



Effect of E-Tax Payment on Revenue Generation in Nigeria

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Abstract

The study examined the effect of e-tax payment on revenue generation in Nigeria. The study period covered six (6) years and three (3) quarters, spanning from the first quarter of 2012 to the second quarter of 2018. The period for pre e-taxation covered thirteen (13) quarters, spanning from the first quarter of 2012 to the first of 2015 while the period for post e-taxation covered thirteen (13) quarters, spanning from the second quarter of 2015 to the second quarter of 2018. The analysis was carried out using Trend analysis, descriptive statistics of mean and standard deviation, paired sampled t-test. The findings revealed that there was insignificant positive difference between pre and post value added tax revenue with t-statistics and p-value of 0.520 and 0.612 respectively. This connotes that e-tax payment has an insignificant positive effect on value added tax revenue in Nigeria. Similarly, it was discovered that there was a positive insignificant difference between pre and post company income tax revenue with t-statistics and p-value reported to be 0.833 and 0.421 respectively. That is, e-tax payment has negative insignificant impact on Value Added Tax (VAT) revenue. Lastly, the findings revealed that there is a positive insignificant difference between pre and post capital Gain tax revenue with t-statistics and p-value of 1.218 and 0.247 reported to be respectively. That is, that e-tax payment has a positive insignificant effect on company income tax revenue in Nigeria. It was therefore concluded that E-tax payment has not contributed to capital gain tax, value added tax and company income tax generation in Nigeria.

Keywords:

E-Taxation
Tax revenue
Value added tax
Company income tax
Capital gain tax.
Revenue generation
E-Government
Sampled t-test

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1. Introduction

Electronic revenue collection in developing countries has gained increased prominence. According to Cobham (2010) the electronic tax system was introduced globally about 30 years ago. It started in 1986 as a little computer test program in which only five tax payers from Cincinnati, Raleigh Durham, and Phoenix agreed to participate. Since then, electronic tax system has become a common channel, serving various tax payers across the global yearly. (Wasao, 2014) describes electronic tax system is an online system or channel where taxpayers are able to have access or permit to the platform through the use of internet, in other to have access to all the services provided by the tax authority such as the registration for a tax identification number, electronic tax filing of tax returns, the Electronic taxation system that was introduced in Nigeria in the year 2013 by the Federal Inland Revenue service (FIRS). FIRS for instance is one of the financial and tax authorities in the world that conducts this Electronic tax payment system through the Business Process Improvement (BPI) and increases scope of electronic interface with various taxpayers so as to increase the efficiency and effectiveness of staff and services. According to Crede (2008) governments world-wide, have invested highly in electronic systems for the past two decades. Harold (2011) wrote that an efficient national

revenue collection system is the hub of every public administration system and the cornerstone of sound fiscal management. The researcher argued that there is a need to look into the structural and operational frameworks governing the national revenue authority, increase treasury control system of all revenue sources, increase legislative overview and credibility. FIRS is a public sector organization that operate extensively on electronic systems strategy in order to deliver on its core responsibility of collecting revenue on behalf of the Government of Nigeria. With the introduction of Electronic Taxation Payment system, it is expected that there will be an obvious increment in tax revenues, which will in turn bring about an increase in federally collected revenues as a whole as noticed in various countries of the world after it introduction of e-tax payment system. However, since the introduction of E-Tax payment system in 2015 no empirical evidence has shown the extent to which the new technology has achieved this purpose on company income tax, value added tax and Capital gain tax, hence necessitating this research

2. Reviewed Literature

2.1. Conceptual Framework

Concept of Taxation:

Taxation like most topics or subject matter in management sciences is difficult to give a universal definition acceptable to everyone. Despite this fact however, some literature on taxation have attempted to define it in such a way that it will at least give insight or a general picture of what it is all about. The international Encyclopedia of social sciences defines taxation as “A general concept or device used by government to extract money or other valuable things from people and organization by the use of law. Attamah (2004) Defined tax as a compulsory levy imposed on individuals and organizations by government. He concluded that tax is a good source of revenue to government, thereby bring about economic growth

Udabah (2002) sees tax as a levy necessary to meet the cost of services and infrastructural development desired by the community which should be provided by the government. Primarily, he argued that taxation was initially introduced to raise revenue to meet government expenditure. From the definitions above among several of its kind, it could clearly be seen that taxation is therefore, one among other means of revenue generation of any government to meet the desires of the citizens. The purpose of taxation as stated by the French law is for the provision of the armed forces and administrative expenditures. Miller and Oats (2006) maintain “taxation is required to finance public expenditure “however there are other sources of revenue generation for government these includes but not limited to Fines and Charges, Foreign aides and grants, Loans etc .

