INSIGHTS ON TAX COMPLIANCE BEHAVIOUR AMONG BUSINESSWOMEN IN KANO STATE, NIGERIA

BY

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ABSTRACT

Previous studies reported tax non-compliance among SMEs is a major factor responsible for the low national tax revenue in many developing economies with flawed tax system. Consequently, revenue available to the government for the provision of public goods and services in such economies is also low. Nigeria, an example, is faced with challenges of low national tax revenue and a tax to GDP ratio due to high level of tax non-compliance among its businesswomen-dominated SMEs. An understanding of behavioural factors that influence the tax compliance decisions of SMEs will help policy makers to improve overall tax compliance and grow tax revenue. This study explores SMEs' tax knowledge and tax compliance factors (i.e., attitude, subjective norms and perceived behavioural control) related to Theory of Planned Behaviour (TPB) of female-owned SMEs in Nigeria using semi-structured interview method. Thematic analysis of data generated is done with the aid of Atlas.ti 8 software. The results reveal a mix of lower and higher level of tax knowledge among the businesswomen in SMEs. TPB factors also have a mixed of favourable and unfavourable influences on SMEs' compliance decisions. Specifically, an unfavourable attitude expressed in the form of perception of fairness and low perceived government usage of the tax revenue was found to encourage tax non-compliance. Uncertainties and lack of transparency in the tax system are sources of complexities that may decrease tax compliance. Other factors, e.g., individual financial constraint, culture, gender and e-commerce also influence SMEs compliance behaviour. However, awareness about penalties for non-compliance (deterrence theory) is high and a strong reason that encourages tax compliance among the female businessowners. It is suggested that the Nigerian tax authority sustain the use of deterrence, reduce uncertainties and improve accountability and transparency in the tax system to improve tax compliance and earn the trust of the SME taxpayers.

خلاصة البحث

أفادت الدراسات السابقة أن عدم الامتثال الضريبي بين الشركات الصغيرة والمتوسطة هو عامل رئيس ومسؤول عن انخفاض الإيرادات الضريبية الوطنية في العديد من الاقتصادات النامية ذات النظام الضريبي المعيب. وبالتالي، فإن الإيرادات المتاحة للحكومة لتوفير السلع والخدمات العامة في مثل هذه الاقتصادات منخفضة أيضًا. كانت دولة نيجيريا على سبيل المثال، تواجه تحديات تتمثل في انخفاض الإيرادات الضريبية الوطنية ونسبة الضريبة إلى الناتج المحلي الإجمالي بسبب ارتفاع مستوى عدم الامتثال الضريبي بين الشركات الصغيرة والمتوسطة التي تهيمن عليها سيدات الأعمال. إن فهم العوامل السلوكية التي تؤثر على قرارات الامتثال الضريبي للشركات الصغيرة والمتوسطة سيساعد صانعي السياسات على تحسين الامتثال الضريبي الشامل وزيادة الإيرادات الضريبية. تستكشف هذه الدراسة المعرفة الضريبية للشركات الصغيرة والمتوسطة وعوامل الامتثال الضريبي (أي الموقف والمعايير الذاتية والتحكم السلوكي المتصور) المتعلقة بنظرية السلوك المخطط (TPB) للشركات الصغيرة والمتوسطة المملوكة للإناث في نيجيريا باستخدام طريقة مقابلة شبه منظمة. يتم إجراء التحليل المواضيعي للبيانات الناتجة بمساعدة برنامج Atlas.ti 8. تكشف النتائج عن مزيج من المستوى الأدنى والأعلى من المعرفة الضريبية بين سيدات الأعمال في الشركات الصغيرة والمتوسطة. كما أن عوامل TPB لها مزيج من التأثيرات الإيجابية والسلبية على قرارات الامتثال للشركات الصغيرة والمتوسطة. على وجه التحديد، تم العثور على موقف غير مواتٍ تم التعبير عنه في شكل تصور للعدالة والاستخدام الحكومي المنخفض المتصور لإيرادات الضرائب لتشجيع عدم الامتثال الضريبي. تعتبر حالات عدم اليقين وانعدام الشفافية في النظام الضريبي مصادر للتعقيدات التي قد تقلل من الامتثال الضريبي. هناك عوامل أخرى، مثل القيود المالية الفردية، والثقافة، والجنس، والتجارة الإلكترونية تؤثر أيضًا على سلوك امتثال الشركات الصغيرة والمتوسطة. ومع ذلك، فإن الوعي بالعقوبات المفروضة على عدم الامتثال (نظرية الردع) مرتفع وسبب قوي يشجع الامتثال الضريبي بين صاحبات الأعمال. يُقترح أن تستمر مصلحة الضرائب النيجيرية في استخدام الردع، وتقليل حالات عدم اليقين وتحسين المساءلة والشفافية في النظام الضريبي لتحسين الامتثال الضريبي وكسب ثقة دافعي الضرائب من الشركات الصغيرة والمتوسطة.

