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

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

Original Research Article

Good Governance and Personal Income Tax Compliance in Nigeria

A. E. Okoye [1,] P. A. Isenmila, [2], & A. I. Oseni[3]

[1]Department of Accounting, Faculty of Management Sciences, University of Benin, Benin City, Edo State

Department of Accounting, Faculty of Management Sciences, University of Benin, Benin City, Edo State

[3]Department of Accountancy, Auchi Polytechnic, Auchi, Edo

*For correspondence, email: osenimallamabu@yahoo.com

Received: 13/02/2018 Accepted: 27/03/2018

Abstract

The broad objective of this study is to investigate the effect of good governance on personal income tax compliance in Nigeria. Data for analysis were gathered through the administration of questionnaires using the cluster sampling technique, four hundred (400) questionnaire was distributed to taxable persons in Edo and Delta states, representing South-south zone. Two hundred questionnaire was distributed in each state. Ordinary Least Square (OLS) was applied in testing the hypothesis. The study found a positive and statistically significant relationship between the independent variable (good governance) and the dependent variable (tax compliance) in Nigeria. The study concluded that good governance is positively and statistically related to personal income tax compliance in Nigeria which is an indication that the independent variable increases personal income tax compliance. The study recommended that tax authorities should shape the attitude and perceptions of taxpayers positively by the effective utilization of taxpayers' fund in a transparent and accountable manner.

Keywords: Good governance, tax compliance, tax authorities, perceptions, fiscal policy

JEL Classification Codes: *H110, H240*

1.0 INTRODUCTION

The primary aim of taxation in developing countries like Nigeria is to generate revenue with which to finance public administration and provide economic and social services for the public (Egwaikhide & Udoh, 2012). Considering the relevance of tax revenue to the development of economy, a lot of research work has been done over the years in efforts to tackle the menace of tax compliance. Akintoye and Tashie (2013) investigated the effect of tax compliance on economic growth and development in Nigeria using trust in government and tax knowledge as the explanatory variables. They found that trust in government and tax awareness have a significant positive relationship with tax compliance. Eiya, Ilaboya and Okoye (2016) investigated religiosity and tax compliance using religious values and deterrent measures as variable of tax compliance. They found that religious values alone do not have a significant influence on tax compliance. They also found that there is no significant relationship between deterrent measures and tax compliance. Those engaged in the informal sector of the economy do not see the necessity to pay tax (Abiola & Asiweh, 2012). Efforts have to be made by the tax authority to ascertain the factors that determine tax compliance in order to solve the problems of not complying. In Nigeria, the issue of the determinants of tax compliance in the informal sector has not received robust empirical consideration, with the exemption of few studies, such as Umar, Derashid & Ibrahim (2016) that investigated income tax noncompliance in Nigeria and the moderating effect of public governance quality. They found that public governance quality has a significant positive relationship with tax compliance. Badara (2012) also investigated the effect of a tax audit on tax compliance in Nigeria using tax audit as the explanatory variable. He found that tax audit has a significant positive relationship with tax compliance. The few empirical consideration of the subject matter motivated the researcher to explore this line of research.

Every tax system is embedded with tax compliance issues especially the Nigerian tax system seems to be more problematic due to the corrupt practices rife in Nigeria (Gurama, Mansor, & Pantamee, 2015). The main problem with the Nigerian personal income tax lies in the assessment and collection process particularly from those in self-employed such as contractors, entrepreneur, lawyers, accountants, doctors, architects, crafters and traders among others. This study seeks to contribute to the growing tax compliance knowledge by examining the determinants of personal income tax compliance in Nigerian informal sector. Thus, there is the need to investigate the effect of good governance factors that promote tax compliance of individuals and corporate entities, and finding ways to reduce the prevalence of not complying with tax (Musa, Saad, & Ibrahim, 2017). The objective of the study is to investigate if there is a significant relationship between good governance and personal income tax compliance in Nigeria taking South-south zone of Nigeria as a reference point. Against this backdrop, the research hypothesis was put forward to guide the direction of the study:

1. There is no significant relationship between the perception of good governance and personal income tax compliance in Nigeria.