E-Taxation

E-taxation is the process of collection and administration of tax procedure through an electronic medium. According to Che-Azmi and Kamarulzaman (2014) E-tax payment system is one of the ways through which governments globally make use of information and communication technologies to enhance the provision of public services and the circulation of public administration information to the society. Wasao (2014), describes electronic tax system is an online system or channel where taxpayers are able to have access or permit to the platform through the use of internet, in other to have access to all the services provided by the tax authority such as the registration for a tax identification number, electronic tax filing of tax returns

E-tax payment system was introduced in 1986 in the U.S.A. In Australia electronic tax payment was introduced in 1987. In 1993, Canada started the usage of electronic tax payment other developed countries of the world such as Malaysia and Netherlands introduced electronic payment of tax to their taxpayers in 2009. In Africa, Uganda introduced electronic tax payment system in 2009, while Egypt started in March 2013, so as to maintain a close proximity with the international trades towards automated payments systems, for e-government.

In Nigeria e-tax payment system was introduced in 2015 by the Federal Inland Revenue Service (FIRS) in conjunction with Nigeria inter - bank settlement System (NIBSS), According to Okunowo, (2015). Electronic tax payment was introduced so as to increase revenue Generation and for easy accessibility as tax payers are able to pay taxes from different locations and at various time. FIRS has an Information Communication Technology (ICT) department that provides support and customer care services to taxpayers and also with the main aim of increasing revenue generation and enabling voluntary acceptance of the system by taxpayers.

In the authority of Abdulrazaq (2015) Elements of Electronic Tax Payment systems in Nigeria are:

- i. Taxpayers in Nigeria can pay the following taxes online, e.g. Value Added Tax (VAT), Petroleum Profits Tax (PPT) Capital gains Tax (CGT) and Companies Income Tax (CIT), through the online system.
- ii. More so, tax payers can pay their taxes directly from their various banks account and this is achieved by FIRS in conjunction with Nigeria inter - bank settlement System (NIBSS),
- iii. Tax clearance certificate can now be easily applied for and processed online without having to visit the office of the tax authority

- iv. Easy checking and verification of Tax Identification Number (TIN) thereby making the process of deduction of withholding taxes very easy
- v. Electronic exchange of information between tax payers and FIRS official.
- vi. Charging of fines and fees for lateness: The online system automatically calculate and impose fines, charges and penalties for late submission of tax returns or late payment of taxes.

Value Added Tax, Company Income Tax and Capital Gain Tax

Bird (2005) defined value added as a multi-staged tax that is charged on goods and services in each stages of production, in Nigeria it was known as service tax before it was charged to value added tax, the final burden of tax or the incidence of tax falls on the consumer it is an indirect tax

Company Income Tax: Companies are mandated by law to pay company income tax in Nigeria based on the profit. The amount charged is 30% on the profit earned in the year preceding assessment. Companies resident in Nigeria are liable for CIT on their worldwide income and non-resident companies are liable only to CIT on their Nigerian-source income.

Capital Gain Tax: Jones (2003) described capital gain tax as a tax on capital gains, the profit realized on the sale of a non-inventory asset that was greater than the amount realized on the sale. The most common capital gains are realized from the sale of government bonds precious metals, and property. The amount charged is 10% of the profits from the sale of the qualifying assets.

2.2. Theoretical Framework

Technology Acceptance Model (TAM)

This theory was propounded by Fred Davis in 1989, the theory was later modified by Venkatesh and Bala in 2008, states that an individual's intention towards using a new system is determined by perceived usefulness, and perceived ease of use (PEOU), "the degree to which the user expects the target system to be free of effort and more so help to increase the degree of efficiency and effectiveness of performance. Accordingly the perceived ease of use also has a direct effect on predicting usage. TAM models are very useful within and across organizations setup for accessing the applications or technologies, or to make comparisons between user groups or applications. However, the limitation of TAM is when it is used outside of the work place

Perceived usefulness (PU) – This refers to the extent to which an individual believes that using a specific system would enhance and improve job performance

Perceived ease of use (PEOU) –This refers to the extent to which an individual believes that by using a specific system would be easy to use and free from using a lot of pressure or effort (Davis 1989).

Theory of Innovation Translation

Theory of Innovation Translation was developed by Arthur Tatnall in 1990 it is an alternative view of theory of innovation diffusion, it is a theory of innovation in which instead of using an innovation in the form it is agreed upon or proposed, potential adopters translate into a form that suits their needs that is the potential users of the innovation decides to modify the innovation in a way that best fit its current system and not adopting the innovation the exact way it was proposed. In the case of this study the innovation at hand is e-tax payment system, while the actor is the Federal Inland Revenue Service, it is expected that FIRS adopt e-tax in Nigeria not in the way it was adopted in other nations of the world rather it should be adopted in a way that suit the level of economic and technological development in the country

2.3. Empirical Review

Lai Ming Ling (2008) examined the effect of e-filing on revenue generation in Malaysia; it revealed the extent to which tax revenue generation has contributed towards the economy's revenue and Gross Domestic Product and also the effect of tax evasion and tax avoidance on revenue generation in Malaysia. The study employed both primary and secondary sources of data. Using a survey research design, both descriptive and regression analysis were carried out on the data. Findings from the study revealed that taxation has a significant contribution on revenue generation, taxation has a significant contribution on Gross Domestic Product (GDP) and tax evasion and tax avoidance have a significant effect on revenue generation in Malaysia.

