

E-GOVERNANCE, REVENUE GENERATION AND PUBLIC SERVICE DELIVERY IN NIGERIA: AN OVERVIEW OF THE E- TAXATION SYSTEM IN LAGOS STATE

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Abstract

In the early 90s, e-governance became a global pursuit towards improving public service delivery. Nigeria joined the bandwagon of the e-governance drive in year 2000, when the government realized the need to adopt e-governance to improve public service delivery. This paper attempts to look at the implementation of e-governance in Nigeria, in relation to e-taxation in Lagos state. It examines the capacity of the Lagos state government to utilize Information, communication and technology (ICT) devices to generate revenue and block revenue leakages. The study is empirical in nature, making use the survey method (questionnaires) to gather data. Descriptive statistics were employed to analyze responses from the respondents, and the Chi-Square statistical method of analysis was used to test the hypotheses formulated. The study revealed that despite the huge investment of state government on ICT to realize these objectives little progress has been achieved. This can be attributed to infrastructural gap, power failure, digital divide, low ICT literacy level, theft and vandalizations of ICT equipment, poor enlightenment among others. The study concludes that the emerging growth and adoption of e-taxation in Lagos state has not significantly improved its revenue generation. Hence, among the suggestions proffered by the paper is that the state government should partner with software providers to provide smart phones for tax payers at minimum cost to ease tax payments via ICT with Tax Identification Numbers (TIN).

Key words: E-governance, Public service, Economic growth, E-taxation, Tax management, Tax avoidance, Tax evasion.



e-Governance Conference

Covenant University Conference on e-Governance in Nigeria - CUCEN2017



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INTRODUCTION

E-governance has become an essential public reform agenda in today's world, for which its implementation is something no government can do without. As a public policy, e-governance promotes a two-way communication channel between the government and the governed by encouraging public participation in governmental affairs. It also ensures accountability and transparency in public service delivery. E- Governance has metamorphosed into several governmental activities. For example, there are e- citizenship, e-registration, e-transportation, e-help, e- health, e-education, e-feedback, among others. It is in the light of this, that this study examines the adoption of e-taxation in Lagos state, through the digitization of the taxation system to find out the extent to which the adoption of e-governance has enhanced the administration of tax in the state.

E-governance entered into the Nigerian administrative lexicon in the year 2000 when the then Obasanjo administration announced the National Policy on Information Technology. This move was to set the stage for the public sector to "...plan, develop and promote the use of information technology..." in the endless quest of trying to improve on their problematic service delivery (Olatokun & Adebayo, 2012). E-governance in Nigeria has, therefore, been implemented in Nigeria for quite some time now. In spite of this, the benefits of e-governance on service delivery are yet to be fully felt by the citizenry (Nchuchuwe & Ojo, 2016).

The importance of an effective taxation system in a country cannot be overstated. Virtually, every government of the world has tax receipts representing the lion share of their generated revenues. Problems of tax administration such as tax evasion and tax avoidance which seems to have defied solution have continued to pose a nagging problem to the tax system in Nigeria. While some authors have blamed the situation on tax authorities for not living up to expectation with regards to utilizing tax returns to better the lives of the masses, others attribute it to the non-chalant and unpatriotic attitude of tax payers (Adebisi & Gbegi, 2013).

This study views the situation from the angle of modernising the taxation system in Nigeria through implementation of ICT – e-taxation - in public service delivery. The world has, in the last century, undergone a paradigm shift from crude, manual and analog methods of doing business to a digital form of transaction with everything done by a click of the button. However, the Question to ask is: How committed is the Nigeria government to e-governance and by extension to e-taxation. The next Question is: How committed are the citizens to e-taxation. Another Question is: How suitable are the environment and facilities? These are the issues the study is set to address.

CONCEPTUAL CLARIFICATIONS

E-governance

E-governance has been numerously defined by different scholars. Each of them conceptualizing it the way they deem it fit. For instance, Oni, Okunoye & Mbarika (2016) stated that e-

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governance constitutes “the appropriate use of ICT to achieve the goals of the governments of nations for a reformed public sector and ultimately for improved economic development...”

Adah (2015) viewed e-governance as “a broad vision of the utilization of Information and communication technology in government businesses with the primary aim of encouraging greater participation in the state, as well as enhancing the relationship between the government and citizens”. Abasilim and Edet (2015) deduce e-governance to mean “the use of ICTs in the operations of government businesses, put in another way, it is the shift from the traditional method of carrying out government activities which is mainly hierarchical, linear, and one-way to the use of internet which enables the public seek information at their own convenience and not really having to visit the office in person or when government office is open”. Okwueze (2010) defines e-governance as “a governmental type aimed at achieving effective service delivery from government to citizens, moving governance from traditionalist bureaucratization to modernist participatory administration. E-governance is not just merely computerizing existing government; it is transforming the existing government. E-governance is the ICT-enabled route to achieving good governance”.

