

## **Tax Payers Attitude And Government Revenue Generation In Delta Central District Of Delta State, Nigeria.**

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**Abstract:** The study examined tax payers attitude and revenue generation in Delta Central Senatorial District of Delta State. The study adopted the descriptive study designed involving the administration of questionnaire to a sampled population. The results of the study showed that low level of income, inconvenient nature of tax payment and collection, lack of visible development, poor management of public financial resources amongst others as factors undermining peoples attitude to tax payment and collection of tax revenue for developmental purposes in Delta Central Senatorial District of Delta State. Based on these findings, the following recommendations were outlined: Government needs to invest more in the people's welfare and public infrastructure that would stimulate economic activities. There is also need to ensure transparency and probity in the utilization of public resources. There is also need to improve on the capacity of the revenue agencies in the state. Fraud within the revenue Agencies needs to also be dealt with. Tax payment system should also be made more convenient as much as possible. The convenient nature of tax payment and collection will reduce the burden often felt by citizens when they want to pay their taxes.

**Keywords:** Tax, Governance, Accountability, Revenue

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### **I. INTRODUCTION**

Tax can be defined as a compulsory contribution to state revenue, levied by the government on personal income and business profits or added to the cost of some goods, services, and transactions. Taxation is critical to the survival of any state. No state or country can govern effectively without sourcing for revenue through taxation. In Delta State Nigeria, the issue of taxation especially the attitude of the citizens towards the payment of taxes has become a thorny issue of discussion in recent years. This is especially as a result of the fact that many in the state assumed that since Delta State is an oil producing state, it is thus unnecessary for the state to compel citizens to pay taxes. Many have often argued that the revenue that accrues to the state from the sales of crude oil has not been judiciously utilized to uplift the standard of living of the people. Many stakeholders in Delta state contended that since the creation of Delta State in 1991, no visible or appreciable development has taken place in the state, especially against the backdrop of huge of revenue that has accrue to the state from the Federation account and others sources. To many in Delta State, asking the people to pay taxes when the huge chunk of revenue from the sales of oil has not been efficiently use to generate growth and development is most humane and shows the deep level of how oil revenue has become a curse to the people of Delta State.

In Delta State, the state has been divided into three administrative district: Delta North, Delta Central and Delta South Senatorial District. Although this division is for the purpose of political representation, it has equally been used to define the ethnic composition of the State. The Delta Central Senatorial district which is the focal point of our current study, is one of the major oil producing ethnic group in Delta State. It is also arguably the largest ethnic group in Delta State. Delta Central based on the strength of the ethnic group have often occupied critical political position in the state. However, despite the access to key political position which in the political context of Nigeria should necessarily translate into access to state resources, the district remained one of the most underdeveloped parts of the state. Based on the principle of derivation, the Delta central senatorial district seats on an advantageous position in terms of earnings accruing from the sales of oil. As should be noted, the derivation principle as applied in the revenue sharing formula in Nigeria confers on any states, extra revenue based on the quantity of oil exploited from their environment. This equally translate to more revenue to local government areas located within the Delta Central Senatorial district. However, the reality on ground is that through grand corruption and embezzlement, resources accruable to the district has not been effectively utilized for the purpose of authoritative allocation of value. This scenario has serve as a dis-incentive for the payment of taxes by the people of the district.

### **Statement of the Problem**

Revenue generation is a major concern of government especially in the third world countries where development still crawls. Taxation is geared toward revenue generation for public purposes. Taxpayers exhibit a range of behavioural possibilities influenced by several factors. These factors may be economic factors such as income, tax rate, tax penalty; psychological factors such as norm, moral, attitude of tax payers; and social factors such as demographic factor (Brook, 2001). The amount of revenue to be generated by government from taxes depends among other things, on the willingness of the taxpayers to comply with the tax laws of the country (Eshag, 2003). Lack of compliance has led to a chasm between expected and actual tax revenue. There is consensus in researches that there are wide gaps between actual and potential tax collected, due to exhibited efforts to reduce tax liabilities either legally or illegally. Ayua (2006) observed that many persons blatantly refuse to pay tax by reporting losses every year, while they have lifestyles inconsistent with reported income, which is unrealistically low as compared with the nature of their businesses. On the other hand, civil servants and other salaried workers have turned the statutory personal allowances and relief into fertile ground for tax evasion, to the extent that almost all Nigerian taxpayer is married with four children. Many persons continue to explore all kinds of schemes to minimise or escape tax liability, despite the tax provisions meant to plug loopholes and allow taxable persons to minimise tax liability. This no doubt speaks volumes on tax administration system in Nigeria and the disposition of some taxpayers towards taxation. The present study also seeks to contribute to knowledge by examining tax payers attitude and government revenue generation in Delta State, focusing on Delta Central Senatorial District.

