THE IMPACT OF SELF-ASSESSMENT REGULATIONS ON TAX REVENUE GENERATION IN NIGERIA

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ABSTRACT

This paper investigates how self-assessment regulations impact on generating tax revenue in Nigeria. The study determines the effectiveness of self-assessment regulations in Nigeria, the impact of adoption of self-assessment in reducing revenue loss in Nigeria; and examines the impact of self-assessment regulations on the growth of revenue in Nigeria. Survey design, using a structured questionnaire was adopted. The population of the study is 500 staff from Lagos Island regional Offices of the Federal Inland Revenue Service. 240 respondents comprising management staff was selected randomly from the population as the sample size for the study while 223 copies duly completed were retrieved and used. Spearman's Rho Correlation Coefficient, Regression Analysis including Analysis of Variance and Chi-square (X^2) statistics were used to test the formulated hypotheses. Results of the study indicate significant positive impact of Self-Assessment regulations on generating revenue in Nigeria, that lack of transparency in accounting for tax revenue encourages tax evasion and avoidance in Nigeria. Recommendations proffered include: increasing public enlightenment campaign on self-assessment regulations; improve on transparent use of tax revenues to militate against sharp practices, evasion of taxes; and constant review of the tax laws and policies.

Keywords: *Self-assessment, Voluntary tax compliance, Revenue generation, Government Accountability, Tax evasion, Tax avoidance.*

1. INTRODUCTION

Taxation is "a process through which an individual or group of individuals, community, society or corporate entity in a sovereign state are made to contribute their own quota to the growth and developmental programmes in such community, society or the entire nation by a sovereign authority" (Adeyeye, 2013, p.2). It appears that taxation is the bedrock of every economy either in developed or developing countries. The concept of taxation entails the imposition of levy compulsorily by law on the earnings of taxable persons and companies to generate funds for the government for financing public infrastructure, ensure equitable distribution of income, discourage consumption of harmful goods, provide adequate security for the citizens, protect infant industries, avoid dumping of goods and check other market infractions (Adeyeye, 2019; Adeyeye, Adeoye & Adeyeye, 2018; Soyode & Kajola 2006). Scholars like Akintoye & Tashie (2013) and Adeyeye *et al*. (2018) remarked that to generate revenue, every stakeholder must contribute to the national purse and this depends on peoples' perception on government's delivery which can be achieved through voluntary tax compliance and some regulatory measures like the self-assessment system. It has been stated that the extent to which taxpayers abide by the relevant tax laws of the country constitutes tax compliance while non-compliance occurs when the taxpayers disobeyed the tax laws. This constitutes a big challenge to tax revenue generation in Nigeria (Adeyeye, 2013; Alabede, Ariffin and Idris, 2011).

This challenge is due to problems of evading and avoiding payment of taxes, bribery and corruption by tax officials and poor accountability by the government both in the developed and developing countries such as Nigeria (Ovunda, 2018**;** Osemeke, Nzekwu & Okere, 2020). As a result, it has been suggested that in order to check this trend, the Self-Assessment tax system would play a vital role and a number of countries including Nigeria seem to have placed much emphasis on voluntary compliance which would likely be better achieved through Self-Assessment.

Nigeria enacted the law governing the assessment of taxpayers through the Self-assessment system in the year 1991 and became operational in the year 1992 but was not made compulsory for every taxpayer until the year 1998. However, it became fully implemented after the Federal Inland Revenue Service (FIRS) made some necessary inputs on the process and procedures as contained in the Self-Assessment Tax Administration Regulations, 2011. Under the Self-assessment system, the taxpayers (individuals or companies) have the responsibility of computing their tax liabilities, filling the relevant tax returns forms, paying the self-assessed tax and willingly submiting the tax returns at the tax office on or before due dates in line with relevant tax laws without being coerced or forced to do so. The taxpayers do not see payment of tax as a burden, but a duty owed to the government (Okello, 2014; FIRS, 2016). This tax system hinges on the believe that the taxpayers possess adequate and sufficient information relating to their business operations, hence, are in the best position to assess their own tax liabilities (Appah & Ogbonna, 2014; Olurankinse & Oladeji, 2018; Hutauruk, Ghozali, Sutarmo, Mushofa, Suyanto, Yulidar, & Yanuarta 2019).