Public Service Delivery

Simply defined, public service delivery has to do with the provision of those services which are funded by the government. Eigeman (2007) view public service delivery as anything provided to the citizens by the government. He pointed out that public service delivery goes beyond an individual character and looks at the interest of the citizen collective, groups of people. The governments perform acts that are of service to citizens, which creates possibilities for citizens (including companies and organizations), to do things that would not have been possible without the governments involvement, or that make it easier for them to do things. Humphreys (1998) define public service delivery as the provision of “those services which are mainly, or completely, funded by taxation. As such, they can differ markedly from commercial private-sector services in a number of ways. These differences need to be both acknowledged and discussed, because of their potential implications for the development of delivery systems”. According to Asian Development Bank (2013), public service delivery refers to the provisioning of basic services, such as water, sanitation, and primary education. Such services cannot be left to the market alone since these services have the characteristics of public goods.

Taxation

Governments, the world over, require necessary funding to boost the public spending needed to maintain an adequate level of public services and social services. This is where taxation comes in. Taxation has been in practice from time immemorial and is as old as activity of man. From the dawn of civilization, taxation has been an essential avenue for revenue generation of governments. Aliyu & Sambo (2016) refer to taxation as “a system of payment that individuals and firms are legally required to make to the government. It is a compulsory transfer of money from private individuals and groups or institutions to the government”. Song in Asaolu, Dopemu & Monday (2015) described taxation as “a compulsory levy imposed by the government

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authority through its agents on income, consumption and production of goods and services to achieve some developmental goals”.

Aguolu, in Afuberoh & Okoye (2014) views taxation as “a compulsory levy by the government through its agencies on the income, consumption and capital of its subjects. These levies are made on personal income, such as salaries, business profits, interests, dividends, discounts and royalties”. According to the National Tax Policy of 2012, taxation is defined as “a monetary charge gains derived from sale or disposal of imposed by the Government on persons, entities, chargeable assets; and transactions or properties to yield revenue”. It has also been defined as “the enforced proportional executed by individual and corporate contributions from persons and property, levied by the State by virtue of its sovereignty for the support of Government and for all public needs”.

E-governance Implementation in Nigeria

Like any nation in the global community, Nigeria is determined to achieve a standard where ICT becomes the primary mode for communicating and carrying out transactions in all spheres of life. Aneke, in Adah (2015) observed that Nigeria has employed various techniques to boost its ICT sector, thereby making Nigeria’s telecommunication and ICT sector the fastest growing market in the African continent. He further opined that the country needs to introduce e-governance in all sphere of the society so as to ensure the efficiency of public services and the free flow of information from one sector to another.

Based on this reason, the federal government declared ICT as a main concern of national sustainable development, leading to a policy for Information Technology been formulated in 2001 (Oni, Okunoye & Mbarika, 2016). The Nigeria government took some noticeable steps to put the country on track in the area of ICT development and utilization in governance (Omeire & Omeire 2014). The adoption of the National Policy on Information Technology paved the way for e-governance in Nigeria. Some agencies of federal government of Nigeria that have been fully integrated into the e-initiative include;

- E-passport programmed of Nigerian immigration,
- Abuja Geographical Information System (AGIS) online land registration.
- National Youth Service Corps (NYSC online)
- West African Examination Council (WAEC) direct
- Joint Admissions and Matriculation Board (JAMB)
- Automated System for Customs Data (ASTCUDA)
- National Examination Council (NECO)
- Post-cash of Nigeria postal service.
- National Open University of Nigeria (NOUN)
- Electronic Voters Registrations.
- On-line payment of fees in most tertiary institutions

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- On-line display of admission into most Nigerian Universities (Okwueze, 2010).

However, it was in 2007, that the National Information Technology Development Act of 2007 was later enacted by the National Assembly. The enabling legislation established the National Information Technology Development Agency (NITDA), the primary agency saddled with the responsibility of planning, formulating, developing and promoting the use of ICTs in Nigeria ((Fatile, 2012, Olatokun & Adebayo, 2012).

Between 2011 and 2013, the Nigerian government had adopted various online procedures such as mobile apps and mobile portals to directly support poverty eradication, gender equality, social inclusion and the promotion of economic development, environmental protection and disaster management (Adeyemo, in Adah, 2015). Many countries in the global community are striving to adopt a new governance strategy that can manage service delivery models in the society. Nigeria is not left out in this global transformation.

Tax System in Nigeria

Nigeria is governed by a federal system, resulting in a situation whereby its fiscal operations are governed by federal principles. This has serious implications on how the tax system is managed in the country. The Nigerian fiscal federal system is based on a three-tiered tax structure which is shared among the federal, state and local government, each having distinct tax jurisdictions, taxing powers and responsibilities for certain categories of expenditure (Akenbor & Arugu, 2014).

The tax system in Nigeria comprises of a tax policy which is usually conceived at the national level. Out of the national policy on taxation, tax laws are then passed at the federal, state and local level to give legal backing to the tax policy (Akenbor & Arugu, 2014). The tax laws are then administered—tax administration—through the laid down legal and institutional frameworks. All of these are expected to work together in order to achieve the fiscal, economic and developmental goals of the nation (Abiola & Asiweh 2012).

The Nigerian tax system of today dated back to 1904 when the personal income tax Ordinance was introduced in the northern part of the area before the unification of the area by the colonial masters (Adedeji & Oboh, 2012). It was later implemented through the Native Revenue Ordinance to the western and eastern regions in 1917 and 1928, respectively. Couple with other amendments in the 1930s, it was later incorporated into Direct Taxation Ordinance No. 4 of 1940 (Adedeji & Oboh, 2012). During the colonial era, the Nigerian tax system has been administered in a haphazard manner.

