

ISSN: 2635-2966 (Print), ISSN: 2635-2958 (Online).

©International Accounting and Taxation Research Group, Faculty of Management Sciences, University of Benin, Benin City, Nigeria.

Available online at <http://www.atreview.org>

Original Research Article

Personal Income Tax Evasion and Revenue of Informal Sector of the Northwestern States of Nigeria

Aliyu, A. Almustapha & Bakare, Taophic Olarewaju

^{1&2}Department of Accounting and Finance, Usmanu Danfodiyo University, Sokoto, Nigeria

For correspondence, email: Mustaphaa101@gmail.com, abubackrie@gmail.com

Received: 05/11/2019

Accepted: 21/12/2019

Abstract

In Nigeria, tax evasion is not only found in the non-formal sector but even multinationals do engage in tax evasions which caused Nigeria to lose trillions of naira over some time, with over 90 billion(\$550 Million) from automobile firms in Nigeria. This has created a greater vacuum on revenue generations. This has led to rationale behind the study on effect of personal income tax evasion and performance of informal sector of the Northwestern states of Nigeria. The study adopts the survey research design approach. Through purposive sampling procedures, data were collected using a questionnaire and analysed using Pearson Product Moment Correlation and Simple Regression techniques. Findings revealed a strong relationship between fine rate, corruption and level of tax payer education with a coefficient (.745, .802, and .724 with prob. 0.000, 0.000 and 0.004) at 10% level of significance respectively. The study concluded that corruption, education level of tax payers and fine rate are the main determinants of tax evasion in the northwestern of Nigeria. It therefore, recommends that the government should put more efforts to register all informal business to improve revenue generation.

Keywords: Personal Income Tax, Tax Evasion, Informal Sector, Tax Compliance.

JEL Classification Codes: H200, H240, H260, O170

This is an open access article that uses a funding model which does not charge readers or their institutions for access and is distributed under the terms of the Creative Commons Attribution License. (<http://creativecommons.org/licenses/by/4.0>) and the Budapest Open Access Initiative (<http://www.budapestopenaccessinitiative.org/read>), which permit unrestricted use, distribution, and reproduction in any medium, provided the original work is properly credited.

© 2019. The authors. This work is licensed under the Creative Commons Attribution 4.0 International License

Citation: Aliyu, A.A. & Bakare, T.O. (2019). Personal Income Tax Evasion and Revenue of Informal Sector of the Northwestern States of Nigeria. *Accounting and Taxation Review*, 3(4), 99-109.

1. INTRODUCTION

Taxation may be viewed as a system of compulsory payment where individuals, firms and other forms of organisations are required to pay due to the government. It is an obligatory transfer of funds from individuals, groups of individuals or institutions to the government (Amaah, 2012; Kiabel, 2011).

According to Almand Martinez-Vasquez(2007), a higher number of the individual or organisations in the state, tend not paying taxes to the country. This could make tax authorities to have difficulty collecting tax. For example, collections of taxes of the informal sectors have mainly become a major challenge faced by tax administrators in not only developing countries but also in developed nations as well. Therefore, these challenges affect the total revenue that the government could generate, particularly in developing countries such as Nigeria (Alm and Martinez-Vasquez, 2007; Okafor, 2012; Slemrod, 2016).

Tax evasion refers to the deliberate refusal of tax payers to fulfill their tax obligation (Olatunde, 2007; Kleven, Martin, Clau, Soren & Emmanuel, 2011). It is a thoughtful refusal to unveil one's source of income to the tax authority with the intention of not paying the appropriate tax liabilities. In other words, tax evasion refers to the under-reporting of assessable earnings with the purpose of not paying such taxes. Tax evasion is a common thing that is happening in most of societies today.

According to Soyode and Kajola (2006) and Zucman (2013), a numerous possibilities are available to the government for the blockage of tax evasion for behest resources away from the other sectors and claimants of the economy to meet their needs as well as assume their day to day activities of running the government. These options are includes, non-tax and taxes revenue such as fees, levies, property and investment income, cost

of recovery, borrowing including loans from multilateral institutions, foreign and domestic and grants. However, the primary sources of fund for most of the government today are the funds through tax revenue (Zucman, 2016; Soyode and Kajola, 2006).

