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Effect of Electronic Taxation on Revenue Productivity in Nigeria

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ABSTRACT

This study investigated the effect of electronic taxation on revenue productivity in Nigeria. Specifically, the study examined the difference between revenue productivity before and during e-taxation, effect of e-taxation adoption on revenue productivity and tax to GDP ratio in Nigeria. The study employed secondary data covering the period 2000-2017. Data were analyzed using, trend analysis, independent t-test and ordinary least regression estimator. Result revealed that there is significant difference between revenue productivity in the pre and post e-taxation adoption and that the revenue productivity is higher at the post adoption. Also, this study showed that e-taxation has significant positive effect on actual tax revenue and tax to GDP ratio in Nigeria with coefficient of 2083.034 ($p<0.05$) and 1.017351 ($p> 0.05$). The study concluded that there is a substantial difference between the level of revenue productivity of the pre and post adoption of electronic taxation, and established that the effect of adoption of electronic taxation on actual tax revenue generation in the country is positive and significant, though such impact does not hold a substantial ground in the discourse of the ratio of tax revenue to the level of gross domestic product in the country.

Keywords: Taxation, Electronic Taxation, Revenue Productivity, Nigeria

INTRODUCTION

Taxation is one of the oldest means by which the cost of providing essential services for the generality of persons living in a given geographical area is funded. Globally, governments are saddled with the responsibility of mobilizing funds through taxation in the quest to function in their expenditure obligations needed for the attainment of economic stabilization, redistribution of income and provision of services in the form of public goods (Abiola&Asiweh, 2012). Taxation is an important source of government revenue all over the world.

Governments use tax proceeds to render their traditional functions, such as: the provision of roads, maintenance of law and order, defence against external aggression, regulation of trade and business to ensure social and economic maintenance (Appah&Eze, 2013). In Nigeria, tax revenue has accounted for a small proportion of total government revenue over the years compared to the bulk of revenue needed for development purposes that is derived from oil (Uremadu&Ndulue 2011). The serious decline in the prices of oil in recent times has led to a decrease in the funds available for distribution to the federal, states and local governments as noted by Nzotta (2007). Consequently, dependence on oil as a main source of revenue in Nigeria has become risky and not beneficial for sustainable economic growth. This worsen Nigeria when there are fluctuations in prices in the oil market; thereby creating concerns amongst Nigerians and indeed the Nigerian government on the need to diversify the economy. One of fundamental issues in Nigeria as regards to tax administration is that the mechanism and procedures for implementing a good tax system in Nigeria are inadequate; hence tax evasion and avoidance of the self-employed individuals and organizations whose data base is not captured in the relevant tax authority's data system poses a great challenge and impediment to national economic growth (Angahar& Alfred, 2012).

Observably, countries around the world that recorded significant tax revenue productivity often harness the potency of electronic Tax system. E-taxation according to Qassim, Abbas and Dhyaa, (2018) is an electronic self-service platform that enables taxpayers to file their tax returns and conduct other tax services online at their convenience irrespective of their locations once internet is available. On the global front about 66 economies had fully implemented electronic filing for payment of taxes as at 2010, out of which 20 adopted the system over the past few years (World Bank (2013), In 2014, more than 24 countries instituted reforms that made it easier or less costly for firms to file returns and pay taxes and the most common feature of tax reforms globally was the introduction of, or enhancement of electronic filing system. Such changes were implemented in 18 countries including Costa Rica, Cyprus, Mozambique, Spain, Vietnam, Serbia, and Zambia, amongst others. Businesses in these countries now file returns electronically thus spending less time on compliance.

The central objective of the Nigerian tax system is to contribute to the well-being of all Nigerians directly or indirectly through improved policy formulation and appropriate utilization of tax revenue generated for the benefit of the people. However, over the years, Nigeria's tax system has not been able to reach these perceived objectives as a result of some setbacks. Some of the setback include lack of stewardship amongst tax payers, multiplicity of taxes, complex tax payment system and tax offsetting, lack of technological exposure, tax evasion, corruption, government instability (Azubike, 2009). Succinctly, poor contribution of tax revenues to total federally collected revenue in Nigeria, and the ratio of tax revenue to Gross Domestic Product is alarming. Whereas other African countries such as Ghana, Tunisia, Morocco, and so on, have their tax revenues constituting significant portion of their total revenue and Gross domestic Product. Nigeria being the giant of Africa has a significantly low tax-to-GDP ratio when compared to these countries(Awodipe, 2018), According to Awodipe, (2018), tax revenue as % of GDP in Nigeria is considered relatively low compared to other Africa countries such as Ghana (16%), Egypt (16%), Morocco (22%), South Africa (27%) As relayed by IndexMundi, (2016), the highest value of tax to GDP ratio for Nigeria over the past 10 years was 5.46.