Following Nigeria's independence in 1960, the colonial and post-colonial authorities sought ways to boost revenue generation via taxation so as to cater for post-colonial developmental challenges of the country. Among the commissions set up to look into developing and

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strengthening the nascent taxation system in Nigeria was the Raisman Fiscal Commission. The Commission was set up to look into fiscal issues in the country with the task of making recommendations towards solving the problems of inconsistency and confusion inherent in the existing laws. It was also to examine the jurisdiction and powers of the various tiers of government in Nigeria's post-independence (Asaolu, Dopemu & Monday, 2015).

This report formed the basis of the tax system in Nigeria to the present day and some of the Commission's recommendations culminated in the enactment of five (5) legislations, namely:

- i. The Petroleum Profit Tax (PPTA), 1959 – a Federal law dealing with the taxation of petroleum producing and marketing companies in Nigeria.
- ii. The Stamp Duties Act (SDA), 1959 – a Federal law for the assessment and collection of duties on 'instruments' at both Federal and State levels;
- iii. The Companies Income Tax Act (CITA), 1961 – a Federal law enacted for the collection of income tax from corporate bodies by the Federal Government through the agency of the Federal Board of Inland Revenue (FBIR);
- iv. The Income Tax Management Act (ITMA), 1961 – known as the Principal Act, enacted to bring some uniformity to the taxation of Personal Income in Nigeria as a whole, particularly in the areas of rates of tax, types of reliefs, and quantum of reliefs.
- v. The Personal Income Tax Lagos Act (PITLA) 1961 which dealt with the taxation of residents of the Federal Territory of Lagos, the Armed Forces, the Police, Officers in the Foreign Service and Non- Residents (Asaolu, Dopemu & Monday, 2015).

The following, according to Abiola & Asiweh (2012), are some of the prevailing tax laws in Nigeria:

- i. Personal Income Tax Act (PITA) CAP P8 Law of Federations of Nigeria (LFN) 2004
- ii. Company Income Tax Act (CITA) CAP.60. LFN 1990
- iii. Petroleum Profit Tax Act (PPTA) 2007
- iv. Value Added Tax (VAT) Act No 102 LFN 1993
- v. Capital gain tax Act CAP 42 LFN 1990
- vi. Stamp Duties Act CAP 411 LFN 1990
- vii. Education Tax Act No 7 LFN 1993
- viii. Information technology Development Act 2007

Certain institutions in Nigeria are responsible for initiating and playing vital role in driving tax policies and administration in the country. They are doing so within the framework and aims for building tax culture and enlightenment among the taxpayers. Also administering and enforcing the tax policies as well as tax related laws. These institutions according to FIRS (2012) are:

- i. Ministries of Finance (both federal and state)
- ii. Revenue Authorities (federal and state boards)
- iii. Educational Institutions/ Academia
- iv. Tax Consultants
- v. National/State Assembly

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- vi. Office of the Auditor General of the Federation

These are the main bodies and institutions that have the mandate for initiating, enacting, amending and enforcing tax policies and administration in the federal and state government of the Nigerian federation (Gurama & Mansor 2015).

E-taxation: Improving Service Delivery through the Adoption of E-governance in the Lagos Taxation System

Electronic taxation (E-taxation) and its automated processes are gradually phasing out manual tax administration globally. With e-taxation, taxpayers can conveniently pay their taxes electronically from the comfort of their homes, offices, shops and even while travelling (Umenweke & Ifediora 2016).

Since the country returned to democracy in 1999, the Lagos state government has embarked on numerous tax reforms with a view towards boosting revenue generation in the state. These reforms border around tax payer education enlightenment, payment process re-engineering, self-assessment scheme, extension of operational units, enforcement strategy, employment procedure, relationship with other ministries, maintenance of data base and essay competition on tax. LIRS staff members are equipped with state of the art facilities and put through a comprehensive training schedule (Asaolu, Dopemu & Monday, 2015). Nwogwugwu & Okoronkwo (2015) opined that the combining factors of the following facilitated the Lagos state government to reform its tax administrative system and boost its internal revenue generation:

- i. The leadership status of Lagos: Since the commencement of Fourth Republic, Lagos state has been privileged to have political leadership that is committed to the development of the state.
- ii. The absence of ethno-religious disturbances: The Lagos political scene has been spared of any calamitous social upheavals triggered by ethno-centrism and religion. This is in spite of the fact that Lagos is a multi-ethnic and multi-religious city. This political unity achieved by the political elite in the state has created an enabling environment for the state's administration to concentrate on reforming the tax system without any form of resistance.
- iii. The advantageous geographical location of the state: Lagos is the most urbanized state in Nigeria. This implies that, Lagos has the highest concentration of economic activities as well as largest percentage of income earners, than what is obtainable in other states in the country. As such, the Lagos government has a large base of revenue generation if it were to explore every necessary avenue of taxing the working class people of Lagos.
- iv. The ability of the government to respond to the residents of the state through execution of projects especially critical infrastructure has elicited a high level of voluntary compliance in tax payment by the residents. Because there is proper utilization of the tax money it serves as impetus for sustained payment of the taxes by the tax payers (Fowler 2014).