The Nigerian State Minister of State of Finance in 2017 stated that the hardest sector to handle tax is the non-formal sector because it has the highest number of tax evasion(Emmanuel, 2017). This the country is working had with the data available to correct the problem. The issue of tax evasion from the informal sector has made Nigerian tax to GDP ratio to about six percent as one of the lowest internationally. The ratio of the Nigerian tax to GDP ration is grossly inadequate when compared to countries like Ghana with 15.9%, India has 16% and South Africa is 27%. Majority of the developed nation GDP ratios to tax ranges within 32% to 35% higher than the emerging economies. The Nigerian informal sector is reported to consist of people that are at the bottom of the pyramid with the biggest tax evaders in the country(Emmanuel, 2017).

The informal sector in Nigeria often trading with and providing goods and services for the formal sector. According to the United Nations Development Programme(UNDP) in 2016, the informal sector economy in Nigeria is estimated to account for 57.9% of Nigeria's rebased GDP. The informal sector contributes greatly to employment generation than the formal sector. Although, the contribution of the sector is enormous but the revenue generation is low.

Statement of the Problem

In Nigeria, tax evasion is not only found in the non-formal sector but even multinationals do engage in tax evasions which caused Nigeria to lose over \$1 trillion over some time (Mohammed, 2016), with over 90 billion(\$550 Million) from automobile firms in Nigeria. This has

created a greater vacuum on revenue generations (Rewane, 2016).

Evasion of taxes has been a serious concern in Nigeria with several litigations from different government organisations for both informal and formal sectors. For instance, Federal Inland Revenue Services (FIRS) of Nigeria in 2015 reported that it had taken a client to court for tax evasion of a period of five years to the tune of ₦4.86 billion naira (Sadoke, 2012). The study of Orock and Mbuagbo (2012) stated that Nigerian Economic and Financial Crime Commission (EFCC) report, mentioned that, an estimated figure of 129 billion dollars (₦21 trillion) has been siphoned out of the country as a result of tax evasion.

The loss in revenue from tax evasion in Nigeria has been in the alarming rate from both informal and formal sectors of the economy. The Nigerian government lost over ₦90 billion (\$550 million) in revenue as a result of tax evasion in the automobile industry from 2013 to 2016. The Minister of Information in 2017 reported that Nigeria also lost over \$1 trillion from tax evasion by international or multinational firms over many years. The issue of tax evasion in Nigeria has directly affected economic growth as it lowers the revenue and the investments in public infrastructure as well as their general welfare. Consequently, tax evasion is unwelcoming to the nation's economic growth (Schneider, 2005; Parkin, 2007; Onwumere, 2005).

In Nigeria, several laws have been provided on the tax evasion among the formal sector and employed persons ignoring the informal sector revenue. For instance, personal income tax criminal offences and penalties under the Personal Income Tax Act, Companies Income Tax criminal offences and Sanctions under part XII of the Companies Income Tax Act (CITA). The provision of the law ranges from fine to imprisonment or both in some instances. For instance, the Osun state government in

2017 sealed off a quarry of Dangote Group over alleged tax evasion of over NGN1.5 billion tax.

The occurrence of the tax evasion is huge in such a way it will be difficult to be estimated (Soos, 1991). The tax evasion has been a significant revenue-related malpractice in most countries irrespective of the historical era. This is evident in the fact that in the third century, a numerous Romans people suppressed their jewelry and gold coin in the ground for them to evade tax. In the 18th century, home owners in England temporarily, fire their places not to pay for hearthtax (Larudee, 2015, Parkin, 2005).