### **Objectives of the Study**

The main objective of the paper is to examine tax payers attitude and government revenue generation in Delta Central Senatorial district. The specific objectives however includes the followings:

- i. To examine whether the level of income affects tax payers attitude towards taxation in Delta Central Senatorial district of Delta State.
- ii. To examine whether poor public financial governance affects tax payers attitude towards tax payment in Delta Central Senatorial district of Delta State.
- iii. To examine the impact of tax non-compliance on government revenue in Delta Central Senatorial district of Delta State.
- iv. To identify ways of improving tax compliance among tax payers in Delta Central Senatorial district of Delta State.

### **Stated Hypotheses**

The following research hypotheses will be stated for the study

**Ho1:** There is no significant relationship between the level of income and tax payers attitude towards taxation in Delta Central Senatorial district of Delta State.

**Ho2:** There is no significant relationship between poor public financial governance and tax payers attitude towards tax payment in Delta Central Senatorial district of Delta State.

**Ho3:** There is no significant relationship between tax non-compliance and dwindling government revenue in Delta Central Senatorial district of Delta State.

## **II. LITERATURE REVIEW**

### **Tax System in Nigeria as applicable to Delta Central District of Delta State.**

The tax system in Nigeria is made up of the tax policy, the tax laws and the tax administration. All of these are expected to work together in order to achieve the economic goal of the nation. According to the Presidential Committee on National tax policy (2008), the central objective of the Nigerian tax system is to contribute to the well being of all Nigerians directly through improved policy formulation and indirectly through appropriate utilization of tax revenue generated for the benefit of the people. In generating revenue to achieve this goal, the tax system is expected to minimise distortion in the economy. Other expectations of the Nigerian tax system according to the Presidential Committee on National tax policy (2008) include; Encouraging economic growth and development; Generating stable revenue or resources needed by government to accomplish loadable projects and or investment for the benefit of the people; Provide economic stabilization; To pursue fairness and distributive equity and the correction of market failure and imperfection. In an attempt to fulfil the above expectations, the national tax policy is expected to be in compliance with the principles of taxation, the lubricant to effective tax system. The Nigerian tax system has been flawed by what is termed multiplicity of tax and collecting entities at the three tiers of government levels –Federal, State and Local government (Ahunwan, 2009). All these situation has contributed in many ways to the negative attitude of tax payers in Nigeria and Delta State in particular.

**Examination of Factors Influencing Tax Payers Attitude**

According to Ahunwan, (2009), many factors have contributed negatively to tax payers attitude in Nigeria. In his words, the bane of taxation especially in regards to preponderance of tax avoidance in Delta State is the fact that the tax system is fraught with lack of transparency and proper accountability in the spending and often times fraudulent utilization of the government revenue.

Ajzen, (2001) is of the opinion that tax payers attitude is negatively affected based on the fact that even when taxes are eventually assessed and tax duly collected leading to maximization of the revenue, there is no guarranty that when the optimal taxation is achieved, the funds generated would not develop wings, diverted or out rightly disappear? This is the basis of the lack of interest to pay taxes amongst Nigerians. It is also the direct lack of faith in the government of the day. This leads us to injudicious and reckless spending by successive Nigerian Governments.

Alabi(2010) on his part contended that tax payers attitude is negatively affected due to the absence of visible and durable infrastructures and amenities of life in the villages/areas of collection. This situation often discourage citizens from wanting to pay taxes. Alabi (2010), went further to suggest that to cure the social malaise of negative tax payers attitude, the tax laws should be amended to stipulate that at least 40 percent of the proportion of the total revenue collected should be utilized on the projects cited within their environments or locality. This would be sufficient inducement for tax compliance. This is the magic which governor Fashola of Lagos State has been exhibiting through the tax education of the residents whereby they are constantly being enlightened on the benefits of tax compliance in terms of the provisions of amenities, infra-structures and as indices of economic development.