In response to these menace, Nigerian government through the tax boards made efforts to restructure the tax system in a well-structured and coordinated manner. The restructuring birthed the initiative of an electronic tax system called the integrated tax administration system which if implemented properly would enhance compliance and eliminate the problem of tax information and statistics. With the implementation of Electronic Taxation, it is expected that there will be a significant improvement in tax revenues, which will in turn affect total federally collected revenues and the economic growth at large as witnessed in other countries.

Without mincing words, electronic taxation has proven to be a master tool in combatting some of the challenges of any tax system as it provides information, education and support to tax payers and facilitates compliance and administration, because it basically involves the automation of core tax processes. Fundamentally e-tax system is expected to promote efficiency, accountability, compliance and also curb leakages in the Nigerian tax system. However, since the implementation of e-taxation in Nigeria in year 2015 (Okunowo, 2015), empirical studies had not established much of quantitative assessment of the effect of e-taxation on the level of revenue productivity in the country. Few studies related to the discourse of e-taxation focused on the influence of e-taxation on tax evasion using qualitative measures. For instance Adeniyi and Adesunloro (2017) examined electronic taxation and tax evasion in Nigeria, Atilola and Olaoye (2018) also carried related investigation of the subject matter of electronic taxation. Hence this study specifically examined:

(i) differences between revenue productivity before and during e-taxation;
(ii) effect of e-taxation adoption on revenue productivity in Nigeria;
(iii) examine the effect of e-taxation adoption on tax to GDP ratio in Nigeria.

LITERATURE REVIEW

Electronic Taxation

E-taxation is the process of assessing, collecting and administering the taxation process through an electronic media. In the words of Che-Azmi and Kamarulzaman (2014), E-taxation is one of the ways through which governments around the world utilize information and communication technologies to improve the delivery of public services and the dissemination of public administration information to the public. Wasao (2014), describes electronic tax system as an online platform whereby the taxpayer is able to access through internet all the services offered by a financial authority such as the registration for a personal identification number, filing of returns and application for compliance certificate, a perfect example of such system is the Electronic taxation system that was rolled out by FIRS in Nigeria in 2015. According to Australian National Audit Office (2015) e-taxation was first introduced in 1986 in the U.S.A. In Australia electronic tax-filling was introduced in 1987 through its modernization programme. By 1993, Canadian taxpayer's commenced electronic filling of tax returns through the E-fills, Malaysia, Netherlands and Uganda all introduced electronic payment of tax to their taxpayers for the commences of both the revenue authorities and taxpayers in 2009. In March 2013, Egypt launched electronic payment of tax for its taxpayers, to keep pace with the international trades towards automated payments systems, especially for government services (Wasao2014).

Nigeria joined the trend in 2015 when Federal Inland Revenue Service (FIRS) in collaboration with Inter – bank settlement System (NIBSS) implemented the technology in the Nigeria tax system, (Okunowo, 2015). Electronic tax system was introduced by Nigeria Tax Authority to increase financial collection, administration, render services to the tax payers all the time from

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anywhere, reduce costs of compliance and improve tax compliance. It is rapidly replacing paper-based tax reporting systems. Promising many advantages over the traditional method of hard copy tax filing, these systems promise faster process, lower costs and increased efficiency Electronic tax filing or e-filing is a process where tax documents or tax returns are submitted through the internet, usually without the need to submit any paper return. The e-filing system encompasses the use of internet technology, the Worldwide Web and Software for a wide range of tax administration and compliance purposes. Electronic taxation differs among countries hence the name of the system differs from country to country. According to Gellis (1991), electronic declaration is named electronic tax filing. It has also been called online taxation payment by UN (2007) or e-tax lodgment by Turner and Apelt (2004). Electronic tax filing was first coined in United States, where the Internal Revenue Service's (IRS) began offering tax return e-filing for tax refunds only (Muita, 2011). This has now grown to the level that currently approximately one out of every five individual taxpayers is now filing electronically. This however, has been as a result of numerous enhancements and features being added to the program over the years. Today, electronic filing has been extended to other developed countries like Australia, Canada, Italy United Kingdom, Chile, Ireland, Germany, France, Netherlands, Finland, Sweden, Switzerland, Norway, Singapore, Brazil, Mexico, India, China, Thailand, Malaysia and Turkey. Equally developing countries have also been embracing electronic filing of tax returns. Some of the countries which are embracing the electronic filing include Uganda, Nigeria, Rwanda and Kenya (Muita, 2011).Globally, the tax environment is changing rapidly. Electronic filing is the modern way of tax authorities interacting with tax payers.

