

The Appraisal of Taxation as a Source of Revenue to Lagos State Board of Internal Revenue (Case of Lagos State, Nigeria)

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Abstract

Taxation has become a thing of interest and urgency as it is a means of revenue to the federal, state and local Government in Nigeria. However, the political, economic and social development of any country depends on the amount of income generated for the provision and maintenance of public utility services such as water, electricity supply, health services, education and transport services as well as the provision of economic development and maintenance of an efficient administrative system, the aim of this paper was to reveal the impact of taxation as a source of revenue in Lagos, Nigeria. The paper focuses on the various types and principles of taxation in Lagos, Nigeria. In the paper the fundamental effect of taxation, organs of tax collection, types of taxes in Nigeria and problems relating to tax among others were discussed. The findings among others confirmed that adequate use of the funds generated through taxes served as means of poverty alleviation, unemployment and improve the standard of living of the people. The paper, therefore, recommend that the Lagos state government should raise more public awareness and enlightenment that will enable taxpayers to know the usefulness and reason for the payment of tax.

Keywords: Appraisal of Taxation, Board of Internal Revenue, Government of Nigeria, Lagos State, Tax

1.0 Introduction

Practically, revenue generation in Nigeria local government area is principally derived from tax. Therefore, the tax is said to be a compulsory levy imposed by the government on an individual and companies for the various legitimate function of the state (Ghosh, 2000). On the other hand, the tax is seen as a necessary ingredient for civilization (Aboyade; Adebayo 1999). According to the Webster Dictionary (2017), the tax is defined as a charge imposed by the government on property, individual, companies, or transactions to raise money for public purpose. It has another objective than public revenue generation. Lord Lugard (1904) who introduces the system of personal taxation, he stated that the history of tax could be traced back in the northern Nigeria in 1917 and this was extended to the Eastern Nigeria in 1928. However, the income tax management Act of 1961 was replaced with personal income Tax Act Decree (PITD) and the tax act presently regulates the personal income tax in Nigeria (Emmanuel, 2014). Furthermore, concerning act 1990, companies that are engaged in petroleum exploration in Nigeria are changed to tax and government uses this medium to charge any capital gain tax occurring to individuals and corporate bodies as the tax interests which are being disposed of it. Denis (2014) note that the choice of tax could be a direct tax or indirect tax and as such the selection of tax result from financial constraint. Under the provision of the value added tax of 1993, the government expects all purchased of chargeable goods and services to pay 5% of the acquisition price as tax.

All tax sources can be broadly classified into two categories; tax and non-tax. Tax has its functions and can be summarized as follows: (i) Deference and maintenance of law and order (ii) Provision of public utility services such as water and electricity supply (iii) Provision of health services, education and transport services (iv) Provision of economic development and maintenance of an efficient administrative system.

Above all, apart from tax revenue other services of government revenue can be classified under administrative revenue, grants and gift, revenue from government properties and others. Ola (1999) states that the tax administrative revenue arises as a result of the administrative activities of the administration and some of these include fees, levies, rate and fines. The grant, on the other hand, refers to monetary assistance given by one government to another, usually by a government at a higher level to another. In relation to this, Okosun (2016) argues that the federal government may give grants to the state and the local government; it could also be given at the international level by the foreign government or international institution which includes the international development authority (IDA) or the international bank for reconstruction and development (IBRD). The government's asset like land, building, forest, mines, and revenue could be obtained either through renting of the properties or selling them. Currently, the public sector is expanding in most countries of the world. Samuel (2011) argues that the government, for instance, has acquired a considerable interest in banking, commerce, and industry and also set up a major industrial establishment solely owned by it. The government has entered such areas as the distribution of goods and services within the country. According to Edewede (2015), the collection of tax was made to be understood by individuals and has to be carried out with caution. In this regard, various problems facing Nigeria tax systems are categorized into three, the shortage of manpower and the facilities,

