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Original Research Article

## Self-Assessment, Electronic-Taxation Payment System and Revenue Generation in Nigeria

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### **Abstract**

*The paper examines self-assessment, e-taxation payment systems and revenue generation in Nigeria, the respondents were drawn from 30 tax executives from 30 quoted companies in Rivers State of Nigeria. A cross-sectional survey of the quasi-experimental research design was adopted. 30 questionnaires were administered to 30 executives drawn from 30 selected companies in Nigeria. Both Pearson's product moment correlation coefficient statistical tool and the regression analysis were used to test the hypotheses by the application of SPSS version 20.0. Results indicate a positive and significant relationship between self-assessment and e-taxation payment systems and Revenue generation. The paper concludes that e-taxation is an online tax payment and administration system that is used for the generation of tax from all competent taxpayers based on statutory guidelines for the purpose of assessing tax returns in the economy. Self-assessment tax payment system is a tax regime that allows taxpayers to voluntarily fill their tax returns based on legislations approved by the government. E-taxation payment system is an online tax filling system carried out voluntarily by taxpayers through their bank accounts. While, self-assessment may be done manually or electronically, e-taxation is done electronically. These measures are provided by the government for effective revenue generation. The paper recommends that corporate bodies in Rivers State of Nigeria should endeavour to pay their taxes as and when due so as to enable the government have enough funds to provide public goods in the country. Corporate bodies in Rivers State of Nigeria should comply with the relevant laws and provisions on taxation so as to guarantee prompt tax payment and avoid tax evasion and tax avoidance in the country. Corporate bodies in Rivers State of Nigeria should have active bank accounts where their taxes could be deducted from at source.*

**Keywords:** e-taxation payment system, self-assessment tax payment system, revenue generation

**JEL Classification Codes:** H200, 0400

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## **1.0 INTRODUCTION**

Revenue generation has been a major concern for many countries (Okauru, 2011). This is because revenue is what the government uses to provide public goods for the citizens (IMF, 2010). In addition, the administration of tax has been very rigorous, especially in developing countries including Nigeria when it comes to revenue generation through taxation (Attah, 2011; and Okauru, 2011). Specifically, the country has experienced hitches in revenue generation via taxation due to the twin problems of tax evasion and tax avoidance, which has made the country to have less revenue from tax (Okauru, 2011). Consequently, in order to curb this ugly trend, the government came up with the policy of self-assessment tax policy in 1991. The self-assessment regime is the new focus of the new tax agency in many countries of the world and Nigeria (IMF, 2010; Attah, 2011; and Okauru, 2011). This is because modern tax administration does not rely solely on the level of tax collection for the determination of efficiency or effectiveness but also engaging other criteria like self-assessment filers and public perception of the tax agency in relation to its programme and activities.

Thus, Self-assessment tax system is introduced to make citizens and corporate bodies to pay their tax as and when due voluntarily (Ogungbesan, 2011). This in essence enables a country to generate revenue with ease and slow down economic problems (Attah, 2011). The need for revenue generation is a major concern for countries world-over. This attention has resulted to the introduction of the self-assessment tax regime (Okauru, 2011).

However, in order to effectively implement the corporate self-assessment tax system in the countries of the world, it was suggested that there should be the process of enablement and compliance enforcement (Tukur & Onyegbule, 2011). This is to prevent tax avoidance and evasion as noted by Kiabel & Nwikipasi (2009). Self-assessment system requires every corporate taxpayer to provide full information about their corporate income and to calculate the tax payable and make payment voluntarily to the tax office (Kiabel & Nwikipasi, 2009).

Therefore, the sustenance of the self-assessment system requires that some compliance programmes must be strictly adopted by the corporate bodies, and this among other things include: thorough examination of the taxpayers' return; routine tax audit to verify the claims of taxpayers; and special investigations in the case of suspected tax evasion and avoidance. The essence of this is to ensure that the government realizes the revenue needed for the development of the country adequately (Kiabel & Nwikipasi, 2009).

