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Impact of Revenue Administration on Revenue Performance in Nigerian Local Governments

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Abstract: This study examines the integrated impact of the revenue administration system on revenue performance in Nigerian local governments. The revenue administration system comprises tax compliance, taxpayer registration, and audit effectiveness, which collectively influence revenue performance. Using a quantitative approach, data was collected through questionnaire administration among selected local government employees in Nigeria's Kwara Central Senatorial District. Partial Least Squares Structural Equation Modeling (PLS-SEM) was utilized for data analysis to assess the relationships between the revenue administration system components and revenue performance. The findings reveal that tax compliance, taxpayer registration, and audit effectiveness significantly impact revenue performance in Nigerian local governments. Higher levels of tax compliance and an inclusive taxpayer base led to increased revenue collection, enabling local governments to finance public services and development initiatives. Moreover, effective tax audits deter potential tax evaders, promoting voluntary compliance and contributing to enhanced revenue generation. This study's approach provides a comprehensive understanding of the factors influencing revenue performance at the local government level. The findings have practical implications for policymakers and revenue authorities, suggesting strategies to strengthen the revenue administration system for improved revenue outcomes and socio-economic development in Nigerian local governments.

Keywords: Revenue administration, local governments, revenue performance, tax compliance, taxpayer

1. Introduction

Revenue administration plays a pivotal role in the financial sustainability and economic development of local governments. The effective management of revenue collection and administration is crucial for funding essential public services, infrastructure projects, and development initiatives that improve the well-being of citizens (Ndevu & Muller, 2018; Wujarso, Sianipar, Andhitiyara, & Napitupulu, 2023). In the context of Nigerian local governments, the revenue administration system's effectiveness directly influences revenue performance, determining the ability to meet financial obligations and provide quality public services.

The revenue administration system encompasses various key components, including tax compliance, taxpayer registration, and audit effectiveness (Mascagni, Mengistu, & Woldeyes, 2021). Tax compliance refers to the extent to which taxpayers fulfil their tax obligations, while taxpayer registration involves the identification and registration of taxpayers within a local government jurisdiction. Audit effectiveness, on the other hand, represents the efficiency and impact of tax audits conducted by local governments to ensure taxpayer compliance with tax laws. Understanding how these components interconnect and influence revenue performance is essential for designing effective revenue administration strategies and policies (Wang, Yoonjoung Heo, Schwartz, Legohérel, & Specklin, 2015).

In Nigeria, local governments play a crucial role in service delivery and socio-economic development at the grassroots level (Okafor, Chukwuemeka, & Udenta, 2015; Oyedele, Osezua, Abdulkareem, & Ishola, 2017). They rely

heavily on allocations from higher tiers of government to finance their activities, as internally generated revenue (IGR) may not be sufficient (Oyedele *et al*., 2017). As a result, an efficient and effective revenue administration system becomes vital for local governments to maintain financial stability, meet their obligations, and fulfil the needs of their domain. The revenue administration system's importance is underscored by its potential to impact revenue performance significantly. Higher revenue performance translates into more resources available for investment in public services such as education, healthcare, transportation, and sanitation (Diejomaoh & Eboh, 2012). Additionally, it empowers local governments to embark on development projects that spur economic growth and improve living standards for their residents.

Different studies have investigated the relationship between revenue administration and revenue performance, providing valuable insights into the factors that drive revenue generation and financial sustainability in local governments (AbdulKareem, Abdulhakeem, & Ajadi, 2018; Ajadi, Kayode, Lawan, Olaniyi, & Damilola, 2020; Oyedele *et al*., 2017). Enahoro and Olabisi (2012) examined the impact of tax compliance on revenue generation in Nigerian local governments and found a positive association between them. This highlights the critical role of taxpayer compliance in enhancing revenue performance. Furthermore, Okonkwo *et al*. (2018) explored the significance of taxpayer registration in Nigerian local governments and its impact on revenue collection. They revealed a positive relationship between comprehensive taxpayer registration and revenue performance, underscoring the importance of an inclusive and well-maintained taxpayer base for maximizing revenue potential. Audit effectiveness has also been a subject of research interest, with studies like that of Amah and Nwaiwu (2018) demonstrating its positive influence on revenue performance in Nigerian local governments. Their findings highlighted the deterrent effect of effective tax audits on potential tax evaders, thus encouraging voluntary compliance and contributing to increased revenue collection.