social problems, and economic problems

2.0 Problems of the Study

Firstly, shortage of manpower and facilities, adequate machinery for the collection of taxes in Nigeria has not been provided. It is necessary that the tax officials should be properly trained because of the technicalities involved in the process of the assessment and collection of taxes (Hall; Jorpenon, 1967). Secondly, social problems; the nature of social challenges in the Nigeria society contributes a lot to the tax problems and impedes tax collection. Due to poor naming and appropriate numbering of streets, tax payers are difficult to locate. Okosun and Olujimi (2016) documented that the state and local government councils of Nigeria are weak in responding to the challenges facing the society. Thirdly; Economic Problems, As a result of the economic condition, large parts of the population are poor, underemployed and unemployed without visible income (Ketchen; Bergh, 2007). Only a small proportion of the society has income for tax purposes.

3.0. Aim and Objectives of the Study

The aim of this study is to reveal the impact of taxation as a source of revenue generation for individuals in the society, with a view of suggesting possible ways of minimizing the practices of tax avoidance in Lagos State, Nigeria. The objectives of the paper seek to: (i) evaluate the socio-economic status of the respondents in the study area; (ii) ascertain the effectiveness of taxation on the revenue generated in Lagos State; this aspect of the objective will, therefore, ascertain if the government should cancel every form of tax, reduce the amount of tax and ascertain if the government is using the best means/ ways in collecting tax.

4.0 LITERATURE REVIEW

According to Samuel and Simon (2011), the tax is an essential tool for the government to generate revenue and this is meant for the benefit of everyone. To Ndukwu (1988), taxation is an old system in Nigeria; it has been in existence before the coming of the colonial from British. It was in existence before the exploration of the crude oil; it was not used as the government was yet to discover its benefit. Nonetheless, Nigeria inherited the British model of tax administration at independence. The system is seen to have been in operation since the date of its independence in 1960. The Nigeria tax system is flexible and is undergoing significant changes in recent time. The tax law consistently reviews with the aim of amending and appealing different provision and simplify the main ones. In relation (Gregory, 2014) argues that under the current law, taxation is enforced in Nigeria by the three (3) tiers of government; which are the federal, state and local governments with each having his sphere clearly spelled out with taxes and levies Decree 1998.

4.1 Fundamental Effect of Taxation

According to Gregory (2008) despite the improvement in the tax system, there are still a number of issues that call for urgent attention and among them is the issue of appropriate tax authority to administer several taxes. Also, there is the issue of many taxes administered by the three tiers of government which sometimes increases welfare cost (Vanguard newspapers, 2014). This is critical as the scarcity of database contributes to tax avoidance in the country and corruption is another vital issue. As a result of all these issues, the taxpayers are beginning to lose their confidence and trust in term of discharging their civic data. In agreement, LIRS (2009) highlighted that the infrastructural development as a crucial issue in the country. They also state that the level of infrastructural facilities is limited and most of the facilities are seen to be private-owned. Thus a number of people wonder what the taxes collected are used for, hence, this increase in the tendency to evade tax payment. Also, the problem of tax language legally reduces, makes it challenging for an average Nigerian to understand (Engen and Skinner, 1996). Nonetheless, to solve these issues, there was an introduction of the following policies

4.2 Ways to Improve Effective Taxation:

Disclosure and sharing of information: There is a need for corporation between the different government agencies which enhances the exchange of information and reduces the incidence of tax evasion and fraudulent practices (Odusola, 2006; Adesola, 2003). As a result of this mean being adapted there may be the tendency for an increase confidence of the taxpayers.

Beneficial/Welfare Scheme: To reduce frequent compliance from the taxpayers, the government ought to be more responsible for the welfare of the citizens. This would lead to trust and confidence of the citizens for the Authority and the Nigeria tax system will be able to generate more revenue. For instance, Lagos state revenue is at an increased level as a result of the visibility and impact of individual contributions (FIRS, 2007).

