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Critical Examination of the Relationship Between Land Taxation and Total Internal Revenue Generated in Kano State, Nigeria

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ABSTRACT: The study examined the relationship between land tax and total IGR as well as the proportion land taxes constitute in the total IGR for a period of twelve years. Data were collected through a well-structured questionnaire, personal interviews and review of government documents. Questionnaires were administered to the 31 top management staff at the Board of Internal Revenue Services in Kano State. At the Bureau of Land Management in Kano State, questionnaires were also administered to 25 senior cadre officers. Personal interviews were also conducted. Using the Pearson Correlation Coefficient, the result of the study showed that there was a positive relationship between land taxes and total IGR in Kano States and the strength of association was strong i.e., (0.989) in Kano State. By implication, land tax forms a major source of revenue in the two study areas. In view of this, the study concluded that for government to continue to provide the necessary infrastructure and also maintain them through revenue from land tax, government needs to take into consideration a good property statistics and information together with the property owners, tax laws need to be reviewe\d to tackle tax evasion and at the same time, government should be ready to give proper account of revenue realised through land taxation and this should be published accordingly.

Keywords: Land tax, Total Internal Revenue, Property tax, Kano State

INTRODUCTION

Taxes are generally being referred to as charges and levies paid by all taxable adult in a community. This is to be able to provide amenities, such as town halls, markets, roads and electricity (Muhammad & Ishiyaku, 2013). Taxes described as a compulsory on all corporate services, individuals, partnership and goods (Samuel & Inyada, 2010). Direct and indirect taxes are system by which government mobilise revenues (Chaudhry & Munir, 2010). Examples of direct tax are commercial tax, personal income tax, capital gains tax, excise duty , VAT and service tax. The most populous country in Africa is Nigeria and is in West Africa (World Bank, 2022). This high population no doubt causes the social amenities and infrastructure to be over-stretched. This infrastructure would require regular repairs and upgrade not to mention high costs of expansion and replacements (Reed & Mberu, 2014). If this is the case, taxation (direct or indirect) is an important element that cannot be underestimated in the mobilisation of revenue. Property taxation is another form of taxation for mobilisation of revenue for the government. It is a fundamental instrument for effective land administration and a tool for generating government revenue (Adefolake & Omodero, 2022; Egbunike et al., 2018)

Land tax is a recurrent tax on the ownership of undeveloped or developed land, excluding any development made on land. Land taxes can be classified into two: Property tax and Land charges (Franzsen & McCluskey, 2017). Examples of land charges are ground rent, land use charges and fees such as: survey, registration and search, valuation, application, application, re-grant, change of purpose and occupancy permit. Property tax is a charge levied compulsorily on interest in ownership and use of landed properties. This includes: tenement rate, probate tax, capital gains tax, capital transfer tax, stamp duties, withholding tax, severance tax, betterment/development tax and site-value tax. It is a major avenue for realising income for local and state authority. This revenue can be for government to bear the cost of providing and maintaining social services.

The arms of government in charge of tax management are the Federal Board of Internal Revenue (FBIR), State Board of Internal Revenue (SBIR) and the Joint tax Board (JTB). They have the authority to manage and see to the affairs of tax system in the country (Olayode & Omodero, 2021). Tax operation majorly include getting of optimum return or collection of information, appraisal, appeals, collection and recovery of taxes. If these factors are under a proper tax administration system and effective legal framework, then property tax could be a successful domestic resource mobilisation (Eneh, 2010; Nwamuo, 2019).

Since the 70's the Nigerian government has depended on revenue generated from oil. With time, it became increasingly evident that the expenditure from the Local, State and Federal levels could no longer be met with the revenue generated from crude oil alone. The country's reliance on petroleum as a main foreign exchange earners allows the economy to be vulnerable to external manipulations (Ugoan, 2019). It has therefore been advised that government should generate revenue from other sources. There is need to underscore the enthusiasm in all the tiers of governments and even the federal government's new sources of revenue and also improve the zeal in collecting revenue from existing sources especially taxation (Kiabel & Nwokah, 2009). The pressing need of infrastructure by people in the face of limited resources available in Nigeria have made it necessary that government should promulgate laws on taxation as a means of mobilising internally generated revenue through from land tax (Ogunleye, 2014).

