

TAXPAYER'S EDUCATION AND VOLUNTARY TAX COMPLIANCE IN BENIN CITY

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Abstract: This paper carefully examines the influence of taxpayers' education on voluntary tax compliance in Benin City, Edo State. The study being empirical evaluated taxpayer education with the aid of effective seminars and handbooks/bills. The study gathered relevant data with the aid of a well-structured questionnaire administered to taxpayers who are in the business of small and medium-sized enterprises. A total of seventy-seven (77) taxpayers were carefully selected for the study, upon which the Ordinary least square regression method was used to analyze the data gathered. Premised on the analysis, the paper concluded that the effective use of seminars and handbooks/bills significantly influences voluntary tax compliance in the city and therefore recommends the need for the relevant tax authority to promote taxpayers' education as this has a direct relationship with voluntary taxpayers compliance and as well would improve the revenue of the government.

Keywords: Taxpayers' education, Voluntary tax compliance

1.1 INTRODUCTION

Tax compliance is an issue of serious concern in most nations of the world as revenue from taxation constitutes a major source of income for the government to finance their developmental infrastructural needs and meet other societal needs of the state. This issue of non-compliance in the opinion of Horodbic (2018) remains a major concern for many countries. Tax payment is the responsibility of citizens and business enterprises to enable the government to meet its part of the social contract. However, the amount of money the government earns from taxes depends, among other factors, on taxpayers' ability to willingly comply with tax regulations. Failure to comply with tax requirements means that an act of non-compliance is committed by the taxpayer (Neil & Tom, 2020). Tax non-compliance is caused by misreporting of allowable subtractions from taxable income or tax due, misreporting of income and failure to file a tax return (Eiya, Ilaboya, & Okoye, 2016). The most evident effect of non-compliance with the tax is the loss of tax revenue to the government, which reduces funds for the execution of projects. Also, non-compliance with taxes creates inequalities between citizens, as their contribution to the gross domestic product (GDP), is affected (Alabede, 2014). According to Adeosun (2018), Nigeria's tax-to-GDP ratio is currently 6% which is one of the lowest in the world and which is far below the tax-to-GDP ratio in other countries. The generally accepted threshold of tax revenue to any country's GDP by the International Monetary Fund (IMF) is estimated at 15%. For instance, the United States of America

has 27%, the United Kingdom 39%, Sweden 45%, and France 46%. In Africa some countries' GDP ratios are; Burkina Faso's 11.5%, Tanzania's 12%, Togo's 14%, Cameroon's 18%, Ghana's 15%, and South Africa's 24% which are higher than that of Nigeria (Ezomike, 2016; Adeosun, 2018). This reiterates the need to examine factors affecting the non-compliance of taxpayers, with specific emphasis on tax payers' education.

Most of the earlier studies on tax compliance focused on economic factors such as tax audits and restrictions to discourage tax evasion. However, this strategy has been criticized by researchers (Alabede, 2014; Horodnic, 2018; Kemme, Parikh & Steigner, 2020) who conclude that there is a need to analyze non-economic variables to fully grasp taxpayers' compliance behaviour.

Taxpayers education is a very fundamental means of informing the citizens of a country on the need to pay taxes as and when due. However, a number of studies have been carried out, particularly in other countries (Torgler, 2003; Musra, 2004; Palill & Mustapha, 2011) while in Nigeria there is a paucity of empirical studies to address this fundamental issue.

This study is motivated by the need to empirically examine the effect of taxpayer education with the aid of handbooks/bills and seminars on voluntary tax compliance in Nigeria with specific attention on small and medium-scale enterprises in Edo State. Closely following the introduction is section two which is on the concept and empirical review of extant literature while section three is on the methodology for the study thereafter is section four on the analysis and discussion of findings and section five is on the conclusion and recommendation.