The Self-assessment issue has been noted since 1<sup>st</sup> January, 1991 (IMF, 2010). In Nigeria, the self-assessment tax system came into effect from 1<sup>st</sup> January 1998, when government made it mandatory for all Companies in country to file self-assessment tax returns to the relevant tax office of the Federal Inland Revenue Service (FIRS), the grace period of two years to small Companies having lapsed on 31<sup>st</sup> December, 1997. Thus, as from 1/1/96, all Companies with a turnover of =N=1m and above are required to file self-assessment returns; secondly, Companies having less than =N=1m turnover shall compulsorily file

self assessment returns as from 1998 year of assessment (Kibel & Nwikipasi, 2009).

In addition, with the evolution of the Information and Communication Technology (ICT) in the globe, the e-tax payment system was introduced. This is because, prior to ICF's intervention, information sharing and filling of tax returns was done manually causing delays in revenue collection and loss of data. Today, the Federal Inland Revenue Service (FIRS) has brought significant benefits to the business community and the Nigerian economy through its recently developed e-Tax system (FIRS, 2015). Based on this taxpayers can file their tax returns online, within one day and with just three procedures. Quick and easy payment of taxes is expected to promote compliance and lead to better revenue collection. Specifically, Self-assessment tax has (EN) "Enablement of taxpayers in the payment of tax" and (CE) "Compliance Enforcement of taxpayers in the payment of tax" as its components (Oladutire, 2013), while, e-taxation is the electronic tax filing system. According to FIRS, (2015), e-taxation requires taxpayers to pay their taxes online from their individual or corporate bank accounts. This application which was developed in conjunction with the Nigeria Inter-Bank Settlement System (NIBBS) is hosted on the respective commercial bank's internet-banking platform. The process requires the TIN, unique document number generated on the e-filing platform and the necessary internet banking authentication. The system can generate electronic acknowledgement confirming that payment has been made successfully which can be presented to the FIRS. Taxpayers who have not migrated to the ITAS platform can also use this system to make their tax remittances (FIRS, 2015). Similarly, Okoye & Ezejiofor (2014) identified e-taxation as a system of tax administration carried out online. They noted that because e-taxation is electronic tax filing system, then, electronic tax payment can be made directly through bank account and through the use of ATM via debit card or credit card.

From the foregoing, self-assessment tax payment has (EN) "Enablement of taxpayers in the payment of tax" and (CE) "Compliance Enforcement of taxpayers in the payment of tax" as its dimensions, while, e-taxation payment has bank account as its dimension. Based on this, the study will determine the relationships between the dimensions of self-assessment tax payment and revenue generation, and the link between the dimension of e-taxation and revenue generation.

### **Statement of the Problem**

Taxation is a process of administering the tax system of a country with respect to revenue generation through the income of individuals and the profits of companies (Okauru, 2011). However, problems in revenue generation via taxation are countless. This is because a lot of defaults in tax payment exist in Nigeria due to tax evasion and tax avoidance (Murray, 2017).

Specifically, in Nigeria, people do not like to pay taxes. They blame public office holders of not utilizing taxpayers' money for what they are intended for (Oladutire, 2013). Historically, tax payment has been good in Northern Nigeria via cattle tax. It has also been fair in Western Nigeria through the payment of homage and tribute to kings. However, it has been poor in Eastern Nigeria, with

the sad episode of the Aba Women riot of 1929, when women were levied taxes (Dibie, 2012).

Characteristically, the idea of refusing to pay taxes because of the dislike in tax payment is tax evasion (Murray, 2017). **Tax evasion** is an illegal practice of not paying taxes. It occurs by not reporting income, reporting expenses not legally allowed, or by not paying taxes owed. On the other hand, **tax avoidance** is the legitimate reduction of taxes within the law by taking all legitimate deductions, sheltering income from taxes, and setting up employee retirement plans within the law. In this case, the tax pay payer manipulates the laws governing tax payment to his advantage (Murray, 2017).

In addition, IMF (2015) identified that non-compliant and default in tax payment undermines the ability of a country to generate revenue via taxation. Also, IMF (2015) noted that non-tax payment distorts competition, and compromises equity. Consequently, the government that is anxious for revenue may not have enough funds to provide public goods, thereby jeopardizing the welfare of the citizens.