Furthermore, the tax is collected in several forms of different organs that have legal power and authority over the individuals. The organs include the executive chairman of the tax board system who has more knowledge in taxation and is appointed by the president of the country, and also the director and the head of the

department (HOD) of Federal Inland Revenue Service (FIRS), a registrar from the corporate affairs commission (CAC) and much more (Smith, 2003). In addition, the country has the joint tax board team who were established under income tax management Act of 1961 (as amended). Their duties are to ensure uniformity in the application of income tax management Act of 1981 (ITMA) as amended throughout the Federation (Ekpo and Umoh, 1996). They provide advice to the government on double taxation arrangement with other countries, and also improve pension fund contribution scheme or any other similar scheme (Fölster; Henrekson, 2001). The bodies in the joint board include: an executive chairman who is the chairman of the Federal Board of Inland Revenue (FBIR), a legal adviser to the Federal Board of Inland Revenue Service, a Secretary from federal Public service Commission and the representative from each state of the federation who is knowledgeable on tax matters (Lipsey, 1979). Taxation has been defined by several scholars and authors in several ways.

Azekhumen, (2009) and Fagbule (2007) discussed the idea that tax is a compulsory levy by the government of any country through an appropriate unit or agency, usually inland or internal revenue department against the income or wealth of an individual, partnership or corporate body. Similarly, Ola (2004) also defines the tax as a compulsory contribution which the government levies on the citizens of the state to defray the cost of public expenditure. Hanson (2005) sees it as what one pays for civilized society. Mustapha (2007) contradicts this definition by stating that tax is a compulsory (but non-penal) levy imposed by government through its agent, the income capital, and consumption of its subjects (citizens).

All the above definitions have more or less the same focus, but by using different words and methods of definition, it can be seen that taxes exhibit basic features such as Compulsory Levy, Common Goods and Sacrifice (Edame and Okoi, 2013). In addition, the first three definitions have some common terms by informing the readers that certain sum of money is paid compulsory to the government. The last two definitions emphasize what is paid for the administration and development of the society. Above all, it also provides an answer to an individual that may have some queries on the reason for the payment of tax and its collection. However, the answer is embodied in the last two definitions of the administration and the development of the society. Moreover, The World Bank (2000) notes that taxes are a compulsory transfer of resources to the government from the rest of the economy and this could either be levied in cash or in kind.

According to Ogundele, (1996) cited in Azekhumen (2009), taxation is the process or machinery by which communities or groups of individuals are made to contribute to some agreed method or level for the purpose of administration and the development of the society. On the other hand, from the research it is discovered that the payment of tax is for the benefit of the citizens. Soyode (2006) claims that tax is a compulsory extract of money by a public authority for public purposes. Communities created tax as a means for the provision of common facilities such as roads, water wells, securities to name a few, although it was not in a more modern form as it is known currently. On the other hand, in Yoruba land which is one of the basic tribes in Nigeria, taxation in history is known as "Ose" which is a compulsory community contribution collected for a specific project (Adesola 1998). Likewise, Nwankwo (2009) sees tax to be a civic contribution imposed by the government on her subject with a view to finance its core responsibilities to ensure the optimum public welfare, economically socially and politically.

Moreover, as there seems to be tax avoidance in the state and country as a whole, especially those that may not have seen the benefit and usefulness of tax collection (Elijah, 2012). Therefore, to obtain an efficient tax collection and ensure that citizen abide by the rules, the government decided to implement or made available those that will inspect each, organization and firm. Nevertheless, the inspection of taxes is under the control of Board of Internal Revenue to receive returns and other information from taxpayers and their services, make an assessment to deal with claims for payment and detect errors, and also track down tax evaders and act as advisers to tax payers (Adesola, 1999).