Revenue Productivity

Tax revenue productivity is a concept that captures the extent to which tax revenue generation in the country is commensurate relative to other forms of revenue in the country. According to Edriaan (2017),revenue productivity measures the amount of income or revenue that a certain resource produces for a business. There are two ways to measure revenue productivity: by using the average revenue productivity and by using the marginal revenue productivity. The two show different ways of looking at the same business feature. As relayed by Awodipe, (2018) measuring tax revenue productivity centers of matter of the ratio of tax revenue over the fiscal years to the aggregate gross domestic product. Tax revenue productivity is so crucial in the management of government finance because of the significant role played by taxation in government finance around the world. Obviously government will be hampered in the discharged provision of basic infrastructure and social amenities such as construction of roads, provision of pipe borne water, hospitals, good education for the youth, stadium, electricity and museum etc. when there is low level of tax revenue productivity in the country (Oriakhi&Osemwengie, 2013)

In the discourse of revenue productivity the importance of institutional factors like quality of institutions and governance in addition to traditional measures, cannot be overemphasized. These factors are believed to have some form of effect on tax revenue through their contribution to the level of tax evasion, improper tax exemptions, and weak tax administration (Tanzi and Davoodi, 1997). This is a factor in the Nigerian case where some political godfathers and some elite may pull strings to ensure that some exemptions are given to companies that they have interests in. This is also a reason why some of the companies usually have some of these influential personalities on their board of directors. Where some officials of the revenue

collecting agencies may connive with the tax payers in order to collect less than what is supposed to be paid by the individual or company in return for "settlement". Bird (2004) writes that any successful tax reform targeted at overcoming these challenges must be supported by a strong political will to reform, which will include making the institutions strong enough not to be maligned by some political and economic perosnalities in the society. Furthermore, Bird, Martinez-Vazquez, and Torgler (2004) argued that to be able to achieve effective revenue productivity through adequate tax collection, there is need for a political leadership that is able to ensure adherence to rule of law and effective control of corruption within its territory. Drummond, Daal, Srivastava and Oliveira (2012) affirmed that given the limited resources available for implementation of the vast infrastructure needed in most sub-Saharan African countries, producing more revenue is a priority for sub-Saharan African (SSA) countries. These countries have enormous development agendas that they have to implement, and weak revenue productivity is the root cause of fiscal imbalances that several of the countries in the region experience.

CONCEPTUAL FRAMEWORK

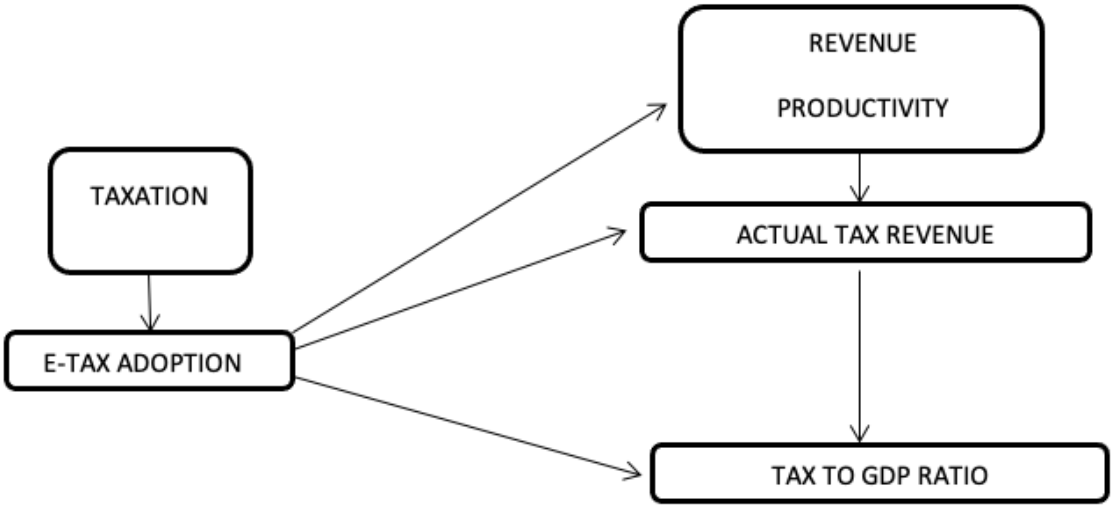


Figure 1:A model showing the relationship between E-taxation and Revenue Productivity
Source: Author's Design (2020)