According to Sikka and Hampton (2005), and Olatunde (2007) and Johns and Slemrod (2010) tax evasion view as the major social issue hindering development in developing nations and destroying the current welfare state in developed countries. This problem has attracted the attention of not only policy makers but also researchers and scholars as well. Quite a number of factors are responsible for the relative ease with which individuals and organisations evade tax. These factors include ignorance and non-compliance on the part of tax payers, deprived record keeping standard and making of inappropriate returns by small scale businesses.

It is necessary that these lapses, where they occur, are identified so that drastic measures are set and implemented to be able to overcome such problems and improve revenue collection. This is in view of the fact that taxation and tax evasion affect not only public expenditure but also capital accumulation in the state. Which in turn affect the output of the economy as well as its growth.

It is given the problems mentioned above that necessitated the need for this study. Thus, the central point of this study is to investigate personal income tax evasion and

the informal sector of the Northwestern states of Nigeria.

Efforts have been made by researchers across the globe on tax evasion and its effect to the economy of a nation in the last few decades. Dominated this studies are conducted by Mansor & Guram (2016), Aloy (2010), Lufti (2009), Toye & Moore (2009), Adebisi & Gbegi (2013), Akintayo (2013), Alm & Martinez-Vasquez (2001), Gjokutaj (2014), Danjuma, Mohammed & Alkali (2013), Agbi (2014), Akintoye (2015), Okafor (2012), Saidu & Daude (2014) and Eze (2009) to mention a few. Very few studies that looked at the determinants of tax evasion in Nigeria concentrated on the formal sector of the economy. For instance, Agbi (2014) look at tax evasion problem in formal sector, Adebisi (2013) study is on the state government taxations while Akintoye (2015) look at the tax rate and enforcement and Okafor (2012) used tax evasion and economic development in an informal sector.

The study considered the informal sector in Northwestern Nigeria using Kano and Sokoto that are being dominated by the muslims that consider tax as against their believe. This is study, therefore, a modest effort to fill that gap. The following research questions become pertinent: is there any relationship between fine rate and tax evasion inthe Northwestern States of Nigeria? Does the level of tax payers education has a significant effect on tax evasionin the Northwestern States of Nigeria? In what way does corruption influence tax evasion in the Northwestern States of Nigeria?

2. Literature Review

The informal sector is unlike the formal sector that is recognised by the government and included in the gross domestic product (GDP) and gross national product (Dean, 2011). Therefore, the informal sector can best be described as a grey market in labour.

Although the informal sector contributes to many economies but it has been described as troublesome and hard to manage. However, the sector provides critical opportunities in developing economies for the poor International Labour Organisation (ILO, 2006). The informal sector is an unregulated sector that is as old as the formal sector of the economy. If not much older than the formal sector.

Concept of Personal Income Tax (PIT)

The idea of personal income tax has been in existence for many decades. Personal income tax is one of the significant and major sources of revenue by both states and the federal government. The concept of income that majority of economist adopts is the Haig-Simons of 1960 Carter Royal Commission Tax Reform in Canada adopted. This definition has components of income that has a salary, wages, profits, commissions of business that are privately owned, interest income from a bank account, tips, rental income, gifts as well as inheritances received. According to Andrews (1974), the excellent personal income taxable ought to be equivalent to total accretion that can be the sum of consumption that is personal in addition to accumulation.

The Personal Income Tax Act, 2004 is now amended by the personal income tax (Amendment) Act, 2011. This follows many years of agitation for the personal income tax law in Nigeria to be brought in line with present day economic realities; and also to assist in increasing the compliance and the amount of tax voluntarily paid and or collected by the Nigerian government.

The South Africa Revenue Board defines PIT as a tax that is paid on taxable income on individuals arising from remunerations, profit or losses from business or trust, director's fees, rental income, royalties' income, investment income, annuities, certain capital gain and pension income (Brain, 1996). The Socialist Republic of

Vietnam Law on income tax considered PIT payer as any individual residing with an income that is taxable as provided in article three of the Law of Tax 2007 either outside or within the territory of Vietnam, and also non-resident person that has a taxable income as reported in article three within the territory of Vietnam law. According to Brain (2000), personal income tax is a system of tax paid by individuals on the earned income, as opposed to other forms of taxes like company on its profits.