Adebayo (2004), on his part aver that the preponderance of negative tax payers attitude in Nigeria, lies in the way politics is being played in Nigeria. In his words, governance has been reduced to the patrimonial network of power relationship. Under this scenario, the excess of governance has been reduced to the personal accumulation of public resources by few individuals and their cohorts outside the government. The reality of the situation is that nobody is really interested in created government of value, what rather occupies the mind of the politician is to ensure constant access to public coffers. This scenario made political leaders to pay little or no attentions to ensuring authoritative allocation of value, the resultant effect is that the citizens feel alienated from the government and thus felt no obligation to perform their civic responsibilities which includes the payment of taxes.

**III. METHODOLOGY AND STUDY AREA**

The study is a survey in the form of a descriptive study in which data will be collected across a population through sampling. The target population for this study comprises of residents of Delta Central Senatorial District of Delta State. Delta central senatorial district comprises of eight (8) Local Government Areas. The population of these local government areas according to the 2006 National Census figures is as follows: Ughelli North(320,687); Ughelli South (212,683); Ethiope East (200,942); Ethiope West (202,712); Udu (142,480); Okpe (128,389); Uvwie(188,728) and Sapele (174,273), giving a total population of 1,570,894. The sample size for this study was 400. In selecting the sample size, the researcher adopted the convenience simple random sampling techniques. This is because it will be practically impossible to sample the entire numbers of tax payers across the eight (8) local government areas of Delta Central senatorial district. This method reduced the practical inconveniencies, however, to ensure representativeness, the researcher administered the research instrument to respondents in three proximately close local government council of Uvwie, Udu and Okpe. The respondents were selected from among Civil/Public servants, Civil Society Groups, Business Owners Groups in these three local government areas within the Delta Central Senatorial District

**IV. DISCUSSION OF RESULTS**

The statement of hypotheses takes two forms: null (Ho) and research (Hi). While the null hypotheses indicates no relationship between variable under study, the research/alternate hypotheses indicates a relationship between the variables of study. Thus, by implication, if the research hypotheses is confirm, it invariably means that the null hypotheses is rejected whether stated or not (Ogbeide,1997:256)

**Hoi:** There is no significant relationship between the level of income and tax payers attitude towards taxation in Delta Central Senatorial district of Delta State. To test this hypotheses, responses to question 11 in the questionnaire is presented below and analysed with chi-square( $X^2$ ) statistical technique and interpreted.

**Table 1: Respondents Analysis**

Responses	Civil/Public Servants	Civil Society Group	Business Owners Groups	Artisans	Row total
Strongly	41	42	50	30	163

Agreed					
Agreed	35	38	42	27	142
Undecided	-	-	-	2	2
Strongly disagreed	9	13	11	25	58
Disagreed	6	9	6	8	29
Total	91	102	109	92	394