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- v. The creation of informal tax offices in each of the major markets in Lagos State, by the Lagos State Internal Revenue Service (LIRS), has led to collaboration with the various traders' associations in the markets such that the associations facilitate the payment of personal income tax by their members.
- vi. The ability of the LIRS with the cooperation of political leadership in the state to prosecute tax offenders has helped a great deal to reduced the incidence of tax evasion in the state.

E-governance in tax administration has been a core public sector reform in Nigeria. As noted by Oriakhi & Aburu (2014), the first step in restructuring the chief tax collection government agency in Nigeria, Federal Inland Revenue Service (FIRS) was to make tax collection a function of ICT. This set the basis for the implementation of e-governance the Nigerian system of tax administration so that aside the introduction of automate tax collection, autonomy, capacity building process re-engineering, auditing oil/gas and large tax payers, tax payer education, strengthen investigation and enforcement would guarantee a more efficient and effective administration of tax in Nigeria.

In line with entrenching e-governance in the taxation system in Nigeria, the National Tax Policy (2012) stated that:

“Tax authorities shall partner with financial institutions and other relevant government agencies to support a framework for automated payment systems. Avenues for leakages shall be identified with the assistance of these partner institutions and promptly addressed. Tax officials and taxpayers alike shall be encouraged and educated on the use of electronic payment systems, to safeguard the integrity of the tax payment and collection system”.

This is a major issue in tax administration and one which has the potential to change the face of tax administration in Nigeria (Okauru 2011). E-taxation has the ability to significantly improve tax collection in Nigeria, by minimizing if not eradicating leakages of tax revenue and other unethical practices. In the FIRS, several technology based initiatives have been implemented in the last six to seven years, which have yielded significant dividends in improved tax collection, increased taxpayer confidence in the tax system, increased efficiency in tax operations and reduction in leakages etc. (Okauru 2011).

Before Lagos digitized its taxation system, the federal government had embarked on some e-taxation initiatives. The FIRS introduced a number of initiatives including the launch of three electronic channels for tax remittances; made full compliance with all taxes a precondition for the issuance of tax clearance certificates; revised transfer pricing declaration and disclosure forms to be used effective from January 2017; and attempted to restrict the carry forward of withholding tax credits to the year they relate contrary to the clear provisions of the laws (Oyedele, 2016).

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To catch up with the national trend on the adoption of e-governance in tax administration, the Lagos State Government, under the Tinubu Administration, presented a bill to the Lagos State House of Assembly to make the Board of Internal Revenue autonomous and self-accounting. This bill was passed to law in January 2006. The law, known as the Lagos State Revenue Administration Law, 2005, established the Lagos State Internal Revenue Service (LIRS) which is the major agency that collects taxes (especially personal income tax) on behalf of the Lagos state government. The new tax law made provision for the mode of payment of taxes as well as the storing of tax records in computer systems and other electronic means which would be under daily verification and audit by LIRS as contained in sections 28, 32 (4), 35 (2 and 9), 36 (1 - 3), and 44 (Lagos State Revenue Administration Law, 2005).

The strategy of introducing an e-taxation solution to the people of Lagos was to bring tax payment closer to the people. One core area of the digitization of the tax system in Lagos was on the payment process, which was reformed so as to ensure greater transparency and guarantee convenience in the payment of tax. Another critical element of the digitization of the Lagos tax system is the introduction of tax payers identification number (TIN) (Oriakhi & Aburu 2014). TIN was made possible by cooperation between the Lagos state of the Fashola Administration and federal government of the Jonathan administration.

The National Tax Policy Document explained the strategic importance of TIN, thus:

“The TIN will provide a uniform mode of identification for all taxpayers in Nigeria. Government at all levels are therefore enjoined to support the introduction of a uniform system of registration and allocation of TIN and the creation of a data-base accessible to all tax authorities (and other Federal, State and Local government agencies) in the Country. This will provide easy and complete access to taxpayer information nationwide, which can be achieved by the efficient use of information communication technology and ultimately reduce the cost of administration and supervision while enhancing higher compliance. The relevant tax authorities and the Joint Tax Board should ensure the successful administration/operation of the TIN programme” (National Tax Policy, 2012).

LIRS formed a partnership with some banks, through which taxes are paid directly into government coffers. The over 1,200 bank branches, which were resident in the 36 LIRS Tax Stations across the State, facilitated a convenient tax payment system, and issued automated receipts instantly upon payment (Asaolu, Dopemu and Monday, 2015).

Also, LIRS adopted a self-assessment system which was the first of its kind in the whole of Africa. The self-assessed individual obtains the assessment form free of charge from LIRS offices and designated banks branches, assesses himself by reference to a table which shows various income brackets, the allowances and tax payable in respect of each and pay his tax at any of the over 1,200 bank branches and 36 LIRS Tax Stations across the State (Asaolu, Dopemu & Monday, 2015). The tax payer gets his automated receipt immediately and within 48 hours after

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payment, can pick up his Electronic Tax Card from the branch of the Bank where the tax payment was made. Umenweke & Ifediora (2016) succinctly outlined procedures involved in utilizing the digitized tax payment system in Lagos as follows:

Electronic Registration: To access e-taxation, the taxpayer logs into the tax authority's website to get registered through filling the Tax Payer Identification Form. In this form, the taxpayer provides certain relevant personal data about himself like his name, place of origin, age, business or employment details, marital status and several other relevant details. The form is to be submitted electronically.