Despite the valuable insights provided by previous research, there remains a research gap regarding the integrated impact of the revenue administration system, encompassing tax compliance, taxpayer registration, and audit effectiveness, on revenue performance in Nigerian local governments (AbdulKareem *et al*., 2018; Ajadi *et al*., 2020). While individual studies have explored the influence of these components separately, there is a need for a comprehensive examination of their combined effects on revenue generation and financial sustainability. Therefore, the primary purpose of this study is to investigate the integrated impact of the revenue administration system on revenue performance in Nigerian local governments. By considering the interactions between tax compliance, taxpayer registration, and audit effectiveness, this study seeks to provide a more holistic understanding of the factors influencing revenue generation at the local government level.

To achieve the study's objectives, a quantitative approach will be adopted, involving data collection from selected local governments in Nigeria. Questionnaire administration will be employed to gather information from local government employees involved in revenue administration processes. The data collected will be analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) to assess the relationships between the revenue administration system components and revenue performance.

2. Revenue Administration and Performance

Revenue administration plays a crucial role in the financial sustainability and economic development of local governments (Ndevu & Muller, 2018; Wujarso *et al*., 2023). Effective revenue administration systems are essential for maximizing revenue collection, funding public services, and implementing development initiatives. This section examines the existing research on the impact of the revenue administration system on revenue performance in Nigerian local governments. The review explores key factors such as tax compliance, taxpayer registration, audit effectiveness, and their implications for revenue performance.

2.1 Tax Compliance and Revenue Performance

Tax compliance, defined as the extent to which taxpayers fulfil their tax obligations, plays a pivotal role in determining revenue performance in local governments (Kiow, Salleh, & Kassim, 2017). Different studies have consistently established a positive relationship between tax compliance and revenue generation, emphasizing the significance of tax compliance for fiscal sustainability and public service provision (Mebratu, 2016; Olaoye, Ayeni-Agbaje, & Alaran-Ajewole, 2017). For instance, a study conducted by Akpan (2018) in Nigerian local governments demonstrated that higher levels of tax compliance result in increased revenue collection, enabling local governments to finance essential public services and development initiatives. Additionally, Trukhaneko and Artcer (2016) underscored the crucial role of tax compliance in funding public services and promoting socio-economic development within local communities.

In the context of Nigeria, the culture of tax compliance is influenced by various factors that shape taxpayers' behaviour and willingness to fulfil their tax obligations (Alabede, Ariffin, & Idris, 2011; Alabede, Zainal Affrin, & Md Idris, 2011; Aladejebi, 2018). One such factor is taxpayer awareness, which refers to the level of understanding and knowledge that taxpayers possess regarding their tax responsibilities and the importance of tax compliance. Studies such as (Daniel, Akowe, & Awaje, 2016) demonstrated that taxpayer education programs and public awareness

campaigns positively impact tax compliance rates in Nigerian local governments. By disseminating information about tax policies, benefits of tax payments, and the impact of revenue on local development, such initiatives contribute to increasing taxpayers' awareness and fostering a culture of voluntary compliance.

Perceptions of fairness within the tax system also play a significant role in shaping tax compliance behaviour (Verboon & Goslinga, 2009). When taxpayers perceive the tax system as equitable, transparent, and just, they are more likely to willingly comply with their tax obligations (Verboon & Goslinga, 2009). This notion is aligned with the findings of studies by Jimenez and Iyer (2016); Saad (2012), which highlighted the challenges of low tax compliance rates in Nigerian local governments due to perceptions of corruption and inefficiencies within the tax administration system. In such circumstances, taxpayers may be reluctant to comply with tax payments, perceiving that their contributions are misused or not adequately benefiting the local community.

Furthermore, the effectiveness of tax enforcement mechanisms is a crucial factor influencing tax compliance rates (Atawodi & Ojeka, 2012). Tax enforcement refers to the measures taken by tax authorities to ensure taxpayer compliance with tax laws. If tax enforcement is perceived as weak or inconsistent, taxpayers may feel less compelled to comply with their tax obligations (Alm & Torgler, 2011). Conversely, a strong and efficient enforcement system can act as a deterrent to potential tax evaders and encourage voluntary tax compliance. Therefore, strengthening tax enforcement through appropriate measures and fair practices is essential to fostering tax compliance in Nigerian local governments.