2.0 REVIEW OF RELATED LITERATURE

2.1 Concept of Taxation

According to the revised National Tax Policy (NTP) (2016), taxation is essentially the process by which taxes are collected within a specific area. Anyaduba (1999:2) sees taxation as "the process or system of raising income through the levying of various types of taxes". The principal objective of taxation is to generate revenue for the government's expenditure on public welfare (Uzonwanne, 2015). Taxation is seen by Eze, Iorwuese, and Abba (2016) as a veritable and sustainable source of revenue for every government and as a medium for monetary policy and macroeconomic management. Taxation as a tool of fiscal policy performs four (4) economic roles for the development of a nation. It helps to allocate resources from private to public needs; is used to control inflation; promotes economic growth; and used for income redistribution (Uzonwanne, 2015). From the above definitions, it can be deduced that taxation is the process of collecting revenue and not the revenue (tax) being collected.

Tax is any compulsory payment to the government imposed by law without direct benefit or return of value or service in order to yield revenue (NTP, 2016). According to Eiya (2012), tax is a compulsory imposition on the income or profit or capital gain of persons, corporate organizations or other legal entities by the government to generate revenue. The importance of tax in a country cannot be overemphasized. It is a fiscal instrument used by governments to combat social ills and bring stability to the economy (Eiya, 2012). Azubuike (2009) asserts that tax is a key factor in every nation of the world and thus serves as an avenue for the government to amass additional revenue required to execute its pressing responsibilities. Fasoranti (2013) asserts that tax constitutes a means by which the government appropriates part of the income of the private sector. And the revenue so derived is used to finance government expenditures. From the above definitions, it can be deduced that tax is compulsorily imposed on the citizens by the government to generate more revenue for meeting its fundamental public expenditures.

According to Micah, Ebere, and Umobong (2012), taxation in Nigeria is operated by the Federal, State, and Local governments. The major taxes operational in Nigeria currently include Personal Income Tax, Petroleum Profits Tax, Companies Income Tax, Value Added Tax, Education Tax, Capital Gains Tax, Customs and Excise Duties, and Stamp Duties. Among these taxes, the tax matters relating to the informal sector (self-employed) in Nigeria are governed by the Personal Income Tax Act Cap VI Laws of the Federation of Nigeria, 2004 as amended (Angahar & Alfred, 2012).

2.2 Voluntary Tax Compliance

Marziana, Mohamad, Norkhazimah and Mohmad (2010) describe tax compliance as the degree to which a taxpayer complies or fails to comply with their country's tax laws. Tax compliance implies the ability of the taxpayer to send correct, full and appropriate returns to the applicable tax authority for tax assessment following the tax law of the nation (Kirchler, 2008). Tax compliance may also be described as the degree to which a taxpayer complies with tax rules and regulations (Alabede, Ariffin, & Idris, 2011). The Organization for Economic Cooperation and Development (OECD) (2001) defined tax compliance as administrative and technical compliance. Administrative enforcement consists of monitoring enforcement, administrative compliance and compliance control, and is primarily concerned with dealing with the regulations on accommodation and the payment of taxes. Technical enforcement, on the other hand, includes following the technical criteria of tax legislation in the estimation of income tax liability. Birskyte (2013) divided income tax compliance into three distinct types: reporting compliance (i.e. proper income and tax declaration), filing compliance (the amount of income expected to be filed that is filed), and finally, payment compliance (the exact amount of tax paid).

According to Okoye, Akenbor and Obara (2012), tax compliance is impaired by a variety of factors, some of which include: inadequate government provision of basic social services, high tax rates, low level of satisfaction of taxpayers, lack of effective deterrence measures, lack of transparency of public funds, lack of functional tax audits, etc. According to Jackson and Milliron (1986), tax noncompliance refers to the inability of a taxpayer to remit a reasonable amount of tax, possibly due to the difficulty or even misunderstanding of the tax law or the administrative process of the tax code. James and Alley (2004) describe tax non-compliance as the failure of a taxpayer to comply with his or her tax obligations, whether intentionally or not. Similarly, Kirchler (2008) largely defined tax non-compliance as default in filing tax returns, underreporting of taxable income, overstatement of tax statements such as allowable deductions and exemptions, and default on timely payment of tax liability.