Functional, performance and structural review of the Kano Board of Internal Revenue was undertaken in August 2013. The mandate guiding the laws of operation of Kano State Board of Internal Revenue (KBIR) was extracted from Personal Income Tax Act 2004(as amended), Personal Income tax 2001 (as amended), Edict No. 9 of 1982 and Kano State Revenue Administration law 2010. This mandate enables KBIR to generate income from tax for the state by the imposition of levies and charges on total income of taxable persons, collection of taxes and accounting of tax revenue among others (Ajala & Adegbie, 2020; Stephen, 2018).

Kano state the Board of Internal Revenue Services, disclosed that land tax is a vital means of resources (revenue) for transitional countries and also stated that Kano State government has realised =N=186billion as internal generated revenue from January 2016 (Cummings et al., 2015).

In summary, this study is tailored to assess all forms of land taxes in Kano states in order to assess the relationship that exist between land taxes and revenue generation and also the proportion these taxes constitute in the total revenue generated to the government. The capability of land taxes as a veritable means of revenue in the study area shall be brought to the public and government domain.

1.1 Role of Taxation

Land taxation has a role to play in municipal or state effort in revenue generation. It forms an integral part of financing local government and a form of tool for decentralization. Decentralisation has become an important theme in Costa Rica and throughout Latin America. This inferred that municipals and local government has more powers to finance infrastructure with more fiscal responsibilities. In early 2005; nearly 76% of locally generated revenue in cities and towns in Massachusetts came from property taxes.

Public works of a country that are traditionally and fundamental to the sustenance of a community include, {a.) transportation, such as highway and road system, railway, airline system and ports (b.) communication system such as telephone network and postal services (c.) governance systems, such as court system and d.) basic public services and facilities such as schools, sewages and water system (Frischmann, 2007). Government has been playing a continuous role in the provision of infrastructures. These infrastructures need continuous maintenance and proper management for durability, taxation has continually played a key role in this. We pay tolls to access highways, pay neighbourhood/betterment fees for maintenance of access roads, income tax, company profit tax and other corporate taxes to facilitate the growth and maintenance of these basic infrastructures. State for a period of years have put in place series of means to generate income in other to meet the needs of their people and these are majorly in three areas; taxation revenue, sales of goods and services and grants and subsides.

Evidence has shown that in Africa, deficiency in infrastructure and basic amenities and this inhibits their progress in the continent. This has resorted to increase in poverty rate and poor health facilities (Okorie & Lin, 2022). Most developing countries are still behind the developed countries (Castro et al., 2022). In addition, 884 million people do not have access to good drinking water and 2.6 billion people lack access to the main sensations. In view of this, revenue mobilisation in developing country is expected to be a necessity for the actualisation of sufficient finance (Ogwumike & Ozughalu, 2018).

In Nigeria for example, the government has depended on agriculture until the discovery of oil. Nigeria was primarily an agricultural economy whose main source of revenue is in agriculture but as a result of fluctuation in oil prices, globalisation and factors of demand and supply of oil, the Nigerian government has been compelled to find other means of revenue and one of these sources is taxation (Anyaduba & Aronmwan, 2015). On the contrary, despite the income realised by government through tax revenue, development in Nigeria seems impossible due to continuous high rate of poverty, unemployment, low standard of living and poor infrastructure facilities still exists at a high rate in Nigeria (Nwite, 2015). Similarly, the World Bank reports Nigeria's infrastructure rank's appears to be low in terms of the standard when compared with the other parts of the world (World Bank, 2022). The inadequate infrastructure in Nigeria as listed are the pipe borne or portable drinking water, the road system, waste management and the delivery of electricity.

The Federal Revenue Board, Washington DC also revealed that; the Kemp Commission opined that its general overview on the principle of tax reform would almost double U.S economic growth rates over the next five to ten years (Kemp Commission, 1996). To buttress all of these, an efficient and effective tax reforms in any country will go a long way. If tax laws and policies are reformed, it will provide a basis for effective state action that will lift society from under-development, standard of living will be raised and necessary facilities for the achievement of developmental goals.

Tax has effect upon the growth rate of output. The impact of tax on the output rate of growth is considered based on two separate components (Gale & Samwick, 2016). The rate assumption is g_y, and be defined by;

$$g_y = g_y\,[a_i\,(t_i),\,a_2(t_2)] \qquad - \qquad (1)$$

Where a_1 and a_2 are two actions (e.g R&D expenditure and education) and the t_i, i = 1,2 are the two taxes or the levels of some other policy instrument). Then the effect of the tax is;

$$\frac{dgy}{dti} = \frac{\partial gy}{\partial ai}\,\frac{dai}{dti} \qquad - \qquad (2)$$

With the tax having a significant impact on the action, so that da_1/dt_i is large, it may not necessary have a significant impact on growth if $\partial g_y/\partial a_i$ is small. Conversely, even if the effect on the action is small, the growth effect can still be large if $\partial g_y/\partial a_i$ is large.