Amabali (2009) studied the antecedents of paperless income tax filing by young professionals in India using Regression analysis. The antecedents of young Indian professionals depended on the perceived ease of the tax system, personal innovativeness in information technology, relative advantage, performance of filing service, and compatibility

Pippin and Tosun (2014) examined electronic tax filing in the United State of America The study summarizes and analyses the demographic, socio-economic, and geographic factors affecting electronic tax filing (e-filing) in the United States for the years 1999, and 2004–2007 and the growth in e-filing between 1999 and 2007. Secondary data sourced from the IRS Statistics of Income ("SOI") Division and additional demographic and geographic information from the Bureau of Economic Analysis (BEA), the Bureau of Labor Statistics (BLS) and the census bureau were used; Analyses was carried out using regression, the rates of e-

filling are noticed to be lower in rural communities with low population and with a lower share of females, Surprisingly, educational attainment is negatively correlated with e-filing rate and growth in e-filing.

Nasir (2015) examined implementing electronic tax fillings and payments in Malaysia; the main objective was to point out the benefits of maintaining a good e-tax system as opposed to a manual system. The study made use of secondary data from Malaysian Inland Revenue report from 2004 to 2011 using trend analysis to highlight the increase in tax returns since the adoption of an e-tax system in 2004. For the first two years, the number of taxpayers using the e-filing system remained far below expectation at about 5% and the tax authorities were still tackling the challenges posed by the new system such as timely and costly adaptation of the system, uncertainty and security problems, lack of technological exposure in the country etc. all of which had little or no impact on tax returns. 2006 to 2011 brought an increase in the users of the system from the disappointing 4% to an Encouraging 34% and 37% in 2012, over the same period tax returns increased from 14.5% of GDP to 15.3%. It also showed how compliance was increased and fewer hours used in collecting taxes. The conclusion of the study was that Electronic systems for filling and paying taxes, if implemented well and used by most taxpayers, benefit both tax payer and tax authorities and guarantees a better standard of living for all citizens.

Allahverd, Alagoz and Ortakapoz (2017) examined the effect of e-taxation system on tax revenue and cost in Turkey, the study used secondary data gotten from the Turkish revenue authority, the data were examined in two groups which are pre-electronic tax period of 1993-2004 and post-electronic tax period of 2005-2016. Mann-Whitney U Test was used to analyze the data. The research also provided information on the electronic transformation of the tax system and the Turkish Tax System. According to the empirical result of the research, the transition to the electronic tax system positively affected the tax revenues and reduced the cost per tax.

Barati and Bakhshayesh (2015) examined electronic tax system and the challenges facing kermansah province tax payers in Iran, the researcher made use of primary data gotten from questionnaires administered to resident of kermansah province, analyses were carried out using Spearman correlation coefficient, variance analysis, superiority indexes, the agent exploring analysis, structural equations model, in which high sensitivity is used to check their compliance and review. Results show that: technical and infrastructural variables(95/0), social influence(90/0), the expected effort(51/0), legal issues(40/0), expected performance(32/0), information access (18/0) and perceived risk(11/0) are factors of importance and more influence on the affecting factors for the adoption of electronic tax, respectively

3. Data and Methods

The study examined the effect of Electronic tax payment on revenue generation in Nigeria, Secondary data were utilized for this work, and the data were sourced from Federal Inland Revenue Service tax report and Central Bank of Nigeria Statistical bulletin and Quarterly Economic Reports. The data sourced were value added tax, company income tax and capital gain tax. The study period was on quarterly bases and the period for pre e-taxation covered 13 quarters, spanning from the first quarter of 2012 to the first of 2015 while the period for post e-taxation covered 13 quarters, spanning from the second quarter of 2015 to the second quarter of 2018.

In view of the research design, paired sample *t*-test otherwise known as Pre-Post Test was used as the data analysis technique. The appropriateness of this method can be justified from the fact that each variable was grouped into two observations (before e-tax payment system adoption and after e-tax payment system adoption).

4. Data Analysis and Discussion of Results

As specified earlier, the variables employed in this study as specified in the model specifications are capital Gain Tax (CGT), Value Added Tax (VAT) and Company Income Tax (CIT) E-taxation. The analysis was carried out using line and symbol graph, descriptive statistics of mean and standard deviation, paired sampled *t*-test. All these were achieved through E-view 9 and SPSS version 20.