APPROVAL PAGE

I certify that I have supervised and read this study and that, in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science (Accounting).

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DECLARATION

I hereby declare that this dissertation is the result of my investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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To the families of Shaykh Muhammad Nasir Lawal and Alhaji Isah Abdullahi Kano (of blessed memory). And to the love that binds us together. And to Abdulmalik and Abdurrahman (sons). For all the work done, Alhamdulilah!

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

This chapter presents the background of the study, followed by the problem statement, research objectives and significance of the study. Based on the background information, the research problem is highlighted, followed by the research objectives and significance of the study. The chapter concludes with the organisation structure of the thesis.

1.2 BACKGROUND OF STUDY

The background of the study discusses tax revenue, small and medium enterprises, and tax compliance. The discussion provides a general background and then focuses on Nigeria.

1.2.1 Tax revenue

Tax to GDP ratio refers to the ratio of tax revenue collected by the government to the total amount of goods and services produced within a country (otherwise known as GDP). The ratio is an indication of the amount of tax collected from the country's total economic output (e.g., Palil, 2010). The tax – GDP ratio is a very important variable (factor) in the economic growth and macroeconomic policy direction (e.g., budgeting) of a nation. A low tax – GDP ratio is considered capable of putting pressure on government revenue and slowing down the economic growth of a country (e.g., Chaudhry and Munir, 2010).

In Nigeria, the tax to GDP ratio is low in comparison to countries in the African region (e.g., Fuest and Riedel, 2009; KPMG report, 2019). Although the SMEs in Nigeria contribute 48% to the nation's GDP, the country's tax to GDP ratio is considered very low. Nigeria's tax – GDP ratio stands at an average of 6%, which is lower than Africa's regional average of about 16% (Solomon and Fidelis, 2018; Ndiaye et al., 2018; KPMG report, 2019). The ratio is even much lower when compared with those of advanced economies of the world, whose average is 35% (Fuest and Riedel, 2009). So, Nigeria's prevalent tax to GDP ratio may be attributed to poor national performance in terms of tax income that impacts the economy.

The country's economy depends on the sales of crude oil, prices of which often fluctuate globally. The fluctuations in crude oil sales have a direct impact on tax revenue generation. Available data have shown that there has been a persistent shortfall in tax revenues generated by Nigeria in the last decade (Table 1; e.g., Federal Inland Revenue Service, FIRS, 2017; Organisation for Economic Co-operation and Development, OECD Report, 2021). The revenue problem faced by Nigeria is made worse by a poor national tax system that is characterised by a low level of compliance. Hence, the situation of falling national revenue aggravates the economic crisis faced by Nigeria (e.g., FIRS Study Group, 2003; ICAN, 2009; Okauru, 2012; Nwonyuku, 2017).

Table 1 Revenue from crude oil sales and tax revenue

Year	Revenue from crude oil sale ($x10^6$ USD)/Day	Tax revenue ($x10^6$ Naira)
2012	262.69	6,299.36
2013	241.94	6,153.76
2014	220.88	6,242.69
2015	111.62	5,191.55
2016	78.84	4,863.86
2017	101.67	5,832.80
2018	?	7,479.96

Source: (FIRS, 2017; OECD Report, 2021)

As a way out, it has been suggested that the country needs to grow its tax revenue by shifting its focus from crude oil dependency to taxing businesses in the non-oil sector as contained in the 2002 national tax policy of the FIRS Study Group (Okauru, 2012; Solomon and Fidelis, 2018), which have been subsequently implemented (KPMG report, 2019).