2.0 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Conceptual Review

Tax is a compulsory levy that must be paid without regards to equivalent return of goods or services rendered by the government (Akalu, 2016).Taxation is seen as a burden which every citizen must carry in order to assist government towards the performance of its functions for the benefit of those it governs (Akubo, Achimugu, & Ayuba, 2016). Tax is a fiscal tool and a compulsory levy imposed on the income or property of the citizens by the public authority to raise the required revenue for the supply of security, social amenities and for the day to day running of the government affair (Nwadialor & Ekezi, 2015). Taxation is usually used as a major instrument for revenue generation which is important to any economy. Tax plays major roles within the concept of revenue generation by the government to enable it provide the citizens with basic public goods and services (Anyaduba, Eragbhe, & Modugu, 2012). Taxation is all about honesty and trust that should exist between taxpayers and tax authorities (Slemrod, 2003). Since payment of tax is a burden to the taxpayers, it is only honesty and trust that will make taxpayers comply voluntarily without being forced. Tax is a cost to the tax payer, be it an individual or corporate body, while it is an income to the government. The desire of the tax payer to minimize his cost and that of the government to maximize its income must naturally occur. There is therefore a conflict between government objectives to maximize tax revenue and that of the tax payer to minimize tax incidence. Achieving high levels of voluntary tax compliance and increasing the marginal levels are issues of concern to fiscal policy makers in developed and developing countries alike. The above statement is true due to the fact that regardless of the type of the economy, the major aim of taxation is one and the same: to raise revenue towards the financing of public goods and services and funding of governments (Abdul-Razak & Adafula, 2013)

Tax compliance

Tax compliance can be defined as the ability of a tax liable body to submit accurate, complete returns in conformity with tax laws and regulations of the state to the authority for the purpose of tax assessment (Badara, 2012). Tax compliance is the degree to which a tax payer complies with the tax rules of his country (Ahmed &Kedir, 2015). Failure to declare all incomes and payment of taxes according to the provisions of the laws, obeying the court judgments and payment of the tax at the right time will amount to tax non-compliance. The payment of tax is an obligatory duty for all citizens as their civic responsibility, which they are expected to comply willingly with, but that is not the case with some citizens (Alabede, Ariffin & Idris, 2011). According to Eiya (2012), personal income tax can be viewed as a compulsory levy paid to the government by individuals in gainful employment and those that are self-employed as well as corporate entities on their earnings. The current law guiding the taxation of personal income in Nigeria is the Personal Income Tax (Amendment) Act 2011. Tax compliance is affected by social norms as well as public services, trust in government institutions, subjective cultural characteristics of the person, the fairness of the tax system, perception of others, awareness of how tax revenues have been utilized, taxpayers' confidence in the country's administration of tax policy (Randlene, 2012). Tax compliance is a serious challenge for many tax authorities and it is not an easy task to persuade taxpayers to comply with tax requirements even with the existence of tax laws (James & Alley 2004). Abiola and Asiweh (2012) noted that only few people are enthusiastic about paying tax because many people abhor tax payment due to its effect on their income. The concept of tax compliance can be viewed from different ways. McBarnett (2003) classified compliance into three forms: committed compliance, creative compliance and capitulative compliance. Committed compliance is described as the willingness to discharge tax liability by tax payer without complaining while creative compliance refers to engagement to reduce taxes by taking advantage of possibilities to redefine income and deduct expenditures within the confine of the law, while capitulative compliance is the reluctance of the tax payer in discharging his tax liability. Reducing non-compliance can be effective if the reasons for non-compliance by taxpayers are investigated, detected and addressed. In the opinion of the researchers, having examined some of the definitions as put forward by other researchers, tax compliance would be described as total obedience both wilful and forced, to the relevant tax laws and regulations by both taxpayers and tax authorities.

Prior Empirical Studies on Income Tax Compliance

As a result of the importance associated with tax compliance, various studies have been carried out on tax compliance. Such studies include among others: Alabedeet al, 2011; Beesoon, Hemavadi, & Jugurnath, 2016 and Umar et al, 2016.Alabedeet al, (2011) investigated the determinants of tax compliant behaviour using public governance quality as variables for tax compliance. They found that perception of the taxpayers about the public governance quality has a significant positive relationship with tax compliance. Beesoonet al, (2016) assessed the determinants of income tax compliance in Mauritius and found that tax knowledge has an important impact on tax compliance and the probability of being audited, perceptions of government spending, penalties, personal financial constraints also have significant influence on tax compliance. But they found that tax rate has a negative significant relationship with tax compliance. Umar et al, (2016) investigated income tax noncompliance in Nigeria and the moderating effect of public governance quality using tax knowledge, perceived audit probability and public governance quality as variables for tax compliance. They found that public governance quality has a significant positive relationship with tax compliance. They also found that perceived audit probability has a positive relationship with tax compliance.