2.2 Taxpayer Registration and Revenue Performance

Taxpayer registration, a fundamental aspect of revenue administration, significantly impacts revenue performance in local governments (Chatama, 2013). The process involves identifying and registering taxpayers within a local government jurisdiction, forming the basis for effective revenue collection and management (Bett & Yudah, 2017). A comprehensive and well-maintained taxpayer base is vital for broadening the revenue stream, reducing the burden on individual taxpayers, and ensuring a fair distribution of tax obligations (Gallien, Occhiali, & van den Boogaard, 2023). Studies such as Okonkwo *et al.* (2018) demonstrated a positive relationship between taxpayer registration and revenue performance in Nigerian local governments, highlighting the importance of this component in maximizing revenue generation.

Enhancing taxpayer registration processes and promoting inclusivity are essential for encouraging more taxpayers to register, ultimately contributing to increased revenue collection (Bett & Yudah, 2017). By streamlining registration procedures, local governments can make it easier for individuals and businesses to comply with their tax obligations. Reducing bureaucratic hurdles and simplifying registration requirements can foster a culture of voluntary compliance, attracting more taxpayers into the system. Moreover, Okonkwo *et al.* (2018) underscored that inclusive registration practices, such as extending registration services to marginalized or remote areas, further enhance the taxpayer base and revenue potential.

The significance of taxpayer registration extends beyond revenue collection. A well-maintained and up-to-date taxpayer database is a valuable resource for tax policy planning and risk assessment. Adeyemi and Olaoye (2017) emphasized that accurate taxpayer data aids in formulating targeted tax compliance strategies. With a comprehensive database, local governments can better understand the taxpayer population, identify high-risk taxpayers, and implement tailored compliance measures. This targeted approach allows authorities to allocate resources more efficiently and direct enforcement efforts where they are most needed, optimizing revenue collection.

However, achieving full taxpayer registration in Nigerian local governments comes with challenges. Limited resources and inadequate technology hinder the efficient collection and management of taxpayer data. Adesina *et al.* (2018) identified bureaucratic inefficiencies and resource constraints as barriers to achieving comprehensive registration. Insufficient personnel and outdated technological infrastructure may lead to delays in processing registrations and maintaining accurate taxpayer records. To address these challenges, local governments need to invest in modernizing their registration systems and training personnel in data management and registration processes.

Furthermore, ensuring data privacy and security is crucial for maintaining taxpayer trust and encouraging voluntary compliance. Local governments must implement robust data protection measures to safeguard taxpayer information from unauthorized access or misuse. Building public confidence in the registration process will encourage more individuals and businesses to come forward and register, contributing to a completer and more accurate taxpayer database.

2.3 Audit Effectiveness and Revenue Performance

Audit effectiveness, a critical component of revenue administration, significantly impacts revenue performance in local governments (Mansor, 2018). It refers to the efficiency and impact of tax audits conducted by tax authorities to ensure taxpayer compliance with tax laws. Effective audits play a crucial role in detecting tax evasion, identifying non-compliance, and recovering unpaid taxes, ultimately contributing to increased revenue collection and financial sustainability (Olaoye, Ogunleye, & Solanke, 2018). Aikins (2011) demonstrated that audit effectiveness positively

influences revenue performance in Nigerian local governments, highlighting the importance of this aspect in revenue administration.

Regular and comprehensive tax audits serve as a powerful deterrent to potential tax evaders and encourage voluntary taxpayer compliance. By conducting audits on a routine basis and covering a wide range of taxpayers and economic activities, local governments can signal their commitment to enforcing tax laws and ensuring fairness in the tax system (Asare, Davidson, & Gramling, 2008). The fear of detection and potential penalties encourages taxpayers to comply with their tax obligations, leading to improved revenue outcomes. Adejare and Abdulrazaq (2019) argued that an effective audit regime fosters a culture of voluntary compliance, strengthening the overall revenue administration system.

However, achieving audit effectiveness in practice presents several challenges for Nigerian local governments. One major obstacle is the limitation of resources available for conducting audits. Adequate funding is necessary to support the recruitment and training of auditors, as well as the acquisition of modern auditing tools and technologies. Insufficient resources may lead to a reduced frequency of audits and hinder the capacity to cover a broad taxpayer base effectively. As a result, potential non-compliant taxpayers may go undetected, affecting overall revenue performance.