In addition, there is also the appeal commission which functions to decide appeals from the decision taken by the dispensary commission against accused tax payers. The commissioner appoints them for finance and economic development. Also, the body does not consist of more than six (6) members of personal income tax and twelve (12) persons for company income tax; unlike the inspectors that are not known to be public servants (Olaoye, 2006). Nonetheless, taxes can be divided into two groups, the direct and indirect tax.

Direct Tax: Those are taxes that are levied directly on the income of individual, group of individual, business and firms. It is known to be legally imposed by the tax authority. Perhaps, it takes the form of personal income tax, company income tax, capital tax and poll tax (Udaile, 2010). Thus direct tax has its advantages and disadvantages as discuss below.

Table 1: Different Categories of Direct Tax.

S/N	Types of Tax	Person Liabile	Income Liabile	Legislation of Law	Relevant Tax Authority
1	Personal Income tax	Employment trader Partnership Trust	Sole Income from employment Investment	Income tax management Act of 1961 as amended	State Internal Revenue Joint Tax Board
2	Capital Gain Tax	Individuals Companies	Profit accrued on disposal of assets	Capital Gains Tax Act of 1967 (CGTA1967)	SIRB FBIR
3	Capital Transfer Tax	Individuals	Transfer of properties without consideration	Capital Transfer Tax Act of 1979 (CITA 1979)	(SIRB)

Source: Author's Research work (2017)

Disadvantages of Direct Taxation

- Increase income tax on income and dividend of companies may bring about the disincentive to investors and affect industrial efficiency.
- High-income tax may bring about disincentives to work and save. By working more hours, additional earning derived may make workers income taxable, so that, the lion share of what they derive from additional work goes to the government in tax.
- Direct taxes inform of company's income tax and are often regarded as double taxation, in the sense that the company as a unit is taxed and the shareholders also pay tax on their dividend.

Indirect Tax: This type of tax is collected through the importation, exportation, and sales of goods and services. In addition, the indirect tax may be specific and it is specific in the sense that a particular sum is charged per units of the commodity, for instance, ten thousand per packet of cigarette (Odusola, 2006). Also, it falls into the category of import duties and export duties.

Advantages of Indirect Tax

- Indirect taxes yield revenue quicker and very easy to collect. They are not evading by those who buy the commodities on which they are levied.
- They can be used as weapons to correct balance of payment (BOP) deficit. Once they are imposed, they discourage and help to restore equity between imports and exports.
- They can be used to protect infant industries (Phillips, 1968).

Disadvantages of Indirect Tax

- Revenue from the indirect tax is uncertain, as it is not possible to estimate accurately the effort of such taxes on the demand for such product.
- Excise taxes discourage domestic production of manufactured goods and therefore hinder industrialization.
- Imposition of export duties discriminates against certain sections of the community.
- Finally, indirect taxes lead to increase in price; hence, they tend to have built inflationary tendencies (Phillips, 1968).

However, there is also the miscellaneous tax matter which is an area in tax that deals with tax administration they include important areas such as, Self-assessment, tax evasion and tax avoidance, assessment on property income and tax clearance certificate (Akawe, 1995). The different miscellaneous is indicated in table 2 with more elaboration on its important.

Table 2: Miscellaneous of Tax Administration in Nigeria

Miscellaneous	Requirement	Advantages	Problems
Self-Assessment	1) Self-assessment form must be obtained. 2) A principal officer in the company or a director must certify the duly completed form. 3) The completed form, duly certified must be submitted together with self-assessment. 4) Submit a bank draft covering the tax liability or part of it on the due date of payment.	1. Timely flow of income. 2. Low cost of revenue collection. 3. It is more cost effective. 4. It raises awareness among tax payers.	1. Lack of adequate education by tax payers. 2. Lack of adequate literacy. 3. The high cost of employing professional services. 4. Lack of reliability of self-assessment tax computation.