The general definitions of the PIT are geared towards income arising from employment, an estate, trust, and other sources of income. The personal income is a form of direct taxes imposed on the person, estate, trustees' income and other legal income arising from a particular community or country.

Concept of tax evasion

In any country whether developed or developing economy, evasion of tax is illegal, which attracted appropriate penalty. Although tax evasion is found in the formal sector but is more frequent in the informal economic sector. Several scholars consider tax evasion as non-compliance with tax payment. For instance, Wenzel (2002) viewed tax evasion as a form of noncompliance of tax payment because it describes various activities that propose to undermine the state's tax system.

According to Adebisi and Gbegi (2013), tax evasion is the deliberate violation of the law by the taxpayer to escape payment of the tax imposed by law. Other researchers such as Salami (2011), consider tax evasion to have resulted from a high level of mobility because evasion of tax is mostly pronounced on the part of self-employed taxpayers.

The idea of tax evasion has been looked at in term of cash transaction in a given economy. For instance, Slemrod and Weber (2012) write that tax evasion is notoriously hard to uncover, mainly when economic

exchange occurs in cash transactions. Other researchers consider tax evasion estimation to be consumption inference or tax audit (see Gordon and Nielsen, 1997; Feldman and Slemrod, 2007). Also, other researchers defined tax evasion from the government side for lack of capacity to recover or trail taxes. According to Artavanis, Morse and Tsoutsoura (2012), tax evasion is the lack of the will power by the tax authority to collect revenues that are evaded, assumed as a result of not having capacity because of weakness and prove of violation from paper trail.

Empirical Review

The study by Modugu and Omoye (2014), indicate that, mainly because of the difficulties in measuring tax evasion given the individual incentives to conceal cheating. The assumption was that, at least qualitatively, the determinants of tax morale could produce relevant results for tax evasion; and what could explain tax morale could, in fact, explain the levels of tax evasion. The estimations with tax morale as the dependent variable had both traditional and non-traditional determinants as independent variables; quite similarly as for tax evasion modeling applied.

Mansor, Ghani and Zaidi (2012) examine the factors affecting tax evasion in Malaysia utilising annual time series data from 1963-2010. The study uses Artificial Neural Network methodology data techniques. The results of the study show that the size of governments, inflation rate and tax burdens, have an influence on the tax evasion, but there is negative effect on the relationship between tax payers income and the tax evasion.

Agbi (2014) studies the impacts of tax evasion on the Canadian economy using primary data collected from 333 respondents used as the sample for this study. The respondents include tax accountants, financial advisors, financial analysts, financial accountants, business owners, lawyers, public, and private

corporate employees. The author employs an experimental method using descriptive, inferential techniques in his data analysis. The major findings of the study show that people that earn a more considerable income that is not easy to detect, exhibit lower rates of tax compliance in the country. In addition, results indicate that there are compliance growths whenever the income is not detectable carries higher rates of detection. Finally, this experiment suggests that people that prepare their own tax returns tend to evade significantly more.

Bekoe, (2012) examine the impact of tax evasion on economic development and also the direction of causality among the seven African countries using the annual time series data for the period 1985 - 2010. The study used panel data estimation techniques and conducted causality tests. The result indicates that tax evasion is the main factor that slows the growth of the economy. Any 10.0% rise in tax evasion reduced the economic growth at 7.1%. The results from causality tests indicated that four countries exhibited bi directional causality, demonstrated unidirectional relationship, from tax evasion to economic growth while some shows unidirectional causality from economic growth to the tax evasion.

Theoretical Framework

Crime Theory: The deterrence doctrine of the crime theory can be drawn back to the works of (Murphy, 2008). Their theory of crime stated that people are rational players that behave in a way that will take full advantage of their predictable value. Becker (1968) also argues that, the authorities required to aptly balances between detection of non-compliers and the sanctions to the point where non compliance suits to the irrational.