Good governance and personal income tax compliance

Good governance is concerned with authority in the public sector as well as how the society organizes its affairs and manages its resources as opined by Alabedeet al, (2011). They stated that high quality of governance delivers a good tax system, while the opposite will be the case if quality of governance is low. Thus, a better tax system with good governance enhances compliance and failure of government to provide public amenities and infrastructure to the citizens, may force them not to comply with tax provisions. The most disturbing aspect about Nigeria's economy is that it has been one of the most backward developing countries in terms of judicious utilization of its resources from taxation and others as a result of weak standard of good governance (Okwori & Sule, 2016).Azeez (2009) stated that if government is assumed as an entity that is accountable, taxes will be paid voluntarily by a lot of people, which lowers the need for coercion and generally increases tax compliance. The government at the federal, state and local levels should spend taxpayers' money wisely to give the taxpayers maximum benefits for what they contribute to the government. The studies of (Akintoye & Tashie, 2013; Egwaikhide, 2010; Modugu, Eragbhe & Izedonmi, 2012 and Onyewuchi & Njemanze, 2016) found that trust in government is positively related to individuals' willingness to comply with tax laws in various countries voluntarily.

Akintoye and Tashie (2013) investigated the effect of tax compliance on economic growth and development in Nigeria using trust in government, provision of infrastructural amenities, tax knowledge and accountability by the government as the variables of tax compliance. They found that tax knowledge, trust in government, provision of infrastructural amenities and government accountability have a significant positive relationship with tax compliance. Egwaikhide (2010) examined the relationship between taxation and state-building in Nigerian democratic system and found a significant positive relationship between the perception of good governance and the willingness of taxpayers to comply with tax laws. This is an indication that good governance encourages personal income tax compliance. Modugu et al., (2012) examined the relationship between government accountability and voluntary tax compliance in Nigeria. They found that there is a positive indication that the citizens' perception of government accountability is a factor that shapes the existence and maintenance of tax morale resulting in voluntary tax compliance. Onyewuchi and Njemanze (2016) carried out an empirical analysis of tax leakages and economic growth in Nigeria. They found that the most fundamental challenges concerning tax leakage are expedited by the lack of good governance on the part of the government which highly discourages the populace from complying willingly with their tax obligations. From the studies stated above, it could be seen that excellent governance through judicious government spending plays a major role in promoting the level of tax compliance.

3.0 RESEARCH METHODS

Theoretical Framework and Model Specification

The study anchored on the theoretical framework of political legitimacy theory that is based on the principles of human rights, the mutual appreciation of rights, and the rights of citizens and governments which is the moral significance of claiming to the right (Shokri, 2016). Political legitimacy is a concept which is necessary for every government to wield political power in a justifiable relationship with the people who must obey (Kwanhu, 2014). Once there is political power and government in a human community, then the necessity of its justification follows immediately. There is a necessary relationship of justification between the political power and the people who are concerned with the wielding of the power (Kwanhu, 2014). Government is an entity in a relationship between the governors and subordinates, and legitimacy is a necessary concept that links those two groups. Without legitimacy, governments cannot be sustainable. The necessity of legitimacy implies that there should be a certain type of relationship between the wielding of political power and obedience. The political legitimacy theory holds that tax compliance is shaped by the extent of trust that citizens owe their government (Tayler, 2006). Legitimacy could be described as trust in the authorities, institutions, and social welfare to be, proper, appropriate and work for the common good. That is, legitimacy is seen in the light of trust, equity, justice, and fairness. In Nigeria, the political legitimacy theory encourages personal income tax compliance because most of the citizens have trust in the authorities, institutions, and social welfare, they perceive them to be, proper, appropriate and work for the common good. This normally encourages them to see the need of paying taxes promptly and correctly (Egwaikhide, 2010).

