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RESEARCH ARTICLE

THE IMPACT OF E-TAXATION ON REVENUE GENERATION IN ENUGU, NIGERIA

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Abstract

The paper set out to ascertain whether e-taxation can resolve the issue of tax evasion and to prevent corrupt practices of tax officials in Nigeria. Three research questions and hypotheses were formulates in line with the objectives of the paper. Data were collected from both primary and secondary sources. Data collected were analyzed by use of means and standard deviation and the three hypotheses formulated were tested by the use of Z-test statistical tool. Findings show that E-taxation can enhance internally generated revenue and reduce the issue of tax evasion in Enugu state. Another finding is that E-taxation can prevent corrupt practices of tax officials. The implication of this is that the extent at which government has gone in inaugurating their e-tax administration is still low hence some tax administrators and tax payers are still not aware of the online tax assessment/collection in Nigeria. Based on the findings, the researcher recommends that the Government should support the establishment of e-tax administration so as to start ripping the benefit of high rate of compliance among taxpayers and E-taxation should be implemented to reduce the diversion of government funds to private pockets.

Introduction:

The primary function of a tax system is to raise enough revenue to finance essential expenditures on the goods and services provided by government. According to Kaldore (1963) if a country wants to develop, it requires to collect tax revenue an amount greater than 10-15 percent found in many developing countries. Taxation is one of the best instruments to boost the potential for public sector performance, to finance the social insurance program and for the repayment of public debt. A country's revenue generation primarily depends upon its sufficient capacity to tax more in both economic and administrative term.

Developing countries receive a very low amount of revenue from taxation because these countries face a number of institutional problems in the process of revenue generation.

One of the main problems is corruption in tax administration. The two important components of revenue generation are tax administration and tax system reforms (Brondolo et al (2008)). The main objective of these is to increase the efficiency of tax administrations, specifically by reducing corruption and evasion. The second main problem of low revenue generation is political instabilities in developing countries. One of the important characteristics of the political instability is unstable and shifting behaviors of government, which hinders the process of long-term reforms in the system.

The quality of governance as a whole is also relevant in the context. It is widely agreed that the presence of tax evasion and corruption of public officials is social phenomenon that can significantly reduce tax revenue and seriously hurts economic growth and economic development.

Corruption should not be viewed in isolation, as it is a part of the broader issue of governance and public management. The quality of a country's governance is a critical factor for its development process. It is thus surprising how very little attention is given to one of the most fundamental drivers in the way that public revenues are raised. Bird et al. (2008) indicate that tax structure is highly responsive to governance structure; high income countries can improve their tax performance through improving their governance structure

Various studies try to investigate the determinants of tax revenues (e.g., Teera (2003); Tanzi and Zee (2000) and Imam and Jacobs (2007)). Imam and Jacobs (2007) explain that real per capita income, share of agriculture in GDP, trade openness, inflation and corruption are the most important determinants of a tax collection. Gupta (2007) finds that several structural factors like per capita GDP, share of agriculture in GDP, trade openness foreign aid, foreign debt and some new institutional variable like corruption and political stability are statistically significant and strong determinants of revenue performance.

Tax revenue mobilization as a source for financing development activities in Nigeria has been a difficult issue primarily because of various forms of resistance. Before the introduction of e-taxation the Nigerian tax systems were conducted manually which associated with many set back, such as evasion, avoidance corrupt practices attending, and other corrupt practices leading to losses of huge amount of money by the government, hence low revenue generation. These activities are considered as sabotaging the economy and are readily presented as reasons for the underdevelopment of the country. (Dedeji and Oboh, 2012)

Moreover, government exists in order to effectively collect taxes from available economic resources and make use of same to create economic prosperity such that available and willing human and other resources are gainfully employed, infrastructures provided, essential public services (such as the maintenance of law and order) (Olatundun, 2008).

It is expected that e-taxation will assist to resolve all these problems and provide an enable environment to both the tax administrator and tax payer and compel them to be transparent thereby improve revenue generation. It is against this that this paper assesses the impact of e-taxation in revenue generation in Nigeria.

