



Effect of online taxpayers' registration on the performance of tax administration in Kebbi State Board of Internal Revenue Service

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Abstract

This research work investigated the effect of online taxpayers' registration on the performance of Kebbi State Board of Internal Revenue Service. The study adopts survey research design. The population of the study consists of 138 personnel of Kebbi State Board of Internal Revenue Service. Krejcie and Morgan Table (1970) was used to arrive at sample size of 97 respondents which were selected. The primary data for the study was generated through structured questionnaire and analysed using descriptive and inferential statistics using SPSS version 26. The finding shows that, online taxpayers' registration simplified the process of taxpayers' registration, increase the accuracy of the taxpayers register and increase the number of the registered taxpayers. The research recommends that Kebbi State Board of Internal Revenue Serve should improve its ICT infrastructure to ensure that taxpayers across the state have access to their online registration portal.

Keywords: Online Taxpayers Registration, Kebbi State Board of Internal Revenue Service Performance.

1. Introduction

Tax Administration is a vital tool used by government across the world to generate revenue to finance its expenditure and ensure economic growth and development. Effective performance of tax agencies ensure that all eligible taxpayers are captured in the tax net and register in the taxpayers register. It makes sure that, tax revenue is collected promptly and accurately, it minimizes the risk of tax evasion, increase tax compliance and this will result to the increase in tax revenue which will invariably lead to the economic growth and development. On the other hand, failure of the tax authority to ensure that, all eligible taxpayers are register in the taxpayers' register can result to non-

compliance with tax laws and policies by the taxpayers, lead to high rate of tax evasion and avoidance, reduce tax revenue which limits the government's ability to fund it projects and programmes and undermining economic growth and development.

Due to the low revenue as a result of poor Performance of tax agencies to register all the eligible taxpayers over the years, governments both at federal and states levels in Nigeria had constrained to borrow to finance the deficits in their annual budgets. In Kebbi State also, over reliance on statutory allocation from the federation account, growing public debt, over dependence on foreign aids and poor infrastructural development are all attributed to the poor performance of the



State Board of Internal Revenue Service to ensure that all eligible taxpayers are captured in the tax net and register in the taxpayers register.

The registration of taxpayers which is one of the core and fundamental function of Kebbi State Board of Internal Revenue Service is hampered by numerous challenges that undermine the effort of the Board to have accurate, timely and updated records of all the eligible taxpayers in the State. Among the constraints is manual registration of taxpayers by the Board. The used manual taxpayers register has made the Board to lack the record and information of a large number of taxpayers in the State and this has also enabled a large and substantial number of the taxpayers to escape from the tax net thereby making the government to lost huge and substantial amount of tax revenue.

For example, Kebbi State is estimated to have a population of over six million (6 000 000) people, it is the 17th most populated State in Nigeria (Brinkhoff, 2022) but the record of the State Board of Internal Revenue Service indicated that, there is only 127000 taxpayers in the State, consisting of limited liability companies, small and medium enterprises and individual taxpayers in the register of the taxpayers (Kebbi State Board of Internal Revenue, 2023). However, due to the manual compilation of taxpayers' record and information the Board has the records of only 3,800 taxpayers which are less than 4% of the estimated taxpayers in their data base.

The used of manual taxpayers' register has made it easy for more than 96% of the eligible taxpayers to escape from the tax net, and is among the reasons responsible for the poor revenue generation in the State. More especially people working in the informal sector like self-employed persons can hardly pay tax in the State due to fact that, the Board lacked their records and information. Despite their huge

population and spread their contributions to state revenue inform of tax was minimal and one of the reason responsible for this was the used of manual taxpayers register. In order tackled this problem, online taxpayers' registration is introduced by the State Board of Internal Revenue Service so as to identify, locate, track and register all the prospective taxpayers in State.