Previous study by Onuiriet *al*, (2015) noted that the Nigerian tax system is surrounded by myriad of problems ranging from little data available on the history of tax revenues or taxpayers due to a lack of proper records keeping system (Federal Republic of Nigeria, 1997); the lack of comprehensive tax statistics and a centralized database for the existing ones (Federal Republic of Nigeria, 2002); in adequate man power and other necessary resources into redundant roles and job functions (Ariyo, 1997); duplication of taxes and its negative effect on taxpayers a problem resulting from a clash in the governments' fiscal responsibility and its fiscal power (Oduola, 2002); and deliberate attempts by taxpayers to evade taxes (Oduola, 2003).

Based on this, the study intends to assess how self-assessment tax system can enhance revenue generation and evaluate how e-tax payment system can improve revenue generation. As against these, the contributory problems are:

1. Ineffective enablement of taxpayers in the payment of tax has affected the level of revenue generation in Nigeria.
2. The lack of compliance enforcement of taxpayers in the payment of tax has affected the level of revenue generation in Nigeria.
3. The inability of corporate bodies to have active bank accounts has affected the level of revenue generation in Nigeria.

## **2.0. REVIEW OF RELATED LITERATURE**

### **Self-Assessment Tax Payment System**

The main aim of self-assessment is to make the tax payer comply in the payment of tax voluntarily (Torgler, 2002). The problem with this sort of tax system lies on how to effect compliance enforcement and monitor the process of tax payment since the taxpayers are the ones who assess themselves and there is the likelihood that they may default in the payment of the correct tax to the relevant tax authority (Ali *et al*, 2001). The concept of self-assessment can only be positively implemented when applicable tax laws and tax jurisdictions are made

with each FIRS office knowing the areas it will cover (Okauru, 2011). This is because self-assessment tax system is meant for raising the revenue base of government, and to enable tax officials collect tax in a cost-effective way (Okauru, 2011). The self-assessment puts the onus on the taxpayer to complete returns accurately and on time. Tax must be paid on set dates but the FIRS can be asked to compute the amount. Consequently, penalties may be charged for failing to comply with the requirements of self-assessment (Kiabel & Nwikpasi, 2009).

### **E-Taxation Payment System**

According to FIRS (2015), the FIRS introduced ITAS in 2013 to improve tax administration in Nigeria and transform the tax compliance process away from the current manual system which is tedious and bureaucratic. The aim of the project is to automate all core processes around registration, payment, assessment, debt and credit management, audit and investigation, case management, and returns filing.

Okoye & Ezejiofor (2014) noted that online tax system has gained huge attention worldwide via the development of information technology, which affects the tax administration system. With the emergence of information technologies (IT), it is possible for the tax administrators to improve tax administration system by creating awareness about their tax structure that most of the taxpayers have limited knowledge about. Therefore, having workable self-assessment tax regime and e-taxation are considered as adequate measures to effect good revenue generation. This can be made possible with specific measures that the government will put in place to effect compliance. The aim of the e-taxation system is to provide the tax authority a database with details of taxpayers and their transactions. This would reduce the issue of tax evasion and hence an increase in government tax revenue (Kiabel & Nwikpasi, 2009).

### **Self-assessment tax regime and e-taxation system**

The goal of any tax authority is to establish a system of tax administration that allows for the collection of required taxes at minimum cost (Onuiri *et al.*, 2015). A tax authority engages in many activities, such as processing returns and related information from taxpayers, entering tax return data into a database, matching returns against filing requirements, processing tax payments and matching them against assessments, and issuing assessments and refunds. One way to boost a tax authority's efficiency is by expanding its use of information and communication technology. Such technology can facilitate a broad range of services, including registering taxpayers, filing returns, processing payments, issuing assessments and checking against third-party information. E-filing systems increase the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately (The IRS, 2014). Returns filed electronically have much lower error rates than paper returns and substantially cut the need to impose penalties and other punitive measures to foster compliance. The more efficient handling provided by electronic returns allows tax officers to issue assessments and refunds more quickly, and taxpayers know right away if their returns have been accepted by the tax authorities.<sup>2</sup> E-filing lowers the cost of handling returns—allowing administrative resources to be reallocated to other tasks such as auditing,

customer services and tracking non-compliance. The benefits of e-filing and e-payment systems extend to other electronic processes in the tax authority. E-filing and e-payment allow for better, safer data storage that can be used to implement a risk management system for auditing and enforcement. Automation helps establish a good system for tracking case files, which is essential for effective auditing (Onuiri *et al*, 2015).