In the early 1970s, Allingham and Sandmo (1972) extended Becker's work on the economics of crime to the context of tax. They found that relationship exists between probability of detection and higher penalty

rate. In another study related to crime theory by Murphy and Harris (2007) indicated that the use of legal coercion and threat, mostly when perceived as illegitimate, can yield a negative behaviour.

3. METHODOLOGY

Arising from the established theoretical framework. The model or this study is specified as follows:

Model Specification

$$RI = \beta_0 + \beta_1FR + \beta_2CURR + \beta_3EDU + \mu$$

Where:

RI = Revenue of Informal Sector

FR = Fine rate

CURR = Corruption

EDU = Level of tax payer education

μ = Error term

β_0 = Constant parameter

Research Design

The objective of this research is to determine the effect of the determinants of tax evasion on the revenue of the informal sector of the Northwestern States of Nigeria. The study adopts survey research design being an efficient means of gathering information with regards to the respondents' perception. A structured questionnaire was administered on three categories of respondents- tax payers, tax officials and tax consultants. The research plan was to survey businessmen and women in two selected states in the North-Western of Nigeria.

The population of the study

The population of this study comprises of business men and women who operated within the informal sector in the two selected states, Kano and Sokoto state in the North-Western geo-political zone of Nigeria, the choice of the two states was purposive being them the major commercial states in the zone.

The exact population of informal sector participants in the two selected states has neither been documented in any government

record nor in any previous research. The study was not able to determine the number of the informal sector in the region because there is no formal data available. However, given the potential population to be counted and the limited time and resources available for the study, the population of informal sector participants covered by this study was generated using purposive sampling.

4. ESTIMATION RESULTS AND DISCUSSION OF FINDINGS

Multi-collinearity Test using Variance Inflation Factor

Table 1: Tolerance and Variance Inflation Factors (VIF)

Variables	Tolerance	VIF
FR	0.396	2.523
CURR	0.837	2.162
EDU	0.401	4.987

Authors computation 2019

To detect multicollinearity, the correlation matrix, as well as the correlation matrix examination of the exogenous latent constructs was performed. The result of the correlation matrix shows 0.70 which indicates there was no multicollinearity among the exogenous latent constructs (Hair *et al.*, 2010).

After the examination of the matrix, the variance inflated factor (VIF), as well as tolerance value, were investigated. Table 1 shows the result of all the VIF are less than 5 and the tolerance values greater than 0.20. This indicates that no multicollinearity exists within the latent constructs exogenous variables in this study (Hair, Ringle and Sarstedt, 2011).

Table 2: Common Method variance test

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	Var %	CM %	Total	Var %	CM %	Total	Var %	CM %
1	22.04	26.18	26.185	22.04	25.185	25.185	14.62	18.259	18.259
2	12.64	14.36	40.548	12.64	14.363	40.548	10.23	11.626	29.885
3	6.821	7.751	48.300	6.821	7.751	48.300	8.291	9.421	39.306
4	5.030	5.716	54.015	5.030	5.716	54.015	7.579	8.613	47.917

Extraction Method: Principal Component Analysis.

As shown in Table 2 above, the result of the factor analysis indicates the first factor variance which is the highest factor variance

is 18.26%, which is less than 50%. The result shows that no single factor accounted for the majority of covariance in the predictor and criterion variables (Podsakoff, MacKenzie, & Podsakoff, 2012).

The Correlation Matrix of the Research Variables

Table 3: Pearson Correlations Results

	FR	CURR	EDU
FR	1	.150 .001	-.038 .380
CURR	.150* .001	1	.085 .052
EDU	-.038 .380	.085 .052	1

Source: Author's Computation

Table 3 shows the correlation matrix of the entire research variables. The variables are

FR, CURR and EDU. The result of the correlation matrix indicates that there are

correlations among the most critical focal variable in this study.

Model Summary result

Model summary is provided in this section for all the hypotheses.