The national tax policy is a body of guidelines for the general operation of the Nigerian tax system. The tax policy is derived from the national tax law as passed in various Acts (e.g., Income Tax Act, Value Added Tax Act and Stamp Duties Act) amended by the Nigerian Legislature in the 1999 constitution of Nigeria (Somorin, 2012; Nwonyuku, 2017). The Act makes taxes compulsory and as duties of citizens and business entities. It empowers the government to impose and collect taxes (Price

Waterhouse Coopers, 2010). The objectives of the national tax policy of Nigeria are to ensure progressive tax (proportional to income), sustain fair and low tax rates that are affordable to taxpayers and encourage voluntary compliance in the citizenry and corporate bodies (FIRS, 2017).

The tax policy is a subject of review or amendment. Part of the review is an aggressive tax revenue drive which is being pursued by expanding the tax register, especially to capture the informal sector where the SMEs are located (KPMG report, 2019). The target is to bring at least 45 million taxpayers into the tax net from the current 10 million taxpayers and increase the nation's tax to GDP to 15% by the end of the year 2020 (KPMG report, 2019; FIRS, 2019).

1.2.2 Small and medium enterprises (SMEs)

SMEs are small businesses with small assets or capital bases with few employees and poor organisational structure (Aderemi et al., 2008). According to the World Bank, SMEs are those firms that have between 5–19 employees (i.e., small) and 20–99 employees (i.e., medium), respectively. Although small in size, SMEs are of great significance to the economies of developing countries such as Nigeria, Ghana and Indonesia. In these countries, the SMEs, when operating as "formal sectors" contribute about 60% to the employment rate and at least 40% to Gross Domestic Product (GDP) value (Ndiaye et al., 2018).

In Nigeria, the Central Bank of Nigeria (CBN) described the SMEs as businesses whose maximum annual turnover and maximum capital investment are N500,000 (i.e., USD 1,000) and N2,000,000 (i.e., USD 4,000) respectively with 11–300 employees (Banji, 2010; CBN, 2010; Aladejebi, 2018). In Nigeria, about 37 million active SMEs (i.e., 95% of all businesses) contribute about 48% of the nation's GDP or income (Aderemi et al., 2008; Ogunyomi and Bruning, 2016; KPMG report, 2019). The Nigerian SMEs operate in both "formal" and "informal" sectors. The "formal" sector here refers to the registered businesses, whereas the "informal" sector, otherwise called "underground economy" (e.g., Blackburn et al., 2012) or "hidden economy" (Burr, 2008), refers to small businesses that are not registered.

The "informal" sector in Nigeria is dominated by businesswomen (Aderemi et al., 2008). The businesswomen in SMEs are engaged in a wide range of businesses such as wholesale and retail trading. Given the large size of SMEs in Nigeria, the contribution of the businesswomen in the “informal” sector to the economy is very important. However, the activities of the SMEs in Nigeria remain hidden (Aderemi et al., 2008; Atawodi and Ojeka, 2012). As a consequence, the contribution of the SMEs in this sector to tax revenue and tax – GDP ratio is below expectation.

Kano State, located in the western part of northern Nigeria, is the focus of this study. It has the highest population with an estimated population of 13 million people; the 2006 national census puts the figure at 9 million people and the largest economy in northern Nigeria (e.g., Weber et al., 2018). It also has a total of about 1.8 million SMEs, i.e., 0.5 % of all SMEs in Nigeria (KPMG report, 2019; Weber et al., 2018). Kofar-Wambai and Hanga (2013) estimated the SMEs figure as >1.9 million, most of which are in the informal sector (Table 2).

The data presented in Table 2 concerns the SMEs in the informal sector (i.e. small business owners that are not registered) of Kano. A large number of businesswomen, especially under shops/stalls (Table 2), make up a significant part of this sector in Kano. The estimated asset size of the Kano informal sector is about 23 billion Naira (i.e., approximately USD 80 million). Since informal SMEs are not registered, it is difficult to monitor their activities (e.g., Meagher, 2016).