**Sources:** Field work,2017

**Step 1:** calculation of expected frequencies (Fe)

$$(X^2) = \sum \frac{(o - e)^2}{e}$$

$$e = \frac{\text{Row total} \times \text{column total}}{\text{Grand Total}}$$

$$\text{Cell a} = \frac{163 \times 91}{394} = 37.6$$

$$\text{Cell b} = \frac{163 \times 102}{394} = 42.2$$

$$\text{Cell c} = \frac{163 \times 109}{394} = 45.1$$

$$\text{Cell d} = \frac{163 \times 92}{394} = 38.1$$

$$\text{Cell e} = \frac{142 \times 91}{394} = 32.8$$

$$\text{Cell f} = \frac{142 \times 102}{394} = 36.8$$

$$\text{Cell g} = \frac{142 \times 109}{394} = 39.3$$

$$\text{Cell h} = \frac{142 \times 92}{394} = 33.2$$

$$\text{Cell I} = \frac{2 \times 91}{394} = 0.5$$

$$\text{Cell j} = \frac{2 \times 102}{394} = 0.5$$

$$\text{Cell k} = \frac{2 \times 109}{394} = 0.6$$

$$\text{Cell l} = \frac{2 \times 92}{394} = 0.5$$

$$\text{Cell m} = \frac{58 \times 91}{394} = 13.4$$

$$\text{Cell n} = \frac{58 \times 102}{394} = 15.0$$

$$\text{Cell O} = \frac{58 \times 109}{394} = 16.0$$

Cell P =  $\frac{58 \times 92}{394} = 13.5$

Cell q =  $\frac{29 \times 91}{394} = 6.7$

Cell r =  $\frac{29 \times 102}{394} = 7.5$

Cell s =  $\frac{29 \times 109}{394} = 8.0$

Cell t =  $\frac{29 \times 92}{394} = 6.8$

**Table 2: computation of chi-square**

Cells	<b>o</b>	<b>e</b>	<b>o-e</b>	<b>(o-e)<sup>2</sup></b>	<b>(o-e)<sup>2</sup> E</b>
A	41	37.6	3.4	11.6	0.3
B	42	42.2	-0.2	0.0	0.0
C	50	45.1	4.9	24.0	0.5
D	30	38.1	-8.1	65.6	1.7
E	35	32.8	2.2	4.8	0.1
F	38	36.8	1.2	1.4	0.0
G	42	39.3	2.7	7.3	0.2
H	27	32.2	-5.2	27.0	0.8
I	-	0.5	-0.5	0.3	0.6
J	-	0.5	-0.5	0.3	0.6
K	-	0.6	-0.6	0.4	0.6
L	2	0.5	1.5	2.3	4.6
M	9	13.4	-4.4	19.4	1.4
N	13	15.0	2.0	4.0	0.3
O	11	16.0	-5.0	25.0	1.6
P	25	13.5	11.5	132.3	9.8
Q	6	6.7	-0.7	0.5	0.1
R	9	7.5	1.5	2.3	0.3
S	6	8.0	2.0	4.0	0.5
T	8	6.8	1.2	1.4	0.2
<b>TOTAL</b>	<b>394</b>	<b>394</b>			<b>24.2</b>

**Sources, Field Work: 2017**

Degree of Freedom (Df) = (r-1) (c-1) = (No of Rows - 1) x (No of columns - 1) = (5- 1)(4-1 = (4) (3) Df = 4x3=12

**Step 3: research decision at 0.05% level of significance**

Calculated  $\chi^2$  value 24.2

Critical  $\chi^2$  value=21.03

Df = 12

Alpha= 0.05

**Step 4: research result/interpretation and discussion.**

The calculated  $\chi^2$  of 24.2 is greater than that of the critical  $\chi^2$  value of 21.03 at alpha or significant level of 0.05%, we reject the null hypothesis and accept the alternate hypotheses. In order words, there is a significant relationship between the level of income and tax payers attitude towards taxation in Delta Central Senatorial district of Delta State

**Ho2:** There is no significant relationship between poor public financial governance and tax payers attitude towards tax payment in Delta Central Senatorial district of Delta State. To test this hypotheses, responses to

question 14, in the questionnaire is presented below and analysed with chi-square(X<sup>2</sup>) statistical technique and interpreted.

**Table 3:** Respondents Analysis

<b>Responses</b>	<b>Civil/Public Servants</b>	<b>Civil Society Group</b>	<b>Business Owners Groups</b>	<b>Artisans</b>	<b>Row total</b>
Strongly Agreed	36	38	36	36	146
Agreed	31	30	26	26	113
Undecided	1	-	6	2	9
Strongly disagreed	12	13	32	12	69
Disagreed	10	12	23	12	57
<b>Total</b>	<b>90</b>	<b>93</b>	<b>123</b>	<b>88</b>	<b>394</b>

