
Olaoye, Clement Olatunji (Ph.D)
Department of Accounting, Ekiti State University,
Ado – Ekiti, Ekiti State. Nigeria

Akinleye, G.T. (Ph.D)
Department of Accounting, Ekiti State University,
Ado – Ekiti, Ekiti State. Nigeria

Adekanmbi, John Ayodele
Department of Business Education,
College of Education, Ikere Ekiti, Ekiti State. Nigeria

Abstract
The paper examined the effects of electronic taxation on tax productivity in Nigeria. Specifically, the study evaluated the challenges of using electronic taxation system on tax productivity in Nigeria. Data collection was questionnaire. The study targeted a sample of 120 respondents who are tax payers. Data from the field were analyzed using simple percentage and analysis of variance (ANOVA) as statistical tools. Findings revealed that a large proportion of the respondents (68.3%) indicate that Nigerian Tax Authorities had good electronic tax payment system. It was also revealed that there were challenges of computer illiteracy (76.7%), inadequate computer system(81.7%) and poor power supply(73.3%) challenges respectively. Result from the analysis of variance confirmed that electronic taxation has significant impact on tax productivity in Nigeria. Based on the findings, it was recommended that Nigeria Tax Authorities should come up with an easy application that can make tax registration, filing and payment easy for the taxpayers. Furthermore, government should boost power or electricity supply for easy and prompt internet accessibility so as to enhance tax productivity and to raise more revenue for the government.

Keywords: Electronic Taxation, Tax productivity, and Nigerian Revenue Authority
1. Introduction

The economic development of any country hinges on the amount of resources generated and its control in order to fund its infrastructural needs and meet its day to day expenditure. The resources needed is believed, however, to be generated from external sources as well a structured tax system. Tax as a macro-economic policy, specifically, fiscal tool, determines the level and the pace of economic growth in nations of the world (Omojemite and Godwin 2012). More so, Azubike (2007) opines that tax is a key player in every society of the world and that an effective tax system offers the most effective means of mobilizing internal resources and creates an enabling environment for the growth and promotion of economic activities.

Tax is a charge imposed by a government on persons, entities or property, administered to generate revenue for that government (Black, 1999). Tax is a common and better source of income generation for financing government activities. Individuals and organizations are expected to fulfill their obligations on tax payment as required by law to give the government the financial power, amongst other purposes of taxation. World bank economic report on Nigeria, published on the 1st of May 2013, stated that 95% of the government’s budgeted expenditure depended on its projected oil revenue based on current world oil prices. The report also recommended that the Federal Government, through the improvement of the domestic tax system, can increase its internal revenue and provide, in the event of a fall in oil prices, a financial backup plan for the economy (World Bank, 2013). The standpoint of World Bank (2013) was corroborated by the observation of Odusola (2006) that the Nigeria tax system is lopsided and dominated by oil revenue which pose formidable challenges to the establishment of effective and efficient tax system. Odusola also identifies some of the challenges as paucity of data, non availability of tax statistics, poor administration, multiplicity of tax, structural problem of the economy and the non prioritization of tax effort and this has hampered the effectiveness of tax system in Nigeria. Recently, as a result of slump in oil price and dwindling economy, there is urgent need to revive the country from slow pace of growth that necessitates government to take various reform steps to address those problems, to correct the lopsidedness inherent in the system, enhance efficiency and to barricade various loopholes in the system with a view to increasing tax productivity (Odusola, 2006).
One of the reforms fashioned out by the government to address the issue of tax evasion, poor tax administration and to enhance revenue base is electronic taxation. The E-taxation is not a new system, but a rather local solution to a problem with global territory. According to Cobham (2010), the electronic tax system has been around, globally, for the last 30 years. Its history began in 1986 as a small test programme in which only 5 tax payers from Cincinnati, Raleigh Durham, and Phoenix agreed to participate. Since then, electronic tax system has grown to become common place, serving millions of taxpayers every year. This system is designed for prompt payment of taxes and proper record management through simplification and increased efficiency in payment processing. Electronic tax system is a computerized tax administration system that is especially designed to handle general tax administration for registration, assessment, filing returns and processing of claims and refunds. Its intended purpose is to reduce the cost of the tax payer complying with the tax laws, increase tax collection and remove the inefficiencies associated with costs of movement by tax payers to board of internal revenues offices to do business and present to tax payers a system that reduces their cost of compliance. Wasao (2014) also describes electronic taxation as an online platform whereby the taxpayer is able to access through internet all the services offered by a financial authority such as the registration for a personal identification number, filing of returns and application for compliance certificate. Effective taxation therefore becomes important as it is a source of required financial power for a government to rule its territory (Gekonge and Wallace, 2016).