Table 2 Estimated size of the informal sector in Kano

S/No.	Informal sector SME groups	Estimated population	Estimated revenue (Naira)
1	Shops/stalls	220, 000	16.060 Billion
2	Commercial motorcycles	1,500,000	5.475 Billion
3	Street traders	100,000	365.0 Million
4	Commercial taxis	40,000	292.0 Million
5	Commercial buses	30,000	291.0 Million
6	Motor mechanics	15,000	110.0 Million
7	Motorcycle mechanics	10,000	73.0 Million
8	Sundry street hawkers	10,000	36.5 Million
9	Goldsmiths	10,000	36.5 Million
10	Fried meat (Suya) sellers	5,000	36.5 Million
11	Local fish farmers	3,000	21.9 Million
12	Local poultry farmers	3,000	21.9 Million
13	Barbing salon	5,000	18.5 Million
14	Cobbler	5,000	18.5 Million
15	Mobile top-up retailers	5,000	18.25 Million
16	Bricklayers (masons)	5,000	18.25 Million
17	Vulcanizers	3,000	10.95 Million
	Total		17, 142.23 Million

Source: Kofar-Wambai and Hanga (2013)

1.2.3 Tax compliance

The tax system of Nigeria faces numerous challenges. Problems such as tax knowledge (or poor taxpayer education), complex tax forms and procedures, poor database and management systems, poor funding of the tax administration, unskilled/poorly-trained staff, widespread corruption and prevalence of ambiguous tax laws have been identified as major issues that contribute to the low level of tax compliance and/or low tax-GDP, (e.g., FIRS Study Group, 2003; ICAN, 2009; Atawodi and Ojeka, 2012; Nwonyuku, 2017). These problems can be summarised under those of tax administration, tax knowledge and complexities of tax laws. Hence the revenue shortages being experienced by the government of Nigeria may be attributed to the low level of tax compliance in the system.

A low level of tax compliance has been reported among SMEs across the two main parts of Nigeria, i.e., northern and southern (e.g., Meagher, 2016; Bodea and Lebas, 2016). The two regions are further divided into States. However, the compliance level in northern Nigeria, with a population of over 90 million people and the larger of the two regions, is lower than that recorded in southern Nigeria. The relatively lower level of tax compliance has been blamed on weaker governance and the breach of trust between the government and the citizens in the region (e.g., Meagher, 2016). Therefore, SMEs in the northern region are considered by Meagher (2016) to be less compliant and are the main subject here.

The recorded low level of tax compliance among SMEs in northern Nigeria has been linked mainly to problems related to taxpayer's knowledge. On the one hand, the tax knowledge of payers is regarded as an important determinant of compliance behaviour (e.g., Long and Swingen, 1987; Palil, 2010). Some reports have shown that taxpayers with a lower level of tax knowledge are less likely to comply with the tax laws out of ignorance of the consequences of non-compliance (e.g., Mansor and Gurama, 2016). On the other hand, studies have shown that "informalisation" (i.e., lack of registration) of businesses is a major contributor to low level of tax compliance among SMEs in northern Nigeria (e.g., Atawodi and Ojeka, 2012; Kofar-Wambai and Hanga, 2013; Bodea and Lebas, 2016; Meagher, 2016).

Other factors related to tax compliance behaviour of individuals and SMEs have also been identified (e.g., Alabede et al., 2011; Meagher, 2016; Aladajebi, 2018). Such factors, which include those related to tax administration, compliance structure such as tax complexities, as well as detection or deterrence, have been well researched and modelled (e.g., Allingham and Sandmo, 1972; Long and Swingen, 1987; Ajzen, 1991; Fischer et al., 1992; Alabede et al., 2011). Allingham and Sandmo's (1972) model states that compliance behaviour of payers are mainly determined by the probability of detection or penalties. In addition, tax complexities (e.g., Pope and Abdul-Jabbar, 2008) and e-commerce, otherwise known as "online businesses" (e.g., Pham et al., 2011; Hashim and Abdullah, 2014; Abd Hamid et al., 2019), present challenges that has been added to the factors of tax compliance.

The role of tax administration in tax compliance includes but not limited to how the tax authority can develop a tax system with simpler tax compliance rules and provide a less-expensive compliance costs in order that SMEs find it easy and friendly to comply (Pope, 1993; Pope and Abdul-Jabbar, 2008). By implications, where these functions of the tax administrators are lacking, low level of compliance or tax non-compliance may result among SMEs.

How can higher levels of compliance be achieved among SMEs in the informal sector, given the plethora of influencing factors and possibilities? Therefore, it is essential to understand the compliance behaviour of SMEs to develop appropriate tax policies that will enhance compliance. Understanding taxpayers' behaviour and experience with respect to the tax system (e.g., tax knowledge) and their perceptions of taxation by examining the inputs to the system will aid in providing the data that is needed to design policies and simpler tax systems that will remove difficulties and thus improve tax compliance among taxpayers (Pope, 1993; Isa, 2014). As suggested in some prior studies (e.g., Mukti, 2000; Li, 2004), tax authorities should design special policies to handle peculiarities in a system, for instance, the provision of some preferences in the taxation of online businesses.