Objectives of the Study

1. To determine whether e-taxation can resolve the issue of tax evasion in Enugu state, Nigeria.
2. To determine if e-taxation can prevent corrupt practices of tax officials in Enugu state, Nigeria**.**

Hypotheses (null)

1. HO: E-taxation cannot resolve the issue of tax evasion in Enugu state, Nigeria
2. HO: E-taxation cannot prevent corrupt practices of tax officials Enugu state. Nigeria**.**

Overview of Taxation System in Nigeria

The Nigeria tax system is basically structured as a tool for revenue generation. This is a legacy from the pre-independence government based on 1948 British tax laws and have been mainly static since enhancement. The need to tax personal incomes throughout the country prompted the income tax management act (ITMA) of 1961.

In Nigeria, personal income tax (PIT) for salaried employment is based on a pay as you earn (PAYE) system, several amendments have been to the 1961 ITIMA Act. For instance, in 1985 PIT was increased from N600 or 10 percent of earned income to N2000 plus 12.5 percent of income exceeding N6000. In 1989, a 15 percent withholding tax was applied to savings deposits valued at N50000 or more while tax on rental income was extended to cover charted vessels, ships or air craft. In additions, tax on the fees of directors was fixed at 15 percent, these policies were geared to achieving effective protection for local industrial, greater use of raw materials, generating increased government revenue among other (Mamud, 2008) consequently, and attention has been focused on promoting exports for manufactures and reducing the tax burned of individual and companies. In line with this change in policy focus, many measures were undertaken. These involved, among others, reviewing custom exemption and rebats introduction capital allowanced, expending the duty drawback scheme and manufacturing-in-blood scheme, abolisng excise duty. Implementation VAT, monetizing firings benefits and increased tax relief to low income earners.

Nigeria operates what is generally known as a federal tax system. In this respect, the present structure of taxation as stipulated by the Constitution of the Federal Republic of Nigeria reflects the three-tier system of Government at the Federal, State and Local Government levels. Under the Constitution, each tier of Government has been granted powers and responsibility in respect of the imposition and collection of taxes.

The 1999 Constitution of the Federal Republic of Nigeria places the responsibility for legislating on taxation on Income, Capital Gains and Stamp Duty on the Federal Government as stated in the Exclusive Legislative List. It however places collection of taxes on the concurrent legislative list, enabling the Federal Government to delegate administration or collection of taxes as it pertains to taxation or duty on

(a) capital gains, incomes or profits of persons other than companies; and

b) documents or transactions by way of stamp duties, to the State Government.

At the same time, the constitution places the responsibility for legislating on the collection of taxes, fees and charges that can be collected by the Local Government on the State Governments. Other than that specifically stated in the exclusive legislative list, activities that would ordinarily attract taxes, fees and charges (forms of levies) are placed squarely as part of the responsibilities of the Local Government Council – in the 4th schedule. The above provisions of the Constitution provide a clear indication that taxation is meant to be a collective responsibility of each tier of Government with every tier provided its own powers, areas of jurisdiction and roles. We can summarize the constitutional provisions on taxation as follows:

Federal Government	State Government	Local Government
Power to legislate on taxation of incomes, transactions, capital gains and stamp duty	Power to collect taxes on incomes or profits, capital gains and stamp duty from individuals resident within the State as provided in the Constitution and other laws in that respect	Power to collect taxes, fees, charges and levies as provided under the Constitution and other enabling laws in that respect
Power to collect taxes on incomes, transactions capital gains and stamp duty of companies and individuals within its jurisdiction and as provided in the Constitution and enabling laws in that respect	Power to legislate on the collection of taxes, fees, levies and charges by Local Government	

Source: constitutional provisions on taxation administrations among three tier of government.

Each tier of Government of Government has its own administrative structures for collection and administration of taxes. At the apex you have the Federal Inland Revenue Service, which is the primary revenue generating agency of the Federal Government as it has responsibility for administration of all federally collected revenue, including those shared by all tiers of Government. The unique feature of the FIRS is that it collects taxes on behalf of all tiers of Government and has presence in every State of the Federation. At the State level you have the States Board of Internal Revenue for each state, while Local Government revenue issues are handled by the Local Government Councils.

Let me however point out that it will be erroneous to assume that only tax or revenue authorities are involved in tax administration or constitute the tax system. In my view, the tax administration / tax system encompasses those persons, agencies, institutions (in the public and private sector) and the processes involved in:

- tax legislation;
- administration / enforcement of tax laws;
- collection, allocation, distribution and expenditure of tax revenue; and
- other ancillary matters related to efficient performance of tax functions and the tax system.