Table 4: Model Summary for hypotheses

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate
1	0.7820 ^a	.6246	.6012	5.333

^a fine rate, corruption, level of tax payer education

Table 5: ANOVA for hypotheses

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	214.563	1	62.234	173.354	.000 ^b
	Residual	33.666	142	0.432		
	Total	248.229	143			

a. Dependent variable: tax evasions

b. Predictors (fine rate, corruption, level of tax payer education)

Table 6 Coefficients^a for hypotheses

Unstandardised coefficients					
Model	B	Std Error	Standardised coefficients beta	t	Sig
Constant	.157	.102		1.539	.134
Fine rate	.745	.066	.742	11.288	.000
Corruption	.802	.072	.800	11.139	.000
Tax payer edu.	.724	.074	.722	9.784	.004

a. Dependent variable: tax evasion significant level at 0.05

Table 4 showed an R squared value of 0.6246 indicating that the predictor variables (fine rate, corruption, level of tax payer education) depict a 62.46% of variables on tax evasions. The value of R 0.7820 indicates a strong positive correlation between fine rate, corruption, level of tax payer education and tax evasions. This implies that the predictors of tax evasion are strongly related.

Table 5 shows the findings of the ANOVA regression model. At $\alpha=0.05$, at $P=0.000$ indicating statistically significant predictors for the tax evasions. Additionally, $P=0.05$ suggest a good fit model. As a result of the findings, there is enough evidence against the null hypotheses for the model to support

the relationship between the independent and dependent variable.

Table 6 is the result of the regression between fine rate, corruption, level of tax payer education and tax evasion. The findings provided a beta coefficient of .745, .802, and .724 at a significant level of 0.000, which is lower than $\alpha=0.05$, respectively. The table reported a strong relationship between fine rate, corruption, level of tax payer education and tax evasion. This result provided evidence that a change in the unit of .745 for fine rate will provide a change in a unit tax evasion. Also, a change in unit of .802 for corruption will provide a change in unit in tax evasion. Finally, a change in the unit of .724 for the level of

taxpayer' education will provide a unit change in tax evasion. This is in line with the findings of the study conducted by Oko & Omini (2014)

Conclusion and Recommendations

Based on the findings of this study, the study concluded that corruption, education level of tax payers and fine rate are the main determinants of tax evasion in the northwestern of Nigeria. The study found out that tax evasion leads to inadequate provision of social amenities and inequitable distribution of income in the society.

Based on the conclusion of this study, the following recommendations were made:

- i. The government should look at the tax payers' income and compliance with the payment of tax serious. The National Tax Policy of 2011 has provided that the informal sector has been a problem in term of tax collections. Therefore, the government should put more efforts to register all informal business to improve revenue generation.
- ii. Government should create an enabling environment that will provide jobs opportunity for the people. The need for transparency and accountability should be paramount important to Nigerian tax authorities in the collection, payments, and utilisation of tax proceeds.
- iii. Tax evasion is inevitable where the Government does not boost the economy and decrease the level of poverty among its citizenry particularly where the majority of the citizens are poor. There should be a systematical way of development by the government in term of the development of the social and infrastructural sector, as that will enable the citizens, especially the informal sector to have a capacity increase in the area of production.

REFERENCES

- Adebisi, J. F. & Gbegi, D.O. (2013). Effect of tax avoidance and tax evasion on personal income tax administration in Nigeria. *American Journal of Humanities and Social Sciences.1, (3), 125-140.*
- Agbi, S. E. (2014). The size of the tax evasion problems on self employment income: an examination of effects of tax policies on compliance. *International Journal of Business and Management Review, 2 (3), 73-101.*
- Akintoye, I. R. (2013). The effect of tax compliance on economic growth and development in Nigeria, West-Africa. *British Journal of Arts and Social Sciences, Vol. 11 (2), 222-231.*
- Allingham, M., & Sandmo, A. (1972). Income tax evasion: a theoretical analysis. *Journal of Public Economics. 4(1), 323-338.*
- Alm, J., & Martinez-Vazquez, J. L. (2001). Societal institutions and tax evasion in developing and transition countries. A paper prepared for a public finance in developing and transitional countries conference, Georgia State University.
- Alm, J., & Martinez-Vazquez, J. L. (2007). Tax morale and tax evasion in Latin America, Andrew Young School of Policy Studies.
- Aloys, P.(2010). Labor markets abd nating markets: Using taxes to reduce the male female pay gap. *Journal of Bioeconomics, 3(12), 43-53*
- Amoah, P.T., (2012). Small business owners' attitude towards tax stamp: a case study of taxpayers In Sekondi , BA Dissertation ,School of Business, University of Cape Coast.
- Andrews, W. D. (1974). A consumption-type or cash flow personal income tax. *Harvard Law Review. 87 (6), 1113–1188.* Available at: <http://www.jstor.org/stable/1339894>.
- Artavanis, N.; Morse, A., & Tsoutsoura, M. (2012). Tax evasion across industries: Soft Credit Evidence from Greece',