Verification and Issuance of Tax Identification Number: Here, the relevant tax authority verifies the information supplied by the tax payer. Upon verification and validation of the information supplied, the relevant tax authority issues a Tax Identification Number to the taxpayer that is very unique and personal to him.

Electronic filing of Tax Return: With his unique tax identification number, the taxpayer logs on to the tax authority's website to directly fill the electronic tax return form properly and submit same electronically. Where the relevant tax authority receives the tax return, it acknowledges receipt by sending the taxpayer an email to that effect. The tax software of the tax authority thereafter assesses the return filed by the tax payer, and determines the amount of money payable as tax.

Payment of Tax: When the amount of money to be paid as tax is ascertained, the taxpayer either goes to the designated bank of the revenue authority to pay manually or pays electronically by transferring the amount due from his account to the designated bank account through his mobile phone, the internet, or master/credit card. Where the bank confirms payment, an alert is sent to the tax authority which subsequently generates an electronic invoice.

Issuance of Electronic Validation: Having been notified of the tax payers payment of tax by the designated collecting bank, the tax authority generates and issues an electronic invoice to the tax payer, as evidence of tax payment.

Tax Refund: Where upon the complaint of a taxpayer, the tax authority verifies that the taxpayer paid more than the amount due as tax, he gets an electronic refund through his bank or the amount paid in excess is retained by the designated collecting bank, on the instruction of tax authority, to be deducted for the next due tax to be paid.

According to a publication released by the Nigeria Governor's Forum in 2015, titled "Internally Generated Revenue of Nigerian States –Trends, Challenges and Options", Lagos successfully digitized its taxation system by adopting the following line of action:

- Enacting new Revenue Administration Law establishing the States' Internal Revenue Service as an autonomous Revenue Service;
- Major organizational restructuring and business process re-engineering of IRS including automation of processes and HR capacity development;
- Point of Sale (PoS) terminals at tax offices linked to the IGR accounts;
- Introduction of e-filing system;
- New coding system for PAYE;

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- New website to support online tax payment;
- Specialized taxpayer service units in tax offices;
- Electronic TIN registration kits deployed in tax offices; and
- State-wide electronic taxpayer enumeration survey.

Lagos has been a model state in the drive to adopt e-governance in a bid to improve service delivery, as evident in the far-reaching reforms of digitizing the taxation system in the state. The rest of the paper would be devoted to empirically examining the extent to which e-taxation in Lagos state has improved revenue generation and service delivery in the state.

RESEARCH METHOD

The Descriptive Survey Research Design was adopted in this study. This research design enables the researchers to have a systematic and descriptive approach of the area under study via the use of sample to obtain the opinion of large number of people. Both primary and secondary sources of data collection were used. Questionnaire was used to obtain information for primary source while text books, journals and internet were used for secondary source. Lagos State in Nigeria was chosen as the study area. The target population of this study are the employees of Lagos State Internal Revenue Service (LIRS) Alausa, Ikeja Local government area, Lagos, Nigeria. According to LIRS website, its staff strength was estimated at three thousand (3000) employees, which represents the population for this study. Based on the large population, the researchers adopted non-probability sampling technique using the convenience sampling method.

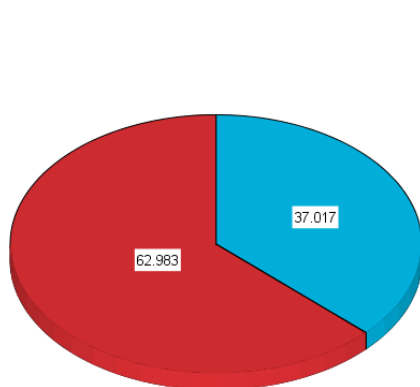
The study adopted a closed-ended type of questionnaire with answer options of strongly agreed, agreed, undecided, disagreed and strongly disagreed responses. The questionnaire was self-administered by the researchers to the employees of LIRS. The researchers personally visited the head office of LIRS and administered the questionnaire to the staff and other individuals and collected the questionnaire within two days of administering. A total of two hundred (200) questionnaires were administered, out of which one hundred and eighty-one were properly filled and returned. The questionnaire has two parts, the first part is to find out from the respondents their age, sex, marital status, educational level, and nationality. In the second part, there are statement based on each formulated research questions and hypothesis. The questionnaire contains twenty questions which were related to the hypotheses. The validity of the questionnaire was verified by the experts both academic and professional whereby some items were added and deleted.

In the data analysis segment of this study, the researchers used statistical software, SPSS, version 20.0 was employed. The researchers presented the quantitative data and results in diagrammatic representations, using pie charts and frequency tables so as to provide a quick and clear view of the research findings. The Chi-square, a statistical tool was used to test the hypotheses of the study, and the test results were explained underneath each hypothesis tests.