Tax administration / the tax system is therefore not only the FIRS, State Boards of Internal Revenue or the Local Government Councils, but includes agencies and arms of Government and even the private sector, which are ancillary to and support the process of tax administration. We cannot therefore look at tax administration / the tax system in isolation given that tax administration operates within a particular system. We must look at tax administration in the broader sense of the tax system. I have set out the matrix below to aid our understanding of the components of the tax system.

The practice of Tax Evasion and Tax Avoidance in Nigeria

The concepts of tax evasion and avoidance usually being referred to as "Twin devils" (Kiable and Nwokah, 2009) have been extensively discussed by quite a number of tax experts and academic scholars. According to Soyode and Kajola (2006), tax evasion is defined as a deliberate and willful practice of not disclosing full taxable income in order to pay less tax. It is a deliberate violation of tax laws and it is evident in situations where tax liability is fraudulently reduced or false claims are filled on the revenue tax form (Farayola, 1987; Ayua, 1999; Soyode and Kajola, 2006). On the other hand, Kay (1980) opined that tax avoidance takes place when facts of the transaction are admitted but they have been arranged or presented in such a way that the resulting tax treatment differs from that intended by the relevant legislation. In essence, tax evasion is illegal while tax avoidance is not illegal under the ambience of the law (Kay, 1980; Toby, 1983; Alm and Martinez, 2001; Soyode and Kajola, 2006).

Sikka and Hampton (2005) stated that tax evasion is one of the major social problems inhibiting development in developing countries and eroding the existing welfare state in developed economies in the world, and this has led to a growing attention among policy makers, western countries, international agencies and scholars. As observed by Sosanya (1981), tax evasion has become the favorite crime of Nigerians, so popular that it makes armed robbery

seem like minority interest. And despite government efforts, notwithstanding, the problem of tax evasion and avoidance still persists (Alabi, 2001). Also, Eboziegbe (2007) noted that this unlawful practice of tax evasion remains a serious threat to revenue generation efforts of government.
According to Nwachukwu (2006) tax evasion is the general term for efforts by individuals, firms, trusts and other entities to evade taxes by illegal means. Tax evasion usually entails taxpayers deliberately misrepresenting or concealing the true state of their affairs to the tax authorities to reduce their tax liability. It also includes, in particular, dishonest tax reporting such as declaring less income, profits or gains than actually earned; or overstating deductions. Conversely, tax avoidance as defined by Aim and Martinez (2001) is the legal reduction in tax liabilities by practices that take full advantage of the tax code, such as income splitting, postponement of taxes and tax arbitrage across incomes that face different treatments (Aim and Martinez, 2001; Eboziegbe, 2007). From the comparison of various definitions given in the literature, it can be seen that paying less tax or not at all than what one is legally obliged to is described as tax evasion while tax avoidance is an act of doing everything possible within the confines of the tax law to reduce the tax paid. Therefore, the main difference between them is the legality of the taxpayer's action.

Causes of Tax Evasion in Nigeria

Tax evasion according to Uadiale et al. (2010) is an outright dishonest action whereby the taxpayer endeavors to reduce his tax liability through the use of illegal means. Tax evasion is accomplished by deliberate act of omission or commission which constitutes criminal acts under the tax laws. These acts include: failure to pay tax e.g. withholding tax, failure to submit returns, omission of items from returns, claiming relief (in Personal Income Tax), for example, of children that do not exist, understating income, documenting fictitious transactions, overstating expenses, failure to answer queries (Farayola, 1987; Uadiale et al., 2010).
However, different factors have been identified to be responsible for the practice of tax evasion in Nigeria. Although, the causes of tax evasion are universal, as they are applicable in any country that tax is imposed, some are peculiar to different areas (Uadiale et al., 2010). In Nigeria some of these causes as identified by Onuigbo (1986) include: inequitable distribution of amenities, misuse or mismanagement of tax revenue, remoteness of taxpayers from the government, absence of spirit of civic responsibility. Other factors include; lack of tax education and enlightenment, corruption in public office and lack of accountability among others, inadequate accounting records maintained by traders, mistaken belief on the part of some illiterate taxpayers that only wages and salaries represent taxable income (Orewa, 1957).