Conclusively, it is not necessary for countries to respond in the same way to taxation. For the fact that the economic gents reacts the way (i.e, all bring down their human capital investment in the same direction as the income tax is raised) the effect of growth may not be the same. Perhaps the cause of the structural difference of countries are independence on human capital accumulation for growth and the amount of focus on R&D (Research and Development)- then the same tax policy may have very different growth consequences.

1.2 Models for Tax structure and Revenue

Gary Robbins and Tax Foundation have developed Tax and Growth Model (TAG). They felt that tax policy needs economic model that can foretell how variation in the tax codes will influence economic behaviour and tax revenue (Robbins et al., 2014). In making policy in taxation, they believed that it has to be measured efficiently to determine its impact in the growth of an economy and revenue generation.

Several other models are currently used to score tax proposal. Tax Foundation Fiscal Fact mentioned that the Joint Committee on Taxation (JCT) uses two models and these are: Macroeconomic Equilibrium Growth (MEG) and Overlapping Generations Lifecycle (OLG) models. The MEG model supposes that the Federal Reserved continuously responds to a change in process brought about by a modification in tax policy while OLG model assumes that representative agent within a population are able to utilise perfect prediction in making economic decision to improve their welfare according to specialised utility function. The hitch about these models is that complexity injected into it may meddle with the capability to stimulate rational of real world tax changes. Moreover, neither of these models has been discharged to the public and the actual mechanics of the models are not known to most of the profession. Based on this the Tax and growth Model was developed (Robbins et al., 2014).

Michael Schuyler made it known that the Tax and Growth Model (TAG) has to main interactive components; the first part is known as a production function or a neoclassic economic model, the economic output and a tax –return stimulator. The function of production relates to the inputs of labour and capital to the output of the economy. The amount of quantities of labour and capital that people are willing to supply in a country depend on the motivations that are tax related (Schuyler, 2014).

For labour; Cobb-Douglas formula was applied in this, the yield of the production function is distributed to either labour or capital based on a steady share parameter calculated by each sector. The sum of the labour shares of production per labour hour from every sector gets the gross wage for all sectors in the economy. The net wage is gross wage less the effective averaged tax rate on labour, which is generated by the tax –return simulator.

$$w_i = (1-t_L) \frac{\sum A_s y_{s,i} {}^*{}_{sh} r\, 1}{L_{i-1}}$$

The desired labour supply for the whole economy is decided by an elasticity of labour. The labour supply is distributed into each sector based on the original distribution between the sectors.

$$L_i + 1 = \beta_0\, wi^{\Sigma}$$
$$L_s, i + 1 = a_s L_i + 1$$

Capital

The sector have two process for service, and these are; An observed service price (OSP) and a minimum required (MRSP). The OSP is the gross return to capital observed in the economy, is gotten by dividing the capital's share of output by the stock of capital in the economy.

$$S_{s,} i = \underline{Y_{s,} i * Shr_k}$$

Ks, i - 1

This model (TAG) provides the size of the economy, number of jobs, wages can be affected by a tax change which can be shown by the TAG Model. If a tax change would expand investment, create new jobs and bolster the nation's output, policy makers and voters should be informed of that. However, if there is a change in tax that affects the economy negatively, the public should be aware of that.

Another importance of the TAG model is that its estimated revenue is more realistic than conventional revenue estimates when growth effects are large. Conventional revenue estimates usually assume that while tax changes may cause shifts within the economy, they do not alter the economy's total size and productivity. TAG model produces dynamics revenue estimates free of that bias.