4.1. Trend Analysis of the Variables

4.1.1. Trend Analysis of Capital Gain Tax (CGT) Before the Advent of E-Taxation

Table-1. Company income tax, Capital gain tax , and Value added tax

Periods	Company Income Tax	Value Added Tax	Capital Gain Tax
Pre-Electronic Tax	N'BILLION	N'BILLION	N'BILLION
Q1-2012	116.5074	175.8575	0.5878
Q2-2012	289.0813	178.9823	2.7694
Q3-2012	254.4492	170.6901	4.1601
Q4-2012	156.4812	185.0252	1.3993
Q1-2013	154.2939	192.1964	0.1667
Q2-2013	400.6694	180.6144	16.7834
Q3-2013	240.7724	207.0707	0.1395
Q4-2013	167.8149	222.802	2.5663
Q1-2014	174.1639	212.3853	0.7838
Q2-2014	556.2703	197.2551	0.2904
Q3-2014	273.129	211.3232	1.5191
Q4-2014	176.8439	201.2417	0.0565
Q1-2015	160.9244	193.3893	0.2486
Periods	Company Income Tax	Value Added Tax	Capital Gain Tax
Post-Electronic Tax	N'BILLION	N'BILLION	N'BILLION
Q2-2015	501.6561	64.9922	10.2796
Q3-2015	65.2876	56.399	0.2634
Q4-2015	265.3192	183.4499	0.2995
Q1-2016	166.0176	198.7343	0.228
Q2-2016	305.3955	197.7765	72.5931
Q3-2016	297.3369	207.214	24.1888
Q4-2016	164.7873	224.474	2.3935
Q1-2017	152.4191	221.3805	0.1106
Q2-2017	364.2424	246.3033	0.8258
Q3-2017	384.9345	250.5607	1.8449
Q4-2017	313.4608	254.1039	0.399
Q1-2018	203.6832	269.7938	0.318
Q2-2018	471.5832	266.7317	6.1663

Source: Federal Inland Revenue Service Quarterly Report from Q1 of 2012 to Q2 of 2018

CGT

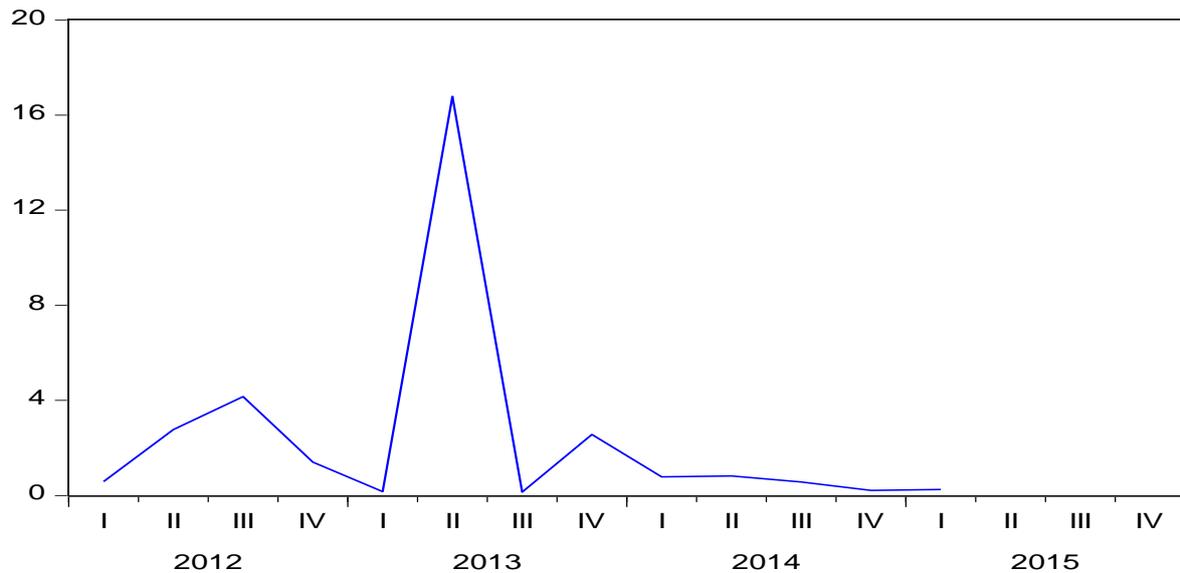


Figure-4.1.1. Trend Analysis of Capital Gain Tax (CGT) Before the Advent of E-taxation

Source: Data Analysis 2018

Figure 4.2.1 reveals the trend analysis of capital gain tax revenue before the advent of e-taxation from 2012 to 2015. Overview of the trend showed that capital gain tax revenue trended up from the first quarter of 2012 to the third quarter before it declined from the last quarter of 2012 to the first quarter of 2013. It rose

sharply in the second quarter of 2013, declined greatly in the third quarter before it rose again in the fourth quarter of 2013. In the same vein, from the first quarter of 2014 to the first quarter of 2015, capital gain tax revenue trended downward.