Challenges Facing Tax System, in Nigeria

The Nigeria tax system is beset by a myriad of challenges, some of which are highlighted below (FRN i1997, 2002; Ariyo 1997; Ola 2001; Odusola 2002, 2003; study group on tax reform 2003);

1. **Non availability of Tax Statistics:**

Taxation has been the oldest governmental activity since the country's unification is 1914, so one would expect tax statistics to be readily available. This expectation, however, is misplaced. With the exception of the states of Delta, Lagos, Kaduna and Katsina and the Nigeria
Customs Services, other agencies of the states and relevant federal tax offices have serious failures in data management. Moreover, there are no efforts to have the limited data that are available collated or analyzed on a routine basis, not to mention, having it stored, or made more easily assessable or retrievable. This situation does not provide much input to policy process.

2. **Inability to Prioritize Tax Effort:**

The political economy of revenue allocation in Nigeria does not prioritize tax efforts. It is, instead, anchored on such factors as equality of states (40 percent), pollution (30percent) landmass and terrain (10percent), social development needs (10 percent), and internal revenue effort (10percent). The approach, discourages a proactive revenue drive, particularly for internally generated revenue, makes all government tiers heavily reliant on unstable oil revenues which are affected by the volatility of the international oil markets. Aside from the national syndrome of 'cake sharing', the instability and volatility of oil revenue should have created an opportunity for improved tax efforts within the provisions on taxation ratified in the 1999 constitution. Although some state governments have initiated measured to enhance their tax generation attempts, the outcome has not reflected any level of serious effort

3. **Poor Tax Administration:**

Tax administration and individual agencies suffer from limitations in manpower, money, tools and machinery to meet to meet the ever increasing challenges and difficulties. In fact, the negative attitude of most tax collectors toward taxpayers can be linked to poor remuneration and motivation.

Philips (1997) consider the paucity of administrative capacity as a major impediment to the government in its attempts to raise revenue in Nigeria. As of March 2003, the federal inland revenue service (FIRS) had 7,643 staff members throughout the country; of these a mere 12.6 percent, or 645 employees, were tax professionals/officers. The predominance of support staff in a professionally inclined agency like the FIRS does not augur well for the country. The situation at the local government level is more precarious. Anecdotal evidence shows that staffs are not provided with regular training to keep them abreast of developments in tax related matters. This makes the administration of taxes in terms of total coverage and accurate assessment very weak.

4. Multiplicity of Tax:

A major problem facing the country is the multiplicity of taxes. Individuals and corporate bodies complain about the ripple effects associated with the duplication of tax, this problem arose from the states' complaints about the mismatch between their fiscal responsibilities and fiscal powers or jurisdiction.

To compensate, some states took the initiative of levying certain taxes, which has led to arbitrariness, harassment and even closure of businesses. To rectify this embarrassing situation, the taxes and Levies Act of 1998 was enacted. Lagos state is a good example of efforts to offset the inequitable distribution of VAT proceeds: it imposed certain taxes and proposed a re-introduction of the sales tax. To control multiple taxation, the join tax board started to publish a list of approved taxes and levies and to declare an other unspecified taxes illegal. This has created a degree of harmony, and checked the hitherto rampant taxation that had made the business environment in Nigeria so harsh.

5. Regulatory Challenges:

Political risk and exchange controls pose by far one of the greatest business and regulatory challenges for companies during business in Nigeria. Also company law, protection of intellectual property are challenging areas for companies. Protecting your investment and workforce, being able to extract profits and freely move the workface are often taken for granted when investing in first world countries. Not so in Africa and Nigeria in particular, where the possibility of forfeiture of the business, or ability to remit profits could

Payment of tax electronically could be made in either of these ways:

Directly through Bank Account;

I. Tax payer pays tax into a collecting bank by cash/cheque.

II. Tax payer Logs-in to a bank website using his tax user name and password and then enters tax amount to be paid and authorize the payment using transaction password.

III. An e-receipt would be made available on-line real-time on the screen with TIN, TRC and unique transaction code for reference.

Through ATM/Debit Card/Credit Card:

I. Tax payer logs onto the relevant tax authority/ revenue collecting agency website

II. Choose tax/levy type and fill in the required form and click pay using ATM/Debit Card/Credit Card

III. Tax payer inputs ATM/Debit/Credit Card number and authorizes
the payment using his PIN

IV. Payment is effected and a printable e-receipt would be made available on-line real-time on the screen with TIN, TRC and unique transaction code.