According to Ocheni (2015), Self-assessment tax system would enhance compliance voluntarily by the taxpayers.

Bentley (2019) opined that some compliance measures must be firmly put in place by the Revenue agencies for the sustenance of the self-assessment system. Such measures include: robust taxpayers' data base through deployment of technology, taxpayer education, creating conducive atmosphere through improved taxpayer services. In addition, simplification of the tax laws through issuance of circulars, detailed scrutiny of returns submitted the taxpayers, regular tax inspection to ascertain and confirm the written request relating to the taxpayers' tax obligation, penalties for non-compliance and carryout tax investigation if there is suspicion of tax avoidance and evasion.

It has been suggested that effective and efficient administration of the extant tax laws will enhance high tax revenue yield in Nigeria while ineffective and inefficient tax administration has been said to account for low tax revenue yield (Okauru, 2011). The unimpressive tax collection appears to be reflective of tax authority's poor performance in Nigeria and despite the numerous reforms carried out to make tax a substantial source of revenue, the anticipated result has not been achieved (Ola, 2004; Azubuike, 2009). Nigeria relied too much on the income from oil as a result of the oil boom of 1973 and 1974 to the detriment of other sources of income available to Nigeria (Ariyo, 1997). In Nigeria, some of the factors that encourage deficiencies in collecting tax revenue include absence of data statistics for tax, ineffective and inefficient tax administration, non-prioritization of efforts on taxes, problems of multiple taxation, lack of accountability, corrupt tendencies of both tax officials and taxpayers, tax evasion, high cost of compliance and complex tax laws. These factors appear to be prominent hinderances in the tax system, thus account for the abysmal revenue (Uremadu & Ndulue, 2011; Leyira, Chukwuma & Umobong 2012; Osemeke *et al*., 2020). A preferred tax system is one that encourages voluntary tax compliance, treats taxpayers with utmost respect, gives incentives for prompt payment of tax due and is accountable to the stakeholders while resolutely and legally enforces compliance (Edemode, 2009; Adeyeye, 2019). It has been suggested that efforts must be geared towards harmonising the elements of tax system to assist the tax authorities for greater revenue collection as it is not possible to have a single efficient tax administrative system that can solve the whole tax problems (Enahoro & Olabisi, 2012). Revenue available for any government is key to meeting its developmental goals but funds are not usually available for government to execute most of its numerous social and developmental facilities. In view of the aforementioned challenges, the study investigates how self-assessment regulations impact on revenue generation in Nigeria. Specifically, it is intended to:

(i) determine the effectiveness of the administration of self-assessment tax regulations in Nigeria.
(ii) investigate the impact of adoption of self-assessment in reducing revenue loss in Nigeria.
(iii) examine the impact of self-assessment regulations on the revenue growth in Nigeria.

The following questions were drafted to address the objectives of the study.

(i) In what way does the administration of the current self-assessment system impact on revenue generation in Nigeria?
(ii) To what extent does self-assessment system adoption impact on reducing revenue loss in Nigeria?
(iii) What is the impact of self-assessment system on revenue growth in Nigeria?

The following null hypotheses were proposed to proffer solutions the research questions.

H_{01}: Administration of self-assessment system has no significant impact on revenue generation in Nigeria.
H_{02}: Adoption of self-assessment system does not have significant impact on reduction of revenue loss in Nigeria.
H_{03}: Self-assessment system has no significant impact on revenue growth in Nigeria.

The study anticipates to assist Local, State and Federal governments in Nigeria to administer the self-assessment system regulations in raising revenue through the direct and indirect taxes.

The study is expected to help policy makers in adopting appropriate measures on revenue generation and sanctions for violating or evading taxes. It is hoped that the study will also help the Officers of the Federal and State tax authorities and other tax collecting agencies to embrace better approaches to tax compliance. It is envisaged that the study will increase the data base for administrators and practitioners interested in new approaches to voluntary tax compliance.

