue Generation within the period of the study.

CONCLUSION AND RECOMMENDATIONS

The study examined self assessment scheme and revenue generation in Nigeria. Review of literature provides strong evidence of the effectiveness of self assessment scheme and revenue generation. Self assessment compliance rate significantly affects revenue generation in Nigeria. The correction coefficient is high indicating that strong correlations exist between self assessment compliance Rate and Revenue generation. The coefficient of determination (R^2) is 0.695. This implies that a 69.5% Variation in Revenue Generation is explained by self assessment Compliance Rate. The remaining 30.5% is explained by other variables not included in the model. The F-calculated of 9.13 had a corresponding significant F-value of 0.039 which indicates that the model is useful, and therefore implies that self-assessment compliance Rate does significantly affect Revenue Generation. Having identified that moderate relationship exist between the independent variables and the dependent variables, we proceed to find out the effects of these explanatory variables on the criteria variables using the regression analysis. The result shows that the multiple correlation coefficient r is 1.0 which implies that a perfect multiple correlation exist between Revenue generation and the explanatory variables. The coefficient of Determination (R^2) is 1.0 which implies that 100% variation in Revenue Generation is accounted for by Variations in Compliance Measures and compliance assessment which in this case was tested by Tax clearance application and tax enforcement. The result indicates that the model has a good fit. It shows that all the explanatory variables (in group) had significant multiple effect on Revenue Generation. The test of significance conducted to show the individual effects of each of the explanatory variable shows that compliance measures had a calculated t-value of 71.865. The positive sign of the t-value shows that compliance measures affect revenue generation positively, it therefore implies that better compliance measures will increase Revenue Generation. The test of significance conducted shows that compliance enforcement had a calculated t-value of 0.130. The weak positive sign of the t-value shows that compliance Enforcement affect revenue generation positively, it therefore implies that more compliance Enforcement will increase Revenue Generation. The result

therefore implies that compliance Enforcement will increase Revenue Generation. The result therefore implies that compliance Enforcement does not significantly affect Revenue Generation within the period of the study. Based on the above stated statistical results, it is evidently clear that increase in self-assessment compliance measure (TCC application) and increased Compliance Enforcement has played key role in bringing about increased Revenue Generation. In this wise, the following recommendations are made to help increase their roles in higher level of compliance and revenue generation. Since the FIRS require tax payers to file their returns, tax assessment and payment on time, the FIRS should also be efficient in their internal Processes, particularly in processing tax refund and tax correspondence. Insufficient access channel for tax payers to obtain tax guidance and advice would not help the FIRS to achieve greater voluntary compliance. Moreover, the situations would deteriorate further if the FIRS is not responsive to complexities and problems faced by taxpayers. As tax officers are no longer burdened with tax assessment workloads, therefore, it is reasonable for taxpayers to expect and demand better tax services and guidance on tax policy matters from the FIRS. Furthermore, non-compliance should be dealt with justly and swiftly to encourage the majority of taxpayer to comply. In order to detect fraud or non-compliance, taxpayer data is important and this requires a certain level of computerization. In its absence, it would be extremely difficult to maintain compliance in a self-assessment tax system. The educational level of taxpayers is crucial in determining whether the self-assessment tax system will work effectively. Therefore, the FIRS should ensure regular taxpayer education as it relates to observance of proper accounting standard of business. For small traders, this means that there must be a minimum level of record keeping. In the absence of proper accounting standards or record keeping, a taxpayer would not be able to declare his income accurately or enable the tax authority to conduct and his income accurately or enable the tax authority to an conduct accurate audit. The compliance enforcement activity of the FIRS should be strengthened to ensure that stiffer penalties are given to errant taxpayers. This should include the implementation of all enforcement actions provided for in the tax laws on non-compliance taxpayers.

The last but not the least, companies and government departments that award contracts should ensure that they confirm from FIRS the authenticity and originality of tax clearance certificates presented by these companies before granting them contract. Financial institutions should as well demand for tax clearance certificate before opening a corporate account to their customers as this will help to increase the rate of compliance.

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Correlation Matrix on all Variables

Correlations

Variables	Statistics	Revenue Generation	Self Assessment Compliance Rate	Compliance Measures	Compliance Enforcement
Revenue Generation	Pearson Correlation	1	.834*	.833*	.568
	Sig. (2-tailed)		.039	.040	.240
	N	6	6	6	6
Self Assessment Compliance Rate	Pearson Correlation	.834*	1	1.000**	.922**
	Sig. (2-tailed)	.039	.000	.000	.009
	N	6	6	6	6
Compliance Measures	Pearson Correlation	.833*	1.000**	1	.922**
	Sig. (2-tailed)	.040	.000	.000	.009
	N	6	6	6	6
Compliance Enforcement	Pearson Correlation	.568	.922**	.922**	1
	Sig. (2-tailed)	.240	.009	.009	.009
	N	6	6	6	6

*. Correlation is significant at the 0.05 level (2-tailed).

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

Regression Analysis showing the Effects of Self Assessment Compliance rate on Revenue Generation

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Self Assessment Compliance Rate ^a	.	Enter

- a. All requested variables entered.
 b. Dependent Variable: Revenue Generation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834 ^a	.695	.619	183787018

- a. Predictors: (Constant), Self Assessment Compliance Rate

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	308387091080602600.0	1	308387091080602600	9.13	.039 ^a
	Residual	135110672019105500.0	4	33777668004776390.0		
	Total	443497763099708200.0	5			

- a. Predictors: (Constant), Self Assessment Compliance Rate
 b. Dependent Variable: Revenue Generation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	168829938.3	223081870		-.757	.491
	Self Assessment Compliance Rate	868384.228	287394.639	.834	3.022	.039

- a. Dependent Variable: Revenue Generation

Regression Analysis showing the Effects of Compliance Measures and Compliance Enforcement on Self Assessment Compliance rate

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Compliance Enforcement, Compliance Measures	.	Enter

- a. All requested variables entered.
 b. Dependent Variable: Self Assessment Compliance Rate

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000 ^a	1.000	1.000	3.44230

a. Predictors: (Constant), Compliance Enforcement, Compliance Measures

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	408916.5	2	204458.226	17254.650	.000 ^a
	Residual	35.548	3	11.849		
	Total	408952.0	5			

a. Predictors: (Constant), Compliance Enforcement, Compliance Measures

b. Dependent Variable: Self Assessment Compliance Rate

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.271	5.830		1.419	.251
	Compliance Measures	.995	.014	.998	71.865	.000
	Compliance Enforcement	.002	.017	.002	.130	.905

a. Dependent Variable: Self Assessment Compliance Rate

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