The introduction of online taxpayers registration is expected to simplify the process of taxpayers registration and enable the Board to identify, locate and register all the eligible taxpayers in the State as Observed by Oseni (2016) who asserted that, with the introduction of online taxpayers register there will be no hiding place for the tax evaders since tax authority will have at its disposal all the relevant information of the taxpayers in their database. also, the used of online taxpayers' register has ease the detection of non-compliance, integrates registration, allow for single view of the taxpayer during audit or collection, centralize the database, allow for effective non-compliance monitoring, provides a single flat form for taxpayer to register for all taxes, simplify compliance, ensure interfaces with the e- tax system and allow new taxpayers to register online. This paper therefore, investigated the effect of online taxpayers' registration on the performance of Kebbi State Board of Internal Revenue Service.

2. Literature Review

2.1 Conceptual Review

2.1.1 Online Taxpayers Registration

Taxpayers Registration is otherwise called TPR which is the fundamental and initial step in tax administration. It involves identification and numbering of eligible taxpayers. Tax agency saddle with the responsibility of collecting tax revenue must compile and maintain a complete database of business and individual that is required by law to pay tax. Registration of



taxpayers underpins other key functions of tax authority like Kebbi State Board of Internal Revenue Service such as assessment and tax collection. This therefore underscores the need for more effective taxpayer's registration process and Information and Communication Technology has a very important role to play in ensuring effective and efficient taxpayers' registration (IMF, 2023).

Taxpayer Registration is the process by which tax agency collects basic taxpayer identifying information, such as name, address and legal entity type. This information enables the tax authority to know who its taxpayers are, where they are located and whether they are active or inactive (Guillermo, et al., 2013). Information and Communication Technology is used in this process for storing and maintenance of taxpayers identifying information, the automatic issuance of Taxpayer Identification Number and taxpayer's certificate as well as automatic determination of taxpayer filling requirement (Guillermo, et al., 2013).

Eiya and Soyinka (2018) reported that, taxpayer's registration as a process set out in law as obligation for every taxpayer and corporate body to register with appropriate tax authority, the objective of which is to obtain the full information of every taxpayer into the database of tax authority. Institute of Chartered Accounting of Nigeria (2014) perceived taxpayer registration as an official registration of individual taxpayers and business entity in a manner prescribed by law. Seyi (2003) and Oyebanji (2010) observed that taxpayer is entitle to quite number of benefit when register with relevant tax authority among which include access to tax clearance certificate, tax relief, obtaining financial assistance, loan, credit or intervention as well as obtaining taxpayer identification number.

A comprehensive system of taxpayer registration and identification is critical for effective and efficient performance of tax agencies like Kebbi State Board of Internal Revenue Service. The importance of an effective taxpayer's registration in providing a substantial revenue opportunity to the government cannot be over emphasized. Tax agencies therefore required strong process to manage those taxpayers that are in tax net and to also help to identify those who are yet to register; Information and Communication Technology have an important role to play in achieving this (OECD, 2022). An effective tax system encourages taxpayer's compliance with registration obligation. Tax agencies have to put in place measure to ensure that all individual taxpayers and corporate bodies are adequately captured in the tax net.

2.2 Benefit of adopting Online Taxpayers Registration

Scholars in different part of the world have written on the benefits of levering information communication technology in tax administration. The use of Information and Communication Technology has a significant impact on taxpayer's registration. Guillermo, et al, (2013) stated that, deployment of Information and Communication Technology in taxpayer's registration provide Unique Taxpayer Identification Number to facilitate exchange of information, ease detection of non-compliance, integrates registration, allow for single view of the taxpayer during audit or collection, centralize the registration database, allow for effective noncompliance monitoring, provides a single facility to taxpayer to register for all taxes, to simplifying compliance, interfaces with the e- tax system and allow new taxpayers to register online. A single centralized taxpayer registration database enables proper planning, allowing the tax authority to rationalize staffing and resources based on the size and geographic



location of the active taxpayer population and many of these tasks would be impossible to accomplish without Information and Communication Technology (Guillermo, et al., 2013). Also, Yuda (2013) submitted that Information and Communication Technology improve registration of taxpayers, ensured timely access to information, fast processing of return, remove postal delays, minimized operational cost, curb cheating and plug revenue loss.