In any region, efficient tax administration is meant to ensure voluntary tax compliance through all legal means and can often include the use of fines. Mohd, Mohd, and Wan (2013) observed that one of the most important aspects that can impact taxpayer compliance actions is the fairness of the tax system set in place. If taxpayers deem the tax scheme to be unreasonable, they would not be able to comply with it by joining in noncompliance. Again, this depends on the level of experience and knowledge of the tax system that the taxpayer has.

2.3 Tax Payers Education

Based on the theory of planned behaviour (TPB), tax education seeks to encourage tax compliance by changing the attitudes, perceived behavioural control, and subjective norms of taxpayers. According to Efebera, Hayes, Hunton & Neil (2004), it highlights the significance of having good attitudes regarding paying taxes, creating arbitrary norms that favour compliance, and improving taxpayers' perceptions of their capacity to fulfil their tax obligations. Studies indicate that tax education initiatives can have a favourable effect on taxpayers' intentions

to adhere to tax regulations. Nonetheless, several variables affect the correlation between intentions and actual compliance behaviour. In general, tax education initiatives based on the TPB framework help to increase voluntary compliance, decrease tax evasion, and promote compliance (Klee, Bamberg, Erten & Graf, 2000). The broad awareness and knowledge that taxpayer education has brought about has encouraged cooperation and voluntary compliance, increased revenue collection for the country's growth and development, and expanded the tax base. For example, as of Tuesday, June 30, 2015, at midnight, the KRA's taxpayer recruitment drive, which was based on online tax filings, had registered about two million iTax users, signaling a new era in the use of IT systems for tax administration. This has expanded the tax base and raised revenue (KRA media briefing, 2015). Higher levels of education may lead to higher compliance rates since educated taxpayers are more conscious of their obligations and the consequences of breaking the law. The importance of education awareness becomes topical in promoting tax compliance in the country. One mode of increasing voluntary tax compliance is to ensure that taxpayers have a certain level of qualifications, ability and confidence to exercise their tax responsibility (Mohani, 2003).

2.4 Small and Medium Scales Enterprises

The bulk of companies that are in operation worldwide are SMEs. They are often individual businesses with under 50 workers. Nevertheless, each nation has a separate cap on the number of employees. For most businesses, the highest limit is approximately 250. SMEs are defined by the Central Bank of Nigeria as any business that has assets up to N500 million, excluding working capital and land. any business that has assets up to a limit of N500 million, excluding working capital and land. These (SMEs) have a major impact on innovation, job creation, and economic growth. They are important to Nigeria's economic growth because they motivate job creation and the fight against poverty. SMEs are defined by the Federal Ministry of Commerce and Industry as businesses that employ up to fifty (50) people for pay and have a total investment of up to N750,000 (excluding the cost of land but including capital). Partnerships and sole proprietorships are two types of SMEs. Nonetheless, some may be registered as limited liability businesses and have a labour-intensive operation, a straightforward management structure, an unofficial employer-employee relationship, basic technology, a merger of ownership and management, and restricted access to finance.

2.5 Theoretical Framework

Equity Theory

Although there are numerous theories about tax compliance, the Slippery Slope Framework (SSF) and equity theory serve as the foundation for this investigation. The social psychology framework explains the equity theory as a key hypothesis in explaining tax compliance behaviour (Fjeldstad, 2013). According to this hypothesis, taxpayers may doubt the fairness of a tax system if it is burdensome, and they may believe that the system is unjust the more complex it is. The SSF, which was created inside the tax compliance works, is another framework that is helpful for comprehending tax compliance (Kirchler, Hoelzl & Wahl, 2008). A slippery slope is a notion that integrates psychological and economic aspects of tax compliance, according to Kirchler et al. (2008). The SSF contends that the relationship between taxpayers and tax authorities determines how effective economic and non-economic elements are. In essence, the slippery slope explained how tax authorities and taxpayers could communicate to improve tax compliance. According to this theory, there are two possible states of the tax environment: antagonistic, in which taxpayers and the tax authority cooperate, and synergistic, in which they operate against one another. In hostile environments, the tax authorities think that taxpayers should be closely watched because they try to avoid paying taxes at all costs; the taxpayers think they are being taken