- Chicago Booth Research*. 4(12), 21-30. doi: 10.2139/ssrn.2109500.
- Becker, W. (1968). The impact of public transfer expenditures on tax evasion: An experimental approach” *Journal of Public Economics*, 34: 243-252.
- Bekoe, W. (2012). Tax evasion and economic growth in selected African countries, 1985- 2010”, *Journal of Monetary and Economic Integration*, 12(1), 34-67.
- Danjuma, S.; Mohammed, Y. A., & Alkali, L. F. (2013). Factors militating against women economic empowerment and poverty reduction in African Countries.*Journal of Business and Management*, 13 (6), 47–51.
- Dean, C. (2011). Economics Focus: In the shadows-The economist. The Economist.
- Eze., J., N. (2009). The determinants of tax payers attitude in some selected states (Nigeria). Thesis submitted to University of Nigeria, Enugu campus Nigeria(Unpublished)
- Feldman, N. E., & Slemrod, J. (2007). Estimating tax noncompliance with evidence from unaudited tax returns.*Economic Journal*, 117(518), 327–352. doi: 10.1111/j.1468-0297.2007.02020.x.
- Gjokutaj, E. (2014). Tax burden in albania and balkans countries, tirana, Albania. 8-10, www.al-tax.org.
- Gordon, R. H., &Nielsen, S. B. (1997). Tax evasion in an open economy: Value-added vs. income taxation.*Journal of Public Economics*, 66(2), 173–197. doi: Doi 10.1016/S0047-2727(97)00044-3.
- Hair, J. F.; Black, W. C.; Babin, B. J.; Anderson, R. E., &Tatham, R. L. (2010). *Multivariate data analysis*. 7th edn, *Vectors*. 7th edn. Upper Saddle River, NJ: Pearson Prentice Hall Upper Saddle River, NJ. doi: 10.1016/j.ijpharm.2011.02.019.
- International Labour Organisation (2006). *Taxation trends in the European Union*. 21-38, Luxembourg: Publications Office of the European Union.
- Kiabel, B.D. (2001). Personal Income Tax in Nigeria , Owerri; Springfield Publishers
- Kiabel, B. D., &Nwokah, N. (2009). Curbing tax evasion and avoidance in personal income tax administration: A study of the South-South States of Nigeria. *European Journal of Economics, Finance and Administrative Sciences*. 15(3), 23-40.
- Kleven, H., Martin, K., Claus, K., Soren, P., & Emmanuel, S. (2011). Unwilling or unable to cheat? evidence from a randomized tax audit experiment in Denmark”, *Econometrica*, 2010.
- Larude, T. (2015). The effect of taxation on the economy.*Journal of tax issue*,2(6): 54-56.
- Lufti, F., (2009). Shadow economies and corruption all over the world: empirical results for 1999 to 2003. *International Journal of Social Economics*, 35,(9), 4-20.
- Mansor, J. N.; Ghani, M. N., & Zaidi, M. S. (2012). Estimating factors affecting tax evasion in Malaysia: A Neural Network Method Analysis,” *Prosiding Perkem*, VII: *JILID*, 2:1524 – 1535.
- Mansor, M., & Gurama, Z. (2016). The determinants of tax evasion in Gombe State Nigeria. *International Journal of Economics and Financial Issues*, 4(4): 123-145.
- Modugu, K. P., & Omoye, A. S. (2014). An appraisal of personal income tax evasion in Nigeria”, *Asian Economic and Financial Review*, 4 (1), 33-40.
- Mohammad, M. M.(2016). Reason for tax avoidance and tax evasion: reflection from Pakistan. *Journal of Economics and Behavioural Studies*, 4(4), 217-222.
- Okafor, R. G (2012). Tax revenue generation and Nigerian economic development.
- Ola, C.S. (2001). Income tax law and practice in Nigeria, 5th edition, Ibadan, Dalag prints and Part.
- Oko, I. E., & Omini, E. E. (2014). Tax innovation, administration and revenue generation in Nigeria. Case of Cross