Another challenge lies in the adequacy of auditor training and expertise. Yusuf and Adebiyi (2019) highlighted the importance of providing continuous professional development for auditors to keep them updated on changing tax laws and enforcement techniques. A well-trained and competent auditing workforce is essential for conducting thorough and effective audits. Regular training and capacity-building programs can enhance auditors' skills and ensure they possess the necessary knowledge to identify and address tax non-compliance effectively.

Political interference in auditing processes is another concern that affects audit effectiveness in Nigerian local governments. Oladejo *et al.* (2018) pointed out that political pressures or interventions may compromise the independence and objectivity of tax audits. Such interference can hinder the pursuit of tax evaders, leading to decreased confidence in the tax system and reduced compliance from taxpayers. To ensure audit independence and effectiveness, it is crucial for local governments to uphold the autonomy of tax authorities and shield auditors from undue influence.

3. Conceptual Model and Hypotheses Formation

The model for this study posits that an efficient revenue administration system positively influences revenue performance in local governments. The key components of the model are tax compliance rate, taxpayer registration, and audit effectiveness, which are expected to have both direct and indirect effects on revenue performance. The tax compliance rate represents the extent to which taxpayers within a local government fulfil their tax obligations. A higher tax compliance rate suggests a greater level of revenue collection, leading to improved revenue performance. The conceptual model hypothesizes that a well-designed revenue administration system, which includes simplified tax procedures, taxpayer education programs, and effective enforcement mechanisms, will contribute to higher tax compliance rates.

Taxpayer registration, another crucial factor in revenue administration, refers to the process of identifying and registering taxpayers within a local government. The model proposes that an efficient and comprehensive taxpayer registration system will enhance revenue performance. This system should encompass strategies such as ensuring accurate taxpayer data, regularly updating registration records, and facilitating easy registration processes to expand the taxpayer base and increase revenue potential. Audit effectiveness measures the efficiency and effectiveness of audit processes conducted by the local government. It involves the examination of taxpayer records, financial statements, and compliance with tax laws. The conceptual model suggests that a robust audit system, characterized by well-trained auditors, regular audits, and advanced auditing techniques, will contribute to revenue performance. Effective audits can detect tax evasion, identify non-compliance, and recover potential revenue losses, thereby positively impacting overall revenue collection.

The interplay between these components is expected to result in enhanced revenue performance in Nigerian local governments as shown in Figure 1. The model proposes that a higher tax compliance rate, facilitated by a comprehensive taxpayer registration system and supported by effective audits, will lead to increased revenue collection. This, in turn, can enable local governments to provide essential public services, undertake infrastructure development, and improve overall socio-economic conditions within their jurisdiction. By examining these interrelationships, the conceptual model provides a framework for understanding the factors that influence revenue performance within Nigerian local governments. It serves as a foundation for quantitative analysis, where relevant data can be collected and analysed to test the hypotheses and validate the relationships proposed in the model.
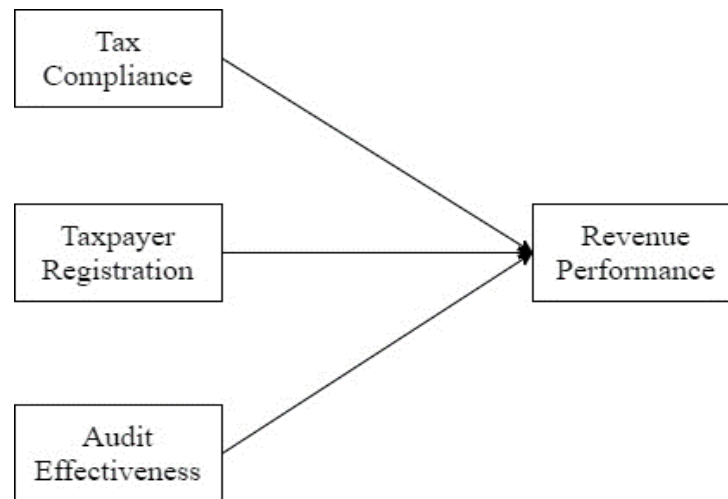
Fig. 1 - Conceptual model

3.1 Hypotheses

H1: Tax compliance influences revenue performance in the local government
H2: Taxpayer registration influences revenue performance in the local government
H3: Audit effectiveness influences revenue performance in the local government.