advantage of by the tax authorities and that it is best to hide. In synergistic environments, taxpayers perceive tax authorities as serving the community and feel like they belong there as fellow members.

2.6 Empirical Review of Literature

In the study of Akims, Pyoko, Akims, Motende, Odwa and Toyiring (2023) on tax education and tax compliance. The study showed that tax education has a significant impact on tax compliance. The study further stated that tax education was fundamental in predicting tax compliance. Premised on which the study recommended that to increase tax compliance, the government should put in place and sustain public tax awareness programs and also that the tax authority should support tax education because of its impact on taxpayer compliance and at the same time tax revenue.

In the same vein, Dorcas and Nyaga (2023), examined the effect of taxpayer education on the revenue collection performance of Meru County government. The relevant data for the study were sourced from 144 staff members of the Meru County Government treasury. The study employed the descriptive research design and the result showed that taxpayer education had a moderately positive impact on the revenue collection performance of Meru County government and also that taxpayer education had a significant positive relationship with tax compliance.

In the study of Hidayati, Hermanto and Nnandi (2023) on tax education and student compliance. Open-ended questionnaires were administered to students and from the analysis the study revealed that tax education significantly improved tax compliance for all the ethnic groups.

Furthermore, Uvaneswaran (2023) examined the effect of tax education on tax compliance at government revenue office in Kanbolcha City. Primary data were sourced with the aid of a well-structured questionnaire for taxpayers and employees of the revenue office. The study showed that tax education has a positive impact on tax compliance.

Hamid, Ismail, Yumus, Jali and Rosly (2022) studied taxpayers' attitudes using quadrant analysis to ascertain organizational strengths and weaknesses in Malaysia. The study examined the importance and how satisfied the taxpayers were with tax education, tax awareness and tax complexity with their impact on tax compliance among SMEs. The result of the study revealed that taxpayers see paying taxes as a burden since it would lower their income and that the level of tax education, awareness and tax complexity affected tax compliance

Trawule, Gadzo, Kportorgbi and Sam-Quarm (2022) examined within the framework of hierarchical regression, the nexus between tax education and tax compliance among entrepreneurs' four hundred participants were selected from a total of 28,355 for the cross-sectional and the correlational method of inquiry was used. The study revealed that fear-inducing messages put gravel in the spokes of dedicated tax compliance, tax education and the ease of complying with taxes serve as lubricate in the axles of devoted tax compliance, and the study further suggested the need for tax authorities to simplify tax laws and also that the revenue authorities and education sector should work together to make basic tax education a required course in schools.

Christine (2022) examined the impact of tax payment on revenue collection in Kenya, the study employed the descriptive research design and from the findings, the study showed that the number of taxpayers attending tax education seminars and clinics has increased which has represented an increase in the amount of revenue collected by the tax authority.

Amin, Buhari, Yaacob and Iddy (2021) evaluated the need for the implementation of tax education in higher institutions and also the need to examine the view of students on the need to increase tax compliance. Primary

data were used for the study and from the analysis the study showed that tax knowledge was a major factor influencing tax compliance in the nation and that there was a need to prioritise tax education.