1.3 Evaluation and Methods of Assessment of Land Taxation

In assessing the methods used in evaluating land taxes for revenue mobilisation, tax base needs to be determined first. The determination of tax base is done at different levels of government in various countries. In Czech Republic and South Africa, the decision of tax base is usually made at the Central government level while countries like Nigeria and United States in federal countries make their decision at the state and provincial level (Franzsen & McCluskey, 2017). Furthermore, most other countries stipulate different tax bases based on the types and categories of properties. Bases on their own classifications, it known that there are three broad ways in which tax base can be determined and these are: as per unit tax, an area-based tax, and a value-based tax. For fairness and equity amongst tax payers in any jurisdiction, property tax base should be assessed uniformly amongst property owners (Franzsen & McCluskey, 2017).

a) *Area-Based System:*

This approach is mostly undertaken by countries where necessary information on property is to not available. The value of tax in this situation is mostly based on location and age of the structure. It is applicable to both land and other improvements on it. The tax base is charge per square meter of the area or worth rate per square meter multiply with the size of the building. The unit assessment is adjusted to reflect the location, age of the structure and use of the property. It can be delineated that area based assessment is a reflection of average values for group of properties within zones (Bird & Slack, 2013). Country like Dar es Salaam made adjustment on the assessment on tax base to be hinged on size of properties and the location. In Kinshasa, Democratic Republic of Congo, taxes are classified by neighbourhood.

b) *Capital Value System:*

This system of assessment is practiced mainly in a developed country where experts are available. This system appraise the value that market put on properties. There are also elucidate various methods that can be employed to estimate market value (Bird & Slack, 2013) and these are:

i.) By assessment of comparison sales approach with similar properties in the neighbourhood,

ii.) The cost method approach. This is applicable mostly for properties that seldomly change hand, iii.) The income approach in which the assessors appraise the potential of gross rental income the property can produce after all other outgoings have been deducted.

Namibia, the Philippines and Swaziland value and tax land and building separately. Land assessment value is based on market transaction while other advancements are based on depreciated replacement cost (Franzsen & McCluskey, 2017).

Capital value approach is common in a country where property market is formal and countries with informal property market and limited number of valuers do not work effectively.

1.4 Practice of a good Property Tax

The way and manner in which land tax is being practiced and implemented differ from one country to another. Also, there are different factors that affect the functionality and productivity of property tax despite its popularity, most especially in the developing countries. Taxation administration of any country is attached to the political philosophy of that state. This means that political will has a major effect on the smooth running and the administration of property tax in any country. It can also be observed that most tax policy do not continue its operation in most developing countries because they appear not to be relevant in tax system.

Nevertheless, there are various reasons to endorse property tax in any country. Because property value most of the time appreciate in the market, the income is elastic. If this is the case property tax would be difficult to sponge as part of revenue source for any nation (Bahl & Vazquez, 2008). Property tax is a principal choice for local government as a main source of revenue because a tax on immovable land and building distorts resource choices less than any other choice. One can further add that property tax is a form of progressive tax, so it is charged on those that are in the high income bracket (Oates & Schwab, 2009).

It can be deduced from this that, one should expect property tax to be a veritable source of revenue to the state. The acceptance approval of property tax as government revenue source remains valid and the reforms of tax administration and management should continue.

1.5 Nigeria's Key Economic Indicators and Oil prices and Tax- Take

Since oil has been a major source of government revenue in Nigeria, it appears that effort of government to divesify into another sector of the economy to mobilise revenue has been not been fruitful. A major challenge that is facing Nigeria economy has been the lower price of crude oil in the international market and coupled with this is the recession experienced by the economy in 2016. From the Central Bank Report, 2019. It revealed that the average price of crude oil fell from around \$113 a barrel in 2012 to just over \$54 in 2017. The report also made it known that Nigeria being the largest oil producer in Africa between the year 2012 to 2014 has 57% share of the total income realised. It dropped to 41% between 2016 to 2018. According to the UN-report 2018, it showed that the value-added tax (VAT) and company income tax have been rising since 2015and Nigeria estimated VAT gap (shortfall) berween potential and actual VAT collections was one of the largest in Africa. This is further revealed in figure 19 below. This has put Nigeria tax to GDP ratio in 2016 lower at just 3,4%, in 2017, the ratio improved to 4,8% , whereas, typical advanced countries has a tax to GDP ratio of around 40% as revealed in figure 20.

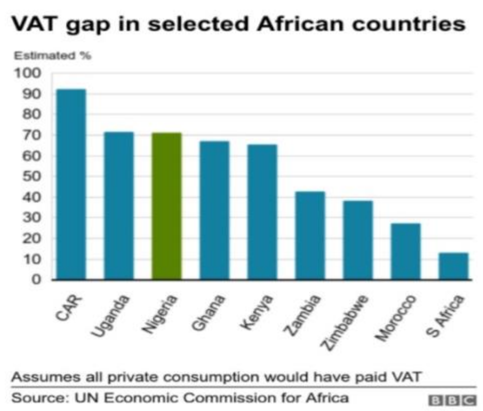

Fig. 1 : VAT Gap in African Countries.