Oseni (2015) argued that, with the deployment of Information and Communication Technology by the tax authorities in Nigeria for registration of prospective taxpayers there will be no hiding place for tax evaders since tax authorities will have all relevant information of the individual taxpayers and corporate bodies in their database. In a quest to have an effective tax system where all individual taxpayers and corporate bodies are captured in the tax net in Nigeria, Unique Tax Identification Number was introduced which provide a complete access to taxpayer's information nationwide and this was made possible by the deployment of Information and Communication Technology by the Federal Inland revenue Service.

Also, online taxpayers' registration has simplified the process of taxpayers' registration in such a way that taxpayers can fill all the necessary information electronically at the comfort of their homes without necessarily visiting the offices of tax agencies. It has the accuracy and integrity of the taxpayers register, reduced delay associated with manual registration process, save time and cost associated with paper work and improve performance of the tax agencies. Furthermore, online taxpayers' registration ensure better data management, reduced tax avoidance and evasion and increased compliance with tax laws and policies which invariably lead to the increase in tax revenue (Ati, 2023).

2.3 Performance of Tax Administration

Effective and efficient performance of tax administration is central to the economic growth and development, as it ensures that taxes are collected and funds are available for government to finance its developmental projects and programmes (Evans 2001). The definition of performance of tax administration is still not clear, and no unanimous and standardized definition of such tax administration performance exists.

Performance of tax administration can be understood as the ability to collect taxes effectively, allocate funds efficiently, and provide public services adequately. The critical role of tax administration in economic and societal development has prompted the focus on measuring the performance of tax administration. However, there is no universally accepted definition Performance of tax administration (Taufik, 2018). Meanwhile, the performance of tax administrations (PTAs) refers to ability of tax agency to effectively and efficiently complete its function or activities with the minimum resources and within a stipulated timeframe (Savic' et al. 2015). OECD (2011) expressed that, tax administration performance depends on its internal organizational structures, allocated budgeted funds to meet new priorities, adoption of ICT initiatives to reduce costs, and improve the capacity of its staff.

In the European countries, there has been a debate on which tax agency has the best-performance in tax administration. Factors such as the use of technology, organizational capacity, administrative efficiency and the ability to reduce tax evasion have been identified as key drivers for the performance of Europe tax administrations (Okunogbe & Santoro 2023). Tax authorities in some countries such as Estonia, Denmark and Netherlands were considered to have the high performance in tax administration because



in these countries fully digitalized tax system and efficient online services for taxpayers are always made available.

Also, the performance of tax administration in Nordic countries were categorized as efficient due to their effective use of technology, high administrative capacity levels, and low tax evasion rates (Hanna & Olken 2019). Conversely, the performance of some tax agencies particularly in new members of European Union, countries in Africa and some countries in Asia, have been rated to be poor in tax administration, because of bureaucratic bottleneck, limited use of technology, high rate of tax evasion and corruption and linkages in the tax system.

Accordingly, tax administration performance has different dimension therefore, measuring and benchmarking it performance has become seriously problematic (Arltová & Kot, 2023; Belmonte-Martin et al., 2021). Many attempts have been made to measure the performance of tax administrations (Aktas, 2023, Cordero et al., 2021; Crandall, 2010; Nguyen et al. 2020). Moreover, in the last few decades, several researches have been conducted by many scholars around the world in order to explain, examine, and measure the performance of tax administrations (Gerritsen, 2023). However, few attentions have been giving for establishing multi performance measures for tax administration that could be used to measure the relative performance of tax administrations and recommend and area for improving performance.