Ndubula and Matiku (2021) ascertained the effect of effective and efficient tax education on tax compliance in Tanzania. The study employed both the questionnaire and the interview method as a means of gathering relevant data for the study. The study employed the statistical package for social science (SPSS) for the analysis. However, the study revealed a significant degree of non-compliance in the following areas issuing fiscal receipts, paying taxes on time, and paying taxes voluntarily among others and stated that tax education was primarily contributing to tax non-compliance

Nayaho (2020) examined the impact of taxpayer education on the level of voluntary taxpayer compliance among SMEs in Zambia. Primary data were used for the study and from the analysis the study revealed that tax education has a considerable beneficial influence on the level of voluntary tax compliance shown by small and medium-sized enterprises in Zambia.

Adekoya (2019) investigated the effect of taxpayer education on tax compliance in Lagos state, Nigeria. The questionnaire was used to search for relevant data for the study. The linear regression was used to analyse the data gathered and from the analysis, the study revealed that taxpayers' education significantly and favourably impacts tax compliance in Lagos state, Nigeria.

However, Gotoro and Mokaya (2018) examined the relationship between taxpayer educations on voluntary tax compliance in Tanzania. A well-structured questionnaire was administered to respondents and from the analysis, the study revealed a positive correlation between taxpayer education and voluntary tax compliance in the area of print materials, and taxpayer education via websites and workshops.

In the same manner, Gitaru (2017) examined the impact of taxpayer education on tax compliance in Kenya. The study focused on small and medium-sized businesses in the Nairobi Central Business District. The study employed the descriptive survey design and from the analysis, the study found out that there is a good and substantial connection established between electronic taxpayers education, print media taxpayer education, stakeholder involvement and tax compliance among SMEs.

3.0 METHODOLOGY

The survey design substantiates the choice for this study while data were gathered with the aid of a well-structured questionnaire duly administered to taxpayers (business Owners) located in Benin City, Edo State. A total sample size of seventy-seven (77) was selected from the private sector. The ordinary Least Square (OLS) regression method was used in analyzing the data gathered to either reject or accept the hypotheses. The significance level is set at a 5 percent level of significance. The dependent variable was voluntary tax compliance while the independent variables were the effectiveness of tax seminars and educating taxpayers through handbooks and a simple econometric model was adopted for the study

Model Specification

The following linear model guided the ordinary least square:

$Y_i = f(X) \dots\dots\dots i$
 $VTXC = \beta_0 + \beta_1 EOS + \beta_2 ETH + \varepsilon \dots\dots\dots ii$

Where:

- VTXC = Voluntary Tax Compliance
- EOS = Effectiveness organization seminar
- ETH = Educating taxpayers through handbooks

β_1, β_2 , are the constants of the lapse, while ε is the error term, these are the other descriptive factors not unambiguously encompassed in the model.

4.0 RESULTS AND DISCUSSION

4.1 Data presentation

4.1.1: Questionnaire distribution and returns

Seventy seven questionnaires were distributed and sixty four was completed and returned, this represents 83%.

Table 4.1.1: The summary of data collected from the respondents for question one to four