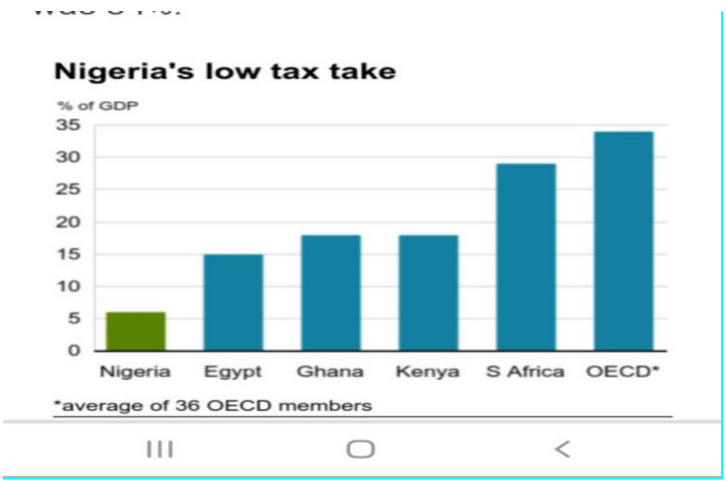

Fig. 2: Tax Take in Some Selected African Countries 2018.
Source: FIRS Report, 2018.

1.6 Land Registration and Taxation

Property rights and tenure system play a fundamental role in the pattern of land taxation system. It has a great influence on land property tax as regard revenue mobilisation. The style of land ownership in African countries affects the ability of property tax to generate revenue .

In a developing country like Nigeria, it is important that registration of land rights are made comprehensive, efficient and transparent, without these, the imposition of land tax will be difficult. This the more reason why land administration system in most African Countries be made efficient and workable. The word bank policy paper, (2015) states that the problems of land administration in Africa include (a.) the multiplicity of land tenure system, (b) a land administration system for the transfer of property held under formal tenure alongside an informal land administration system managed by traditional authorities, (3) a deed registration system that runs parallel to a title registration system and (4) outdated and poorly maintained manual record system.

Multiplicity of land tenure system will definitely lead to problems for property taxation. Different issues will arise on who the taxable person is, how the land will be valued and how local government structure and traditional leadership will co-exist. Land valuation is difficult in rural land because the land is used for basic subsistence farming or low –value residents and the income of the taxpayers is very difficult. In this case, value of tax on this land will be difficult to appraise. Communal rural land is typically exempted in Kenya and Nigeria, therefore large rural land are not part of tax base (Franzsen & McCluskey, 2017).

1.7 Study area: Kano Municipal

Kano municipal is a local government area within the Kano Urban Area in Kano state, also known as capital of Kano state, Nigeria. Its headquarters is at Kofa Kudu (Western entrance of Emir's place) in the south city of Kano. It was created in May, 27th, 1967 with a total land area of 17km^2 and 13 wards. It has a population density of 29,329/km^2. It borders Katsina State to the North-west, Jigawa state to the North-east, Bauchi state to the south-east and Kaduna state to the south-west. Kano state of the Federal Republic of Nigeria lies between latitude 13^0 N in the North and 11^{0}N west in the south and longitude 8^{0}W in the 10^{0}E in the East. Kano city has been the capital of Kano state since the earliest recorded time. It is located on latitude 12.00^{0}N and longitude 8.30^0 E with the same arid Sudan savannah zone of West Africa about 840 kilometres from the edge of the Sahara desert. Kano has a mean height of about 472.45m above sea level.

Kano most enduring legacy, *Gidan Rumfa* (emir's palace) the seat of Kano's prestigious serrate institution (kingship) built over five hundred years ago is located in the Municipal Local Government House is located in Tarauni Local Government Area.

The 2015 population projection for Kano municipal estimates to be 1,412,255 in 1991. It has a per capita income of $1.288, with a GDP of $12.393b. Over the years Kano city has expanded to become the third largest conurbation in Nigeria. They are predominately Hausa.