Theoretical Review

Theory of Optimal Taxation

This theory is largely based on the work of Mirreles in 1971 and Ramsey in 1972. The theory explored the interplay between tax policy and tax theory in its bid to attaining optimum return from taxes. The standard theory of optimal taxation poses that a tax system should be chosen to maximize a social welfare function subject to a set of constraints, the social welfare function here being based on the utilities of individuals in the society. The theory assumes the social planner in charge of designing the tax system to be a classic linear utilitarian meaning that he or she cares solely about average utility implying a social welfare function that is linear in individual utility. To simplify the problem facing the social planner, it is often assumed that everyone in the society has the same preferences over say consumption and leisure. Sometimes, this homogeneity assumption is taken one step further by assuming the economy is populated by completely identical individuals. This being said, the goal of the social planner is then to choose and plan a tax system that maximizes the representative consumers welfare, knowing

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that the consumer will then be forced to respond to whatever incentives the tax system provides.

Empirical Review

Baryeh and Ezeka (2012) examined taxation on revenue generation in West Africa economies using the corruption perception index (CPI). The study was descriptive in nature. It was found that Nigeria was ranked as more corrupt compared to Ghana. An analysis of the gross domestic product (GDP) per capital for the two countries showed that Nigeria had a higher GDP per capital for most years under analysis. The study also revealed that tax revenues collected in Ghana had a higher percentage of GDP than that of Nigeria.

Yousuf and Jakaria (2013) applied two important measures to assess the efficiency of tax system in terms of its mobilization capacity. They are tax buoyancy–total response of tax revenue to change in national income and discretionary change in tax policy over time; and tax elasticity–automatic response of tax revenue to GDP changes less the discretionary tax changes. In the study, the researchers used Exponential Smoothing Method and Slope Dummy to address the big policy changes for eliminating the effects of the Discretionary Tax Measures (DTM) on historical Time Series Data for the period 1980-2011 to estimate the elasticity of the Bangladesh tax system. The study reveals that estimates of elasticity and buoyancy are higher for Direct Taxes followed by Sales Tax and VAT. The study concluded that thereof that most of the growth in revenues has been achieved due to discretionary changes instead of automatic growth.

Muturi and Kiarie (2015) examined the effects of online tax system on tax compliance among small taxpayers in Meru County, Kenya. The study adopted a descriptive research design. Data was collected using structured questionnaire, which covered all the variables of the study from 60 sampled taxpayers from Meru county tax District. Data obtained were subjected to quantitative methods of data analysis using SPSS (version 20). In addition to descriptive statistics, both correlation and regression analyses were done and summaries presented. Result showed that online tax has insignificant impact on the level of tax compliance. The study thus concluded that online tax system does affect tax compliance level among small taxpayers in Meru County.

Qassim, Abbas and Dhyaa (2018) studied the impact of electronic taxation on reducing tax evasion methods of Iraqi companies listed in the Iraqi stock exchange. The study sample consisted of 100 employees working in the control and accounting sections of the Iraqi companies registered in the ISX. The study adopted the statistical program (SPSS) for processing the data and testing the hypotheses of the research. Result showed that process of completing tax has significant impact on tax proceed. Thus the study concluded that the processes of completing tax work are one of the most important strategic options for the development of the Iraqi GCT and the possibility of increasing the tax proceeds.

Kipilimba (2018) harnessed the impact of tax administration towards government revenue in Tanzania. Structured questionnaire was used to collect primary data from the respondent based on the conceptual framework developed. Both descriptive and inferential statistics were used to discuss the findings of the study. Data was processed and analyzed using SPSS (statistical package for social science) version 20. Result revealed that good tax design, Effective

tax policy and laws, Tax administrative structure, Tax collection methods, Proper use of computerized system of maintaining taxpayer Register, Intensive coordination with other entities and Proper maintenance of taxpayer's records has significant impact on effective tax administration in Tanzania. The study concluded that corruption practices on taxation issues, lack of awareness of Local Tax payers, High rate of Tax evasion and avoidance, Outsourced revenue retained by Revenue collectors, lack of tax compliance, are the challenges facing tax administration in Tanzania.