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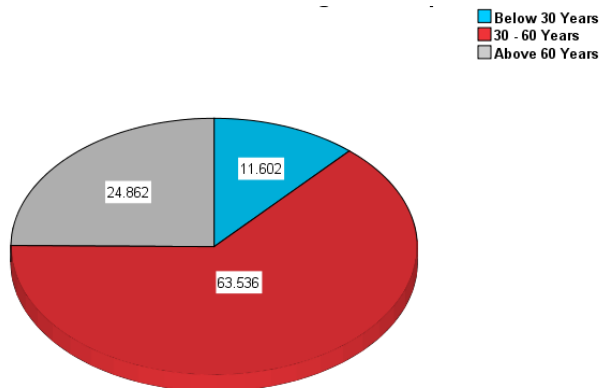
DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The biographical, educational and employment data obtained from the respondents at LIRS are presented and analyzed using pie charts. They are as follows:



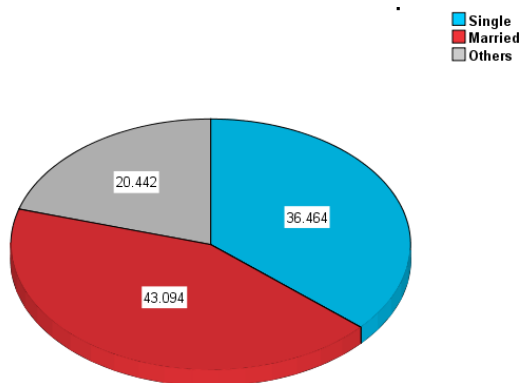
Source: Field Survey, April 2017

Fig 1: Distribution of Sex Respondents



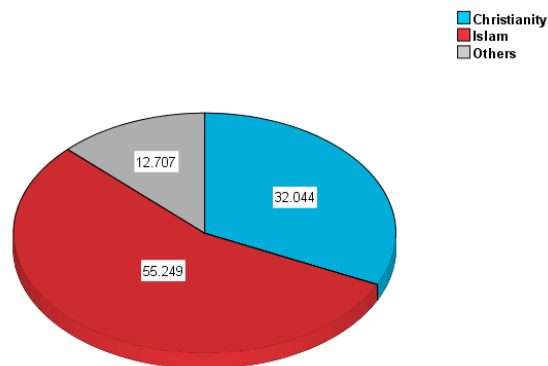
Source: Field Survey, April 2017

Fig 2: Distribution of Age for Respondents



Source: Field Survey, April 2017

Fig 3: Marital Status for Respondents

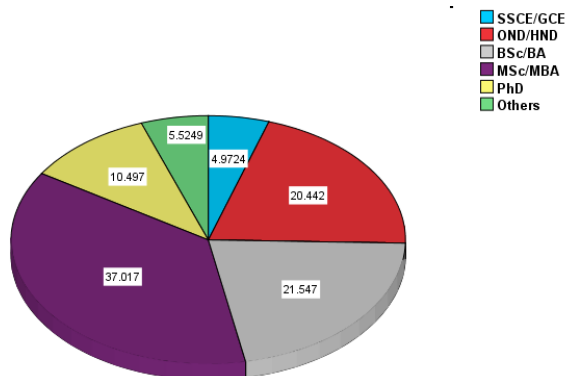


Source: Field Survey, April 2017

Fig 4: Religious Affiliations for Respondents

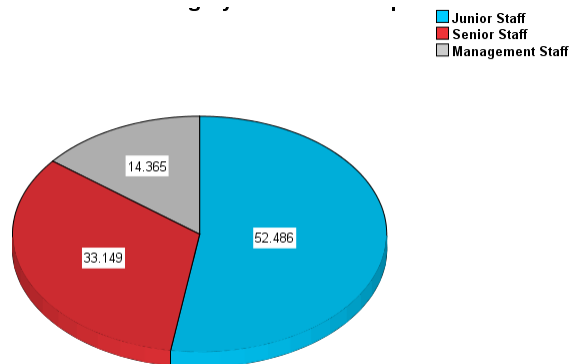


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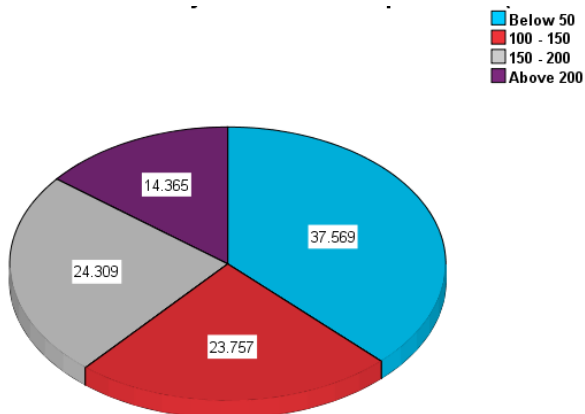
Source: Field Survey, April 2017

Fig 5: Educational Qualification for Respondents



Source: Field Survey, April 2017

Fig 6: Category of Staff for Respondents



Source: Field Survey, April 2017

Fig 7: Monthly Income for Respondents (in '000s)

The sex distribution of respondents shows that male employees have the lion share of the staff size in LIRS. This indicates that there is high gender inequality in the recruitment process of the organization. The agency has a very productive workforce as majority of the employees fall between 30 to 60 years old. Most of the employees are married, and are affiliated to the religion of Islam. The agency has very skilled workforce with majority of the employees being M.Sc. and MBA certificate holders, though most of them earn salaries below ₦ 50,000 which may not serve



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as an instrument of motivation on the job. However, more than half of the employees are junior staff while just about a quarter of the staff belongs to the managerial category. There is need for more employees to be promoted to the managerial level.