The study covered the operations of the Federal tax authorities in Lagos State. Information gathered from the FIRS Lagos Island region were used for the study.

2. LITERATURE REVIEW

Brief history of taxation and relevant literature relating to Self-Assessment tax system were reviewed in this section.

2.1 Brief History of Taxation and Tax Compliance in Nigeria

Taxation and various types of taxes have been existing in the Northern, Western and Eastern regions that constituted the present-day Nigeria before the advent of the British colonial masters.

These taxes were collected by the Dongaris on behalf of the Emir in the Northern Nigeria, by the Akodas on behalf of the Obas and Chiefs in the Western Nigeria and by the Elders council in the Eastern part of Nigeria. These taxes were used for various community development projects (Ola, 2004; Okauru, 2011). With the advent of colonialism, taxes were imposed on individuals and communities as were deemed fit by the colonial masters.

Taxation in Nigeria took its root from the recognition of Lagos as a colony in the year 1861 and when the Northern and Southern protectorates were amalgamated in the year 1914. Various tax laws that were promulgated by the colonial master were repealed and later promulgated as the Income Tax Ordinance, 1943 (Yerokun, 1997; Ola, 2004).

According to Soyode and Kajola (2006), for the purpose of promoting uniformity in the tax system across the whole of Nigeria, Raisman Commission was set up by the colonial government in the year 1958. Government accepted the Commission's recommendations and incorporated it in the 1960 Constitution of Nigeria, leading to the enactment of the Income Tax Management Act (ITMA) 1961 for individual taxpayers and Companies Income Tax Act (CITA) 1961 for corporate taxpayers. According to Ariwodola (2000), the main purpose of the Act was to ensure uniformity of personal income tax across the nation and avoid double taxation of incomes by the Federal and State Governments. The Joint Tax Board (JTB) was established by the Act with the responsibility of determining technical and other tax issues which may cause conflicts between the Federal and State governments. Currently, the relevant Act that governs the administration tax on the incomes of individuals and business names is the Personal Income Tax (Amendment) Act, 2011.

2.2 Implementation of Self-Assessment System

In a self-assessment system, a taxpayer is required to assess his tax liability using a tax return form in which he declares his gross income, allowable deductions, non-taxable income and others. This tax return must then be file with the tax authority together with a payment for the tax liability computed by him on the return form. For effective implementation of corporate self-assessment tax system, it was suggested that tax authority has the responsibilities of assisting the taxpayers to ensure that tax administration process is complied with in order to militate against avoiding and evading taxes. In essence, the tax authority and the taxpayers have roles to play in ensuring the success of tax administration processes as the responsibility to assess tax liability is no more that of the tax authority but now rests solely on the taxpayers. (Sarker, 2003; Loo, Hansford & McKerchar, 2005; International Monetary Fund (IMF), 2010; Appah & Ogbonna, 2014, 2016Olurankinse & Oladeji, 2018; Hutauruk *et al.*, 2019).

2.3 Self-assessment tax regime and e-taxation system

Tax administration is usually set up with the objective of collecting taxes at lowest possible cost (Onuiri, Faroun, Erhinyeme, & Jegede, 2015). The tasks of the Revenue entail various activities which include, processing of taxpayers' returns, creating a database of relevant information on tax returns, comparing the returns filed with the requirements for filing returns amongst others. These tasks involve a lot of documentation which could be effectively and efficiently processed by making use of information and communication technology (ICT). The ICT will simplify the various types of services provided by the tax officials, such as registration of taxpayers, filing of tax returns amongst others. The electronic filing system (E-filing) afforded the tax officers increased quality and quantity of information, thus, assisting in processing transactions faster and more accurately in Nigeria (Attah, 2011; Adeyeye, 2019). E-filing and e-payment systems have a lot of benefits which cannot be over-emphasised in tax administration. Returns filed electronically are more reliable and accurate compared to manually prepare returns. This significantly checked the need for sanctions in case of documents lost by the tax authority occasioned by fire outbreak or other acts of God and enhance corrective measures to foster compliance. As a result of the efficiency of electronic returns, it becomes easier for the tax authority to process and issue assessments and refunds as quickly as possible. It also affords the taxpayers information about the acceptance or rejection of their returns. The use of E-filing drastically reduces the processing cost of returns and enables the unused available resources of the Service to be drafted to other important activities of the Service.