Model Specification

It is expected that good governance will enhance personal income tax compliance. It is therefore expected that good governance may determine tax compliance (Egwaikhide, 2010; Modugu et al., 2012 and Onyewuchi & Njemanze, 2016). Hence, a functional relationship is expected between good governance and personal income tax compliance as

Income tax compliance =f(Good governance)………………………….. (i)

This equation is transformed into econometric form as

$PITC = \beta_0 + \beta_1 GG + \mathcal{E}$ ……………………………… *(ii)*

Where: *PITC = Personal Income Tax Compliance,GG = Good Governance, β = Unknown Coefficient of the Variables* $\mathcal{E}$ *= Error Term.*

Research Design

The survey research design was employed to elicit information from the sampled respondents selected for the study. The choice of this method stems from its high reliability of engaging more honest response than other research methods and the descriptive nature of the study. The research population includes all personal income taxpayers in Nigeria, but it would not be possible to collect data from all the personal income taxpayers in Nigeria due to the size of the population. Therefore, a cluster sampling technique was used to choose the South-south zone out of the six zones in Nigeria. The choice of South-south zone of Nigeria was based on the concentration of businesses, high level of education and simple convenience. To pick our sample, the purposive sampling technique was employed due to the size of the population under study. From all the six states (Akwa-Ibom State, Bayelsa State, Cross River State, Delta State, Edo State and Rivers State) in South-south zone, two states (Delta State and Edo State) were randomly chosen. Two hundred respondents were chosen from each of the two selected states.To gather relevant primary data, a survey method with the self-structured questionnaire was used. Close-ended questionnaire was prepared in the form of five Likert-Scale, where; Strongly Agree (SA) = 5; Agree (A) = 4; Neutral (N) =3, Disagree (D) = 2; and Strongly Disagree (SD) = 1; the use of Likert scale is to make it easier for respondents to answer questions in a simple way.

Table 1: Measurement of variables

Variables	**Acronym**	**Measurement**		**Expected Sign**
Income Tax Compliance	PITC	Five questions are covering reporting, timing, payment and cost of compliance.		+
Good Governance	GG	Five questions are covering government fairness, trust, accountability and transparency, as well as corruption.	Onyewuchi& Njemanze (2016) and Akintoye&Tashie(2013).	+

The research instrument used is the structured Likert scale questionnaire consisting of thirty (10) questions: Five questions for the dependent variable and five questions for the explanatory variable. The first sub section relates to tax compliance and deals with the issues that concern reporting, timing, payment and cost of compliance and the second sub section deals with the perception of taxpayers on good governance. The Spearman Rank correlation coefficient (R) was applied to explain the strength of the relationship between the factor in the hypothesis of this research and income tax compliance. Ordinary Least Square (OLS) was applied in testing for significant relationship between the means of the variables and personal income tax compliance. These tools were primarily employed to explain the causal relationship between good governance and income tax compliance decisions of taxpayers. Personal income tax compliance was taken as the dependent variable against the independent variable of good governance. The study was carried out in South-south zone, Nigeria.

4.0 RESULTS AND DISCUSSION

Table 2: Frequency distribution of responses on the variable of good governance

Good Governance	**SA**	**A**	**N**	**D**	**SD**	**MEAN**
	5	**4**	**3**	**2**	**1**	
A large proportion of taxes are used by the government for meaningless purposes; it is, therefore, unfair to pay tax.	93	120	47	66	61	3.30
I do not see any reason to pay the tax due to corruption in government.	94	105	42	93	53	3.24
Government accountability on taxpayers' money encourages tax compliance.	151	136	41	41	18	3.93
Taxpayers comply more with taxes when there is trust and transparency in government.	208	112	36	18	13	4.25
Adequate utilization of tax revenue on public goods will encourage tax compliance.	153	153	36	30	15	4.03
						3.75

Note: SA is strongly agreed, A is agree N is Neutral, D is disagree, and SD is strongly disagree. The mean value is based on a five-point scale of SA(5), A(4), N(3), D(2), and SD(1). The population mean is thus 3. Frequency distribution was used to describe the sample. The sample means were calculated as: 1/387 5(93) + 4(120) + 3(47) + 2(66) + 1(61) =3.30. The null hypothesis is Ho = μo = 3 while the alternate is $H_1 = \mu_1 \neq 3$. Where μ is the sample mean.*

Table 2 presents the result of the frequency distribution of the variable of good governance. The variable reported an average mean of 3.75 which exceeds the population mean of 3.00. Hence, the null hypothesis of *Ho = μo = 3* was rejected, and we had a preliminary conclusion that the respondents perceived good governance as a determinant of personal income tax compliance in Nigeria.