Asides the biographical, educational and employment data, supplied by the respondents, they were also required to answer the eleven (11) research statements contained in the questionnaires. The respondents were required to select only one answer out of the five (5) options available for each research statement. The options were Strongly Disagreed (SD), Disagreed (D), Undecided (U), Agreed (A), and Strongly Agreed (SA). After compiling the responses from the respondents of this study, the data obtained for the research statement are provided as follows:

Table 1: Responses on Research Questions by the Respondents

SN	Research Statements	SD	D	U	A	SA	Total
8.	With electronic payment of tax, tax payers now pay their taxes with ease and convenience.	15 (8.3)	15 (8.3)	17 (9.4)	63 (34.8)	71 (39.2)	181 (100.0)
9.	Underpayment of tax has been greatly reduced through the electronic tax payment system.	13 (7.2)	19 (10.5)	16 (8.8)	81 (44.8)	52 (28.7)	181 (100.0)
10.	Tax authorities can now accurately determine the tax rate to be charged to taxable individuals through e-taxation.	16 (8.8)	30 (16.6)	19 (10.5)	88 (48.6)	28 (15.5)	181 (100.0)
11.	Tax payers now pay the exact amount of tax to be paid due to e-taxation.	30 (16.6)	52 (28.7)	36 (19.9)	56 (30.9)	7 (3.9)	181 (100.0)
12.	E-taxation has expanded the statistics of taxable Lagos residents and has considerably increased revenue generation in the state.	18 (9.9)	20 (11.0)	49 (27.1)	62 (34.3)	32 (17.7)	181 (100.0)
13.	E-taxation has led to speedy and convenient methods of taxpayers, accessing their tax records.	10 (5.5)	36 (19.9)	27 (14.9)	70 (38.7)	38 (21.0)	181 (100.0)
14.	Financial misdeeds and corruption has been significantly reduced with the adoption of e-taxation.	42 (23.2)	22 (12.2)	24 (13.3)	61 (33.7)	32 (17.7)	181 (100.0)
15.	E-taxation system has reduced the nonchalant and noncompliance attitude of tax payers in fulfilling their tax obligation to the state.	35 (19.3)	42 (23.2)	30 (16.6)	55 (30.4)	19 (10.5)	181 (100.0)
16.	The self-assessment aspect of e-taxation is a means of motivating taxpayers to perform their civic duty.	32 (17.7)	13 (7.2)	40 (22.1)	57 (31.5)	39 (21.5)	181 (100.0)
17.	E-taxation will enable the government to maintain sanity and discipline in tax offices.	22 (12.2)	36 (19.9)	33 (18.2)	54 (29.8)	36 (19.9)	181 (100.0)
18.	The use of Tax Identification Numbers (TINs) in e-taxation will reduce fraud in the system.	35 (19.3)	40 (22.1)	28 (15.5)	49 (27.1)	29 (16.0)	181 (100.0)
19.	E-taxation has contributed to ICT national	11	13	21	53	83	181



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	policy of Nigeria in digitizing public service delivery.	(6.0)	(7.1)	(11.6)	(29.3)	(45.9)	(100.0)
20.	Financial discipline has been improved in the Nigeria tax administrative system due to the digitization of public service delivery.	29 (16.0)	24 (15.2)	17 (9.4)	60 (33.1)	51 (28.1)	181 (100.0)

Source: Field Survey, April 2017.

Test of Hypotheses

The researcher used SPSS 20.0 in testing the hypotheses of this study. If the test summary indicates that the categorical variables does not occur with equal probabilities, or the diagrammatical presentation shows that the hypothesized frequencies are unevenly distributed, then the null hypothesis would be rejected, and an alternative hypothesis accepted; and vice versa. Below are the analyses of the research hypotheses of this study:

Hypothesis one

E-governance has not made tax administration in Lagos state more efficient and effective. The data used to test this hypothesis is derived from the research statement one (1) which states that: With electronic payment of tax, tax payers now pay their taxes with ease and convenience. Below is the chi-square analysis of the hypothesis, using SPSS 20.0:

Table 2: Test for Hypothesis One

Test Summary for Hypothesis One				
	Null Hypothesis	Test	Sig.	Decision
1	The categories of “with electronic payment of tax, tax payers now pay their taxes with ease and convenience” occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Source: Field Survey, April 2017.

With total responses of 181, at 4 degrees of freedom and .05 significant levels, the test statistics for hypothesis one was 88.309. The hypothesis test summary above indicates that the categories of with “electronic payment of tax, tax payers now pay their taxes with ease and convenience” occur with unequal probabilities. Hence, the null hypothesis is rejected and the alternative hypothesis accepted. This implies that e-governance has made tax administration in Lagos state more efficient and effective.

Hypothesis two

E-governance has not boosted revenue generation through the collection of tax in Lagos state.

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The data used to test this hypothesis is derived from the research statement five (5) which states that: E-taxation has expanded the statistics of taxable Lagos residents and has considerably increased revenue generation in the state. Below is the chi-square analysis of the hypothesis using SPSS 20.0:

Table 3: Test of Hypothesis Three

Test Summary for Hypothesis Two				
	Null Hypothesis	Test	Sig.	Decision
5	The categories of “E-taxation has expanded the statistics of taxable Lagos residents and has considerably increased revenue generation in the state” occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				

Source: Field Survey, April 2017.