Source: Adejuwon (1998)

5.0 RESEARCH METHODOLOGY

The research focuses and gathers relevant information from the employed, non-employed, married and single. Nevertheless, the research population is those that are able by law to pay tax (i.e. 18 years and above). Thus, for the purpose of achieving a desirable success in the study, there was a need to analyse the opinions of respondents whether taxation is a great and efficient mean of revenue generation to the government, for this study two sources of data collection techniques was used, (primary and secondary data). The primary data were collected from the field through surveys; use of questionnaires and interview, this was directed to the respondents for the direct and quick response. In addition, to get the participants surveyed a semi-structured format was adopted for this study and this allowed adaptability when inspiring; and more relevant topics were introduced within the area of discussion and was identified beforehand, which could not be done using re-coded interview techniques (Fisher, 2007).

Thirty (30) questionnaires were administered, out of which only 25 were returned which was properly filled and useable. Thus the analysis was conducted based on the 25 responses. The study adopted the qualitative/open-ended method when asking for respondent's response in order to give respondents the opportunity to discuss their reasoning in further details, the choice of this design was as a result of lack of control over the responses. The first part of the questionnaires aimed to identify how often citizens, organization and firms do pay tax and how this will influence their responses. This part used yes or no questions giving the participants the opportunity to choose the best option. The second part of the questionnaires asked if the government should cancel every form of tax and quantitative method was also used in this part to gauge participant's reactions by rendering two options, a yes or no (Fisher, 2007). The interview was conducted on male and female gender, single and married, and employed and unemployed, these sets of groups of people were interviewed, in order to ensure efficient and relevant information on taxation were collected. The responses are presented in tables below

Table 3: Responses from Questionnaires Distributed

No of Questionnaire	No of Respondent	Percentage %
Retrieved	25	83.3%
Not Retrieved	5	16.7%
Total	30	100%

Source: Author's Research work (2017)

6.0 RESULTS AND DISCUSSION

The findings from the study are presented as follows:

6.1 THE STATUS OF RESPONDENTS IN THE STUDY

In this study, there were more male respondents (i.e. 80%) than the female gender. According to the study conducted by Okosun and Olujimi (2016), Male gender is often found in government establishment than the female gender. This is because they are the head of the family and are faced with a lot of responsibilities. Findings revealed that the respondents had sufficient knowledge of tax and its collective method in the country. One of the male respondents commented that based on his knowledge he strongly admit that he can see the benefit of tax in terms of good schools and hospitals with qualified doctors. On the other hand, one of the female respondents stated that tax is collected, but they are yet to see its benefits in terms of good roads and good educational system in the state. For marital status respondents, Table 4 shows that the majority of the respondents were married, and that shows there was the tendency of a high degree of responsibility. Since they have a high level of responsibility, they assumed tax was a burden to them. They claimed that when salaries are being paid after tax is taken out of the salary, the remaining is not sufficient for them to cater for family needs. The remaining 28% respondents were single. This is because they have less to cater for and some might be unaware that tax is deducted from their monthly salaries. Collating the information from the employed respondents as table 4 indicates that high percentage of the respondents were employed, i.e. 80%, while 20% of the respondent are unemployed.

Table 4: Status of Respondents in the Study

Respondents Status	Frequency(f)	Percentage (%)
Sex of Respondent		
Male	20	80
Female	5	20
Total	25	100
Marital Status of Respondents		
Single	7	28
Married	18	72
Total	25	100
Employment Status of Respondents		
Employed	20	80
Unemployed	5	20
Total	25	100

Source: Author's Research work (2017)

6.2 AN ANALYSIS OF THE EFFECTIVENESS OF THE USE OF TAX BY THE LAGOS STATE GOVERNMENT TO PROVIDE THE PEOPLE NEEDS

This section can be used as tool or weapon to check and balance the gap and impact of taxation that is imposed on those working, living and visiting Lagos, Nigeria. Lagos is presently reputed as Nigeria's most populous city, the second largest city in Africa, and seventh largest city in the world; known as the centre of excellent large industrialized and commercial town. As seen in Table 5 majority of the respondents in Lagos state pay tax, i.e. 92%, while the respondents who do not pay tax are few (i.e. 8%).