3. METHODOLOGY

Survey research design was adopted for the study. It is considered to be flexible and enables the respondents the freedom of choice in responding to the questionnaire items. The questionnaire items can easily be assigned numerical values for the purpose of quantitative analysis (Spector, 1981; Denscombe, 2003).

The population of this study consists of all the staff and management of Area Offices of Federal Inland Revenue Service in the Lagos Island Region which is five hundred staff in number. Data collected for the study come mainly from the staff and management of Federal Inland Revenue Service of the Lagos Island Region, since the study is focusing on the revenue generated by government through self-assessment regulations. Federal Inland Revenue Service (FIRS) Lagos Island region is designated the ideal study area since Lagos is regarded as a cosmopolitan state, the economic, commercial cum industrial hub of the country (Lagos State Ministry of Commerce and Industries, 2011; Olokesusi, 2011; Adeyeye, 2013; Lagos State Government BudgIT Research, 2018).

Table 1: Population of Respondents in FIRS Lagos Island Regional Offices

S/N	Area Office	Number of Staff
1	Ajah Micro and Small Tax Office	97
2	Barbeach Micro and Small Tax Office	51
3	Ikoyi Micro and Small Tax Office	85
4	Lagos Island Medium Tax Office	46
5	Large Tax Office Non-Oil (Financial) Lagos	70
6	New Broad Street Micro and Small Tax Office	34
7	Onikan Micro and Small Tax Office	32
8	Victorial Island Micro and Small Tax Office	85
	Total	**500**

Source: *Field Survey Compiled from FIRS Lagos Island Regional Offices 2021*

Making use of stratified random sampling technique, two hundred and forty respondents were selected from the population compiled from FIRS Lagos Island Regional Offices. The respondents were arranged into groups based on their area offices before the random sampling method was later used. With the aid of random number table, the sample size of 240 respondents was obtained. The justification for choosing respondents from FIRS Lagos Island Regional Offices was to ensure that reasonable and reliable information is obtained to enhance quality data analysis of the responses to the research questions as contained in the questionnaire. In addition, the same tax Act is applicable to all the States in the Federal Republic of Nigeria.

Table 2: Distribution of Sample size in each of the FIRS Lagos Island Regional Offices

Area Offices	Ajah MSTO	Barbeach MSTO	Ikoyi MSTO	Lagos Island MSTO	LTO Non-oil Financial	New Broad Street MSTO	Onikan MSTO	Victoria Island MSTO	Total
Number of Staff	97	51	85	46	70	34	32	85	500
Sample Size	30	30	30	30	30	30	30	30	240

Source: *Field Survey Compiled from FIRS Lagos Island Regional Offices 2021*

Equal number of thirty respondents was chosen from each group because all the tax offices are considered to be equally important. In addition, stratified sampling technique was used because the respondents were drawn from heterogeneous group, consisting of people from different strata or groups.

3.1 Instruments of Data Collection

A structured questionnaire was used for generating the primary data. The questionnaire was arranged into two parts. Part one deals with the bio-data of the selected respondents while Part two deals with items relating to the existence of self-assessment tax regulation in Nigeria focusing on questions that provide information on revenue growth in Nigeria championed by the government, reduction in revenue loss and solution to tax compliance in Nigeria.

The study used the five-point Likert scale rating as follows: Strongly agree (SA) = 5; Agree (A) = 4; Undecided (U) = 3; Disagree (D) = 2; and Strongly disagree (SD) = 1, for ease of assigning numerical values that enhance quantitative analysis.