### **Revenue Generation**

Revenue generation is the processes of raising funds for the government. A major source of revenue generation for any government is via taxation. Samuel & Tyokoso (2014) asserts that raising of revenue is classical function of a tax system is the raising of the revenue required to meet government expenditure. This income is required to meet the expenditure which is either the provision of goods and services which members of the public cannot provide such as defence law and order to the provision of goods and services which the federal and state governments feel are better provided by itself such as health services and education.

### **Empirical Review**

A study carried out by Oladutire (2013) on the Effectiveness or Extent of Implementation of Self-Assessment Programme in Nigeria with focus on selected corporate bodies and the FIRS in Rivers State, found out that the self-assessment tax system is a good means for revenue generation in a cost effective manner.

Also, a previous study conducted by Onuiri *et al* (2015) on Design and Development of an e-taxation system noted that the E-Taxation system offers multiple solutions to both sides of the taxation system. They observed that e-taxation enables the tax collector's job to be carried out effectively as access to data required to determine the volume of taxes currently paid is readily available and can confidently estimate deficits. They also identified that the tax organization is seen as more transparent and effective in carrying out its duties as it has records to support stated facts in its report. They also noted that the taxpayers in general are more receptive to taxation as the whole process is convenient and flexible as physical visits to the tax offices are not required. They equally noted that even the government as a whole would benefit from the implementation of this system as it would have the ability to properly prepare its budget based on expected income, since it has historical records and a database showing payments trends. They identified that the e-taxation system can also be used by the government to measure the level of the public's reception of changes in tax laws, rates and their responses to the changes.

Alake and Olatunji (nd) carried out a study on the Impact of Electronic Taxation on Tax Evasion and Avoidance (A Case Study of Nigerian Banks). The study examined the impacts of electronic taxation on tax avoidance and evasion in Nigeria. The sampled for their study was taken from Ekiti State of Nigeria focusing on some banks and the Board of internal revenue of the state. They administered well-structured questionnaires to get responses from the target respondents and they used standard deviation to test the research hypotheses. The results of their findings led to the rejection of the hypotheses that electronic

taxation does not have significant impact on tax avoidance and evasion in Nigeria and consequently the alternative hypothesis was accepted and the study concluded that embracing electronic taxation in tax administration in Nigeria will significantly reduce the incidences of tax evasion and avoidance in Nigeria.

### **Theoretical Framework**

#### **Benefit Theory:**

According to this theory, the state should levy taxes on individuals according to the benefit conferred on them. The more benefits a person derives from the activities of the state, the more he should pay to the government (Mill, 2017). This principle has been subjected to severe criticism on the following grounds:

Firstly, if the state maintains a certain connection between the benefits conferred and the benefits derived. It will be against the basic principle of the tax. A tax, as we know, is compulsory contribution made to the public authorities to meet the expenses of the government and the provisions of general benefit. There is no direct *quid pro quo* in the case of a tax. Secondly, most of the expenditure incurred by the state is for the general benefit of its citizens, It is not possible to estimate the benefit enjoyed by a particular individual every year. Thirdly, if we apply this principle in practice, then the poor will have to pay the heaviest taxes, because they benefit more from the services of the state. If we get more from the poor by way of taxes, it is against the principle of justice?

#### **Ability to Pay Theory:**

The most popular and commonly accepted principle of equity or justice in taxation is that citizens of a country should pay taxes to the government in accordance with their ability to pay. It appears very reasonable and just that taxes should be levied on the basis of the taxable capacity of an individual. For instance, if the taxable capacity of a person A is greater than the person B, the former should be asked to pay more taxes than the latter. It seems that if the taxes are levied on this principle as stated above, then justice can be achieved. But our difficulties do not end here. The fact is that when we put this theory in practice, our difficulties actually begin. The trouble arises with the definition of ability to pay. The economists are not unanimous as to what should be the exact measure of a person's ability or faculty to pay.