With total responses of 181, at 4 degrees of freedom and .05 significant levels, the test statistics for hypothesis two was 39.801. In the above hypothesis test summary, it is revealed that the categories of with “E-taxation has expanded the statistics of taxable Lagos residents and has considerably increased revenue generation in the state” are unevenly distributed. Hence, the null hypothesis is rejected and the alternative hypothesis accepted. This suggests that e-governance has boosted revenue generation through the collection of tax in Lagos state.

Hypothesis three

E-governance has not played a significant role in reducing tax evasion and avoidance in Lagos state.

The data used to test this hypothesis is derived from the research statement seven (7) which states that: Financial misdeeds and corruption has been significantly reduced with the adoption of e-taxation. Below is the chi-square analysis of the hypothesis using SPSS 20.0:

Table 4: Test of Hypothesis Four

Test Summary for Hypothesis Three				
	Null Hypothesis	Test	Sig.	Decision
7	The categories of “Financial misdeeds and corruption has been significantly reduced with the adoption of e-taxation” occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				

Source: Field Survey, April 2017.

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With total responses of 181, at 4 degrees of freedom and .05 significant levels, the test statistics for hypothesis three was 28.088. The test summary for hypothesis three showed that the categories for “Financial misdeeds and corruption has been significantly reduced with the adoption of e-taxation” occur with unequal probabilities. Hence, the null hypothesis is rejected and the alternative hypothesis accepted. This suggests that e-governance has played a significant role in reducing tax evasion and avoidance in Lagos state.

SUMMARY OF FINDINGS

The study revealed that the digitization of the tax system in Lagos has made it very easy and more convenient for tax payers to pay their taxes. This has further increased tax payers accessibility to their tax records.

The electronic tax payment system has made it difficult of taxable persons in the state to evade or avoid tax. The resultant effect of this is that tax payers now pay the exact amount of tax and as at when due, thereby expanding the statistics of taxable Lagos residents. E-taxation has enabled the tax authorities to accurately determine the tax rate to be charged to taxable individuals in the state. And with the use of Tax Identification Numbers (TINs), financial fraud and all forms of unwholesome practices from both tax payers and the tax collecting officials has been greatly reduced. Thus, the digitization of the tax system has enabled the Lagos government to maintain control of its tax offices.

E-taxation system has reduced the nonchalant and noncompliance attitude of tax payers in fulfilling their tax obligation to the state. And with the introduction of the self-assessment forms, the moral of tax payers are further boosted. Under the testing of the research hypotheses, it was discovered that e-governance has had a huge impact tax administration, thus enhancing service delivery in Lagos state. The tax system of Lagos state operates efficiently and effectively due to the digitization process. Internally generate revenue in Lagos state has been on the ascendancy through e-taxation and the incidence of tax evasion and avoidance in the state has been reduced considerably.

CONCLUSIONS AND RECOMMENDATIONS

This study examined the effect of e-governance on service delivery, through the digitization of the tax system in Lagos state. The role of e-governance in improving the provision of public goods cannot be overemphasized, especially in an age where the world has completely gone digital in all spheres of human life. As such, the current drive and tempo of the Lagos state government to entrench e-governance in the tax system should be sustained, and even sped up. It is evident, from this study that all problems and loopholes bedeviling tax administration in Lagos state could be fixed through e-taxation.

Efficient and effective tax administration is crucial for the development of any government, be they state, federal or local government. It boosts revenue generation, financial accountability and

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discipline; hence, the Lagos state government should be committed towards sustaining digitization of not just is tax administration, but all aspects of governance and public service delivery. This study has revealed that there is a steady, but certain progress in the digitization of the tax system in the state and with consistency of policymaking and policy implementation, Lagos state would be a model state for all other states in Nigeria to learn from in terms of improving service delivery through e-governance. The following are recommended for further improvement in the digitization of the tax system in Lagos state:

A conscious effort should be made to enhance the effectiveness of revenue officers of the state. Cognizant effort should be taken to constantly train and retrain the tax revenue officers in the latest ICT innovations to boost their morale and enhance their ability to deliver quality services. To further strengthen the gains of the digitized tax system, the government should take advantage of the ever-changing world of mobile phone technology. LIRS should liaise with software developers to design Smartphone apps where tax payers can sign in with their Tax Identification Numbers (TINs), create accounts and pay their taxes, as well partake in self-assessment e-forms. This will further ease and convenience in tax payers, being able to fulfill their civil responsibility even while on the go.

To boost the use of ICT in the administration of tax, the state government should create WIFI hotspots at strategic locations to boost internet accessibility by citizens in the state. This is because, in spite of the successes of the e-taxation programme in the state, many Nigerians do not have access to the internet due to the fact that internet services in Nigeria are costly; thus, many tax payers may not be in tune with the e-taxation system in the state. When government does her part in creating an enabling environment for easy access to the internet, more citizens will get involved in the payment of tax through e-payment, which at the end will positively affect the overall tax system.

In addition to computerizing the database for tax administration in the state, the Lagos state government should adopt online cloud data storage where tax information of Lagos residents are stored, processed and retrieved in a secured online database. With cloud data storage and computing, would help the government avoid the huge cost of acquiring computer equipments and infrastructures. Hence, it provides the state government with the opportunity to focus on its main role of providing service delivery to the public, instead of spend time and resources on ICT infrastructures. With cloud data computing, the digitization of the tax system in the state would be further strengthened, and this will go a long way in enhancing service delivery in the state.

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