4. Methodology

The study employed quantitative technique through questionnaire administration among selected employees from two local governments within the Kwara Central Senatorial District (Asa and Ilorin South Local Governments). The minimum sample size, determined using G*Power software, was calculated to be 154, but the researchers distributed 170 questionnaires to ensure an adequate sample representation. After data collection, 164 questionnaires were deemed suitable for the final analysis, ensuring a robust dataset for the study. Partial Least Squares Structural Equation Modelling (PLS-SEM) was chosen as the statistical analysis method for this study. PLS-SEM is a widely used technique in social sciences and management research, particularly when dealing with complex models and smaller sample sizes. It allows for the simultaneous examination of multiple dependent and independent variables and is well-suited for predictive modelling and causal relationships between constructs. The questionnaire was designed to gather data on several key variables, including tax compliance rate, taxpayer registration, audit effectiveness, and revenue performance, as well as other relevant control variables.

The selected local government employees were asked to rate their perceptions and experiences related to these variables using appropriate rating scales and Likert-type questions. The collected data were then subjected to various statistical analyses using PLS-SEM. The researchers utilized appropriate software to perform the analysis, examining the relationships between the variables outlined in the conceptual model. PLS-SEM allowed the researchers to assess the direct and indirect effects of tax compliance rate, taxpayer registration, and audit effectiveness on revenue performance in Nigerian local governments. By employing PLS-SEM, the study aimed to uncover the complex relationships between the revenue administration system components and revenue performance in the selected local governments. The analysis sought to determine the significance and strength of these relationships, providing valuable insights into the effectiveness of the revenue administration system and its impact on revenue generation in the Kwara Central Senatorial District.

5. Results

5.1 Demographic Details

The respondents' demographic information provides insights into the composition of the sample. The participants were categorized based on gender, age groups, and educational background. Among the respondents, 62% were male, while 38% were female. Regarding age groups, 55% were between 18 and 30 years old, 22% were between 31 and 50 years old, and 16% were above 50 years old. Finally, 24% of the respondents had a secondary education, 50% had post-secondary education, 20% had postgraduate education, and 6% fell into the "other" category. Also, based on cadre, 33% are junior officer, 40% are intermediate and 27% are in the senior category.

Table 1 - Demographic profile

|	Parameters	Frequency (f)	Percentage (%)
Gender	Male	102	62
	Female	62	38
Age	18-30 years	90	55
	31-50	57	35
	Above 50	16	10
Education	Secondary Education	39	24
	Post-Secondary	82	50
	Postgraduate	33	20
	Others	10	6
Cadre	Junior	54	33
	Intermediate	65	40
	Senior	45	27

5.2 Measurement Model

The measurement model was assessed based on several criteria to ensure the reliability and validity of the collected data. These criteria include Factor Loadings, Composite Reliability (CR), Cronbach's Alpha (CA), Average Variance Extracted (AVE), and Heterotrait-Monotrait ratio (HTMT). The factor loadings indicate the strength of the relationship between each observed variable and its underlying construct. In this study, all factor loadings were above the recommended threshold of 0.705, suggesting a strong association between the observed variables and their respective constructs. The composite reliability measures the internal consistency and reliability of the constructs. A composite reliability value higher than 0.7 indicates good reliability. In this study, the composite reliability values for all constructs exceeded the recommended threshold, indicating satisfactory internal consistency. Cronbach's alpha is another measure of internal consistency and reliability. A Cronbach's alpha value greater than 0.7 indicates good reliability. In this study, all constructs achieved Cronbach's alpha values above the threshold, indicating high internal consistency. Average variance extracted measures the amount of variance captured by the constructs. An AVE value greater than 0.5 suggests that the constructs explain a substantial amount of variance in their respective observed variables. In this study, all constructs demonstrated AVE values higher than the recommended threshold, indicating satisfactory convergent validity. Heterotrait-Monotrait ratio of correlations assesses discriminant validity by comparing the correlations between different constructs. A value lower than 0.8 indicates adequate discriminant validity, suggesting that the constructs are distinct from each other. In this study, the HTMT values were below the threshold, indicating satisfactory discriminant validity.