Subsistence and commercial agriculture is mostly practiced in the outlying districts of the state. Some of the food crops cultivated are millet, cowpeas, sorghum, maize and rice for local consumption while groundnut and cotton are produced for export and industrial purposes. During the colonial period and several years after country's independence, the groundnuts produced in the state constituted one of the major sources of revenue of the country. Kano state is a major producer of hides and skins, sesame, soybean, cotton, garlic, gum Arabic and chill pepper. www.kano.gov.ng.

The city of Kano (Kano Municipal) gives a good opportunity for human settlement, and also provides a good chance for grazing, accessibility and mobility of people and materials. Dala Hill is the most significant feature around the ancient city which is a nucleus of temporal and spatial patterns of settlements are formed growing into notable modern areas as shown in Fig.3.

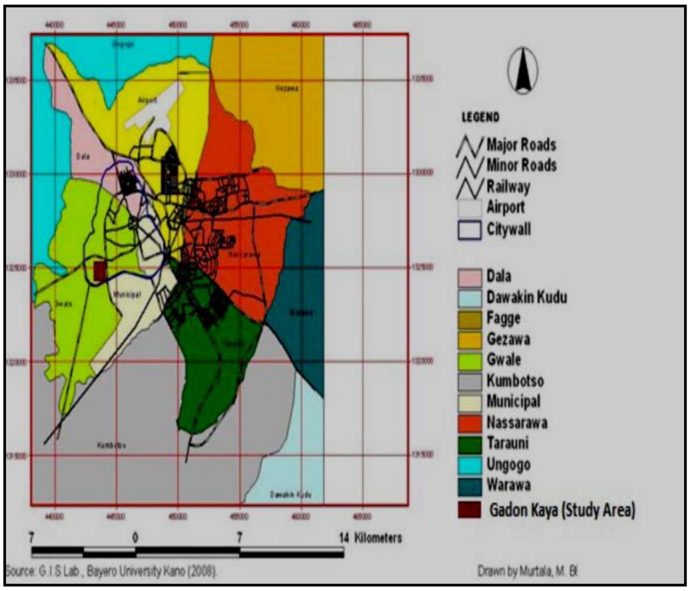

Fig. 3: Kano Metropolis
Source: GIS Lab, Bayero University Kano

Olofin (1987), made it known that the earlier settlers engaged in iron smelting culture, which was on at about 320-380AD. This implies that people have been in this area for more than a millennium with a major skill in iron smelting. Development of settlement is said to be across centuries originating as isolated groups of hunters around the hills of Dala, Goron dutse, Magwan, Bompai and Panisau. These hills forms the present day of kano Metropolis. Kano city had survived as far back as the 11th and 12th century during the period of Sarki Jusa, when the first phase of city wall construction project finished (Kano Year Book, 2010).

According to Liman and Adamu (2003), made it known that the time Lord Luggard took over the affairs of Northern Nigeria, he estimated forty walled towns within 30miles radius of Kano city and a total of 170 walled towns in the whole province. As time went past, Kano Cosmopolitan nature improved remarkably due to the economic and political opportunity coming it ways. More ethnic and nationalities such as the Fulani, Yorubas, Arabs (Lebanese, Egyptians, Saudis, Yemen and Syrian), Nupes, Ghanaians, and Senegalese etc increased. They preferred to reside at the Government Reserved Areas. Reserved Areas, where they are entitled to the basic facilities. The Yorubas and Igbos settled in Sabo Gari area of the metropolis.

In 2007-2011, during Ya- Adua/Jonathan administration, the development and maintenance of infrastructure across the country was one of the seven-point agenda. Infrastructural development forms a vital part of government agenda for the up-liftment of the economy. Infrastructural development is prominent to the total growth in the society and its inability to function well reveals it as a major obstacle to the authority since activities in various sectors is centered on some major infrastructure.

METHOD

Personal interview was conducted amongst government officials and likewise questionnaires were administered to them as well. At the Kano state Board of Internal Revenue Services, 5 units are found relevant to this study; these are, (i) Assessment (ii) other taxes (iii) Research and Statistics (iv)Withholding taxes (v) Collection. Questionnaires were administered to all the senior cadres of the organisation. With Kano State Ministry of Land and Physical Planning, 3 departments are relevant and these are (i) Land (ii) Survey and (iii) Deeds departments.

The table below provides details of questionnaire distribution to the various departments/units at the state Board of Internal Revenue Service and Bureau/Ministry of Land and Survey in Kano State.

Table 1: Questionnaire distribution and Retrieval Rate at the Kano State Board Of Internal Revenue Services.