| | Effectiveness of organizing seminars | SA | A | Un | D | SD |
|----|--|-----------|----------|-----------|----------|-----------|
| 1 | There is an effort by government agencies to tackle low levels of tax awareness | 19 | 30 | 2 | 13 | 0 |
| 2 | Seminar plays important role in the creation of individuals tax behaviour | 18 | 36 | 0 | 9 | 1 |
| 3 | In seminar, the information needed about tax is well communicated | 10 | 40 | 1 | 13 | 0 |
| 4 | The seminar provide information that makes tax payers feel more responsible toward tax and tax payment | 12 | 31 | 0 | 21 | 0 |
| 5 | It provide the insight about right and responsibilities of tax payers | 20 | 30 | 2 | 12 | 0 |
| | Educating taxpayers through handbooks | | | | | |
| 6 | Hand books uses effective communication strategies to improve tax awareness | 15 | 29 | 0 | 20 | 0 |
| 7 | Band bills help to enhance taxpayers willingness to pay taxes | 20 | 31 | 0 | 13 | 0 |
| 8 | It enable taxpayers in the SMSE sector self-assess their tax liabilities easily | 18 | 32 | 0 | 13 | 1 |
| 9 | Hand books enhance taxpayers in SMSE sector to understand the tax regulations and the sanctions for non-compliance | 21 | 32 | 0 | 11 | 0 |
| 10 | The handbills communicates effectively to taxpayers on changes of significant policies and procedures | 23 | 25 | 0 | 16 | 0 |
| | Tax compliance | | | | | |
| 11 | The taxpayer's has the zeal to voluntarily attend to all tax obligations in accordance with the relevant provisions of the tax laws. | 10 | 34 | 0 | 20 | 0 |
| 12 | Tax compliance includes filing tax returns and actual payment of taxes as at when due. | 24 | 30 | 0 | 10 | 0 |
| 13 | The taxpayer is fully knowledgeable about the whole process of paying minimum tax. | 22 | 25 | 2 | 15 | 0 |
| 14 | Taxpayer complies with all the lawful requirements and provision of the relevant Tax Act. | 18 | 30 | 0 | 15 | 1 |
| 15 | willingness of taxpayers to act in accordance with the "spirit' and 'letter' of the relevant provisions of the tax laws | 21 | 29 | 1 | 11 | 2 |

Source: Field Survey, 2024

4.1.2 Data Analysis

Table 4.1: Descriptive statistics

Table 4.1 below is on the descriptive statistics computed with the aim to reveal the mean, median, standard deviation, minimum, and maximum values, statistics,

Table 4.1: Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|---|---------|---------|---------|----------------|
| VTXC | 5 | 3.00 | 148.00 | 64.0000 | 62.26556 |
| EOS | 5 | 1.00 | 167.00 | 64.0000 | 67.63875 |
| ETH | 5 | .00 | 149.00 | 64.0000 | 64.14827 |
| Valid N (listwise) | 5 | | | | |

Source: author’s compilation, 2024

The descriptive statistics for the dependent variable, voluntary tax compliance (VTXC), while independent variables are the effectiveness of organizing seminars (EOS) and educating taxpayers through handbooks (ETH) were represented in Table 4.1. A baseline is established using the mean. On the other hand, the maximum and minimum values help identify issues with the data. The standard deviation is a measure of the difference from the mean. It's a measure of risk; the higher the standard deviation, the higher the danger. The amount that each item in a dataset deviates from the mean is expressed using a statistic called the standard deviation. It is the most widely used and trustworthy metric. The firms' standard deviations are 62.27, 67.64, and 64.15, for VTXC, EOS, and ETH respectively.

4.2 Test of Hypotheses

Hypothesis One

H₁: Effectiveness of organizing seminars for taxpayers has no significant effect on voluntary tax compliance among small and medium-sized enterprises in Benin City.

Table 4.2.1: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .985 ^a | .969 | .959 | 12.56519 |

a. Predictors: (Constant), EOS

In Table 4.2.1, a regression analysis was conducted to test the effectiveness of organizing seminars and voluntary tax compliance. Adjusted R squared is the coefficient of determination which provides the distinction in the dependent variable due to changes in the independent variable. From the findings in Table 4.2.1, the value of adjusted R squared shows a value of 0.100, showing that there was a variation of 96% in tax compliance due to changes in the effectiveness of organizing the seminar. This implies that 96% of changes in voluntary tax compliance could be accounted for by the effectiveness of organizing seminars, while 4% were accounted for by other factors not captured in the model.

Table 4.2.2: ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 15034.348 | 1 | 15034.348 | 95.224 | .002 ^b |
| | Residual | 473.652 | 3 | 157.884 | | |
| | Total | 15508.000 | 4 | | | |

a. Dependent Variable: VTXC

b. Predictors: (Constant), EOS

Table 4.2.3: Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|-----------------------------|------------|---------------------------|------|-------|------|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 5.991 | 8.180 | | .732 | .517 |
| | EOS | .906 | .093 | .985 | 9.758 | .002 |

a. Dependent Variable: VTXC

Table 4.2.2 reveals that the p-value is 0.002 shows that the hypothesis is statistically significant at the level of significance (5%); hence p-value of the test statistic is less than the alpha value (0.002<0.05).