Onaolapo, Aworemi and Ajala (2013) assessed value added tax and its effects on revenue generation in Nigeria.Secondary data was sourced from Central Bank of Nigeria statistical Bulleting (2010), Federal Inland Revenue Service Annual Reports and Chartered Institute of Taxation of Nigeria Journal. Data analysis was performed with the use of stepwise regression analysis. The study showed that Value Added Tax has significant positive effect on revenue generation in Nigeria.

Dickson and Rolle (2014) examine the impact of tax reforms on tax revenue generation in Nigeria, to verify the relationship between federally collected revenue and specific tax revenue generation sources and various income taxes were used as a proxy for tax reform. The study employed annual time series data spanning the years (1981-2011) using the Augmented Dickey fuller, Johansen's co-integration test, Granger causality and Partial Stock Adjustment Model. Result show that tax reform has significant impact on revenue generation. Thus the study concluded that tax reform by improving the tax system and reducing tax burden enhances the ability of the government to generate more revenue.

Oriakhi and Osemwengie (2013) examined tax incentives and revenue productivity of the Nigerian tax system. The study was descriptive in nature. Result showed that tax incentive has positive impact on revenue productivity in the country.The study concluded that the report on total tax revenue buoyancy calls for serious attention and policy challenge, considering the enormous importance of generating resources and less dependence on external borrowing to facilitating economic growth and development.

Okoye and Ezejiofor (2014) studied the impact of e-taxation on revenue generation in Enugu, Nigeria. Data were collected from both primary and secondary sources. Data collected were analyzed using means and standard deviation. Result showed that e-taxation has significant impact on internally generated revenue of the state. Thus the study concluded that E-taxation can enhance internally generated revenue and reduce the issue of tax evasion in Enugu state. E-taxation can prevent corrupt practices of tax officials. The implication of this is that the extent at which government has gone in inaugurating their e-tax administration is still low hence some tax administrators and tax payers are still not aware of the online tax assessment/collection in Nigeria.

Afuberoh and Okoye (2014) examined the impact of taxation on revenue generation in Nigeria. The study adopted both primary and secondary sources of data to present and analyze the information for the study. The testing of the hypotheses of the study was done using regression analysis computed with the aid of SPSS version 17.0. The study discovered that taxation has a significant positive impact on revenue generation and that taxation has a significant contribution on Gross Domestic Product (GDP)

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Adeniyi and Adesunloro (2017) investigated electronic taxation and tax evasion in Nigeria. Survey research design was used in this study. Analysis of variance (ANOVA) was used to analyse data collected statistically at 5% or 0.5 level of significant to find out the significant relationship between tax evasion and electronic tax system. Regression analysis was used with the aid of statistical package for social sciences (SPSS) 20.0 software. The test showed that electronic tax system has positive impact on management of tax payers' data; therefore minimize the incidence of tax evasion among Tax payers.

Enahoro and Olabisi (2012) study examined the overall effectiveness of tax administration in relation to assessment, collection and remittance of tax in Lagos State, Nigeria. They employed survey questionnaire of the machinery of tax administration which was carried out where 130 questionnaires were administered to analyze the opinion of civil servants directly connected with tax administration in the five Local government areas of Lagos State. The hypothesis tested for the relationship which exists between tax administration, tax regulation and revenue generation. They adopted Kendall measure and their finding was that the tax administration in Lagos state is not totally efficient. Hence, tax administration has positive affects on revenue generated by the government; and also that there is a significant relationship between tax administration, tax policies and tax laws. Their study therefore recommends that Lagos State Government could put in place a tax system that can enhance better administration of tax systems and tax collections and should be left in the hands of private organizations.

METHODOLOGY

Model Specification

This study adapted the model used by Okoye and Ezejiofor (2014), to examine the impact of e-taxation on revenue generation in Enugu, Nigeria. The adapted study specified both tax evasion and corrupt practices of tax official as a function of e-taxation in the quest to track the role of e-taxation on revenue generation via reduction in tax evasion and tax corrupt practices. As specified in equation 1.

$$Y_t = \beta_0 + \beta_1 ETAX_t + u_t - equ(i)$$

Where: y represent reduction in tax evasion (RTE) and prevention of corrupt practices of tax officials (PCP). This study modified the model presented in equation 1 to reflect the impact of e-taxation on revenue productivity measured both in terms of actual tax revenue (ATR) and tax to gross domestic product ratio (TGDPR). Thus, this study specified revenue productivity measured in terms of actual tax revenue and tax-to-gdp ratio, as a function of adoption of e-taxation.