This study therefore, seeks to provide key performance indicators that can be used to measure the performance of tax administration and in the process Tax Administration Diagnosis Assessment Tool established by International Monetary Fund in 2015 was adapted. This assessment tool provides an objective and standardized performance tool for a

country's tax administration performance (2015). TADAT assessment tool look at key functions involve in tax administration and apply a scoring mechanism in line with best global practice. The nine performance outcome areas of TADAT are integrity of the taxpayers register, effective risk management, supporting voluntary compliance, on time filling of declaration, on time payment of tax, accurate reporting in declaration, effective tax dispute resolution, efficient revenue management and accountability and transparency. For the current study however, only three of this performance measurement was adapted which are integrity of the taxpayers register, reduction of tax avoidance and evasion and increase in tax revenue.

Thus, to determine the effect of online taxpayers' registration on the performance of Kebbi State Board of Internal Revenue Service the research work assessed how the adoption of online taxpayers' registration promote the integrity of the taxpayers register, reduce tax avoidance and evasion and increase tax revenue.

2.4 Empirical Review

Change (2010) studied the impact of ETR on VAT compliance among classified hotels in Nairobi, Kenya. The study used survey research design and population of the study constituted the managers and accountants of different hotels in Nairobi, Kenya. Questionnaire on 5-point Likert scale was used to elicit responses from the respondents choosing through purposive sampling technique, the data generated were analyzed using SSPS version 22 and the study findings indicate that the use of Electronic Tax Register contribute significantly in reducing the VAT audit time and significantly improve tax compliance among the hotels in Nairobi Kenya. Unlike his study that used taxpayers as respondents the current study used tax administrators as respondents for the survey. Also, unlike his study, the



current study used entirely different performance measurement criteria to assess the impact of online taxpayers' registration on the performance of tax administration.

Similarly, Naibei and Siringi (2011). Investigated the impact of electronic tax register on value added tax compliance among private business firms in Kisumu city, Kenya, a sample of 233 private firms was selected from the population of 590 firms using Stratified Sampling technique. The data was gathered through the used questionnaire, correlation and descriptive statistics was used for data analysis. Empirical results reveal that; effective and regular use of Electronic Tax Register has a significant impact on Value Added Tax compliance. Thus, their study respondents were the taxpayers mostly drawn from the private sector while the current study respondents were the tax administrators and the staff of the Kebbi State Board of Internal Revenue Service.

In the same vein, Abdu and Zemenu (2015) examine the impact of electronic tax register machine on value added tax compliance in Ethiopia, a study of Bahir Dar City. The study used simple random sampling technique and selected a sample of 176 valued added tax registered taxpayers in Bahir Dar City of Amhara National Regional State from the total population. The primary data for the study was generated using questionnaire of 5 point Likert scales running from strongly disagree to strongly agree, the data generated was analyzed using SPSS version 21 and Multiple Regression analysis was employed to determine the effect of electronic register machine on value added tax compliance in Ethiopia. The result shown that, the use of electronic tax Register machine has a significant and positive effect on value added tax compliance in Ethiopia. Their research is only trying to assess the effect of electronic tax register on value added tax compliance.

2.5 Underpinning Theory

Technology Acceptance Model was developed by Fred Davis in 1986, the theory emerged as an adaption of the Theory of Reasoned Action. It provides the framework for explaining user's perception and intention to accept and use technology to perform a function in an organization. Wang, et al., (2023) opined that, Technology Acceptance Model is one the leading research models in information and communication technology researches that attempted to predict and explain individual and organization's desire to acceptance and used information communication technology in the discharge of their functions. Through researches the theory has been empirically proven to be a robust model for understanding end user acceptance and adoption of new technology.

The main objective of the theory is to explain the processes underpinning the acceptance and use of technology by the individual and organization in order to predict the end user behaviour and provide theoretical explanation for the successful adoption of technology. Over the past decade, Technology Acceptance Model was widely used in information and communication technology studies in explaining what influences end user behaviour to accept and use technology. The model provided that, perceived ease of use and perceived usefulness is what led to the adoption of technology in carrying out functions like of online taxpayers' registration by the tax agencies. The theory was found appropriate and relevant because it adequately explains the research variables.