4.1.2. Trend Analysis of Value Added Tax (VAT) Before the Advent of E-Taxation

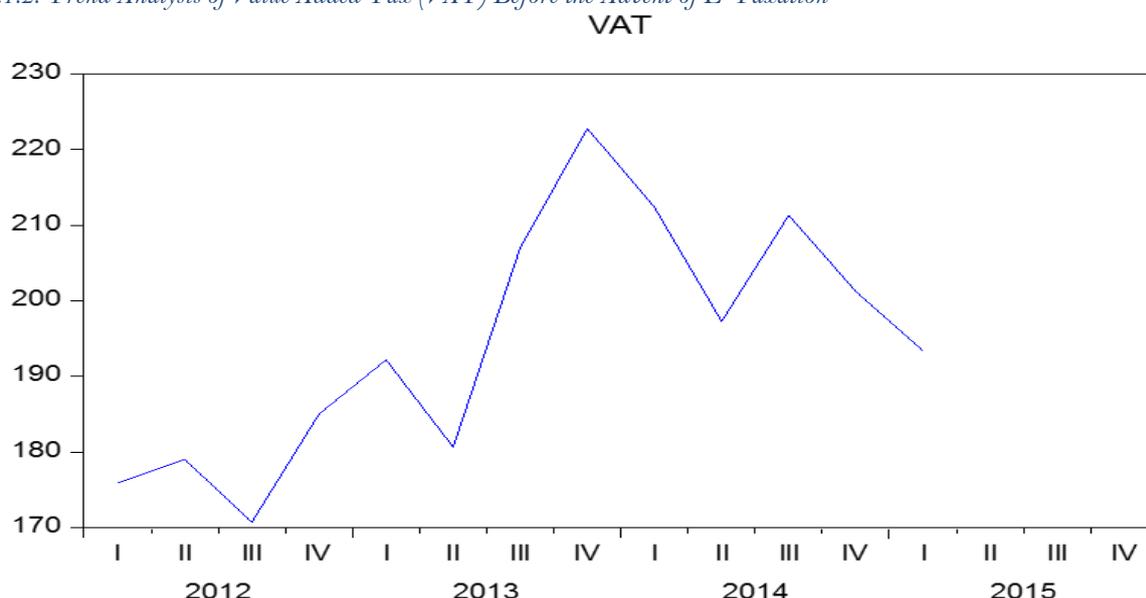


Figure 4.1.2. Trend Analysis of Value Added Tax (VAT) Before the Advent of E-taxation

Source: Data Analysis 2018

Figure 4.2.2 shows the trend analysis of value added tax revenue before the advent of e-taxation in Nigeria. The analysis revealed a zigzag trend of value added tax revenue from the first quarter of 2012 to the second quarter of 2013, before a sudden sharp upward trend from the third quarter of 2013 to the fourth quarter of the same years. The outcome also showed a zigzag trend of value added tax from the first quarter of 2014 to the first quarter of 2015

4.1.3. Trend Analysis of Company Income Tax (CIT) Before the Advent of E-Taxation

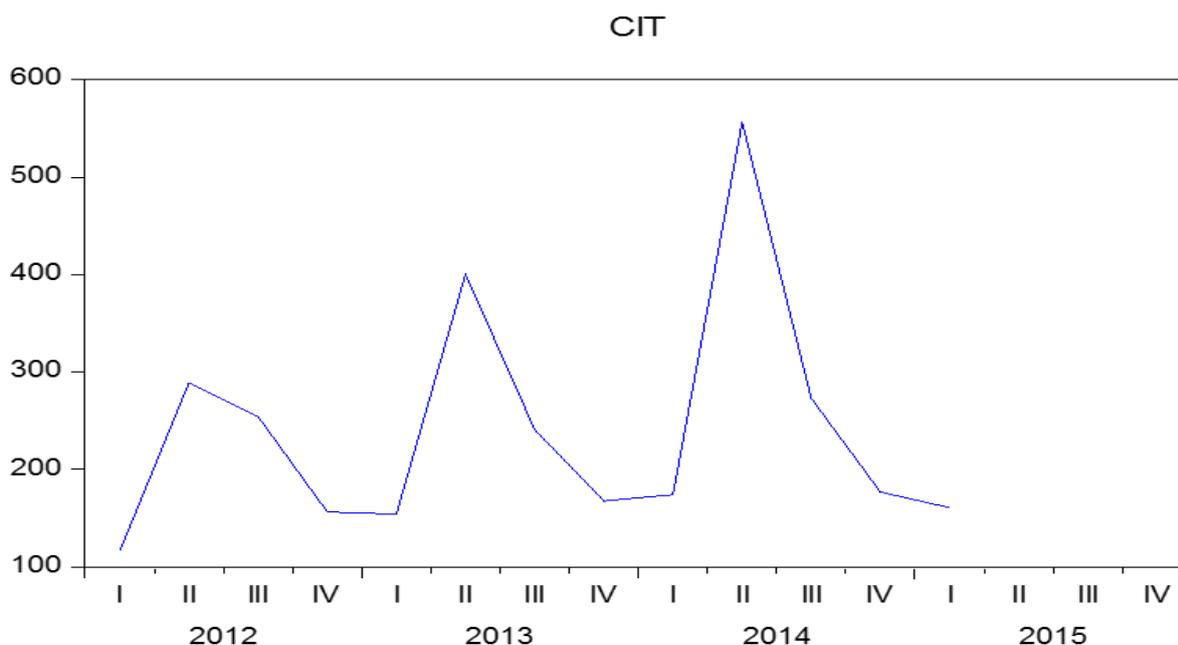


Figure 4.1.3. Trend Analysis of Company Income Tax (CIT) Before the Advent of E-taxation

Source: Data Analysis 2018

Figure 4.2.3 above revealed that there was an upward trend of company income tax from the base period, the first quarter of 2012, a downward trend from the second quarter to the first quarter 2013 before it rose

sharply in the second quarter of 2013 and trended downward to the last quarter of 2013. Company income tax rose gently from the first quarter of 2014, before it trended up sharply from the second quarter of 2014 and decline greatly from the third quarter of the same year to the first quarter of 2015.