5.3 Structural Model

The structural model analysis reveals significant relationships between the variables in the study. The coefficient indicates the strength of the relationships, while the T value and P values demonstrate the significance levels. The results show that Tax Compliance (TC) positively and significantly influences Revenue Performance (RP), (β = 0.358 T = 10.221 P<0.05). Similarly, the analysis indicates a significant positive effect of Taxpayer Registration (TR) on Revenue Performance (RP), with a coefficient of (β = 0.322 T = 9.340 P<0.05). Furthermore, Audit Effectiveness (AE) demonstrates a significant positive influence on Revenue Performance (RP), (β = 0.442 T = 14.831 P<0.05). Moreso, the structural model explains 66.2% of the variance in Revenue Performance (R^2 = 0.662). This indicates that the combined effects of Tax Compliance, Taxpayer Registration, and Audit Effectiveness account for a substantial proportion of the variation in Revenue Performance among the selected local governments in the Kwara Central Senatorial District.

Table 2 - Structural model result

Hypotheses	β	Tvalue	Pvalue	VIF
TC -> RP	0.358	10.221	0.000	1.12
TR -> RP	0.322	9.340	0.000	1.46
AE -> RP	0.442	14.831	0.000	1.69
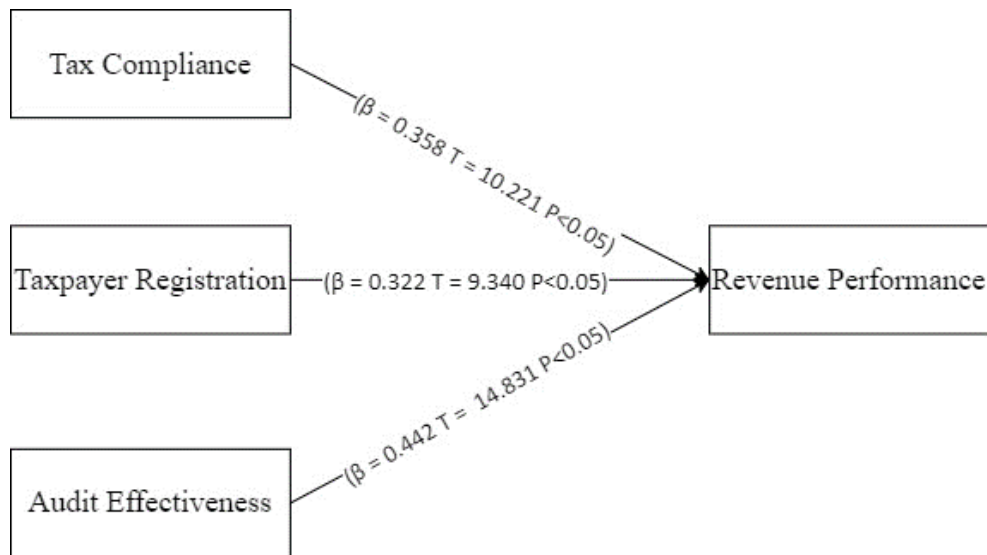
Fig. 2 - Structural model result

6. Discussions

The results of the study indicate that Tax Compliance (TC) has a significant positive influence on Revenue Performance (RP) in Nigerian local governments. This finding aligns with the existing literature that emphasizes the importance of tax compliance for revenue generation. When taxpayers comply with their tax obligations, it leads to increased revenue collection, enabling local governments to finance public services and promote socio-economic development. The significant positive relationship between Tax Compliance and Revenue Performance suggests that policymakers and revenue authorities should focus on implementing effective strategies to enhance tax compliance among taxpayers.

Furthermore, the study reveals a significant positive association between Taxpayer Registration (TR) and Revenue Performance (RP). This finding supports previous research that highlights the role of a comprehensive taxpayer base in revenue generation. A larger taxpayer base provides a broader revenue stream and reduces the burden on individual taxpayers. The positive relationship between Taxpayer Registration and Revenue Performance indicates that efforts should be made to facilitate easy and efficient taxpayer registration processes. By ensuring inclusivity and minimizing barriers to registration, local governments can expand their taxpayer base and enhance revenue potential.