Productivity is a measure of the efficiency with which an economy transforms its inputs into outputs. Tax productivity is measured through tax buoyancy and elasticity. Tax buoyancy is an indicator to measure efficiency and responsiveness of revenue mobilization in response to growth in the Gross Domestic Product or National Income. A tax is said to be buoyant if the tax revenues increase more than proportionately in response to a rise in national income or output while Tax Elasticity measures the changes in tax revenue attributable to changes to income (growth in tax revenue minus growth as a result of changes in tax policy is equal to tax elasticity). Productivity is a crucial factor in production performance of firms and nations. Increasing tax productivity can boost revenue base of economy as well as the living of standard of the people because it will enhance the growth of an economy most especially when necessary technologies are put in place. It holds that if the tax system is unproductive, economic growth
would be unsustainable and may lead to weak economy and insolvency. Therefore, productivity growth is vital to help businesses to thrive and to be more profitable.

Governments in developing countries face great challenges in collecting tax revenues, which result in a gap between what they could collect and what they actually collect. One of these challenges according to Muita (2011), is the embracing of emerging technologies and tax payment methods that are more efficient so that they can reduce wastage. One of the technologies he argues is electronic tax system which so far has been embraced by the Nigeria Revenue Authority. Electronic tax system was introduced by Nigeria Revenue Authority to increase financial collection, administration, avail services to the tax payers all the time from anywhere, reduce costs of compliance and improve tax compliance. However, tax compliance levels remain low and tax collections are below the targets set by Nigeria Revenue Authority. More so, despite the fact that electronic revenue collection has gained increasing prominence in Nigeria recently, most tax payers are still finding it difficult using the electronic system in terms of accessibility, internet connections, lack of computer knowledge and poor power supply systems (Gekonge and Wallace, 2016).

There has been limited research done in developing countries to evaluate the effects electronic taxation system has on tax productivity. Duncan (2000) looked at the factors that facilitate the successful adoption of technology as a tax compliance enhancement tool. In his study, he concluded that three factors must be in place to realize this objective, namely: flexible Information Technology structure, competent IT skill base and strong customer orientation. Kamau (2014), sought to determine the impact of adoption of technology as a strategic tool in enhancing tax compliance in Nigeria. The study focused on the large taxpayers of Nigeria Revenue authority. The study concluded that indeed the adoption of technology does impact on the tax compliance levels of the large taxpayers. Additionally, it was concluded that the Nigeria Revenue Authority has effectively implemented its Internet and Communication Technology strategy. Having observed little or no study that has explored the effect of electronic taxation on tax productivity in Nigeria, this study therefore finds it imperative to fill this gap.
2. Literature Review

Osoro (2003) examined the revenue productivity implications of tax reforms in Tanzania. Tax buoyancy was estimated using double log form equation and tax revenue elasticity using the proportional adjustment method. For the study period, elasticity was 0.76 with buoyancy of 1.06. The study concluded that, tax reforms in Tanzania had failed to raise tax revenues due to government granting numerous tax exemptions and poor tax administration.

Neelam (2010) examined tax elasticity and buoyancy estimates as dynamic tools for measuring the tax performance. This study makes a revisit to the studies carried out earlier to measure tax elasticity and buoyancy in Nepal, in the context of the structural changes that have taken place in the tax system in recent years. The main objectives of the studies were to measure the elasticity and buoyancy of tax and to ensure whether or not the tax system in Nepal is elastic. The study applied time series regression approach for this empirical measurement. The study revealed that the tax system in Nepal is inelastic (less than unity) in the period between 1995 and 2005 with a more than unitary buoyancy coefficients, thus reflecting that the bulk of revenue collection emanates from discretionary changes in the tax policy, rather than from automatic responses.

James and Moses (2012) used descriptive statistics to investigate the impact of tax administration on government revenue. They found that increasing tax revenue is a function of effective enforcement strategy, which is lacking in Nigeria. These enforcement strategies include: adequate manpower, computers, effective postal and communication system.