Previous models for understanding tax compliance behaviour include the "economic model" and "behavioural model" (e.g., Alm et al., 1995; Kirchler, 2007). The economic model focuses on enforcement of compliance (detection), while the behavioural model emphasises socio-psychological characteristics (e.g., financial difficulties of payers, family), norms and attitudes of taxpayers in explaining tax compliance behaviours. So, tax compliance behaviours can be understood using socio-psychological models or theories such as the Theory of Planned Behaviour (TPB).

The TPB has three significant influences on planned behaviour (Ajzen, 1991), namely, (i) the attitude toward the behaviour, (ii) subjective norms and (iii) perceived behavioural control are important. The behaviour referred to here is tax compliance. Taxpayer's attitudes (e.g., fairness of tax), subjective norms (e.g., opinions of families and friends) and perceived control over tax compliance can be used to explain compliance behaviours of taxpayers.

Few studies on tax compliance behaviour in Nigeria (e.g., Bodea and Lebas, 2016; Alabede et al., 2011; Meagher, 2016; Gatt and Owen, 2018) are available. Gatt and Owen (2018) explored how the quality of the relationship between the taxpayers affect compliance behaviour of payers in Lagos State, southern Nigeria, and found that good tax – service delivery leads to improved state-payers relation. Bodea and Lebas (2016) studied factors of compliance in urban Nigeria. They found that the state's service to voluntary tax compliance is related and that taxpayers' adopted norms or behaviours affect their decisions to comply or not. However, only very few studies (e.g., Aliyu and Sambo, 2016; Meagher, 2016) discussed the behaviour of taxpayers in northern Nigeria. While Aliyu and Sambo (2016) centred on the determinants of compliance, Meagher (2016) discussed the relationship between weak governance, poor social contract and tax compliance. However, understanding compliance issues related to individual taxpayers or SMEs in Nigeria has not received much attention. More so, there is very little research on gender-based tax compliance studies, even though businesswomen own the majority of SMEs in Nigeria.

Gender-based tax compliance studies have been explored particularly in the United States and Australia (e.g., Baldry, 1987; Richardson et al., 2016). For example, Francis et al. (2014) found that there is an association between female financial officers and corporate "tax aggressiveness". At the same time, Richardson et al. (2016) reported that women's presence in the corporate board of companies makes such boards less tax-aggressive (i.e., likely to be more compliant) than male-only corporate boards. Other studies have noted gender differences in tax compliance (e.g., Jackson and Jaouen, 1989); this study has noted that female taxpayers are more compliant than the male. Aladejebi (2017) reported similar findings (i.e., female SME owners are more compliant), stating that gender is statistically significant in tax compliance. Therefore, focusing on gender based tax compliance is justified on the basis that current reports on tax compliance of SMEs (dominated by businesswomen) in Kano indicate that SMEs are not complying, which contrasts the common fact that women are expected to be compliant. Hence, this research seeks to give insights on the tax compliance behaviour of Kano businesswomen in SMEs by examining their tax knowledge and compliance behaviour using TPB. Such understanding will be useful to the government and tax authority toward the development of an appropriate tax policy that will suit the demographic of the businesswomen and help improve the tax compliance level recorded among SMEs.

1.3 PROBLEM STATEMENT

A sound tax system encourages a high level of compliance among taxpayers. A higher level of compliance, in turn, can lead to improved revenue generation for the government to deliver on its provision of public goods and services responsibilities (Tan and Sawyer, 2003). However, there is a low or non-compliance among SMEs, especially in the informal sector of Nigeria. As a result, the country continues to face the challenges of low national revenues and low tax to GDP ratio. This could be an indication of a flawed tax compliance system.

In improving overall tax compliance, it is important for the relevant policy maker to understand the reasons for the low or non-compliance among the SMEs. Pertinent questions are, could it be that low tax compliance results from lower tax knowledge among SME taxpayers? Or are there other possible reasons (e.g., individual or socio-psychological characteristics, TPB) for the low compliance? For example, SMEs are small, have low resources, often burdened by difficult regulatory requirements and high compliance costs (e.g., Pope and Abdul-Jabbar, 2008). More so, the low level of compliance of the SME in northern Nigeria has been linked to "informalisation" of businesses and complexities in the tax system (e.g., Atawodi and Ojeka, 2012; Meagher, 2016).