3. Methodology

This paper employed quantitative research design which describes a phenomenon by making use of numerical data that can be analyzed through statistical technique. Survey Research is more appropriate and



suitable for this study since the primary data used in this study was generated through the use of questionnaire and analyzed using statistical tool which gives room for generalization on the research finding by using statistical technique. The population of this study is made up the entire staff of Kebbi State Board of Internal Revenue Service. Thus, the Board has a total number of One Hundred and Thirty-Eight (138) personnel comprising both junior and senior staff across the seven departments. Krejcie and Morgan, (1970) table was used to determine the sample size for a study because of its ability to reduce the errors in sampling (Sekeran & Bougie, 2013). The sample size recommended is Ninety Seven (97).

4.1.1 Responses Rates

Table 1: Responses Rate

Description

Number of Questionnaires Administered

Unreturned Questionnaires

Returned Questionnaires

Returned but Unusable Questionnaires

Returned and Usable Questionnaires

Source: Researcher's SPSS Computation, 2025

The Table 1 above indicated that, a total of 97 questionnaires were distributed to the staffs of Kebbi State Board of Internal Revenue Service who were randomly chosen from the six departments of the Board. Similarly, 77 representing 74.69% questionnaires were filled and returned while 20 questionnaires representing 19.4 % were not returned. Therefore, 77 questionnaires that were properly filled was analyzed and this represents an overall

Simple random sampling technique was used in choosing the respondents for the survey in which every member of the population has an equal chance of being part of the selected sample. It is to be used because in this sampling technique there is no bias in the selection of sample for the study. Hence every person in the population has an equal opportunity of being selected to be part of the sample. Thus, probability sampling technique is mostly used in quantitative research in order to generate results that adequately represent the entire population (Iliyasu, et al., 2021).

4. Result and Findings

Frequency	Percentage (%)
77	74.69
20	19.4
77	74.69
0	0
97	74.64

successful rate of 74.69 % which is quite adequate, Mugenda (2003) and also Kothari (2004) opined that a response rate of above 50% is adequate for a descriptive study.



Table 2
Model Summary^b

Model	R	R Square	Adjusted R Square
1	.662 ^a	.438	.427

a. Predictors: (Constant), Online taxpayers' registration

b. Dependent Variable: Performance of tax administration

The table above indicated that online taxpayer's registration has 42.7% effect on the performance of tax administration but

apart from it there are other factors that have 57.3% effect on the performance of tax administration.

Table 4.: Coefficients of Simple Regression Analysis on the influence of online taxpayers' registration predictors on the performance of tax administration (PTA)

Predictors Variables(IV)	B	Bet a	t	Sig	P-Value	Decisio n
					Threshold	
Online Taxpayer Registration (OTR)	.673	.7120	13.650	.000	0.05	Rejected

5. Conclusion and Recommendation

This study investigates the effect online taxpayers' registration on the performance of tax administration. The study was motivated by the adoption of information and communication technology facilities by the Kebbi State Board of Internal Revenue Service to address the challenges militating against its effort to administer tax laws and policies in the State. The findings of this study indicated the importance of deploying information and communication technology in tax administration. Online taxpayers' registration was found to be very significant in simplifying the process of taxpayers' registration and ensuring that all the prospective taxpayers within the jurisdiction of the tax agency are adequately identify, locate, track and capture in the tax net. The research findings show that, the introduction of online taxpayers, registration also, promote the accuracy and integrity of the taxpayers register and lead to the increase in the number of the registered taxpayers in the state.

The study recommends that, government of Kebbi State should improve information and communication technology

infrastructures and support internet coverage across the state for online taxpayer's registration. The State Board of Internal Revenue Service has to ensure that, taxpayers have easy access to uninterrupted internet connectivity in the State, since taxpayers are found all over State therefore, even those in rural areas must have access to the portal of the Board to register. In addition to this, there is need to put in place a strong data protection measures so as to protect the data and information of the taxpayers.

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