- River State. *World Academy of Science, Engineering and Technology International Journal of Social, Education, Economics and Management Engineering*, 8 (5), 1579-1576.
- Olatunde, J. O. (2007). Tax evasion, tax avoidance and corruption: An interface with source of finance for development in Nigeria.
- Onwumere, J.U. (2005). Business and economic research method, Lagos. Don-Vinton Limited
- Osuagwu, L. (1999). Business research method, principles and practice, Lagos; Grey Resources Limited.
- Orock, R. & Mbuagbo, O. (2012). Why government should not collect taxes: grand corruption in government and citizens, views on taxation in Nigeria. *Review of African Political Economy*. 39(133), 480-482.
- Parkin, M. (2005). Principles of Micro-economics, New York, Prentice-Hall
- Rahman R.I. and K.M.N.
- Podsakoff, P. M.; MacKenzie, S. B., & Podsakoff, N. P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual review of psychology*, 6(3), 539-569.
- Rewane (2016). Does taxation lead to representation. Minieo, university of california, Dept of Political Science.
- Ross, M. L. (2007). Does taxation lead to representation. UCLA department of political science, <http://www.polisci.ucla.edu/faculty/ross/tax> Retrieved 2017-0930.
- Sadoke, D. (2012). Sahara reporters. The case of IFRS vs Air Nigeria on forgery of ₦5 Billion Tax fraud-NAN.
- Saidu, S., & Dauda, U. (2014). Tax evasion and governance challenges in the Nigerian informal sector. *Journal of Finance and Economics*, 2(5), 156-161.
- Salami, A. (2011). Taxation, revenue allocation and fiscal federalism in Nigeria: issues, challenges and policy options. *Ekonomski anali*, 56 (189): 27-50. doi: 10.2298/EKA1189027S.
- Schneider, F. (2005). Shadow economies around the World: What do we really know? *European Journal of Political Economy*, 23 (1), 598-642.
- Sikka, P., & Hampton, M. P. (2005). The role of accountancy firms in tax avoidance: some evidence and issues. *Accounting Forum*, 29(3), 325-343.
- Slemrod, J. (2016). Cheating ourselves: the economics of tax evasion. *Journal of Economic Perspectives*, 21(1): 25-48.
- Slemrod, J., & Weber, C. (2012). Evidence of the invisible: Toward a credibility revolution in the empirical analysis of tax evasion and the informal economy. *International Tax and Public Finance*, 19 (1): 25-53. doi: 10.1007/s10797-011-9181-0.
- Soos, P. (1991). Self-employed evasion and tax withholding: A comparative study and analysis of the issues. Working paper, University of California.
- Soyode, L., & Kajola, S. O. (2006). Taxation: Principles and Practice." 1st Edition: Silicon, Ibadan.
- Tabachnick, B. G., & Fidell, L. S. (2013). *Using multivariate statistics*. 5th edn. Boston MA: Allyn and Bacon/Pearson Education. Tanur.
- Toye, J., & Moore, M. (1998). Taxation, corruption and reform. *The European Journal of Development Research*, 10(1), 1-13.
- Zucman, T. (2016). Issues on tax evasion and its effect to economy. *Journal of economics analysis*, 7(3): 121-131