Units/ Departments	Number of Staff	Response Rate	% Response Rates
Assessment	5	5	100
Other taxes	13	13	100
Research &	4	4	100
Statistics		3	100
Withholding	3	6	100
taxes	6		
Collection			
Total	**31**	**31**	**100%**

Source: Author's field survey, 2022.

Table 2: Questionnaire distribution and Retrieval Rate at the Kano State Bureau of Land Management.

Units/Departments	Number of Staff	Response Level	% of Response Rate
Land	9	9	100
Deeds	7	7	100
Survey	9	9	100
Total	**25**	**25**	**100%**

Source: Author's field survey, 2022.

KANO STATE

	TIGRKAN	LANDTKAN
TIGRKAN	1.000000	0.989782
LANDTKAN	0.989782	1.000000

R=0.989782 or 99% (There is positive relationship and a **very strong Strength of Association** between Total IGR and Land taxes in Kano State.

Table 3: Relationship between Revenue Generated from Land Taxes and Total IGR in Kano States.

	Kano State		
Variable	Dependent Var.= LTIGRKAN		
	Coefficient	t-statistic	Prob.
C	2.799175	0.772916	0.456
LANDTKAN	2.415822	21.95142	0.000
Pearson Corr.(R)	0.989782		
R-Square	0.979669		
Covariance	1079.016		
F-statistic	481.8649		
Prob.(F-stat	0.000000		

The results of regression and various test statistics on the nature of relationship between the revenue generated from land taxes and the total IGR in the study areas; Ogun and Kano states was reported above.

PROPORTION OF REVENUE GENERATION FROM LAND TAXES TO TOTAL IGR IN KANO STATE (2007-2018)

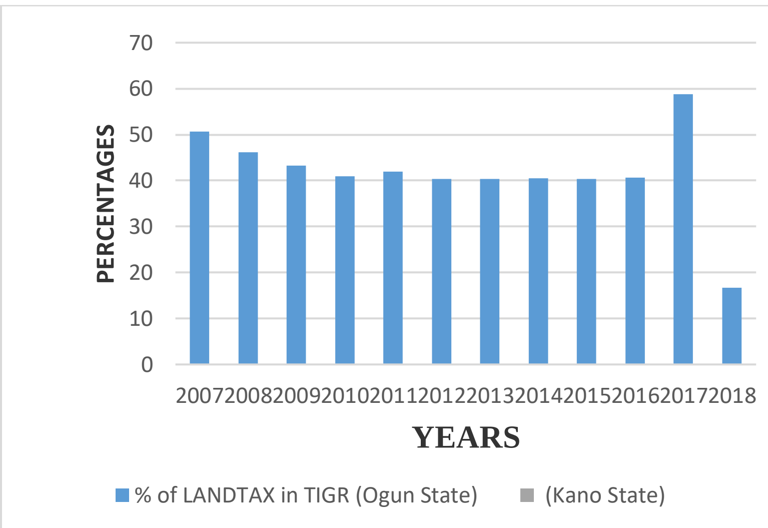

Fig 4.

Table 4: Kano State Budgets 2007-2018 (figures are in Billion Naira)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Kano State	60.00	71.48	108.70	110.30	157.69	221.70	235.30	219.20	210.76	275.00	209.80	233.00

Source: States ministry of budget and planning's document. 2019

The budget Kano state has proposed for the period under review is shown above. It is a financial plan for the defined period with an estimation of the expenditure and expected income.

It is pertinent to examine the proposed revenue and the revenue generated internally for the state. This will enable this work to make reasonable inferences from the analysis. The table below will detailed out the expected revenue and the total revenue generated by the state.

RESULTS AND DISCUSSION

From table 3 above, the Pearson correlation coefficient R=0.989782 implies that there is a positive relationship between the revenue generated from land taxes and the total IGR in Kano state. That is, if the revenue generated from land taxes increases, the total IGR in Kano state will also increase. On the other hand, if the revenue generated from land taxes decreases, the total IGR in Kano state will also decreases. Considering the strength of association between the revenue generated from land taxes and the total IGR in Kano state, the result revealed that the strength of association is very strong. This means that to improve the total IGR in the state, a very brilliant approach is to improve the revenue generated from land taxes in the state.

In Kano state, the value of the Coefficient of Determination (R-square=0.979669) implies that only 97.96 percent of variation in total IGR is explained by revenue generated from land taxes, while the remaining 0.24 percent variation in the total IGR is due to other factors not identified in this study. Further implication from this result is that, revenue generated from land taxes in the main source of IGR in Kano state.