**Sources:** Field work, 2017

**Step 1: calculation of expected frequencies (Fe)**

$$(X^2) = \sum (o - e)^2$$

e

$$e = \frac{\text{Row total} \times \text{column total}}{\text{Grand Total}}$$

$$\text{Cell a} = \frac{146 \times 90}{394} = 33.4$$

$$\text{Cell b} = \frac{146 \times 93}{394} = 34.5$$

$$\text{Cell c} = \frac{146 \times 123}{394} = 45.6$$

$$\text{Cell d} = \frac{146 \times 88}{394} = 32.6$$

$$\text{Cell e} = \frac{113 \times 90}{394} = 25.8$$

$$\text{Cell f} = \frac{113 \times 93}{394} = 26.7$$

$$\text{Cell g} = \frac{113 \times 123}{394} = 35.3$$

$$\text{Cell h} = \frac{113 \times 88}{394} = 25.2$$

$$\text{Cell I} = \frac{9 \times 90}{394} = 2.1$$

$$\text{Cell j} = \frac{9 \times 93}{394} = 2.1$$

$$\text{Cell k} = \frac{9 \times 123}{394} = 2.8$$

$$\text{Cell l} = \frac{9 \times 88}{394} = 2.0$$

Cell m =  $\frac{69 \times 90}{394} = 15.8$

Cell n =  $\frac{69 \times 93}{394} = 16.3$

Cell O =  $\frac{69 \times 123}{394} = 21.5$

Cell P =  $\frac{69 \times 88}{394} = 15.4$

Cell q =  $\frac{57 \times 90}{394} = 13.0$

Cell r =  $\frac{57 \times 93}{394} = 13.4$

Cell s =  $\frac{57 \times 123}{394} = 17.8$

Cell t =  $\frac{57 \times 88}{394} = 12.7$

**Table 4: computation of chi-square**

Cells	o	e	o-e	(o-e) <sup>2</sup>	$\frac{(o-e)^2}{e}$
A	36	33.4	2.6	6.8	0.2
B	38	34.5	3.5	12.3	0.4
C	36	45.6	-9.6	92.2	2.0
D	36	32.6	3.4	11.6	0.4
E	31	25.8	5.2	27.0	1.0
F	30	26.7	2.3	5.3	0.2
G	26	35.3	-9.3	86.5	2.5
H	26	25.2	0.8	0.6	0.0
I	1	2.1	-1.1	1.2	0.6
J	-	2.1	-2.1	4.4	2.1
K	6	2.8	3.2	10.2	3.6
L	2	2.0	0.0	0.0	0.0
M	12	15.8	-3.8	14.4	0.9
N	13	16.3	-3.3	10.9	0.7
O	32	21.5	10.5	110.3	5.1
P	12	15.4	-3.4	11.6	0.7
Q	10	13.0	-3.0	9.0	0.7
R	12	13.4	-1.4	2.0	0.1
S	23	17.8	5.2	27.0	1.5
T	12	12.7	-0.7	0.5	0.0
TOTAL	394	394			22.7

**Sources, Field Work: 2017**

Degree of Freedom (Df) = (r-1) (c-1) = (No of Rows - 1) x (No of columns - 1) = (5-1)(4-1) = (4) (3) Df = 4x3=12

**Step 3: research decision at 0.05% level of significance**

Calculated  $\chi^2$  value 22.7

Critical  $\chi^2$  value=21.03

Df = 12

Alpha= 0.05

**Step 4: research result/interpretation and discussion.**

The calculated  $\chi^2$  of 22.2 is greater than that of the critical  $\chi^2$  value of 21.03 at alpha or significant level of 0.05%, we reject the null hypothesis and accept the alternate hypotheses. In order words, there is a significant relationship between poor public financial governance and tax payers attitude towards tax payment in Delta Central Senatorial district of Delta State.

**Ho3:** There is no significant relationship between tax non-compliance and dwindling government revenue in Delta Central Senatorial district of Delta State. To test this hypotheses, responses to question 19, in the questionnaire is presented below and analysed with chi-square( $\chi^2$ ) statistical technique and interpreted.

**Table 5:** Respondents Analysis

Responses	Civil/Public Servants	Civil Society Group	Business Owners Groups	Artisans	Row total
Strongly Agreed	31	28	44	19	122
Agreed	28	27	42	20	117
Undecided	1	-	-	3	4
Strongly disagreed	17	19	26	35	97
Disagreed	10	12	20	12	54
Total	87	86	132	89	394