Dickson and Presley (2013) examined tax incentives and revenue productivity of the Nigerian tax system. The desirability of using tax incentives to facilitate new investment is a necessary condition for developing an avenue for managing the unsustainable fiscal deficits in Nigeria. The study examined tax incentives and revenue productivity of the Nigerian tax system from 1999 to 2009 periods in order to identify the short-run performance of various taxes. The study reported unsatisfactory level of total tax revenue productivity in the country which may be as a result of institutional failing, corruption in the tax system and the negligence created by the management of both oil and non-oil revenue. The study concluded that the report on total tax revenue buoyancy calls for serious attention and policy challenge, considering the enormous importance of generating resources and less dependence on external borrowing to facilitating
economic growth and development. This can however be tackled by adopting sound policies that will reduce or eliminate the corruption prevalent in the tax system coupled with the inefficiency rocking the system.

Ifurueze and Odesa (2014) examined the productivity of the Nigeria tax system using a time series data of 20 years. All the data for the analysis was collected from central bank statistical bulletin and federal inland revenue service annual reports. The data was decomposed. The study used tax elasticity and buoyancy approach. Regression in Minitab statistical software was used. The study founds a linear relationship between tax base and tax revenue and also revealed that VAT is the most buoyant of all source.

Hamdu and Zinash (2014) assessed the problems faced by traders during using electronic tax system in the case of Addis Ababa City. The paper identified problems related to the use of ETRs from the perspective of tax payers. The study used both primary and secondary sources of data. Using random sampling method, 363 tax payers were selected from the total population of 6794 with 85% return rate. The major findings are; the use of ETRs improved timely filling of the monthly VAT returns. The major problems faced by the tax payers are unallowable expenses due to the problem of ETRs suppliers and the lack of consistency and transparency in imposing penalty for tax personnel, maintenance cost and time higher compliance costs are also found to be among the major problems of the tax payers.

Gekonge and Wallace (2016) explored the effects of electronic tax system on tax revenue system in Nigeria. Electronic tax system is a computerized tax administration system that is especially designed to handle general tax administration from registration, assessment, filing returns and processing of claims and refunds. Its intended purpose is to reduce the cost of the tax payer complying with Kenya Revenue Authority (KRA), increase tax collection and remove the inefficiencies associated with costs of movement by tax payers to KRA offices to do business and present to tax payers a system that reduces their cost of compliance. The study therefore set out to investigate the effects of the electronic tax system on revenue collection efficiency of Kenya Revenue Authority at Uasin Gishu County. The study employed a case study research design of KRA Uasin Gishu County. The main data collection tools were questionnaires that were administered to the respondents. The study targeted a population of 102 respondents who included employees of KRA and tax payers. Data from the field was analyzed using SPSS that
included use of descriptive & inferential statistics. The key findings were that most respondents agreed that KRA has good electronic tax payment system and that for the KRA official, most of them are conversant with its use and are trained.

3. Conceptual Framework

Concept of Taxation:
Taxation refers to compulsory or coercive money collection by a levying authority, usually a government. The term "taxation" applies to all types of involuntary levies, from income to capital gains to estate taxes. According to McLure (2015) taxation is a mandatory financial charge or some other type of levy imposed upon a taxpayer (an individual or other legal entity) by a governmental organization in order to fund various public expenditures. Taxation is seen by Aguolu (2004), as a compulsory levy by the government through its agencies on the income, consumption and capital of its subjects. These levies are made on personal income, such as salaries, business profits, interests, dividends, discounts and royalties. It is also levied against company’s profits, petroleum profits, capital gains and capital transfer. According to Adams (2001) taxation is the most important source of revenue for modern governments, typically accounting for ninety percent or more of their income.

Tax is a common source of income generation for financing government activities. Individuals and organizations are expected to fulfill their obligations on tax payments as required by law to give the government the financial power, amongst other purpose of taxation. Effective taxation therefore becomes important as it is a source of required financial power for a government to rule its territory.

E-Taxation

E-taxation is the process of assessing, collecting and administering the taxation process through an electronic media. In the words of Che-Azmi & Kamarulzaman (2014), E-taxation is one of the ways through which governments around the world utilize information and communication technologies to improve the delivery of public services and the dissemination of public administration information to the public. Wasao (2014), describes electronic tax system as an online platform whereby the taxpayer is able to access through internet all the services offered by a financial authority such as the registration for a personal identification number, filing of returns.
and application for compliance certificate, a perfect example of such system is the Electronic taxation system that was rolled out by FIRS in Nigeria.

According to Australian National Audit Office (2015) e-taxation was first introduced in 1986 in the U.S.A. In Australia electronic tax-filling was introduced in 1987 through its modernization programme. By 1993, Canadian taxpayer’s commenced electronic filling of tax returns through the E-fills, Malaysia, Netherlands & Uganda all introduced electronic payment of tax to their taxpayers for the commence of both the revenue authorities and taxpayers in 2009. In March 2013, Egypt launched electronic payment of tax for its taxpayers, to keep pace with the international trades towards automated payments systems, especially for government services.