Table 3: Results of the Descriptive Statistics

	ITC	GG
Mean	17.70801	18.81395
Median	18.00000	19.00000
Maximum	25.00000	25.00000
Minimum	9.000000	5.000000
Std. Dev.	3.045427	3.248198
Skewness	-0.228441	-0.340038
Kurtosis	2.761136	3.276868
Jarque-Bera	4.285982	8.693963
Probability	0.117303	0.012946
Sum	6853.000	7281.000
Sum Sq. Dev.	3580.005	4072.605
Observations	387	387

Where: ITC is Income tax compliance and GG is Good governance

The result of the descriptive statistics is presented in Table 3. The data used in this study are a subset of taxpayers in the South-south region of Nigeria. The survey was conducted in the year 2018, with a response rate of 97% approximately. The total number of observations is 387. The results of the descriptive statistics provide information on the mean, median, standard deviation, skewness, kurtosis, and Jarque-Bera statistic of both the dependent and the explanatory variable. The mean tax compliance (TC) is 17.70801 representing about 18% of the total respondents sampled for the study. The median value is 18.00000 with maximum and minimum values of 25.00000 and 9.000000 respectively. The variable of good governance (GG) has a mean value of 18.81395, a maximum value of 25.00000 and a minimum value of 5.000000. The standard deviation of the regression variables is relatively small which shows that the variables are not widely dispersed from the sample mean. Low dispersion is conventional wisdom of the quality of the regression variables. The Jarque-Bera values are relatively small which indicates a mixed normality situation. The probability associated with the Jarque-Bera values of the variables of GG (0.012946) is significant and indicative of the standard Gaussian distribution.

Table 4: Result of the Robust Model

Dependent Variable: TC
Method: Least Squares
Date: 02/02/18 Time: 23:58
Sample: 0001 0387
Included observations: 387

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.974793	1.554407	6.417103	0.0000
GG	0.033808	0.049156	0.687778**	0.4920

R-squared	0.568251	Mean dependent var	17.70801
Adjusted R-squared	0.436742	S.D. dependent var	3.045427
S.E. of regression	2.958891	Akaike info criterion	5.022888
Sum squared resid	3335.668	Schwarz criterion	5.084259
Log-likelihood	-965.9289	Hannan-Quinn criter.	5.047223
F-statistic	5.581641	Durbin-Watson stat	1.702536
Prob(F-statistic)	0.000056		

*Where: ITC is tax compliance, GG is good governance. *means significant at the 5% level, ** significant at the 10% level.*
The results of the robust model reported an adjusted R-squared value of 0.436742. The result signifies that about 44% of the systematic variation in the dependent variable of tax compliance is accounted for by the explanatory variable of good governance (GG). The F-value of 5.581641 and the associated probability value of 0.000056 is indicative of the presence of a significant linear relationship between the dependent and the explanatory variable. The Durbin statistic of 1.702536 approximates to the benchmark of 2.000000 and indicative of the absence of autocorrelation in the regression variables.The explanatory variable of good governance reported a coefficient of 0.033808, and a t-value of 6.87778 at the 10% level of significance. By conventional wisdom, good governance will no doubt increase the level of tax compliance even though there is not a quid pro quo relationship between tax payment and good governance. The relationship is positive and significant meaning that increased transparency in governance will help to shore up tax revenue and reduce the level of tax non-compliance.

Test of Hypotheses

Hypothesis Restated: Ho: There is no significant relationship between the perception of good governance and income tax compliance in Nigeria.

Table 5: Result of the Simple Linear Regression of good governance as Explanatory Variable.

Dependent Variable: ITC
Method: Least Squares
Date: 02/02/18 Time: 02:12
Sample: 0001 0387
Included observations: 387

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ITC	15.86488	0.907263	17.48653	0.0000
GG	0.097966	0.047522	2.061502	0.0399

R-squared	0.610918	Mean dependent var	17.70801
Adjusted R-squared	0.605811	S.D. dependent var	3.045427
S.E. of regression	3.032687	Akaike info criterion	5.061930
Sum squared resid	3540.919	Schwarz criterion	5.082387
Log likelihood	-977.4834	Hannan-Quinn criter.	5.070042
F-statistic	4.249792	Durbin-Watson stat	1.686646

Prob(F-statistic)	0.039926

The result of the simple regression between good governance and personal income tax compliance is presented in Table 5. The adjusted multiple coefficients of determination (R-squared) reported a value of 0.605811 and indicated that about 60% systematic variation in personal income tax compliance is accounted for by good governance. The result of the analysis rejected our null hypothesis of no significant linear relationship between good governance and personal income tax compliance. Hence, the alternative hypothesis of a significant linear relationship between good governance and personal income tax compliance was accepted.