3.2 Validation of Instrument and its Reliability

Two senior officials, one in the academics and one professional accountant reviewed the questionnaire for objective criticisms and correction. The questionnaire was pre-tested at the Federal Inland Revenue Service, Micro and Small Tax Office, Ikoyi, using thirty (30) respondents. Reliability test of the questionnaire items was conducted using Cronbach Alpha statistics (Baridam, 2008). The Cronbach Alpha test result is 0.898. This indicates that the questionnaire is highly reliable. $p < 0.5$ also suggests that the questionnaire is reliable. Pallant (2001) stated that when Cronbach alpha coefficient value is 0.7 and above, the instrument used is reliable (see

Appendices 3 - 6 for the results of Cronbach Alpha coefficient obtained from the pilot test and the test for total items for the study).

3.3 Model Specification

The econometric model stated below is used for this study.

Yi = f (X) ………………………………………………………………........... (1)

RG = β0 + β1SACR1 + β2Reg2 + β3Et3 + Ɛ ………..........……………….... (2)

a priori expectation is β1-β3>1

Where: RG = Revenue Generation; SACR = Self-assessment compliance Rate; Reg = Regulations; Et = E-Tax; β1, β2, β3 are the coefficients of the regression, while Ɛ is the error term.

4. ANALYSIS OF DATA AND PRESENTATION OF RESULTS

Data obtained from the questionnaire and their analysis together with discussion of findings are presented in this section. In addition, the study used Spearman's Rho Correlation coefficient and regression technique for testing the hypotheses. 240 copies of the questionnaire were administered but only 223 responded, this represents 93% response rate as shown in Table 3.

Table 3: Table of Respondents

Area Offices	Ajah MSTO	Barbeach MSTO	Ikoyi MSTO	Lagos Island MSTO	LTO Non-oil Financial	New Broad Street MSTO	Onikan MSTO	Victoria Island MSTO	Total	Per-cent
Sample Size	30	30	30	30	30	30	30	30	240	%
Number of copies returned	28	27	30	30	25	28	26	29	223	93
Number of copies not returned	2	3	0	0	5	2	4	1	17	7
Total										100

Source: *Authors' Field Survey 2021*

4.1 Demographic Data Analysis

The Demographic Data analysis is contained in appendices 7-11 (not shown in the body of this study). The decision to put it in the Appendices is that it does not affect the outcome of the study.

4.2 Descriptive Statistics

The analyses are contained in appendices 13-37 (not shown in the body of this study). The decision to put it in the Appendices is that it does not affect the result of the study.

4.3 Inferential Statistics

Table 4: ANOVA

		Sum of Squares	Df	Mean Square	Friedman's Chi-Square	Sig
Between People		1227.185	222	5.52		
Within People	Between Items	4613.427[a]	24	192.22	3244.96	0.00
	Residual	2995.613	5328	0.56		
	Total	7609.040	5352	1.42		
Total		8836.225	5574	1.58		

Source: *Authors' Field Survey 2021*

Achieving the objective of determining the effectiveness of administration of self-assessment regulation on tax collection in Nigeria is as depicted in Table 3.

Table 5: Table of Correlations

			The Self-assessment scheme has encouraged tax compliance in Nigeria	The Self-assessment scheme has increased revenue generation by government in Nigeria
Spearman's rho	The Self-assessment scheme has encouraged tax compliance in Nigeria	Correlation Coefficient	1.000	.785**
		Sig. (2-tailed)	.	.000
		N	223	223
	The Self-assessment scheme has increased revenue generation by Government in Nigeria	Correlation Coefficient	.785**	1.000
		Sig. (2-tailed)	.000	.
		N	223	223

Source: *Authors' Field Survey 2021*

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5 shows that there is a positive correlation and significant relationship between the self-assessment scheme which has encouraged tax compliance and enhanced generation of high revenue in Nigeria.

Achieving the objective of investigating the effect of adoption of self-assessment in reducing revenue loss in Nigeria is explained below. This is as shown in Appendix 12 (not shown here). The results of the correlation Table show that there is a positive and significant correlation among voluntary tax compliance, Penalty and interest and enforcement tool of the Government. Voluntary tax compliance also has a positive and significant correlation with the provision of physical infrastructure. The elimination of bonus system of the self-assessment scheme has a positive and significant correlation with the level of voluntary tax compliance by taxpayers. In addition, there is a positive and significant correlation between level of income of taxpayers and the level of voluntary tax compliance. Furthermore, prompt prosecution of tax defaulters has positive effect the level of voluntary tax compliance.