**Sources:** Field work, 2017

**Step 1:** calculation of expected frequencies (Fe)

$$(\chi^2) = \sum \frac{(o - e)^2}{e}$$

e

$$e = \frac{\text{Row total} \times \text{column total}}{\text{Grand Total}}$$

$$\text{Cell a} = \frac{122 \times 87}{394} = 26.9$$

$$\text{Cell b} = \frac{122 \times 86}{394} = 26.6$$

$$\text{Cell c} = \frac{122 \times 132}{394} = 40.9$$

$$\text{Cell d} = \frac{122 \times 89}{394} = 26.4$$

$$\text{Cell e} = \frac{117 \times 87}{394} = 25.8$$

$$\text{Cell f} = \frac{117 \times 86}{394} = 25.5$$

$$\text{Cell g} = \frac{117 \times 132}{394} = 39.2$$

$$\text{Cell h} = \frac{117 \times 89}{394} = 26.4$$

$$\text{Cell I} = \frac{4 \times 87}{394} = 0.9$$

$$\text{Cell j} = \frac{4 \times 86}{394} = 0.8$$

$$\text{Cell k} = \frac{4 \times 132}{394} = 1.3$$

$$\text{Cell l} = \frac{4 \times 89}{394} = 0.9$$

$$\text{Cell m} = \frac{97 \times 87}{394} = 21.4$$

$$\text{Cell n} = \frac{97 \times 86}{394} = 21.2$$

$$\text{Cell O} = \frac{97 \times 132}{394} = 32.5$$

$$\text{Cell P} = \frac{97 \times 89}{394} = 21.9$$

$$\text{Cell q} = \frac{54 \times 87}{394} = 11.9$$

$$\text{Cell r} = \frac{54 \times 86}{394} = 11.8$$

$$\text{Cell s} = \frac{54 \times 132}{394} = 18.1$$

$$\text{Cell t} = \frac{54 \times 89}{394} = 12.2$$

**Table 6:** computation of chi-square

Cells	o	e	o-e	(o-e) <sup>2</sup>	$\frac{(o-e)^2}{e}$
A	31	26.9	4.1	16.8	0.6
B	28	26.6	1.4	1.9	0.1
C	44	40.9	3.1	9.6	0.2
D	19	26.4	-7.4	54.8	2.1
E	28	25.8	2.2	4.8	0.2
F	27	25.5	1.5	2.3	0.1
G	42	39.2	2.8	7.8	0.2
H	20	26.4	6.6	43.6	1.7
I	1	0.9	0.1	0.0	0.0
J	-	0.8	-0.8	0.6	0.8
K	-	1.3	-1.3	1.7	1.3
L	3	0.9	2.1	4.4	4.9
M	17	21.4	-4.4	19.4	0.9
N	19	21.4	-2.4	5.8	0.3
O	26	32.5	-6.5	42.3	1.3
P	35	21.9	13.1	179.5	8.2
Q	10	11.9	-1.9	3.6	0.3
R	12	11.8	-	0.0	0.0
			0.2		
S	20	18.1	1.9	3.6	0.2
T	12	12.2	-	0.0	0.0

			0.2		
TOTAL	394	394			23.4

**Sources, Field Work: 2017**

Degree of Freedom (Df) = (r-1) (c-1) = (No of Rows - 1) x (No of columns - 1) = (5-1)(4-1) = (4) (3) Df = 4x3=12

**Step 3: research decision at 0.05% level of significance**

Calculated  $\chi^2$  value 23.4

Critical  $\chi^2$  value=21.03

Df = 12

Alpha= 0.05

**Step 4: research result/interpretation and discussion.**

The calculated  $\chi^2$  of 23.4 is greater than that of the critical  $\chi^2$  value of 21.03 at alpha or significant level of 0.05%, we reject the null hypothesis and accept the alternate hypotheses. In order words, there is a significant relationship between tax non-compliance and dwindling government revenue in Delta Central Senatorial district of Delta State

## V. DISCUSSION OF FINDINGS

It has been observed that the collection of taxes is influenced by numerous factors including peoples attitudinal dispositions towards the payment of taxes. In Delta Central Senatorial District, it was noted that factors such as level of income of tax payers and public financial governance significantly affects tax payers attitude towards tax payment in Delta Central Senatorial district of Delta State. The results of the statistical analysis also establishes that there is a significant relationship between tax non-compliance and dwindling government revenue in Delta Central Senatorial district of Delta State. The results of this findings is in line with results of studies carried out by other scholars. Such as the study carried out by Spicer and Lundstedt (1976) they reported that the respondents believe that when the tax system is unfair they are not more likely to comply with the tax laws, and this situation in turn affect government revenue.

For instance, respondents aver that poor financial governance system arising from perceived corruption, lack of visible development, lack of accountability in the management of public resources, has created a negative attitude towards tax compliance. According to Gilligan and Richardson (2005), the tax system that is perceived as unfair by the citizens may likely be less successful and this will encourage the taxpayers to engage in noncompliant behaviour. Kirchler (2007) and Wenzel (2004) suggested that fairness can be conceptualized as distributive justice, procedural justice and retributive justice. Distributive justice is concerned with fairness in exchange of resources in both the benefit and cost, while procedural justice refers to fairness in the process of resources distribution and retributive justice is concerned with the fairness in appropriateness of sanctions when rules are broken. The absence of all these features in the management of public financial resources has no doubt impacted negatively on the attitude of tax payers in Delta Central Senatorial District.

On the relationship between level of income and tax payers attitude. The work of Asada, 2005; Kiabel & Nwokah, 2009; Nzotta, 2007; Odusola, 2006; Sani, 2005 revealed that the financial condition of individual may have positive or negative effect on the relationship between his/her attitude and compliance behaviour. Bloomquist (2003) identified financial strain as one of the sources of taxpayer’s stress and said that individual taxpayer with meagre financial resources may be tempted by his bad financial condition to be noncompliant where the expenses of his household are more than his income.