Review of Related Studies

Ouite number of works has been carried out in taxation and its contributions in enhancing revenue generations to boost economic development of the country. In the work of Okafor, (2012) on Revenue Generation in Nigeria through E-Taxation (A Study of Selected States in Nigeria). The paper aimed at finding out whether electronic taxation will significantly curb tax evasion and avoidance and improve revenue generation. The study adopted survey method. The data for the study were collected from primary and secondary sources. The data collected were analyzed using simple percentages and presented in tables. The model specification for the test of hypotheses is Analysis of Variance (ANOVA). From the Analysis the study was discovered that electronic taxation will enhance revenue generation in the states studied. Also large data base of the citizenry achieved through proper record keeping will enhance revenue generation. The researcher equally found out that e-government is an indispensable factor in achieving the objective of e-taxation. Computer literacy will enhance electronic tax administration which will significantly curb tax evasion and avoidance and reduce operational compliance cost.

In another study by Uremadu1 and Ndulue, (2011). The paper reviews the work of Ndulue (2005) to ascertain the significance of private sector revenue generation at the local government level using data from FCT, Abuja. The study was prompted by mobilization of tax income from self-employed people which has always posed a serious challenge to Local Government authorities in Nigeria hence Millions of naira have been lost due to prevalence of tax evasion and avoidance among the self-employed people. As a result, taxation can be used as a major instrument of revenue mobilization and or as a key to sustainable economic development in Nigeria since it hinders realization of fiscal policy objectives of government. The study thereby aimed at finding the root causes of tax evasion and avoidance among the self-employed people in FCT, Abuja, with a view to exploring ways of encouraging them to comply with tax matters in a bid to boost local government revenue sources that will provide adequate funds for development efforts of government. This study utilized data collated by Ndulue, (2005) from FCT, Abuja to carry out both fundamental analysis and simple percentages evaluation of issues in the tax revenue mobilization among the self-employed and tax administration skills of the local authorities.

Questionnaires were administered to both the self-employed and staff of Federal Board of Inland Revenues Tax Office, Abuja to source out data on the issues of research. Findings from the field survey profoundly revealed that there exists: (1) significance tax avoidance and evasion by the self-employed in FCT, which has adversely affected the quantum of revenue mobilization from income tax; (2) several factors are responsible for this dismal tax situation such as: high personal income tax rate; complexity of the assessment and collection procedures; lack of adequate tax incentives; lack of taxpayer education and high costs of compliance; among others. All these go to reveal that the Nigerian tax system faces serious challenges of ineffectiveness and inefficiency. Based on that, they recommends that to revive the system, that three pronged approach should addressed: (i) the tax laws, tax policies and tax administration should be holistically reviewed; (ii) the penalties to be meted out to tax offenders should be made severe to deter tax evasion and avoidance; (iii) the tax policies should be well focused geared towards reducing the personal income tax rates and providing adequate tax incentives and taxpayer education.

Finally, that effective and efficient tax policy will eliminate high compliance costs; make self-employed people tax compliant and increase total revenue generated from tax sources thereby making taxation a veritable tool in the hand of government to sustainable economic growth and development in the emerging Nigerian economy.

In a similar paper on An Empirical Analysis of Tax Leakages and Economic Growth in Nigeria by Adedeji and Oboh, (2012). This paper empirically examined the economic implication of tax leakages on the Nigerian economy. A survey research design was adopted and responses were obtained through the use of a well-structured questionnaire administered to 185 respondents. Findings from the empirical analysis using Kendall's w-test and Chi-square test statistics reveal that tax evasion and avoidance have adversely affected economic growth and development in Nigeria, and also, that lack of good governance is the basis for which tax leakages activities is perpetrated. The study therefore recommends that the government should embrace and promote good governance so as to encourage voluntary compliance of tax liability by the citizenry.

In another line of the study by Leyira (Ph.D), Chukwuma, Asian, (2012) on Tax System in Nigeria – Challenges and the Way Forward. The paper discusses the challenging issues affecting the tax system in Nigeria. It is characterized by lack of statistical data, poor tax administration, and inability to prioritize tax effort, multiplicity of taxes and increase in underground economy. It also proffer challenges so as to engender an efficient and effective tax regime in Nigeria. The study concludes that the foregoing offers a theoretical framework for improving some silent issue in Nigeria's tax system, suggesting challenges and possible remedies. As must be clear by now, tax is a complex phenomenon that affects both the government and the citizenry and they consider autonomy, Efficient and effective Tax Administration, use of computer technology, Strengthening Auditing, Tax Rates and Use of Tax Money and public enlightenment as the remedies raised as crucial to overcoming the challenges inherent in the entire tax system with a view to enabling Nigeria desire the potential benefits of fiscal policy re-engineering.