The model is presented in linear form as:

$$ATR_t = \beta_0 + \beta_1 ETA_t + u_t - equ(ii)$$
$$TGDPR_t = \beta_0 + \beta_1 ETA_t + u_t - equ(ii)$$

Where:

ATR= actual tax revenue (proxy for revenue productivity)
TGDPR= tax to GDP ratio
ETA= E-taxation Adoption
U=stochastic error term.

Scope, Sources of Data and Method of Estimation:

Data used was sourced from the database of the Federal Inland Revenue Services (FIRS) as published on the official website. Data used in the study covered the period spanning from year 2000 and 2017. This study made use of trend analysis, descriptive analysis and inferential techniques of analysis including independent T-test, and Ordinary least square regression estimation techniques. T-test analysis was used to analyze difference between tax revenue productivity in the pre and post adoption of E-taxation in Nigeria, while regression estimation was used to examine the effect of adoption of E-taxation on tax revenue productivity in Nigeria.

Data Analysis and Interpretation

Analysis of Differences in revenue productivity before and after e-taxation adoption in Nigeria.
This section presents analysis of the difference between revenue productivity before and after the adoption of E-taxation. The first table showed the descriptive statistics of revenue productivity for the pre and post e-taxation era, followed by the t-test estimation result.

Table 1: Descriptive summary of actual tax revenue before and after e-taxation in Nigeria

Group Statistics

	Period	N	Mean	Std. Deviation	Std. Error Mean
Atr	PRE-ET	13	2036.4538	1497.25894	415.26491
	POST-ET	5	4119.4880	639.38677	285.94245

Source: Estimation Output (SPSS 19)

Descriptive statistics presented in table 1 showed that the average tax revenue productivity before adoption of e-taxation stood at 2036.4538 billion naira as compared to the post adoption average value of 4119.4880. Reported standard deviation stood at 1497.25894 and 639.3877 for pre and post e-taxation era respectively. From the reported average tax revenue productivity, it is obvious that revenue productivity after adoption of e-taxation is higher that before the adoption. To test whether the difference is statistically significant, the study employed independent t-test, as reported in table 2 below;

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Table 2: independent T-test Result for difference in tax revenue productivity before and after e-taxation adoption

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
atr Equal variances assumed	2.315	0.148	-2.964	16	.009	-2083.03415	702.78302	-3572.86759	-593.20071
Equal variances not assumed			-4.131	15.574	.001	-2083.03415	504.19048	-3154.25280	-1011.81551

Source: Estimation Output (SPSS 19)

Independent t-test statistics reported in table 4.4 stood at -2.964 alongside probability value of 0.009, the result showed that there is enough evidence to reject the null hypothesis that there is no significant difference between revenue productivity before and after adoption of e-taxation in Nigeria. Thus the study rejected the null hypothesis and concluded that there is significant difference between revenue productivity between era of tradition taxation and era of e-taxation in Nigeria.

Analysis of the Effect of E-taxation Adoption on Actual Tax Revenue in Nigeria

This section presents analysis of the impact of adoption of e-taxation on actual tax revenue in Nigeria. Result presented in table 4.5 showed coefficient estimate alongside probability value, statistics for model fitness such as the R-square.

Table 3: Regression estimation Result (Model 1)

Dependent Variable: ATR
Method: Least Squares
Date: 03/03/20 Time: 12:23
Sample: 2000 2017
Included observations: 18

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2036.454	370.3992	5.497998	0.0000
ETA	2083.034	702.7830	2.963979	0.0091

R-squared	0.554453	Mean dependent var	2615.074
Adjusted R-squared	0.514106	S.D. dependent var	1612.550
S.E. of regression	1335.493	Akaike info criterion	17.33643
Sum squared resid	28536674	Schwarz criterion	17.43536
Log likelihood	-154.0279	Hannan-Quinn criter.	17.35007
F-statistic	8.785172	Durbin-Watson stat	0.461759
Prob(F-statistic)	0.009141		

Source: Estimation Output (E-views 9.0)

Estimation result presented in table 4.5 reported coefficient estimate of 2083.034 with probability statistics of p=0.0091 < 0.05, which reflect that adoption of e-taxation exerts significant positive impact on revenue productivity in Nigeria. Reported R-square stood at 0.554453which connote that adoption of e-taxation alone can explain about 55% of the systematic variation in tax revenue productivity in Nigeria.