The report of the Federal Inland Revenue Service (FIRS) and that of the Central Bank that was reviewed in the literature review, indicated that in Nigeria, as in some other developing countries, tax administration is characterized by noncompliance problems and this has been hindering tax revenue performance. In relative term, tax revenue has continued to drop tremendously, for instance, non-oil tax revenue share of the total federal revenue was 43.7% in 1977 but dropped to 29.7% in 1998, and further to 13.2% in 2008, despite the fact that the Nigeria’s GDP grew by 9.2% between 1998 and 2008 (Central Bank of Nigeria (CBN, 2008). The record of Federal Inland Revenue Service [FIRS] indicated the severity of the problem as it revealed that the target tax revenue for 2008 was N3,857 trillion but only N2,793 trillion tax was collected; that is about 72% performance leaving a huge sum of N1,064 trillion representing about 28% tax gap. Furthermore, there were 654 tax cases audited resulting into N92.2 billion revenue collection and also 26 tax cases were investigated which yielded N2.48 billion as revenue in 2008 (FIRS, 2009). Despite efforts through the various tax reforms undertaken by Nigerian government to increase tax revenue over the years, prior statistical evidence has proven that the contribution of income taxes to the government’s total revenue remained consistently low and is relatively shrinking. However, from all the taxes, individual tax is the most disappointing, inefficient, unproductive, and problematic in Nigerian tax system.

### **Summary of Findings**

The study has examined tax payers attitude and its impact on revenue collection in Delta State, with a focus on Delta Central Senatorial District. The study noted that while tax collection is an important source of revenue for the government, the process is fraught with numerous problems that includes fraud, negation of the principle of equity, over dependent on federally allocated revenue, poor capacity of revenue officials, inadequate tax base arising from low economic activities. The study also identified low level of income, inconvenient nature of tax payment and collection, lack of visible development, poor management of public financial resources amongst others as factors undermining peoples attitude to tax payment and collection of tax revenue for developmental purposes in Delta Central Senatorial District of Delta State.

Most of the 394 respondents on whom the research instruments were administered seemed to suggest that poor public financial management system, low level of economic activities and lack of visible development affects their disposition towards the payment of tax. The statistical analysis carried out support the opinion of the respondents. As was revealed from the tested hypotheses, there is a significant relationship between poor records in public financial management, peoples level of income and attitude towards tax payment. The non-compliance to the payment of taxes was also established to significantly affect government revenue in Delta Central Senatorial District.

### **VI. CONCLUSION**

In Delta state, as in other states of the Federation, governments carry the bulk of the burden of economic development. The state, being the biggest employer of labour as a result of lack of a well-developed private sector, has thus become one huge instrument for stemming unemployment and other socio-economic miseries. Citizens depend on the governments for their development because of their peculiar circumstance. With a heterogeneous social environment characterized by powerful contenders for state authority, Delta state, perhaps more than any other state in Nigeria, faces greater challenges of promoting development. The wider society looks up to the government not only to implement development goals and administer government policies on a day-to-day basis, but also to play significant roles in formulating development strategies, policies and programmes in such a way that will stimulate accelerated social and economic changes. Such desired changes are naturally expected to include reducing unemployment, increased social products and a more equitable redistribution of income. Yet these desires remain unfulfilled in the face of festering unemployment and poverty. This situation is perhaps even more compounded by the rising problem of tax non-compliance among the citizens. Yet, it shows that the citizens is not at fault in many ways. This is so because government has also seemingly failed to leave up to expectation in terms of fulfilling their responsibilities to the citizens.

The present situation where the people could not have access to basic needs of life such as potable water, health care, power supply, roads, housing etc, especially when most government officials and top politician display wealth, is enough dis-incentive for tax compliance. The reality of governance in Delta State, demonstrates a situation where government keep on extracting from the people without any commitment to the development and welfare of the society and people, no doubt provides veritable ground for refusing to pay taxes among the citizens.

