

**THE IMPACT OF TAXES ON SMALL BUSINESSES IN NIGERIA: CASE
STUDY OF SELECTED SMALL BUSINESS IN ADO-ODO OTA LOCAL
GOVERNMENT, OGUN STATE.**

OYEKOLA OLUWAKEMI OLARONKE

14PAA00739

COVENANT UNIVERSITY

MAY 2016

**THE IMPACT OF TAXES ON SMALL BUSINESSES IN NIGERIA: CASE
STUDY OF SELECTED SMALL BUSINESS IN ADO-ODO OTA LOCAL
GOVERNMENT, OGUN STATE.**

OYEKOLA OLUWAKEMI OLARONKE

14PAA00739

**POST GRADUATE DIPLOMA
DEPARTMENT OF ACCOUNTING
COVENANT UNIVERSITY, OTA.**

**A RESEARCH SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, COLLEGE
OF BUSINESS AND SOCIAL SCIENCES. COVENANT UNIVERSITY, OTA, IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE
POSTGRADUATE DIPLOMA IN ACCOUNTING.**

MAY 2016

DECLARATION

I, Oyekola Oluwakemi Olaronke declare that this project report is based on a study undertaken by me in the Department of Accounting, College of Business and Social Sciences, Covenant University, Ota.

To the best of my knowledge, the work presented in this dissertation is original except as acknowledge in the text. All sources used in the study have been cited and no attempt has been made to project the contributions of others as my own. Also the material has not been submitted, either in whole or in part for a degree in this or any other University.

.....

Student Researcher

.....

Signature and Date

CERTIFICATION PAGE

It is hereby certified that this research project written by Oyekola Oluwakemi Olaronke was duly supervised by me and submitted to the Department of Accounting, College of Business and Social Sciences, Covenant University, Ota, Ogun State.

DR. FAKILE S.A

PROJECT SUPERVISOR

DATE

DR. UWUIGBE. U

HEAD OF DEPARTMENT

DATE

DEDICATION

This project is dedicated to Almighty God and my late husband, Mr. Oyekola Oyetunde Jacob.

ACKNOWLEDGEMENTS

I wish to express my profound and sincere gratitude to Almighty God, for the privilege He has given me to come this far in my academic pursuit. It has been a tough and rough journey but your mercies and grace sustained and scaled me through. May His name be praised forever.

My appreciation goes to my Supervisor, Dr. Fakile S.A, the Head of Department, Dr. Uwuigbe U., Dr. (Mrs.) Uwuigbe O., Dr. Mukoro D.O., Dr. Faboyede S., Dr. Adeyemo K., Dr. Ojeka S., Dr. Ben-Caleb E., Dr. (Mrs.) Obigbemi I., and other staff of Department of Accounting, Covenant University, Ota, for their advice, patience and tolerance during the course of my study. And to a Mother, Mentor and Leader, Dr. (Mrs.) Adetula D.T., your wonderful advice and counsel cannot be forgotten. I thank you so much ma and may God's kindness continue to be your portion.

My heartfelt gratitude also goes to my PGD colleagues; Mrs. Anigioro Ebunoluwa and Mr. Adekeye Adeleke for your supports and kindness towards me.

I want to acknowledge the efforts and supports of all my families, friends and colleagues in OGITECH, most especially Mr. Obanla James, Mr. Akomolafe and Mr. Olusesi for the encouragement you all gave me, when all hope was lost and I felt like giving up. I really appreciate you all.

I will be an ingrate if I fail to mention some special families who have been there for me financially, materially, spiritually and otherwise, ever since the death of my husband; The Abiodun Idowu's, Ogunsuji's, Oyateru's, Ayiedogbon's and Tijani's. I will always live to recount your benevolence and priceless sacrifices.

Also, to my kids, Inioluwa and Ifeoluwa Oyekola, thanks for your understanding and perseverance even though daddy is no more, but God who is the father to the fatherless and husband to the widow, will continue to uphold and strengthen us.

Finally, to my loving and caring husband, Oyekola Oyetunde Jacob, who initiated my journey for this PGD programme but could not wait to see the completion. I miss you so much and I pray God Almighty will fill that vacuum created.

Abstract

Small business plays a very important role in the development of every economy across the globe. It contributes to economic development of any country in terms of employment creation, innovation, uplifting the people's standard of living and financial contribution to the growth of the country's Gross Domestic Product. However, small businesses are faced with diverse challenges among which government tax regulations and policies have been identified as posing threat to their growth potentials. The study examined the impact of taxes on small businesses in Nigeria. This study employed a cross section design, while a primary source of data was used in gathering information on how tax regulations and policies influence the growth and survival of Small businesses. A total of 420 small business entrepreneurs were considered out of the entire population in Ado-Odo/Ota Local Government, Ogun State, Nigeria and questionnaires were given in that regard, but only 203 of the questionnaires were retrieved. The study shows that tax policies has strong positive effect on the growth of small businesses in Ado-Odo/Ota Local Government, Ogun State, Nigeria. Therefore, the study recommends that a good tax base should be set for small businesses and the level of compliance should be analysed when making effort to broaden the tax net, also, government should address the issues of multiple taxation via proper harmonisation of the tax system, and that a friendly tax policy on tax holiday for all newly established small businesses that will ensure a growth limit which can be said to be a level stable enough to sustain tax payment.