In Table 4.2.3, the regressed result shows that an evaluation of the leadership change of the explanatory variable shows positive statistical significance, hence coefficient value is 0.985 and the t-statistics is 9.758, showing that the effectiveness of organizing seminars is positively statistically significant on voluntary tax compliance at 0.05 level of significance.

Decision:

Since the P-value of the result of the test statistic is less or equal to the alpha, we, therefore, accept the alternative hypothesis and reject the null hypothesis which states that the effectiveness of organizing seminars for taxpayers has no significant effect on voluntary tax compliance among small and medium-sized enterprises in Benin City.

Hypothesis Two

H₂: Educating taxpayers through handbooks/bills has no significant effect on tax compliance among small and medium-scale enterprises in Benin City.

Table 4.2.4: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------------------|----------|-------------------|----------------------------|
| 1 | 1.000 ^a | 1.000 | .999 | 1.59072 |

a. Predictors: (Constant), ETH

In table 4.2.4, a regression analysis was conducted to test the, educating taxpayers through handbooks/bills and tax compliance. Adjusted R squared is the coefficient of determination which provides the distinction in the dependent variable due to changes in the independent variable. From the findings in Table 4.2.4, the value of adjusted R squared shows a value of 0.999, showing that there was variation in all tax compliance due to changes in educating taxpayers through handbooks/bills. This implies that 96% of changes in tax compliance could be accounted for by educating taxpayers through handbooks/bills.

Table 4.2.5: ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|----------|-------------------|
| 1 | Regression | 15500.409 | 1 | 15500.409 | 6125.683 | .000 ^b |
| | Residual | 7.591 | 3 | 2.530 | | |
| | Total | 15508.000 | 4 | | | |

a. Dependent Variable: TXC

b. Predictors: (Constant), ETH

Table 4.2.6; Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|-----------------------------|------------|---------------------------|-------|--------|------|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 1.894 | 1.066 | 1.777 | .174 | |
| | ETH | .970 | .012 | 1.000 | 78.267 | .000 |

a. Dependent Variable: TXC

Table 4.2.5 reveals that the p-value is 0.000 shows that the hypothesis is statistically significant at the level of significance (5%); hence p-value of the test statistic is less than the alpha value ($0.000 < 0.05$).

In table 4.2.6, the regressed result shows that an evaluation of the educating taxpayers through handbooks/bills of the explanatory variable shows positive statistical significance, hence coefficient value is 1.000 and t-statistics is 78.267, showing that educating taxpayers through handbooks/bills are positively statistically significant on tax compliance at 5% level of significance.

Decision:

Since the result of the P-value is less or equal to alpha, we therefore, accept the alternative hypothesis and reject the null hypothesis which states that educating taxpayers through handbooks/bills has no significant influence on voluntary tax compliance among small and medium-sized enterprises in Benin City.

5.0. Conclusion and Recommendations

The study empirically examined the influence of taxpayer education on voluntary tax compliance among small and medium-scale enterprises in Benin City. The ordinary Least Square (OLS) was employed to analyze the relevant data gathered with the aid of a questionnaire duly administered. On which the study revealed that the use of seminars as a means of taxpayer education significantly influences the level of voluntary tax compliance among small and medium-scale enterprises while on hypothesis two, the study concluded that the use of handbooks//bills also has a significant influence on voluntary tax compliance among small and medium scale businesses in Benin City. This study therefore recommend, that relevant tax authorities in the state tax should as a matter of importance continue to promote taxpayers' education as this would naturally translate into more voluntary compliance among taxpayers and at the same time improve revenue generation to the government.

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