4.1.4. Trend Analysis of Capital Gain Tax (CGT) Before the Advent of E-Taxation

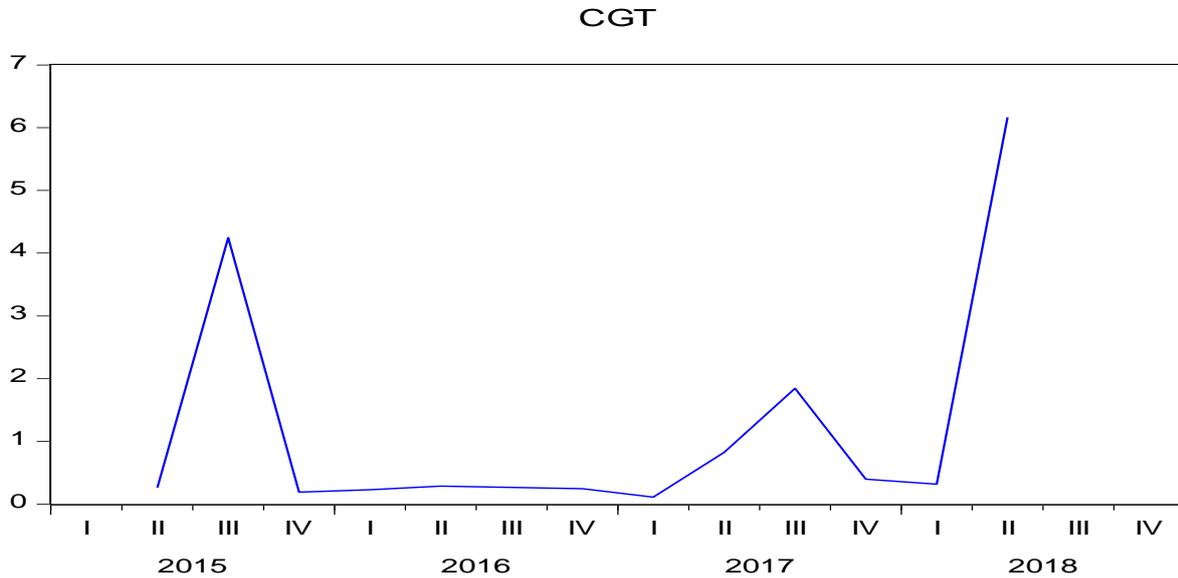


Figure 4.1.4. Trend Analysis of Capital Gain Tax (CGT) After the Advent of E-taxation

Source: Data Analysis 2018

The trend analysis reveals that there was a sharp increase in the second and third quarters of 2015 in capital gain tax after the introduction of e-taxation, a sharp decrease in the fourth quarter before it maintained a parallel trend from the last quarter of 2015 to the first quarter of 2017. Averagely, it rose from the second quarter of 2017 to the third quarter before it trended downward to the first quarter of 2018 and finally rose in the second of the same year.

4.1.5. Trend Analysis of Value Added Tax (VAT) After the Advent of E-Taxation

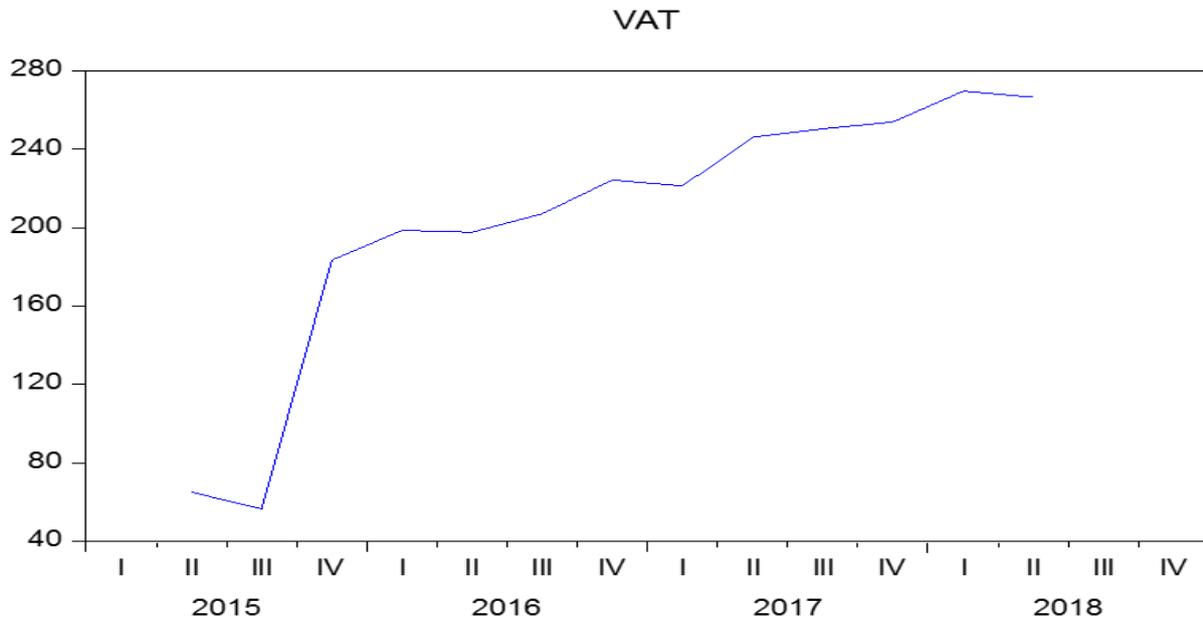


Figure 4.1.5. Trend Analysis of Value Added Tax (VAT) After the Advent of E-taxation