### **3.0. RESEARCH METHODS**

The design for this paper was the cross sectional field survey of the quasi-experimental researches. It was adopted to analyse the interaction of the variables in the paper. The study population comprises of 30 companies quoted in Nigeria stock exchange. The accountants that were responsible for tax matters in the companies constitute the target of population for the study. Thus, this brings the target population of study to 30. The questionnaire was constructed based on the use of content validity to show questions covering the dependent and independent variables. The instrument was face-validated by professors of taxation in three Universities in Rivers State of Nigeria and three taxation officials of the Rivers State Board of Internal Revenue. The final draft instrument of the study was produced after correction, which was endorsed by

these experts. The reliability of the instrument was established using the test-retest method on the respondents from the selected quoted companies. The Cronbach Alfa coefficient was used to measure the reliability of the independent and dependent variables to provide a coefficient of .73

### Model Specifications

The regression model specification was used to assess the relationships between variables, and examine how changes in levels of X (independent variable) relate to change in levels of Y (dependent variable) (Baridam, 2001). The symbolic form of the model specification was adopted in this study. Each equation provided by the model specification was meant to test each of the hypotheses that are formulated in the present study as thus:

$$Y = \alpha + \alpha c_{it} + \alpha_{it} \text{ ----- (eqn 1)}$$

Where; y = Dependent Variable

$\alpha_0$  = constant

$\alpha$  = coefficient of the explanatory variable (revenue generation) is the explanatory variable)

$c_{it}$  = explanatory variable

$\alpha_{it}$  = error term (assumed to have zero mean and independent across time period)

In addition, based on the equation 1 above, equation 2 was:

$$\text{Self-assessment tax payment system} = \alpha_0 + \alpha_1 + \alpha_2 + \alpha_{it} \text{ .....equation 2}$$

Where,

$\alpha_1$  = enablement of taxpayers in the payment of tax

$\alpha_2$  = compliance enforcement of taxpayers in the payment of tax

Also, based on the equation 1 above, equation 3 was:

$$\text{E-taxation payment system} = \alpha_0 + \alpha_1 + \alpha_{it} \text{ .....equation 3}$$

Where,

$\alpha_1$  = Bank account

### Data Analysis Technique

The hypotheses for this paper were tested using the Pearson's product moment correlation coefficient (PPMC) by the application of the Statistical Package for Social Sciences (SPSS) version 20.0. The PPMC is symbolized as r (Dana, 2001). If the values for calculation are more than 30, the z-test statistical tool is used. However, if the values are below 30, the t-test statistical tool is applied. The values in this paper are 30 (that is, 30 quoted companies with corresponding 30 taxation officials). Therefore, the z-test statistical test is used in this paper. The decision rule for using the z-test is that if Z- calculated is greater than Z-critical at 1.960, reject null hypothesis. If Z- calculated is less than Z-critical at 1.960, accept alternative hypothesis. The degree of freedom is given as n-2.



**4.0. RESULTS AND DISCUSSION**

**Statistical Testing of Hypotheses**

The Dana (2001) decision framework is used to analyze and interpret the outcome of tested hypotheses. Dana (2001) correlation decision framework includes; a)  $\pm 0.00 - 0.19$  (very weak); b)  $\pm 0.20 - 0.39$  (weak); c)  $\pm 0.40 - 0.59$  (moderate); d)  $\pm 0.60 - 0.79$  (strong); e)  $\pm 0.80 - 0.99$  (very strong); and e)  $\pm 1$  (perfect). The outcomes of the tested hypotheses are displayed in tables as follows:

**Test of Hypothesis 1:**

**H<sub>01</sub>:** There is no significant relationship between enablement of taxpayers in the payment of tax and revenue generation.