Research design

Survey research design is adopted. Survey design involves the use of sample to obtain the opinion of large number of people.

The assessable population of the study consists of Enugu State board of Internal Revenue and branches of commercial banks in Enugu, Nigeria. The elements of the populations are; managers, Head of operations, accounting officials of the banks and the tax officials/administrators of whom directly participates in tax assessments in State Board Internal Revenue, Enugu.

In determination of sample size for the, the researcher used judgmental sample to select three Banks in Enugu, Nigeria. The banks are First Bank, United Bank of Africa and Fidelity Bank. The 3 banks have a total of 13 branches and their managers, Head of operations, accounting officials number is 39. The tax officials/administrators of State Board Internal Revenue number is 42.

Considering the population size which is large, and to reduce the size of the population to a manageable size. The researcher uses Taro Yamane's formula to determine the sample size to be used for the study.

This sample size n = $\frac{N}{I + N(e)2}$

Where

N = the population size

e= estimated error of 5%

Applying the formula

Sample size $= \frac{81}{1 + 81\,(0.05)^2}$

= **67**

Apportion the Sample size;

1. ESBIGR, Enugu, - $\frac{42 \times 67}{81}$ =**35**

2. Banks - - - - - - $\frac{39 \times 67}{81}$ =**32**

Method of data analysis

Data collected for the study were analyzed by the researcher using frequency counts, mean score. The three research questions were answered hypothetically; the hypotheses were analyzed in the following order; Data relating to research question one, two and three were analyzed to determine mean score (x). A mean score of three (3) and above was regarded as an accepted mean to test research question. While a mean score of 2.99 and below was regarded as rejection to test the research question. The three hypotheses were tested using Z-test. This was done to ascertain to test significance of different in mean between the two population mean when the sample size is large. The three null hypotheses were tested at 5% level of significance.

Using z-test

$$z = \frac{x - \mu}{\frac{ð}{\sqrt{n}}}$$

Where x= sample mean

μ = population mean

ð = standard deviation

n= sample size

Out of 67 questionnaires distributed, 60 were completed and returned. This represents 89.6%.

Table 1: analysis of data using five point likert's scale

S/N	Questionnaire	SA	A	UN	SD	D	Total
1	With e-taxation it will become difficult for the tax payers to reduce the amount of tax to be paid.	18 (90)	25 (100)	2 (6)	0 (0)	15 (15)	60 (211)
2	E-taxation system will enable proper assessment of operations of tax payers to avoid underpayment of tax.	20 (100)	32 (128)	0 (0)	1 (2)	7 (7)	60 (237)
3	Tax can be paid as and when due with the use of e-taxation hence tax levies can be easily determines.	22 (110)	20 (80)	5 (15)	3 (6)	10 (100	60 (221)
4	Non availability of Tax Statistics will drastically minimize and this will leads to conveniences to tax payers.	17 (85)	28 (112)	0 (0)	5 (10)	10 (10)	60 (217)
5	Tax payers can easily process their tax without taken much of their time hence this will reduce stress on their part.	20 (100)	23 (92)	4 (12)	0 (0)	13 (13)	60 (217)
6	With e-taxation financial irregularities of some tax officials will reduce	14 (70)	32 (128)	4 (12)	2 (4)	8 (8)	60 (222)
7	E-taxation system will minimized the issue of diversion of government fund to individual accounts.	23 (115)	29 (116)	0 (0)	1 (2)	7 (7)	60 (240)
8	Fake assessment and issue of private receipts will be taken care of.	15 (75)	26 (104)	2 (6)	4 (8)	13 (13)	60 (206)
9	E-taxation will enable the government to maintain sanity and discipline in tax offices.	21 (105)	25 (100)	4 (12)	0 (0)	10 (10)	60 (227)
10	E-taxation will reduce preferential treatment given to tax	23	29	0	0	8	60

	payers by some tax officials.	(115)	(116)	(0)	(0)	(8)	(239)

Source: field survey, 2013

Test of Hypotheses

Hypothesis one

HO: E-taxation cannot resolve the issue of tax evasion and enhance compliance of taxpayers in Enugu State.
Hi: E-taxation can resolve the issue of tax evasion and enhance compliance of taxpayers in Enugu State.