### **RECOMMENDATIONS**

Based on the findings and conclusion drawn thereof, the following recommendations are outlined:

- i. To reduce the incidence of tax non-compliance, government needs invest more in the peoples welfare. In other words, government must not strive, but must be seen to provide the basic needs of the people. The Lagos state example will suffice. In Lagos state, people became more willing to pay taxes when, the people began to see visible development in the state.
- ii. A corollary to the above is the fact that government needs to invest more in public infrastructure that would stimulate economic activities, with more people gainfully engaged, tax base will expand and more revenue will accrue to the government.
- iii. Transparency and probity is also key to motivating the people to comply with tax payment. People will be more willing to pay taxes if the government is transparent enough in the management of public resources.
- iv. There is also need to improve on the capacity of the revenue agencies in the state. Staff of the state board of internal revenue needs to be trained on proper tax administration procedure.
- v. Fraud within the revenue Agencies needs to also be dealt with. Every act of financial abuse should be dealt with according to the law in order to reduce all fraudulent practices that will reduce government revenue.
- vi. Tax payment system should also be made more convenient as much as possible. The convenient nature of tax payment and collection will reduce the burden often felt by citizens when they want to pay their taxes.

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## APPENDIX 1

Department of Political Science  
Delta State University  
Abraka.

Dear Sir/Madam

### Request For Your Co- Operation In Completing This Questionnaire.

Department of Political Science, Delta State University, Abraka is conducting a study on tax payers attitude and government revenue generation in Delta Central Senatorial District.. In this regards, you have been duly selected as a member of the samples. We wish to appeal to you to assist this study by kindly sparing a few minutes to complete this questionnaire. You are not required to disclose your identity. We also wish to assure you that your answers will be treated in strict confidence and used for the stated academic purpose only.

## QUESTIONNAIRES ON TAX PAYERS ATTITUDE AND GOVERNMENT REVENUE GENERATION IN DELTA CENTRAL SENATORIAL DISTRICT.

### SECTION A

Please tick x in the appropriate box

- 1) **Sex:** Male ( ) Female ( )
- 2) **Age:** 18-25 years ( ) 16-30 years ( )  
31-35years ( ) 36-40years ( )  
41-45years ( ) 45-above ( )
- 3) **Present Designation/Rank**

### 4) What is your Educational Qualification?

SSCE/WAEC/NECO ( ) OND/NCE ( )  
B.Sc. HND, B.Ed ( ) M.Sc. /M.BA/MPA ( )

### 5) For how long have you been residing in your area?

1-5yrs ( ), 16 -10 yrs ( ), 11-15yrs ( ), 16-20yrs ( ),  
Over 20yrs ( )

**SECTION B**

**TAX PAYERS ATTITUDE AND GOVERNMENT REVENUE GENERATION IN DELTA CENTRAL SENATORIAL DISTRICT.**

6) Tax collection in Delta Central Senatorial District is fraught with fraud.  
fraught with fraud.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

7) Tax collection system in Delta Central Senatorial District negates the principle of equity.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

8) Over dependence on federation allocation limits the collection of tax for development in Delta Central Senatorial District of Delta State.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

9) Poor tax law undermines tax collection and development in Delta Central Senatorial District.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

10) Negative attitude of the people towards tax affects tax collection in Delta Central Senatorial District.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

11) The level of income of the people influences their attitude towards the payment of tax in Delta Central Senatorial District.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

12) Poor capacity by revenue officials affect tax collection in Delta Central Senatorial District.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

13) Inadequate tax base affects tax collection in Delta Central Senatorial District.

- Strongly Agree ( )
- Agree ( )
- Undecided ( )
- Strongly disagree ( )
- Disagree ( )

14) Poor records in public financial management affects the peoples attitude towards tax payment in Delta Central Senatorial District.

- Strongly Agree ( )
- Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

15) Manual collection systems affect tax collection in Delta Central Senatorial District.

Strongly Agree ( )

Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

16) Multiple tax system is a problem that often affect tax collection and people's attitude towards the payment of tax in Delta Central Senatorial District.

Strongly Agree ( )

Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

17) The inconvenient nature of tax collection system often limits the amount of tax collected for developmental purposes in Delta Central Senatorial District.

Strongly Agree ( )

Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

18) The lack of visible development often affects people's disposition to pay taxes for developmental purposes in Delta Central Senatorial District.

Strongly Agree ( )

Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

19) Non compliance to payment of tax often affects government revenue generation in Delta Central Senatorial District.

Strongly Agree ( )

Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

20) Poor economic base often undermines the zeal to pay taxes among citizens in Delta Central Senatorial District.

Strongly Agree ( )

Agree ( )

Undecided ( )

Strongly disagree ( )

Disagree ( )

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