This implies that the result of the model is;

$TIGRKAN_{t\,=}$ 2.799175 + 2.415822$LANDKAN_t$; where t is 2007-2018 (Kano state)

Furthermore, the result from the analysis on Kano state (β=2.799175) shows that there is a positive effect of revenue generated from land taxes on total Internally Generated Revenue (IGR) over the study period in this work. Also, the effect is statistically significant at 5 percent level of significance (t= 21.951, P=0.000). The study further revealed that a 1 percent increase in the revenue generated from land taxes will improve the IGR by 2.4158 percent. In addition, the report from the F-statistic (F-stat= 481.8649, P=0.0000) reveals that the estimated example is highly statistically significant at 5 percent.

Also in fig. 4, In Kano state, the proportion of revenue from land tax has been substantial and this has been on since 2007 to 2011. The proportion of land tax within this period is from 43% to 50%. There is a drop of yield from the year 2012 to 2016. A remarkable proportion is revealed in 2017. This is up to 58%.

For further understanding of the relationship between land taxes and revenue generation of the states, the study needs to scrutinize the fiscal policy of the study areas. This is necessary so that the effect of land taxation in solving the finances of government can be detailed out properly. The fiscal policy of government which implies using the revenue collected to solve some of the expenditure stipulated that that fiscal year will have effect on the nation's economy. Changes in taxation system and government expenditure will affect the total demand and government activity. In view of this, the budget, total internal revenue generated in the study areas and the budget frame for the period under review is detailed out in table 4 and figure 4

CONCLUSION

The study has attempted to examine the relationship between land taxation and revenue generation in Kano states, Nigeria. In this study, the major stakeholders are the states Board of Internal Revenue Services who are the authority to assess, administer and collect taxes from property owners. The Bureau of Lands and Survey and Bureau of Land Management are in charge of land registration and charging of ground rents.

The analysis of the study shows that R = 0.989782, for Kano state R = 0.989782; which reflect that there is a positive relationship between land taxes and revenue generation and the strength of association is very strong in Kano State. It can also be shown that land taxes are reliable in terms of revenue mobilisation and is highly dependable in terms of financing the state.

In Kano state, the contribution of land tax to revenue generated in 2007 is 50%, in 2008, there was slight drop to 45% and 2009 to 42%. Despite this the contribution of land tax to revenue generation in Kano state has also been considerable. It has substantially contributed to revenue within this periods. This revealed that it is a potential of a veritable revenue source. Nevertheless, from 2010 to 2016, the contribution of land taxes to the purse of government revenue dropped but still above 40% and in 2017, 58% of the land tax forms part of the total internal revenue generated and 16% forms 2018.

From this study, it can also be deciphered that property tax is charged only on the income accruing from the property and not the property itself. In the case of withholding tax it is an advanced payment of income tax and it varies in tax rate depending on the type of transaction. So also, stamp-duty tax is only charged on the registration of conveyances of landed property, property itself do not attract this.

In Kano State, N60bn was budgeted for in 2007, N71.8bn was for 2008 and N108.7bn for 2009. The budget was continuously increasing over the periods under review. In 2007, the expenditure was placed on N53.84bn and the revenue generated for that year was N12.2bn. The expenditure increased to N71.53bn and the revenue realised was N11.66bn. Over the years under review, the cost of expenditure outweighs the revenue realised to finance the state.

It is also basic from this study that other charges on land matters have contributed to the revenue generation of government. These levies and fees are used in the strengthening of the overall property tax practice and mobilisation in the study area. The study revealed the trend of revenue generation in the two study areas and it has shown the level of its contribution to the financing of the states. From the data analysed, it is obvious that it forms a reasonable proportion of revenue from generation to the state government. Example of this is the ground rent, ratification fees etc, which are often reported alongside with property taxes.

This study has assessed the revenue performance of land taxes as a key to identifying a good property tax administration and practice. The revenue yield is an important element in considering land taxes as a revenue source. The provision of urban infrastructure and maintenance of amenities as a result of good tax administration will contribute to the growth and development of a nation. For government to provide the basic amenities, revenue source should be greatly enhanced. It is therefore recommended that there should be;

a. Good property statistics and information of properties and property owners;
b. Tax law should be reviewed to tackle tax evasion and avoidance and;
c. There should be proper accountability on the part of the government.

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