For any national tax policy to succeed, an adequate understanding of the input (e.g., tax policy) and output (e.g., compliance) to the tax system must be well understood (e.g., Frey and Torgler, 2007; Isa, 2012). Social context and gender are regarded as important factors that affect tax compliance. Considering the SMEs' significance to Nigeria's economy, studies on the compliance behaviour of SMEs (especially the businesswomen) will provide valuable insights into the nation's tax compliance problems.

Therefore, the objectives of this study are to examine the level of tax knowledge and the other factors that may influence the compliance behaviour of Kano businesswomen in SMEs. The significance of this study is that it will help the authority formulate an appropriate tax policy that better suits the businesswomen's demographic. This may, in turn, lead to a higher compliance level and consequently higher tax revenue collection.

1.4 RESEARCH QUESTIONS

Based on the reported low or non-compliance in the informal sector where women in SMEs constitute the majority, the following research questions were developed:

(i) What is the level of tax knowledge of Kano businesswomen in SMEs?

(ii) How is the compliance behaviour of Kano businesswomen in SMEs?

(iii) What are the influences of individual financial constraints, culture and e-commerce on the compliance behaviour of Kano businesswomen in SMEs?

1.5 RESEARCH OBJECTIVES

The specific objectives of the study are given as follows:

(i) To examine the level of tax knowledge of Kano businesswomen in SMEs.

(ii) To examine the tax compliance behaviour of Kano businesswomen in SMEs using TPB.

(iii) To examine the influence of individual financial constraints, culture and e-commerce on the compliance behaviour of Kano businesswomen in SMEs.

1.6 MOTIVATION AND SIGNIFICANCE OF THE STUDY

The Nigerian government faces the challenge of low/falling tax revenue (as shown in Table 1). Consequently, a new tax policy that emphasises the taxing of the informal sector has been enacted. The tax policy focuses on increasing the tax recoveries from an expanded tax base (i.e., expanded tax register) and improving compliance, especially in the informal sector. However, the policy has ignored the social/individual context of tax compliance. Addressing this context constitutes the motivation for this research.

Empirical studies showed that women show attitudes that are different from men when it comes to tax compliance (Adams and Ferreira, 2009; Richardson et al., 2016). Some reports have shown that women are more efficient and better managers of corporate tax matters and compliance (e.g., Lanis et al., 2015). With the number of businesswomen in SMEs reported to be very high in Nigeria, research focusing on the businesswomen's compliance behaviour will generate insight into national tax policy and compliance.

A gender-based study on tax compliance behaviour will help in growing the national revenue. For the tax authority, the study will provide an understanding of the tax knowledge and compliance behaviour, such as the attitudes and subjective norms of the businesswomen in SMEs. Such insights will assist the authority to be able to develop suitable tax policy for the women in SMEs, thus will help in overcoming part of the non-compliance in the informal sector. For instance, if the reason that the women do not comply is a lack of knowledge, then educating them will help bring them into the tax net. Hence, understanding the compliance behaviour of women will help the tax authority and government to carry out appropriate reviews on tax policy and regulatory framework adjustment that would lead to revenue growth.

Another significance of the gender-based study is that it can help to improve transparency and accountability in the tax system. When the authority understands the compliance behaviour of taxpayers, it can help the government assess the accountability (i.e., delivery on the social goods and relation) part of the tax system with a view to making improvements. A more accountable system would enhance the flow of information between the taxpayers and the authority. Hence, taxpayers would benefit in terms of access to useful information regarding tax.

Finally, the result of this study will be a source of reference for future academic research. Since research on tax compliance is a continuous process, findings from this study may provide some insights for future studies in the move towards better solutions to compliance issues.

1.7 ORGANISATION OF THE STUDY

Chapter One discusses the background, problem statement, research objectives and research questions, and the motivation of the study. Chapter two reviews the literature on important concepts of the taxation tax system and policy in Nigeria, and the concepts of tax non-compliance, compliance, compliance behaviours, and SMEs, as well as on the theoretical framework. Chapter three explains the methodology adopted in the research. Chapter four analyses the findings of the study. Chapter five summarises the research output and provides some suggestions for future research.