In testing this hypothesis question 1 to 5 that contain in table 4.2.1 is used.

Mean of population (u) = $\frac{3 \times 60 \times 5}{5} = \underline{180}$

Mean of sample (x) $= \Sigma \frac{x}{n} = \frac{1103}{5} = \underline{221}$

Standard deviation (α)=$\Sigma \sqrt{\frac{(x-x)^2}{n}} = \sqrt{\frac{388}{5}} = \sqrt{77.6} = 2.75$

$Z = \frac{x-u}{\frac{SD}{\sqrt{n}}} = \frac{221-180}{\frac{2.75}{\sqrt{5}}} = \frac{41}{1.23} = \mathbf{\underline{33.33}}$

Decision Rule: Accept null hypothesis if the estimate value is less than the table value, otherwise, reject null hypothesis and accept the alternative.

Decision: Since the Z – table value is less than the estimated value (1.96 < 33.33), the null hypothesis is rejected and the alternative hypothesis (H_1) accepted.
Conclusion: E-taxation can resolve the issue of tax evasion and enhance compliance of taxpayers in Enugu State.

Hypothesis Two

3. HO: E-taxation cannot prevent corrupt practices of tax officials Enugu state, Nigeria**.**
   Hi: E-taxation can prevent corrupt practices of tax officials Enugu state, Nigeria**.**

In testing this hypothesis question 6 to 10 that contains in table 4.2.1 is used.

Mean of population (u) = $\frac{3 \times 60 \times 5}{5} = \underline{180}$

Mean of sample (x) $= \Sigma \frac{x}{n} = \frac{1134}{5} = \underline{227}$

Standard deviation (α)=$\Sigma \sqrt{\frac{(x-x)^2}{n}} = \sqrt{\frac{779}{5}} = \sqrt{155.8} = \sqrt{12.5}$

$Z = \frac{x-u}{\frac{SD}{\sqrt{n}}} = \frac{227-180}{\frac{12.5}{\sqrt{5}}} = \frac{47}{5.58} = \mathbf{\underline{8.42}}$

Decision Rule: Accept null hypothesis if the estimate value is less than the table value, otherwise, reject null hypothesis and accept the alternative.

Decision: Since the Z – table value is less than the estimated value (1.96 < 8.42), the null hypothesis is rejected and the alternative hypothesis (H_1) accepted.
Conclusion: E-taxation can prevent corrupt practices of tax officials Enugu state, Nigeria**.**

Summary of Findings

Based on the analysis of the study, the followings major findings were drawn;

1. E-taxation can resolve the issue of tax evasion and enhance compliance of taxpayers in Nigeria.
2. E-taxation can prevent corrupt practices of tax officials**.**
3. E-taxation system will minimized the issue of diversion of government fund to individual accounts.

The resultants effect of this study implies that the extent at which government has gone in inaugurating their e-tax administration is still low hence some tax administrators and tax payers are still not aware of the online tax assessment/collection in Nigeria.

Conclusion

The main objective of this study is to assess the impact of e-taxation in revenue generation in Enugu state. The study found among others that E-taxation can enhance internally generated revenue in Enugu State and that E-taxation can resolve the issue of tax evasion and enhance compliance of taxpayers in Enugu State. However, in developing country like ours, tax revenue collection depends on efficiency of government to prevent tax evasion hence accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption and are important factors in determining the extend of tax revenues to be generated in a state.

Recommendations

1. Government should support with everything on their disposal the establishment of e-tax administration so as to start ripping the benefit of high rate of compliance among taxpayers.
2. Also, the government should engage in a complete re-organization of the tax administrative machineries through e-taxation in order reduce to a tolerable limit the twin problems of tax evasion and avoidance, and the culture of good governance should be embraced by the government so as to secure the loyalty of the populace to good tax culture.
3. There should be strict implementation of electronic taxation to the federal, states and even local governments as it helps in improving revenue generation.
4. E-taxation should be implemented to reduce the associated problems of collecting tax, e.g. frauds and diversion of government funds to private pockets will be reduced drastically.

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