Source: Data Analysis 2018

The trend analysis revealed that value added tax from the second quarter to the third quarter of 2015 trended downwards slightly, before it rose sharply from the fourth quarter of the same year to the second

quarter of 2018. This reveals the efficiency of e-taxation in the generation of value added tax. This drastic increase could also be attributed to adoption of electronic tax payment system.

4.1.6. Trend Analysis of Company Income Tax (CIT) After the Advent of E-Taxation

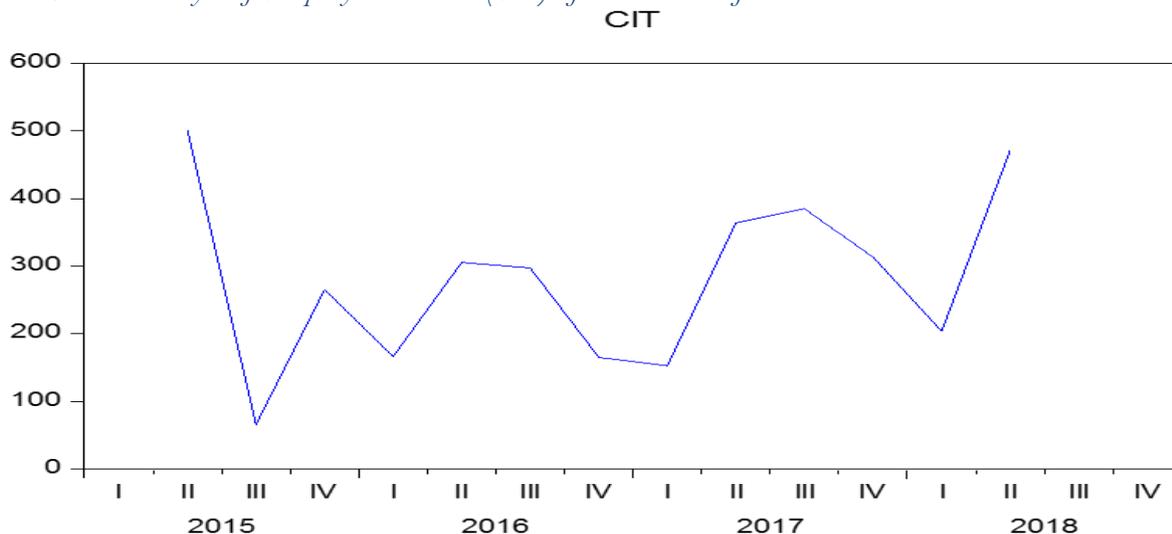


Figure-4.1.6. Trend Analysis of Company Income Tax (CIT) After the Advent of E-Taxation

Source: Data Analysis 2018

Figure 4.2.6 reveals the trend analysis of company income tax after the introduction of e-taxation. Obviously, it could be clearly seen that company income tax revenue has maintained an unstable trend in Nigeria from the second quarter of 2015 to the second quarter of 2018.

4.2. Descriptive Statistics of Capital Gain Tax (CGT), Value Added Tax (VAT) and Company Income Tax (CIT) before and After the Advent of E-taxation

Variables	Mean	Std Deviation	Minimum	Maximum
Capital Gain Tax:				
Pre	2.4208	4.4951	0.0565	16.783
Post	9.2239	20.213	0.11	72.59
Value Added Tax:				
Pre	194.52	15.966	170.69	222.80
Post	203.22	68.952	56.40	269.79
Company Income Tax:				
Pre	240.10	1.2210	116.507	556.27
Post	281.24	129.31	65.29	501.66

Source: Data Analysis, 2018

The table above revealed the state of capital gain tax revenue, value added tax revenue and company income tax revenue before the advent of e-taxation and after the adoption of e-taxation in Nigeria. From the result, it could be clearly seen that the mean and standard deviation values of pre capital gain tax revenue (before the advent of e-taxation) were 2.4208 billion and 4.4951 respectively while that of post capital gain tax revenue (after the adoption of e-taxation) were 9.2239 and 20.213 respectively. Similarly, the pre minimum and maximum values of capital gain tax were 0.0565 billion and 16.783 billion respectively for the periods covered. In the same vein, it was gathered that the post minimum and maximum values of capital gain tax were 0.11 billion 72.59 billion respectively for the periods covered.

The outcome above shows that the mean and standard deviation values of pre value added tax revenue (before the advent of e-taxation) were 194.52 billion and 15.966 respectively while that of post value added tax revenue (after the adoption of e-taxation) were 203.22 and 68.952 respectively. Similarly, the pre minimum and maximum values of value added tax revenue were 170.69 billion and 222.80 billion respectively for the periods covered. In the same vein, it was gathered that the post minimum and maximum values of value added tax revenue were 56.40 billion and 269.79 billion respectively for the periods covered.