Analysis of the Effect of E-taxation Adoption on Tax to GDP Ratio in Nigeria

This section presents analysis of the impact of adoption of e-taxation on tax to GDP ratio in Nigeria. Result presented in table 4.7 showed coefficient estimate alongside probability value, statistics for model fitness such as the R-square

Table 4: Regression estimation Result (Model 2)

Dependent Variable: TGDPR
Method: Least Squares
Date: 03/03/20 Time: 12:28
Sample: 2000 2017
Included observations: 18

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.499885	0.350799	7.126252	0.0000
ETA	1.017351	0.665595	1.528484	0.1459

R-squared	0.627412	Mean dependent var	2.217287
Adjusted R-squared	0.572875	S.D. dependent var	1.313595
S.E. of regression	1.264825	Akaike info criterion	3.412184
Sum squared resid	25.59653	Schwarz criterion	3.511114
Log likelihood	-28.70966	Hannan-Quinn criter.	3.425825
F-statistic	2.336263	Durbin-Watson stat	2.722943
Prob(F-statistic)	0.005920		

Source: Estimation Output (E-views 9.0)

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Estimation result presented in table 4.7 reported coefficient estimate of 1.017351 with probability statistics of p=0.1459 < 0.05, which reflect that adoption of e-taxation exerts significant positive impact on revenue productivity in Nigeria. Reported R-square stood at 0.627412 which connote that adoption of e-taxation alone can explain about 62% of the systematic variation in tax revenue productivity in Nigeria.

DISCUSSION OF FINDINGS

Result showed that there is significant difference between revenue productivity between era of tradition taxation and era of e-taxation in Nigeria. Secondly the estimation result revealed thate-taxation adoption exerts positive effect on actual taxation revenue. This means that at the time when e-taxation was adopted there is increase in the actual tax revenue. This discovery implies that e-electronic adoption increases the revenue productivity in Nigeria when measured in terms of total revenue generation. Thirdly result showsthat e-taxation adoption exert positive impact of tax to GDP ratio. That is, there is increase in tax to GDP ratio during the e-taxation adoption. This implies that revenue productivity increases during e-taxation adoption. During e-taxation adoption, there is efficiency in tax collection which help minimized the cost of tax collection and maximizes tax revenue thereby adding more revenue to the production base of the public goods in the country. Also, the electronic taxation adoption enhances transparency and accountability which reduces possibility for corruption on the part of tax administrators thereby enhances increase in tax revenue and enables government to harness more tax revenue into production of its diverse public good. Notably, discoveries made in this study resonate with the positions of previous scholars including Oriakhi and Osemwengie (2013); Dickson and Rolle (2014)Abiola and Asiweh (2012)

CONCLUSION AND RECOMMENDATIONS

The study concluded that there is a substantial difference between the level of revenue productivity in the country pre adoption of electronic taxation to post adoption, which reflect the potency of such adoption to ameliorate directly or otherwise inherent rate of misalignment in the tax administration system of the country in the like of the level of corruption, bribery, higher cost of tax administration and low level of compliance to mention but few. Also, the study also established that the effect of adoption of electronic taxation on actual tax revenue generation in the country is positive and significant, though such impact does not hold a substantial ground in the discourse of the ratio of tax revenue to the level of gross domestic product in the country. thus it this study recommended that government should create a mobile version of electronic tax portal and made it available for different types of operating system such as Android, Windows and Apple OS in order to increase the adoption rate by tax payers for a significant revenue generation. There is also need for government to conduct more enlightenment programnmes in all states through tax administration agencies in order to increase the knowledge on the use of electronic services related to taxation so as to improve the significance of electronic taxation on revenue and economic growth. In addition all existing tax-payers should be given mandate on when they are expected to complete their e-registration and e-filling in order to improve proper accountability and transparency which could be hindered by paper works in relation to tax collection. Finally, there is need to ensure adequate monitoring of online tax collection process in order to effectively ensure proper accountability and transparency in taxation so as to increase tax revenue and its productivity in the country.

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