Discussion of Findings

The objective of the study was to investigate the relationship between good governance and personal income tax compliance. The results of both the robust multiple and simple linear regression analyses show that the relationship between good governance and personal income tax compliance is both positive and statistically significant. Transparency and public accountability will no doubt engender an effective tax system. The current fight against corruption in Nigeria, the system of whistleblowing, and due process in government activities are all pointer to good governance and capable of delivering efficient tax system and by implication high level of tax compliance. The positive relationship is in tandem with the findings of (Akintoye&Tashie, 2013; Egwaikhide, 2010; Moduguet al, 2012 and Onyewuchi & Njemanze, 2016) who reported that good governance is positively related to individuals' willingness to comply with tax laws in various countries voluntarily.

5.0. CONCLUSION AND RECOMMENDATIONS

The main thrust of this study is to examine the effect of good governance on personal income tax compliance in Nigeria. Specifically, the study tested the significant relationship between good governance and personal income tax compliance in Nigeria. The study found that there is a positive and statistically significant relationship between good governance and personal income tax compliance in Nigeria.

From the empirical analysis, the study showed that good governance is positively and statistically related to personal income tax compliance in Nigeria.This shows a significant linear relationship between good governance and tax compliance. The result implies that good governance increases tax compliance.

The study recommended that:

1. The government can ensure better compliance by being accountable and providing evidence of proper utilisation of taxpayers' fund. Such evidence must be visible in the provision of basic amenities, good roads, and other infrastructures. The government should improve the living condition of citizens by spending taxpayers' money wisely to increase tax compliance.
2. The degree of trust between taxpayers and the government should be enhanced due to its substantive purpose in determining the effect of tax

rates on compliance. A high tax rate could be taken as a contribution to the state when the trust is high thereby encouraging tax compliance even when the rate is high.

REFERENCES

Abdul-Razak, A., & Adafula, C. J. (2013). Evaluating taxpayers' attitude and its influence on Tax compliance decisions in Tamale, Ghana. *Journal of Accounting and Taxation 5*(3), 48-57.

Abiola, J., & Asiweh, M. (2012). Impact of tax administration on government revenue in a developing economy – A case study of Nigeria. *International Journal of Business and Social Science 3*(8), 99-113.

Ahmed, A., & Kedir, S. (2015). Tax compliance and its determinant the case of Jimma Zone, Ethiopia. *International Journal of Research in Social Sciences, 6*(2), 7-21.

Akalu, K. (2016). *Determinants of tax compliance behavior of large corporate taxpayers in Ethiopia*.(Unpublished master thesis Addis Ababa University), Ethiopia. Retrieved on 18/04/2017 at http://etd.aau.edu.et/bitstream/123456789/

Akintoye, I. R., &Tashie, G. A. (2013). The effect of tax compliance on economic growth and development in Nigeria, West-Africa. *British Journal of Arts and Social Sciences, 11*(2), 222-231.

Akubo, D., Achimugu, A., &Ayuba, A. (2016). Tax compliance behaviour of small scale enterprises in Bassa Local Government Area of Kogi State. *Journal of Good Governance and Sustainable Development in Africa. 3*(1), 58-72.

Alabede, J. O., Ariffin, Z. B., & Idris, K. M. (2011). Determinants of tax compliance behaviour: A proposed model for Nigeria. *International Research Journal of Finance and Economics Issue, 78*(1), 121-136.

Anyaduba, J. O., Eragbhe, E., &Modugu, K. P. (2012). Deterrent tax measures and tax compliance in Nigeria. *European Journal of Business and Management, 4*(11), 37-44.

Azeez, A, (2009). Contesting good governance in Nigeria: Legitimacy and accountability perspectives. *Journal of Social Science, 21*(3), 217-224.

Badara, M. S. (2012). The effect of tax audit on tax compliance in Nigeria (a study of Bauchi state board of internal revenue). *Research Journal of Finance and Accounting, 3*(4), 74-80.

Beesoon.D, Hemavadi, P. S., &Jugurnath, B. (2016). Assessing the determinants of income tax compliance in Mauritius: A study of individual taxpayers. *Proceedings of the Fifth Asia-Pacific Conference on Global Business, Economics, Finance and Social Sciences.*

Egwaikhide, F. (2010). Taxation and state-building in a democratic system. *Nigerian Taxation, 11*(1), 35-57.