**Table 1A: The Descriptive Statistics**

Variables	Mean	Standard Deviation
Revenue Generation	0.1321	0.108
Enablement of taxpayers in the payment of tax	13.439	1.024
Error Term	.5469	0.250

Table 1A reveals the descriptive statistics (mean and standard deviation) for the variables “enablement of taxpayers in the payment of tax and revenue generation”. The results of the descriptive statistics provided the mean and standard deviation for each variable for enablement of taxpayers in the payment of tax and revenue generation. Concerning the values of table 1A, the mean value of revenue generation is 0.1321 and it also has a standard deviation of 0.108. Enablement of taxpayers in the payment of tax gave a mean value of 13.439 and a standard deviation of 1.024. The table also indicated a difference between the mean value of exploration and error term as .5469 and 13.439 respectively; while, the standard deviation of error term is 0.250.

**Table 1B: Correlation**

Variables	Pearson Correlation	p-value
Revenue Generation	0.810	0.000
Enablement of taxpayers in the payment of tax	0.500	0.000

Table 1B indicated a significant relationship between enablement of taxpayers in the payment of tax and revenue generation.

**Table 1C: Regression Analysis**

Variables	Standard Error	Beta	T-value	P-value
(Constant)				
Revenue Generation	0.013	0.039	3.003	0.005
Enablement of taxpayers in the payment of tax	0.019	-0.032	-1.007	0.500

Table 1C reveals the regression analysis for enablement of taxpayers in the payment of tax and revenue generation.

**Other values of Regression Analysis**

Statistic	Value
$R^2$	0.866
Adjusted $R^2$	0.834
Values Explained by other variables	13.4%
F-Statistics	90.118
Prob (F-Statistics)	0.000

Table shows the regression analysis of the relationship between enablement of taxpayers in the payment of tax and revenue generation. The result reveals the effect of enablement of taxpayers in the payment of tax revenue generation. Results show that enablement of taxpayers in the payment of tax and revenue generation are positively related.  $R^2$  reveals that only 86.6% of variations independent variable of revenue generation is explained by the variations in the independent variable of enablement of taxpayers in the payment of tax. This implies that the remaining 13.4% is explained by other variables not included in the model. Hence, since the explanatory variable is greater than 50%, it shows that the model has a good fit. The adjusted  $R^2$  value of 83.4% is slightly below the  $R^2$  of 86.6%. F-statistics shows the validity of model as its value of 90.118 and the Prob (F-statistics) value of 0.000 indicates significant linear relationship. Thus, in the first hypothesis above, it was assumed that there is no significant relationship between enablement of taxpayers in the payment of tax and revenue generation. The correlation result shows a very strong and positive correlation of .810, with a p-value of 0.0000 significant at only 0.05%, which entails that the more enablement of taxpayers in the payment of tax increases, the more revenue generation would be realised by the government to provide public goods for the citizens. This confirms that enablement of taxpayers in the payment of tax via self- assessment tax payment system can guarantee revenue generation via tax payment.

**Test of Hypothesis 2:**

**H<sub>02</sub>:** There is no significant relationship between compliance enforcement of taxpayers in the payment of tax and revenue generation.

**Table 2A: The Descriptive Statistics**

Variables	Mean	Standard deviation
Revenue Generation	0.1389	0.1349
Compliance enforcement of taxpayers in the payment of tax	12.0329	1.1659
Error Term	.5386	0.6446

Table 2A shows the descriptive statistics (mean and standard deviation) of the variables “compliance enforcement of taxpayers in the payment of tax and revenue generation”. The mean value of revenue generation is 0.1389, and the value of standard deviation is 0.1349. Compliance enforcement of taxpayers in the payment of tax gave a mean value of 12.0329 and a standard deviation of 1.1659. These results showed differences between the mean of compliance enforcement of taxpayers in the payment of tax and error term. The mean values and standard deviation for error term are .5386 and 0.6446 respectively.

**Table 2B: Correlation**

Variables	Pearson Correlation	Significant
Revenue Generation	0.802	0.000
Compliance enforcement of taxpayers in the payment of tax	-0.510	0.000

Table 2B above revealed a significant relationship between compliance enforcement of taxpayers in the payment of tax and revenue generation with a significant value of P= 0.000.

**Table 2C: Regression Analysis**

Variables	Standard Error	Beta	T-value	P-value
(Constant)				
Revenue Generation	0.026	0.052	2.020	0.005
Compliance enforcement of taxpayers in the payment of tax	0.020	-0.066	-1.042	-0.050

Table 2C reveals the regression analysis for compliance enforcement of taxpayers in the payment of tax and revenue generation.