Achieving the objective of determining the impact the self-assessment system has on revenue growth in Nigeria is explained below.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.824[a]	0.679	0.675	0.386

Source: *Authors' Field Survey 2021*

The coefficient of correlation *R* is 0.824 and indicates a high degree of correlation. R^2 shows how well terms (data points) fit a curve or line. Adjusted R^2 also indicates how well terms fit a curve or line, but adjusts for the number of terms in a model. It explains the extent to which the independent variables explain the changes in the dependent variable. The independent variables which are Tax as a lucrative source of revenue to the government, honesty of taxpayers as a way to increase government revenue and tax incentives as a way to increase government revenue explained 67.50 % of the variation of our output variable which is Self-assessment scheme.

Table 7: ANOVAa

Model		Sum of Squares	Df	Mean Square	F	P-value
1	Regression	69.115	3	23.038	154.482	.000[b]
	Residual	32.660	219	.149		
	Total	101.776	222			

Source: *Authors' Field Survey 2021*

The results from the ANOVA Table suggest that there is a statistical significance of the regression model that was run. For instance, $p < 0.0005$ which is less than 0.05 indicates that, overall, the regression model statistically and significantly predicts the outcome of the variable (i.e., it is a good fit for the data).

Table 8: Standardization coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	P-value
		B	Std. Error	Beta		
1	(Constant)	1.201	.188		6.377	.000
	Tax incentives as a way to increase government revenue	.389	.063	.428	6.218	.000
	Tax as a lucrative source of revenue to the government.	.057	.055	.057	1.047	.296
	Honesty of taxpayers as a way to increase government revenue.	.311	.048	.404	6.552	.000

Source: *Authors' Field Survey 2021*

The result in Table 8, shows that tax incentives and honest taxpayers contribute significantly to self-assessment scheme as a way of boosting revenue growth for the government since p< 0.0005, however, tax as a lucrative source of revenue to the government does not contribute significantly to self-assessment scheme.

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

Examining the impact of self-assessment regulations on tax revenue in Nigeria, determining the effectiveness of the self-assessment administration towards collection of taxes, investigating the effect of the adoption of self-assessment regulations in reducing revenue loss in Nigeria as well as the impact of self-assessment system on revenue growth in Nigeria and suggesting ways of improving revenue generation in Nigeria are the objectives of this study.

Focusing on the effectiveness of the administration of self-assessment system on tax collection/revenue generation in Nigeria, Table 5 shows a positive correlation and significant relationship between self-assessment scheme which encouraged voluntary tax compliance and increased revenue generation in Nigeria. In addition, focusing on the effect of adoption of self-assessment scheme in reducing revenue loss in Nigeria. From the results of the correlation Appendix 12 (not shown here), there is a positive and significant correlation between voluntary tax compliance and cost of business operations while reducing cost of tax administration. It also has a positive and significant correlation with reduced level of distractions occasioned by the presence of tax officials in operations of business thereby giving strategic focus to promoters of business in Nigeria. The elimination of bonus system of the self-assessment scheme has a positive and significant correlation with the level of voluntary tax compliance by taxpayers. In addition, there is a positive and significant correlation between level of income of taxpayers and level of voluntary tax compliance. Furthermore, taxpayers' attitude towards paying for something they do not enjoy personally positively affects the level of voluntary tax compliance. The findings of the study suggest that self-assessment regulations have positive effect on government revenue generation and that taxes constitute the primary source of government revenue.

The study also found out that majority of the respondents agreed that self-assessment scheme, tax avoidance and tax evasion constitute negative impact on generation of revenue in Nigeria. Thus, that taxes appear to be a major source of generating revenue by all the tiers of government.

Furthermore, focusing on the effect of self-assessment system on revenue growth in Nigeria, the findings of the study indicates that tax is a lucrative source of revenue to the government, honesty of taxpayers is a way that increases government revenue and tax incentives is also a way to increase government revenue which explained 67.5% of the variation of the output variable which showcase Self-assessment scheme as a good mechanisms for assessment and collection of taxes (see Table 6 - 8).