The analysis of the data reveals a significant and positive impact of Audit Effectiveness (AE) on Revenue Performance (RP) in Nigerian local governments. The relationship between these two variables is robust and demonstrates the vital role that effective tax audits play in enhancing revenue generation and financial sustainability. The positive impact of Audit Effectiveness on Revenue Performance can be attributed to several factors. Firstly, an efficient and comprehensive audit process helps in detecting tax evasion and non-compliance among taxpayers. By identifying tax evaders and ensuring that all eligible taxes are collected, local governments can increase their revenue streams, contributing to improved revenue performance. Moreover, effective tax audits act as a deterrent to potential tax evaders, encouraging voluntary taxpayer compliance. When taxpayers are aware of the likelihood of being audited and the potential consequences of non-compliance, they are more inclined to fulfil their tax obligations promptly and accurately. This voluntary compliance positively impacts revenue generation, ensuring a steady and sustainable flow of revenue for the local government.

The results of this study are consistent with previous research that has examined the relationship between revenue administration and revenue performance. The significance of Tax Compliance, Taxpayer Registration, and Audit Effectiveness in driving revenue generation aligns with the theoretical foundations and empirical evidence in the field. This study contributes to the existing knowledge by specifically focusing on these factors within the Nigerian local government context, thereby providing valuable insights for policymakers and practitioners in this domain.

7. Conclusions and Recommendations

The findings of this study have both theoretical and practical implications in the practice of local government finance. Theoretically, this study's findings align with the Theory of Institutional Economics, highlighting the significance of the institutional environment in shaping revenue administration and revenue performance. This reinforces the importance of considering formal and informal institutions, such as tax laws, enforcement mechanisms, and social norms, when designing revenue administration systems. Future research in this area can further explore the interplay between institutional factors and revenue outcomes to deepen our understanding of the institutional influences on revenue performance.

The identification of Tax Compliance, Taxpayer Registration, and Audit Effectiveness as critical factors influencing revenue performance in Nigerian local governments holds significant implications for the development of comprehensive and effective revenue administration models. This newfound knowledge can serve as a valuable guide for policymakers, researchers, and revenue authorities in designing strategies and interventions aimed at optimizing revenue generation and ensuring financial sustainability at the local government level. By recognizing the importance of these key components, policymakers can prioritize the implementation of measures that promote tax compliance among taxpayers. This may include enhancing taxpayer education and awareness programs, disseminating information about tax policies and benefits, and employing targeted communication campaigns to emphasize the importance of tax compliance. By focusing on improving tax compliance rates, local governments can bolster their revenue streams and create a solid foundation for sustainable financial management.

Moreover, the significance of Taxpayer Registration in the revenue administration system calls for comprehensive efforts to expand the taxpayer base. Policymakers can devise inclusive registration processes that are easily accessible to all eligible taxpayers, regardless of their location or economic status. Emphasizing the need for accurate and up-to-date taxpayer databases, local governments can ensure that a broader segment of the population is captured within the tax net. A well-maintained taxpayer base not only diversifies revenue sources but also reduces the burden on individual taxpayers, contributing to equitable tax distribution.

Practically, local government authorities in Nigeria can use the study's findings to implement targeted measures to improve revenue collection. By prioritizing initiatives that enhance tax compliance, simplify taxpayer registration, and strengthen audit effectiveness, local governments can increase their revenue base. This, in turn, will enable them to provide better public services and promote development initiatives that benefit their constituents. Also, the study's insights can guide policymakers in formulating revenue policies that align with the local context. By recognizing the influence of tax compliance, taxpayer registration, and audit effectiveness on revenue performance, policymakers can design policies tailored to specific local government needs. For example, introducing taxpayer education programs to promote compliance or streamlining registration processes to encourage wider participation can be effective strategies.

Similarly, local governments can allocate their resources more strategically based on the findings of the study. By understanding the factors driving revenue performance, authorities can prioritize investments in revenue administration systems. Allocating resources to enhance audit capacity, train revenue officials, and implement modern technologies will contribute to improved revenue outcomes. The study outcome also underscores the interconnections between tax compliance, taxpayer registration, and audit effectiveness. Therefore, local governments can benefit from collaborating with other government agencies, tax authorities, and relevant stakeholders to share information and best practices. Building partnerships and fostering knowledge exchange can lead to a more holistic approach to revenue administration, fostering better revenue outcomes. The study's insights can be integrated into performance evaluation frameworks for local governments. By monitoring tax compliance rates, taxpayer registration numbers, and audit outcomes, local authorities can assess the effectiveness of their revenue administration system. Regular evaluations can help identify areas for improvement and guide the implementation of targeted interventions to enhance revenue performance over time.

Acknowledgement

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