From the result, it could be clearly seen that the mean and standard deviation values of pre company income tax (before the advent of e-taxation) were 240.10 billion and 1.2210 respectively while that of post company income tax revenue (after the adoption of e-taxation) were 281.24 and 129.31 respectively. Similarly, the pre minimum and maximum values of company income tax were 116.50 billion 556.27 billion respectively

for the periods covered. In the same vein, it was gathered that the post minimum and maximum values of company income tax were 65.29 billion 501.66 billion respectively for the periods covered.

4.3. Paired Sampled T-Test

4.3.1. Paired Sampled T-Test of Capital Gain Tax (CGT), Value Added Tax (VAT) and Company Income Tax (CIT) before and After the Advent of E-Taxation

Variables		Paired Differences			t	df	Sig Value
		Mean	Std Deviation				
Pair 1	PostCGT- PreCGT	6.8030	20.135		1.218	12	0.247
Pair 2	PostVAT- PreVAT	8.6985	60.297		0.520	12	0.612
Pair 3	PostCIT- PreCIT	41.132	1.7806		0.833	12	0.421

Source: Data Analysis, 2018

It could be deduced from the table above that pair 1 has a mean value of 6.8030 billion and a standard deviation of 8.6985. Based on the subtraction order, it implies that the value of post capital gain tax revenue (after the advent of e-taxation) was 6.8030 higher than pre capital gain tax revenue (before the advent of e-taxation) for the periods this study covered. The *t-statistics* and *p-value* reported to be 1.218 and 0.247 respectively implies that there is a positive insignificant difference between post and pre capital gain tax revenue. Put differently, this means that e-tax payment has a positive insignificant effect on capital gain tax revenue in Nigeria.

Similarly, the outcome above revealed that pair 2 has a mean value of 8.6985 billion and a standard deviation of 60.297. Based on the subtraction order, it implies that the value of post value added tax revenue (after the advent of e-taxation) was 8.6985 higher than pre value added tax revenue (before the advent of e-taxation) for the periods this study covered. The *t-statistics* and *p-value* reported to be 0.520 and 0.612 respectively implies that there is a positive insignificant difference between post and pre value added tax revenue. Put differently, this connotes that e-tax payment has a positive insignificant effect on value added tax revenue in Nigeria.

In the same vein, it could be deduced from the table above that pair 3 has a mean value of 41.132 billion and a standard deviation of 1.7806. Based on the subtraction order, it means that the value of post company income tax revenue (after the advent of e-taxation) was 41.132 higher than pre company income tax revenue (before the advent of e-taxation) for the periods this study covered. The *t-statistics* and *p-value* reported to be 0.833 and 0.421 respectively implies that there is a positive insignificant difference between post and pre company income tax revenue. Put differently, this means that e-tax payment has a positive insignificant effect on company income tax revenue in Nigeria.

5. Conclusions

Literature affirmed that over the years tax compliance levels remain low and tax collections are below the targets set by most revenue collection authorities. The introduction of electronic tax systems in most countries across the global divide, developing countries like Nigeria, still face the challenges of low tax compliance and tax administration. It was argued that online tax systems are rapidly replacing paper-based tax reporting systems. Promising many advantages over the traditional method of hard copy tax filing, these systems promise faster processing, lower cost and increased efficiency. This was the basis on which this research work was conducted to examine the effect of E-tax payment adoption on revenue generation in Nigeria. Based on the outcome of the analysis carried out, it was concluded that:

- i. There is a positive insignificant difference between pre (before the introduction of e-taxation) and post (after the advent of e-taxation) capital gain tax revenue. This means that E-tax payment has not contributed to capital gain tax generation in Nigeria.
- ii. There is a positive insignificant difference between pre and post value added tax revenue. This means that E-tax payment has not contributed to value added tax generation in Nigeria.
- iii. There is a positive insignificant difference between pre and post company income tax revenue. Unlike the negative effect of e-taxation on capital gain tax revenue and value added tax revenue, e-taxation has positively contributed to the generation of capital gain tax in Nigeria but the contribution is not significant.

6. Recommendations

The following recommendations were made in line with the findings of the study:

- i. The Federal government through Federal Inland Revenue Services should work out modalities on how to sensitize companies on the nitty-gritty of E-tax payment so as to further maximize the expected positive impact of the initiative.
- ii. Federal Inland Revenue Services should come up with measures to ensure that defaulters are brought to book and dealt with according to the provisions of the laws.

- iii. Federal Inland Revenue Services must ensure that the website is of good quality and accessible to all and sundry.
- iv. To ease accessibility by taxpayers, mobile version of electronic tax portal should be created. This will no doubt increase the adoption rate by tax payers as mobile phones are being increasingly used
- v. There should be a collaborative work between the government, Federal Inland Revenue Services and taxpayers in Nigeria. This will reveal the shortcomings besetting the effectiveness of the system.

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