The study found that if there is transparency and honesty from the government, more people would be encouraged to comply voluntarily by paying their taxes and this will increase revenue generation for the government. Furthermore, the study made findings that government at all levels should make efforts through sensitization, taxpayers' education and adequate provision of public goods to encourage the self-assessment scheme.

Conclusion

The study examined the impact of the self-assessment regulations on revenue generation in Nigeria. Results of the study have shown that the self-assessment regulations have significant impact on tax collection and revenue generation in Nigeria and that there is a significant relationship between voluntary tax compliance and revenue generation in Nigeria. It also shows that strategies used by tax administrators such as enhanced relationship, education and sensitization, incentives (like amnesty and tax waivers), enforcement and litigations are effective in increasing tax collection and revenue generation as well as minimizing revenue loss. The study indicates that effective strategies such as empowerment of tax administrators, putting in place proper tax schemes, transparency by government and honesty of the taxpayers, will significantly improve revenue generation in Nigeria.

The study concludes that there is need to regularly review the existing tax laws in line with increasing changes in business environment such as e-commerce and different means of money transfers like the mobile and internet banking. There is a need to simplify the Nigerian Tax Laws to be free from ambiguities and gaps that may likely encourage more tax planning and tax avoidance that might translate to tax evasion in the long run.

Recommendations

The suggestions stated below are proffered as means of improving the implementation of the Self-assessment scheme in Nigeria.

(i) Government should increase public enlightenment campaign to enable taxpayers know what is expected from them when it comes to filing of tax returns.

(ii) Government should improve on transparent utilization of tax revenues in the provision of public infrastructures to discourage sharp practices and tax evasion by taxpayers.

(iii) Consistent review of the tax laws as demonstrated by the Finance Acts 2019 and 2020 that introduced further reduction in tax rates will encourage Small and Medium Enterprises (SME's). This will most likely enhance and boost business activities as well as increase revenue generation.

(iv) Government at all levels should encourage one stop centre that will attend to taxpayers' needs and complaints seamlessly.

(v) Strengthening the enforcement arm of the tax authorities by providing adequate logistics and manpower will encourage compliance with the self-assessment regulations and reduce revenue loss.

(vi) Deployment of Information Technology (IT) by the government to eliminate unnecessary compliance costs especially where bureaucratic procedures and paperwork requirements are excessive will increase revenue generation through the self-assessment scheme.

(vii) The tax authority should properly review, evaluate and simplify the assessment and collection processes to encourage compliance by the taxpayers. Moreover, tax forms should be made less complex.

(viii) Government should enhance good relationship with taxpayers and ensure good service delivery to the taxpayers to enable them promote business operations aimed at improving revenue generation through the self-assessment scheme.

Contribution to knowledge

This study empirically tested and revealed that the effectiveness of administration of self-assessment system/regulations on tax collection in Nigeria played a significant role in improving tax compliance and increased revenue generation by the government.

It generates empirical findings that provide a better understanding of taxation and revenue generation in Nigeria, which in turn has the potential of improving the performance of the business sector and its contribution to nation's Gross National Product.

From a managerial perspective, the findings of the study revealed that strategies (such as enhanced relationship, incentives, penalties and enforcement) used by tax administrators are effective in reducing revenue loss in Nigeria.

In the context of social sciences research, with a primary focus on acquiring new knowledge with a specific practical application in view, this research can be considered as a part of the ongoing efforts aimed at providing some answers to the long-standing issues surrounding the deteriorating tax system in Nigeria.

This study empirically contributes to two major debates in taxation literature. One debate concerns the similarities and differences between self-assessment tax collection and revenue generation through government assessment. The second debate concerns the relationship between self-assessment regulations and tax evasion/revenue loss in Nigeria. The results will enhance the understanding of the self-assessment scheme in relation to tax collection and revenue generation for a better comprehension of the trend by academics, practitioners and policy makers.

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