As indicated 80% of the respondent want the government to cancel every form of tax, while, 20% of the respondent believed that government should not cancel every form of taxes, because tax serves as one of government revenue. 72% of the respondents believed that payment of tax should be made optional, while 28% disagreed to this submission. 84% of the respondent believed that the government should reduce the amount levy on tax. 88% of the respondents agreed that taxation is a means of regulating the economic system, while 12% disagree with this claim. 80% of respondents were encouraged with the collection and utilization of tax proceeds by the government, while 20% were not encouraged. 92% of the respondents believe that it is necessary to pay tax, so that the social needs of people can be met, while 8% disagree with this claim. 84% of the respondents agree government is using the best means of collecting the tax, while 16% disagree that the government is using the best means in the collection of tax.

In conclusion, from the findings in the analysis of Table 5, it was revealed that the majority of the respondents were of the opinion that taxation should not be avoided, because it's a means to generate revenue for the government. On the other hand, it's observed that the revenue generated from taxation is used by the federal, state and local government to renovate and built schools, hospitals, road and many others. This is made possible through the encouragement for the collection of tax. In addition, the majority of the respondent are also of the opinion that tax should not be made personal, this could be as a result of the benefit of taxation through the board of the Lagos state board of internal revenue. However, the responds obtained from those who are against tax reduction is very high compare to those who are in support of its reduction. These responses could be attributed to the benefit of taxation in the state and local government. Nevertheless, this paper obtained the maximum response to support the implementation of tax by the federal, state and local government. As a result of the percentage obtained. As indicated tax is a means for the government to regulate the economy. It is also a means for the government to make changes in communities and the state. However, it was discovered that respondents who don't have knowledge of tax in Nigeria were not Nigerians and therefore they had less knowledge on tax and its collective method in the country. As revealed, those who were not fully encouraged with the way tax is being collected tend to be foreigners; tax of this category is collected and imposed differently.

Furthermore, 84% of respondent agree that government is using the best means of collection of tax, while 16% of respondent disagree with this comment. The reason for the 16% disagreement may be as a result of the type of government that is in the local communities. For instance, in Lagos state, it is observed that the more the government collect tax in an aggressive manner, the more likely the people are being threatened to pay their tax and failure to do this is fined with a larger amount of money (see figure 1) for the various types of currencies of Nigeria). Most tax payers evade and avoid tax as a result of the corrupt practice of the official which then affects revenue generation (John, 2012).

In addition, the government tends to collect tax from the unemployed in Lagos, Nigeria and these are individuals who have no work, receive salary or pension. As a result, the individual who are citizens feel this is not an appropriate mean of tax collection as the government should be aware there is a great different between

the employed and the unemployed no matter their similarity in the word (Okosun, 2016; Ezelue, 1994).



Figure 1: Showing various Nigeria currency for Tax payment as at 2017

Table 5: Analysis of the Effectiveness of the Use of Tax by the Lagos State Government

Respondents Respond on the Effectiveness of the Use of Tax	Frequency (f)	Percentage (%)
Do you pay your tax as at when due?		
Yes	18	72
No	7	28
Total	25	100
Should government cancel every form of tax?		
Yes	20	80
No	5	20
Total	25	100
Should payment of tax be made optional?		
Yes	18	72
No	7	28
Total	25	100
Should government reduce the amount of tax?		
Yes	21	84
No	4	16
Total	25	100
Taxation is a means of regulating the economic system, do you agree?		
Yes	22	88
No	3	12
Total	25	100
Are you encouraged with the collection and utilizations of taxes made by the government?		
Yes	20	80
No	5	20
Total	25	100
Do you think it is necessary to pay tax?		
Yes	23	92
No	2	8
Total	25	100
Do you think government is using the best means/ ways in collecting tax?		
Yes	21	84
No	4	16
Total	25	100