**Other values of Regression Analysis**

Statistic	Value
R <sup>2</sup>	0.861
Adjusted R <sup>2</sup>	0.842
Values Explained by other variables	13.9%
F-Statistics	90.188
Prob (F-Statistics)	0.000

Table shows the regression analysis of the relationship between compliance enforcement of taxpayers in the payment of tax and revenue generation. The outcome reveals that compliance enforcement of taxpayers in the payment of tax and revenue generation has a positive connection. R-squared shows that only 86.1% of variations in the dependent variable of revenue generation is explained by the differences in the independent variable of compliance enforcement of taxpayers in the payment of tax. This shows 13.9% is explained by other variables not stated in the model. Thus, the explanatory variable, which is greater than 50% reveals that the model has a good fit. F-statistics discloses the validity of model as its value of 90.188 is greater than its Prob (F-statistics) value of 0.000. Also, from the outcome of the Pearson's Product Moment correlation coefficient statistical tool used in testing the second hypothesis, a value of .802 was obtained which shows a very strong and positive correlation between compliance enforcement of taxpayers in the payment of tax and revenue generation with  $p = -0.0000$  at 5% level of significance. As a result, the null hypothesis is rejected in favour of the alternate hypothesis. Thus, it would be stated that there is a very strong and significant relationship between compliance enforcement of taxpayers in the payment of tax and revenue generation. The test result confirms with a high rate of compliance enforcement of taxpayers in the payment of tax, taxpayers would pay more taxes for fear of fines and other punitive measures based on taxation laws in Nigeria, and this would enhance the revenue generation base of the country.

### Test of Hypothesis 3:

$H_{03}$ : There is no significant relationship between bank accounts of corporate bodies and revenue generation.

**Table 3A: The Descriptive Statistics**

Variables	Mean	Standard Deviation
Revenue Generation	0.1386	0.204
Bank accounts of corporate bodies	13.508	1.064
Error Term	.6002	0.414

Table 3A shows the descriptive statistics (mean and standard deviation) of the variables "bank accounts of corporate bodies and revenue generation". Base on the values of Table 3A, revenue generation has a mean value of 0.1386 and a standard deviation value of 0.204. Bank accounts of corporate bodies provided a mean value of 13.508 and a standard deviation of 1.064. Also, the table indicated a difference between the mean values of bank accounts of corporate bodies and error term as .6002 and 13.508 respectively; while, the standard deviation of the error term is 0.414.

**Table 3B: Correlation**

Variables	Pearson Correlation	Significant
Revenue Generation	0.724	0.000
Bank accounts of corporate bodies	-0.501	0.000

Table 3B indicated a significant relationship bank accounts of corporate bodies and revenue generation.

**Table 3C: Regression Analysis**

Variables	Standard Error	Beta	T-value	P-value
(Constant)				
Revenue Generation	0.005	0.046	2.058	0.005
Bank accounts of corporate bodies	0.010	-0.032	-1.009	- 0.051

Table 3C reveals the regression analysis for bank accounts of corporate bodies and revenue generation.

**Other values of Regression Analysis**

Statistic	Value
$R^2$	0.818
Adjusted $R^2$	0.806
Values Explained by other variables	18.4%
F-Statistics	90.101
Prob (F-Statistics)	0.000

The table above reveals the regression analysis of the link between bank accounts of corporate bodies and revenue generation. The outcome shows that there is a positive relationship between bank accounts of corporate bodies and revenue generation.  $R^2$  indicates that only 81.6% of variations in the dependent variable of revenue generation is explained by the variations in the independent variable of bank accounts of corporate bodies. The implication of this is that the remaining 18.4% is explained by other variables not included in the model. Consequently, since the explanatory variable is more significant than 50%, it shows that the model has a good fit. The adjusted  $R^2$  value of 81.6% is slightly below the  $R^2$  of 80.4%. F-statistics shows the validity of model as its value of 90.101 is well above its Prob (F-statistics) value of 0.000. Thus, in the third hypothesis above, it was assumed that no significant relationship exists between bank accounts of corporate bodies and revenue generation. The correlation result shows a strong and confident correlation of .724, with a p-value of -0.501 significant at only 0.05%, which entails that the more corporate bodies pay taxes via their bank accounts, the more revenue generation, would be realised by Nigeria. This confirms that bank accounts of corporate bodies facilitate the e-taxation filling system, which has a substantial impact on revenue generation as corporate bodies comply with tax payment as and when due.