Nigeria joined the trend in 2015 when Federal Inland Revenue Service (FIRS) in collaboration with Inter - bank settlement System (NIBSS) implemented the technology in the Nigeria tax system, (Okunowo, 2015). Electronic tax system was introduced by Nigeria Tax Authority to increase financial collection, administration, render services to the tax payers all the time from anywhere, reduce costs of compliance and improve tax compliance. It is rapidly replacing paper-based tax reporting systems. Promising many advantages over the traditional method of hard copy tax filing, these systems promise faster process, lower costs and increased efficiency. FIRS has a centralized Information Communication Technology (ICT) department that provides support services in terms of electronic systems to the entire organization all these to try and achieve its goals for achieving increased revenue collection and facilitating voluntary compliance by taxpayers.

Elements of FIRS Electronic Tax Filing and Online Payment of Taxes are:

1. **Taxpayers Returns Filed Online**: Taxpayers can file all their tax returns online, for example Companies Income Tax (CIT), Value Added Tax (VAT), Capital gains Tax (CGT) and Petroleum Profits Tax (PPT), through the online platform.

2. **Tax Payment on the Platform**: Taxpayers can pay their taxes online from their bank accounts effective March 2015. This application which was developed in collaboration with the Nigeria Inter-Bank Settlement System (NIBBS) is hosted on the respective commercial bank’s internet-banking platform.

3. **Processing and Issuance of Electronic Tax Clearance Certificates**: Taxpayers can apply for a TCC online and get electronic tax clearance certificates via the platform.

Nigeria joined the trend in 2015 when Federal Inland Revenue Service (FIRS) in collaboration with Inter-bank settlement System (NIBSS) implemented the technology in the Nigeria tax system, (Okunowo, 2015). Electronic tax system was introduced by Nigeria Tax Authority to increase financial collection, administration, render services to the tax payers all the time from anywhere, reduce costs of compliance and improve tax compliance. It is rapidly replacing paper-based tax reporting systems. Promising many advantages over the traditional method of hard copy tax filing, these systems promise faster process, lower costs and increased efficiency. FIRS has a centralized Information Communication Technology (ICT) department that provides support services in terms of electronic systems to the entire organization all these to try and achieve its goals for achieving increased revenue collection and facilitating voluntary compliance by taxpayers.

Elements of FIRS Electronic Tax Filing and Online Payment of Taxes are:

1. **Taxpayers Returns Filed Online**: Taxpayers can file all their tax returns online, for example Companies Income Tax (CIT), Value Added Tax (VAT), Capital gains Tax (CGT) and Petroleum Profits Tax (PPT), through the online platform.

2. **Tax Payment on the Platform**: Taxpayers can pay their taxes online from their bank accounts effective March 2015. This application which was developed in collaboration with the Nigeria Inter-Bank Settlement System (NIBBS) is hosted on the respective commercial bank’s internet-banking platform.

3. **Processing and Issuance of Electronic Tax Clearance Certificates**: Taxpayers can apply for a TCC online and get electronic tax clearance certificates via the platform.
4. Verification of Tax Identification Number (TIN): Companies can verify the TIN of their vendors on the platform. This would solve the stress encountered when filing Withholding Tax monthly.

**Diagrammatic Presentation of Electronic-Taxation and Tax Productivity in Nigeria**

🇬🇧 Computerize system 🇳🇬 Output
lève ATM machine 🇳🇬 Price
✈️ E-payment 🇳🇬 Growth
✈️ E-remittance 🇳🇬 Profit

Source: Researchers’ Input, 2018

4. Research Methodology

This study adopted the descriptive survey research design, assumed to be the most desirable because the study sought to describe the current situation in “Effects of Electronic Taxation on Tax Productivity in Nigeria. The population for the study consisted of all members of staff of all manufacturing companies in Ondo State. A sample of 120 respondents was selected from three manufacturing firms in Ondo State. The three firms were selected from Akure Township because of internet connectivity. The manufacturing firms are coco-cola industry, paper and plywood industry and plastic rubber factory. The primary source of data collection was employed. Stratified random sampling methods. The study employed descriptive statistics of percentage count to analyze the data for simplicity and robust result. The statistical tool used for testing the hypothesis was the Analysis of Variance (ANOVA).