Source: Author's Research Work, 2017

4.0 Summary of Findings, Conclusion and Recommendations

Summary of Findings

This aspect presents the summary of findings of the paper. This paper has examined and highlights the appraisal of taxation as a source of revenue to Lagos State board of internal revenue in Lagos State, Nigeria. The study area poses a lot of problems ranging from the low level of services and lack of infrastructure development,

miscellaneous tax payment, the problem of funding, embezzlement of funds. This paper has revealed the weakness of the federal, state and local government in responding to the challenges of urban and rural development. The findings of this paper among others confirmed that adequate use of funds generated through taxes could serve as means of poverty alleviation, unemployment and improving the standard of living of the people. The interview conducted attested that the Lagos state board of internal revenue is fairly inefficient, there is malpractice of tax income system in their operation as the tax payer are yet to see its manifestation or benefits.

Individuals believe that taxable people e.g. civil servants, vendors, hawkers are taxed but revenue generated is not submitted in full to the Lagos state board of internal revenue (Abiola and Asiweh, 2012). On the other hand, there is also a problem of tax evasion. The board of internally generated revenue also experience the problem of tax evasion to a maximum extent, and this is as a result of lack of legislation guides that help to check the tax evasion and even the present ones are non-effective (Mephee, 1962). However, the respondent interviewed, revealed that their unwillingness to pay tax is because they derive little from the payment of tax to the government. In addition, from the ongoing discussion it was revealed that poor implementation of taxation might result to the low level of revenue generation (Martins, 2002). Findings derived from those interviewed concerning the effectiveness of the use of tax by the Lagos state government to provide people needs, it was confirmed that the federal government collects tax also from the large and small organization, firms, businesses and individual.

However, the local government which derived revenue from the federal government for its jurisdictional development is cheated based on the fact that the federal government gives responsibilities to them within their area of jurisdiction, but did not make provision for; the needed capital or funds to carry out their responsibilities effectively and efficiently. Most citizens are unaware of the federal government manipulations, the local government council is presently blame for this inefficient and ineffective use of tax to perform their duties, as they ought to and they are seen as an inactive establishment in the eyes of much Nigerian. No wonder the work of Okosun and Olujimi 2016 concluded that the local government councils of Nigerian are weak in responding to the challenges posed by infrastructure development due to insufficient funding to maintain and construct basic communal facilities that improve the welfare and social life of the people; among those include; road, water supply and schools. It was further established that the local governments of Nigeria tend to have embezzled the money provided to run the affairs of the organisation for their selfish interest (Tax Act, 1979). Further findings revealed that the federal and state government of Nigeria; including the one at the grass root level (.i.e the local government) is corrupt and its citizens are confused to know whom to trust, either to trust/believe the local government or state or federal government (Okosun, 2016 and Aderinto, 1992). Similarly, the respondents submitted that all parties are to be blame for poor state of the existing infrastructures and economic hardship in the state and country.

Conclusion and Recommendations

Taxation is a revenue generating tool, this is based on its importance, stabilization policy and a unique instrument for enhancing economic growth and development. Furthermore, multiple tax practices in Nigeria are affected through poor tax administration as well as corruption, greed on the part of tax officials and unfavorable revenue allocation method among the three tiers of government (Odusola, 2006). It is concluded that government commitment and time is required for effective tax administration as designed to enhance revenue generation in Lagos. It's however not a process to be rushed into and as such, caution is needed especially in respect of getting the right balance of policies and laws to guide tax administration. Furthermore, this study compels and recommended that the Lagos state government should raise more public awareness and enlightenment that will liberate most taxpayers to understand the usefulness and reason for the payment of tax. Also adequate working materials should be available to enhance the effective work of the Lagos state government and Nigeria at large.

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