## **Discussion**

Results suggest that Self-Assessment Tax System (SATS) E-Taxation payment significantly influences revenue generation. Hypothesis one produced a significant relationship between enablement of taxpayers in the payment of tax and revenue generation ( $r = 0.810$ ,  $p < 0.05$ ). Hypothesis two gave a significant relationship between compliance enforcement of taxpayers in the payment of tax and revenue generation ( $r = 0.802$ ,  $p < 0.05$ ). Hypothesis three revealed a significant relationship between bank accounts of corporate bodies and revenue generation ( $r = 0.724$ ,  $p < 0.05$ ).

This is because the generation of revenue from taxpayers to provide goods and services for the citizens is very important. Thus, with the advent of Information and Communication Technology (ICT), it is important for corrupt practices in taxation to be curbed with the application of e-taxation and self-assessment tax system. Self-assessment tax system implies making the citizens and corporate bodies to pay their tax as and when due voluntarily to enable a country to generate revenue with ease and slow down economic problems (Ogungbesan, 2011; Attah, 2011). The self-assessment tax regime is a system administration whereby the taxpayer is granted the right, by law, to compute his tax liability, pays the tax due (at the designated bank) and produces evidence of tax paid at the time of filing his tax return at the tax office, on the due date. On the other hand, the tax authority has the responsibilities of enablement to and checks on the taxpayer to ensure compliance with tax administration process (Tukur & Onyegbule, 2011). It is emphasised that this tax regime is complete with a continuum of activities; from taxpayer enablement, the filing of tax returns, and payments, tax returns processing, payment/debt management, and compliance/enforcement. Self-assessment applies to employers, self-employed, limited liability companies including oil companies; agents or taxable persons, in the case of value added tax (IMF, 2010).

## **5.0. CONCLUSION AND RECOMMENDATIONS**

### **Conclusion**

The findings of the paper reveal that self-assessment tax payment and e-taxation payment systems are strongly related to revenue generation. This finding supported the outcomes of tests of hypotheses in this study. Taxation is essential for sustainable economic development, and tax administration is a basic function of a successful state. Taxation also helps make a government accountable to its citizens. When governments spend taxpayers' money, they are more accountable to make budget decisions transparent and accessible (Okauru, 2011). 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. Several suggested benefit of e-tax filing system has been mentioned in recent times, among them are that it allows taxpayers to conduct transactions within a few mouse clicks. This convenience can serve as a key driver of e-filing adoption. E-filing provides

many aspects of 'convenience' to taxpayers (that is time to file, a place to conduct the filing, ease-of-use, information searching and online transactions) at a degree that is not available through traditional channels. E-filing also offers the flexibility of time and reduces calculation error on the tax return form to the taxpayers (Onuiri et al., 2015).

Therefore, we would conclude that e-taxation is an online tax payment and administration system that is used for the generation of tax from all competent taxpayers based on statutory guidelines to assess tax returns in the economy. The self-assessment tax payment system is a tax regime that allows taxpayers to voluntarily file their tax returns based on legislation approved by the government. E-taxation payment system is an online tax filing system carried out voluntarily by taxpayers through their bank accounts. While self-assessment may be done manually or electronically, e-taxation is done electronically. The government provides these measures for effective revenue generation.

### Recommendations

By taking the findings of this study into consideration, the following recommendations were made.

- i. Corporate bodies in the Rivers State of Nigeria should endeavour to pay their taxes as and when due to enabling the government to have enough funds to provide public goods in the country.
- ii. Corporate bodies in the Rivers State of Nigeria should comply with the relevant laws and provisions on taxation to guarantee prompt tax payment and avoid tax evasion and tax avoidance in the country
- iii. Corporate bodies in the Rivers State of Nigeria should have active bank accounts where their taxes could be deducted from at source.

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