5. Data Presentation and Result Analysis

The research questions were analyzed using descriptive statistics of simple percentage. Strongly agreed and Agreed were coded as Agreed while Disagreed and Strongly disagreed were coded as Disagreed for these analyses.

**Research Question 1**: What are the effects of electronic taxation on the productivity in Nigeria?
Table 1: Effects of Electronic Taxation on the Productivity in Nigeria

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item</th>
<th>Agreed (%)</th>
<th>Disagreed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nigeria Revenue Authority has good electronic tax payment system</td>
<td>82 (68.3%)</td>
<td>38 (31.7%)</td>
</tr>
<tr>
<td>2</td>
<td>Nigeria Revenue Authority Board of Directors are committed to the electronic payment system implementation.</td>
<td>102 (85%)</td>
<td>18 (15%)</td>
</tr>
<tr>
<td>3</td>
<td>There is less frequent failure when one log in the online system</td>
<td>96 (80%)</td>
<td>24 (20%)</td>
</tr>
<tr>
<td>4</td>
<td>The system is not user friendly</td>
<td>74 (61.7%)</td>
<td>46 (38.3%)</td>
</tr>
<tr>
<td>5</td>
<td>Electronic tax filing system is fast and convenient compared to the old manual system</td>
<td>104 (86.7%)</td>
<td>16 (13.3%)</td>
</tr>
<tr>
<td>6</td>
<td>Electronic system has reduced corruption loopholes by making most payments through mobile phones and submitting returns online</td>
<td>114 (95%)</td>
<td>6 (5%)</td>
</tr>
</tbody>
</table>

Source: Field Survey (2018)

In table 1, from the analysis above, it was revealed that 82 respondents representing 68.3% agreed that Nigeria revenue authority has good electronic tax payment system while 38 (31.7%) disagreed with the statement. Also, 102 respondents representing 85% indicate that Nigeria revenue authority Board of Directors are committed to the electronic payment System implementation while only 18(15%) disagreed with the statement. The result shows that 96 respondents representing 80% concur that there is less frequent failure when one log in the online system for the payment of tax whereas 24(20%) still disagreed with the statement. However, 74 respondents representing 61.7% said the system is not user friendly to them and that it has several failures when logging in while 46(38.3%) were against the statement. The result as well, exhibited that 104 respondents representing (86.7%) agreed that electronic tax filing system is fast and convenient compared to the old manual system while 16(13.3%) disagreed with the statement. 114 respondents representing 95% said that electronic system has
reduced corruption loopholes by making most payment through mobile phones and submitting returns online while only 6(5%) believe that the method does not reduce corruption in Nigeria.

**Research Question 2:** What are the challenges of using electronic taxation system on the productivity in Nigeria?

**Table 2: Challenges of Using Electronic Taxation System on the Productivity in Nigeria**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Items</th>
<th>Agreed (%)</th>
<th>Disagreed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Feel uncomfortable using the electronic tax system as compared to the old manual system</td>
<td>86 (71.7%)</td>
<td>34 (28.3%)</td>
</tr>
<tr>
<td>2</td>
<td>Computer illiteracy is the biggest challenge</td>
<td>92 (76.7%)</td>
<td>28 (23.3%)</td>
</tr>
<tr>
<td>3</td>
<td>Nigeria Revenue Authority is making accessibility of the electronic tax system easy</td>
<td>36 (30%)</td>
<td>84 (70%)</td>
</tr>
<tr>
<td>4</td>
<td>Inadequate computer system is one of the major challenges of the electronic tax system</td>
<td>98 (81.7%)</td>
<td>22 (18.3%)</td>
</tr>
<tr>
<td>5</td>
<td>Poor electricity or poor power supply makes electronic tax payment system difficult a little.</td>
<td>88 (73.3%)</td>
<td>32 (26.7%)</td>
</tr>
</tbody>
</table>

**Source: Field Survey (2018)**

Table 2 presents the result of challenges confronted by using electronic taxation system on the productivity in Nigeria. The results show that 86 respondents representing 71.7% agreed that they feel uncomfortable using the electronic tax system as compared to the old manual system while 34(28.3%) making tax payment with the use of latest technology. Also, 92 respondents representing 76.7% indicate that computer illiteracy is the biggest challenge facing the tax payer in Nigeria while 28(23.3%) disagreed with the statement. However, lion share of the respondents, 84 representing 70% disagreed that Nigeria Revenue Authority is making accessibility of the electronic tax system easy while only 30% agreed with the statement. 98 respondents representing 81.7% indicate that inadequate computer system is one of the major challenges in using the electronic tax system when making payment while only 22 (18.3%) disagreed with the statement. Also, 88 respondents representing 73.3% agreed that poor electricity or poor power supply makes electronic tax payment system difficult a little while 32(26.7%) disagreed with the statement.
Test of Hypothesis