Eiya, O. (2012). *Taxation at a glance*. Benin City: Nigeria, Otoghagua Enterprise.

Eiya, O. Ilaboya, O. J., & Okoye, A. F. (2016). Religiosity and tax compliance: Empirical evidence from Nigeria. *Igbinedion University Journal of Accounting, 1*(2), 27-41.
Gurama, Z. U., Mansor, M. B., &Pantamee, A. A. (2015). Tax evasion and Nigeria tax system: An overview. *Research Journal of Finance and Accounting, 6*(8), 202-211.

James, S., & Alley, C. (2004). Tax compliance, self-assessment and tax administration. *Journal of Finance and Management in Public Services, 2*(2), 27-42.

Kwanhu, L. (2014). Political legitimacy, representation and confucian virtue. (Unpublished Doctor Thesis, University College, London).

McBarnett, D. (2003). When compliance is not the solution but the problem: From changes in law to changes in attitude. In V. Braithwaite, *Tax democracy: Understanding tax avoidance and evasion.* Alder short: Ashgate Publishing Ltd.

Modugu, K. P., Eragbhe, E. &Izedonmi, F. O. (2012). Government accountability and voluntary tax compliance in Nigeria. *Research Journal of Finance and Accounting 3*(5), 69-76.

Musa, S. U., Saad, N., & Ibrahim, I. (2017). Tax structure variables and tax compliance behaviour of small corporate taxpayers in Nigeria: A pilot study. *International Journal of Research in IT, Management and Engineering, 7*(1), 1-6.

Nwadialor, E., &Ekezi, C. A. (2015). Productivity of the Nigerian tax system (1994 - 2013).*International Journal of Business Administration. 6*(4), 30-40.

Okwori, J., &Sule, A. (2016). Revenue sources and economic growth in Nigeria: An appraisal. *Journal of Economics and Sustainable Development, 7*(8), 113-123.

Onyewuchi, V. E., &Njemanze, L. O. (2016). An empirical analysis of tax leakages and economic growth in Nigeria. *International Journal of*

Advanced Studies in Economics and Public Sector Management, 4(2), 1-13.

Randlene, K. (2012). Tax compliance and tax attitudes: The case of Estonia. *Journal of Management and Change, 29*(1), 89-103.

Shokri, M. (2016). Legitimacy and theory of political consciousness: Evaluating political act of aggression. *Journal of Political Sciences & Public Affairs, 4*(1), 1-8.

Slemrod, J. (2003). Tax from any angle: reflections on multi-disciplinary tax research, *National Tax Journal, 56*(2), 145-151.

Tayler, T. R. (2006). Psychological perspectives on legitimacy and legitimation. *Annual Review of Psychology, 57*(1), 375-400.

Umar, M. A., Derashid, C., & Ibrahim, I. (2016). Income tax noncompliance in Nigeria and the moderating effect of public governance quality: A suggested framework. *Mediterranean Journal of Social Sciences, 7*(6), 339-348.

APPENDIX I

The Effect of Good Governance on Tax Compliance in Nigeria

Kindly tick (√) the preferred option as appropriate

Keys: Strongly Agree (SA) = 5, Agree (A) = 4, Neutral (N) = 3, Disagree (D) = 2, Strongly Disagree (SD) = 1.

S/N	Tax Compliance	SA 5	A 4	N 3	D 2	SD 1
1	High cost of tax compliance reduces taxpayers' compliant level.					
2	When one pays his/her tax even at the expiration of the payment period, such person is compliant.					
3	Personal income tax generation has not been impressive.					
4	I would still accept a job if the employer offers not to deduct any income tax even though, by law, the employer should.					
5	Paying tax even when the actual amount of tax is not paid to the tax authority can still be regarded as tax compliance.					
	Good Governance	**SA 5**	**A 4**	**N 3**	**D 2**	**SD 1**

6	Large proportion of taxes are used by the government for meaningless purposes, it is therefore unfair to pay tax.					
7	I do not see any reason to pay tax due to corruption in government.					
8	Government accountability on taxpayers' money encourages tax compliance.					
9	Taxpayers comply more with taxes when there is trust and transparency in government.					
10	Adequate utilization of tax revenue on public goods will encourage tax compliance.					