Test of Hypothesis: The study made use of question 1, 2, 3 and 5 for this hypothesis

H₀: Electronic taxation has no significant impact on tax productivity in Nigeria

Table 3: Combined Responses - Questions 1-6

<table>
<thead>
<tr>
<th>Variable</th>
<th>Question 1</th>
<th>Question 2</th>
<th>Question 3</th>
<th>Question 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>42</td>
<td>55</td>
<td>53</td>
<td>55</td>
<td>205</td>
</tr>
<tr>
<td>Agree</td>
<td>60</td>
<td>50</td>
<td>52</td>
<td>48</td>
<td>210</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>12</td>
<td>10</td>
<td>08</td>
<td>40</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>08</td>
<td>03</td>
<td>05</td>
<td>09</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>480</td>
</tr>
</tbody>
</table>

Source: Field Summary (2018)

Table 4: ANOVA Summary Table

<table>
<thead>
<tr>
<th>Source</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean squares</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>5941.5</td>
<td>3</td>
<td>1980.5</td>
<td>23.3</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1020.5</td>
<td>12</td>
<td>85.042</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6962.0</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Output (version 2017)

6. Discussion of the Findings

Judging from the analysis, the findings show that the large proportion of the respondents 68.3% indicate that Nigeria Revenue Authority has good electronic tax payment system and this is in line with the finding of Gbekonge and Wallace (2016). The result also confirms that there is no much problem when logging in on the online system because 80% respondents reveal that there is less frequent failure when login in the online system for the payment of taxes in Nigeria. However, 74 (61.7%) respondents were of opinion that the system is not friendly, this may be as
a result of challenges confronting the taxpayers in the process of accessing internet. 86.7% of the respondents indicate that electronic tax system is fast and convenient compared to the old manual system. The convenience may be owing to reduction in the cost of travelling to their offices. Also about 95% agreed that the new method of tax payment has reduced corruption loopholes by making most payment through mobile phones and submitting returns online in Nigeria. The findings show that about 71% of the respondents feel uncomfortable using electronic taxation as compared to the manual system. This might be as a result of rigor and difficulty involved in the process. The findings reveal that there are challenges of computer illiteracy, inadequate computer system and poor power supply or electricity as results show 76.7%, 81.7% and 73.3% of the challenges enumerated above respectively. The result is in consonance with the findings of Wasao (2014) that computer illiteracy is the biggest challenges in Nigeria. The findings also reveal that Nigeria Revenue Authority has not made accessibility of the electronic tax system absolutely easy, may be, due to the above unresolved challenges. Based on the hypothesis, the results reveal that electronic taxation has significant impact on tax productivity in Nigeria.

7. Conclusion and Recommendations

Based on the results, it was concluded that most respondents accept Nigeria Revenue Authority as good electronic tax payment system as well a fast and convenient tax payment mechanism. The study also concluded that the system is not user friendly enough which implies that there are many challenges such as poor power supply or electricity, inadequate computer system, computer illiteracy and lack of easy accessibility to the internet. It is concluded as well that the electronic tax system has reduced corruption in Nigeria tax system to certain extent as compared to old manual method of tax payment. More so, in line with the findings from the hypothesis, it is concluded that electronic taxation has significantly impacted tax productivity in Nigeria.

Based on the findings of this study, the following recommendations are put forward:

i. Nigeria Revenue Authority should come up with an easy application that can make tax registration, filing and payment easy for the taxpayers.

ii. Seminar/workshop should be conducted at the research area and beyond to ensure that the general public is aware of the new tax system, know how to use it and, if not, tax payers
should be advised where they can get assistance at designated government centers to avoid being robbed by fraudsters.

iii. Government should boost power supply or electricity in short term so as to enhance tax productivity and to raise more revenue for the government.

iv. The websites hosting should be strong and stable enough to avoid lack of easy accessibility and breakdown during congestion.

References
Adams, C. (2007), for Good and Evil. The impact of taxes on the course of civilization, USA Madison publishers


Neelam T. (2010). Tax elasticity and tax bouyance in Nepal. A Revisit, Deputy Director, Research Department, Nepal Rasta Bank, E-mail, neelam@urb.org.np.


