

**INVESTIGATING THE EFFICIENCY OF TAX DIGITALIZATION AND
REVENUE GENERATION IN NIGER STATE, NIGERIA**

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Abstract

Electronic revenue enhances revenue collection efficiency and has gained prominence in developing countries. It improves state economic growth by providing adequate infrastructure and reducing government expenses. This paper examines the role of e-taxation on Internal Generated Revenue (IGR) in Niger State. The researcher adopts a survey research design in examining the role of e-taxation on Internal Generated Revenue (IGR) in Niger State. The population of the study of taxpayers, tax officials and tax experts in Niger state. The sample size of the study is 300, as dictated by Taro Yamani's sample size determination formula. The respondents were selected for the sample size through a stratified sampling technique. The data were collected through a primary source. The instrument of data collection is a questionnaire. The instrument underwent face validity, while the reliability test was done through the Cronbach's Alpha approach. The study used multiple linear regressions to analyse the study variables at 5% significance level. The study revealed from our analysis that electronic registration has a negative and no significant effect on revenue generation in Niger State. This explains with the value of the construct coefficient = $-.006$, t -statistics = $-.104$ and p -value = $.917$, which is $> .05$ level of significance. The electronic filing has a negative and no significant effect on revenue generation with the value of the construct coefficient = $-.072$, t -statistics = -1.008 and p -value = $.314$, which is $> .05$ level of significance. Electronic assessment has a negative and significant effect on the value of the construct coefficient = $-.179$, t -statistics = -2.643 and p -value = $.009$, which is $< .05$ level of significance. The electronic payment has a positive and significant effect on revenue generation with the value of the construct coefficient = $.516$, t -statistics = 9.572 and p -value = $.000$, which is $< .05$ level of significance. The study recommends, among others, that the State Government should support with everything at its disposal the establishment of e-tax administration to start reaping the benefits of a high rate of compliance among taxpayers.

Keywords: Taxation, e-Taxation, Revenue generation, e-filing, e-assessment, e-payment.

Introduction

In recent years, the digitalization of tax systems has given governments new tools for enhancing tax administration, increasing revenue collection, and promoting economic growth. The emergence of cutting-edge technology and the growing integration of digital platforms into a variety of societal spheres have fundamentally changed how tax systems function. Governments may improve compliance, decrease administrative costs, streamline tax procedures, and ultimately generate more money by utilizing digital tools. Digitalization is the introduction of digital technologies in different areas of life, as it plays an important role in various spheres of human life, society, state, public administration, and, in particular, it leads to efficiency of tax administration. Over the last two decades, several developing countries, including Nigeria (and its sub-national units), have joined the global bandwagon of using electronic technologies to increase domestic revenues. Within the new strategies lies the great potential for achieving sustainable development (Elmi, 2021).

Before the automation of tax processes, there was a time when tax payments were prone to diversion or mishandling at collecting banks. Manual reconciliation of accounts consumed excessive time, and taxpayers had to carry large sums of cash to fulfill their obligations (Usman, 2013). Currently, the Federal Inland Revenue Service (FIRS) is the primary agency responsible for assessing, collecting, and accounting for various taxes at the federal level, while individual states manage their respective Inland Revenue services. Despite these structures, tax administration in Nigeria faces numerous challenges, including issues related to taxpayer registration, identification, and payment. These challenges often stem from the inadequate adoption of information technology, also known as digitalization, in tax administration (Adeyeye, 2019; Ajala & Adegbe, 2020).

The persistent use of manual computation by tax administrators in Nigeria has given rise to a range of problems, including delays in tax assessments, inaccuracies, and errors. The absence of a comprehensive taxpayer database has contributed to noncompliance, increased tax evasion, and ineffective assessment and returns. Other consequences include a high level of professional incompetence among tax administrators and reported cases of unethical practices and corruption (Ayodeji, 2016; Ifere & Eko, 2014). These challenges associated with manual computation in tax assessment are not only disruptive but also lead to inefficient tax administration, resulting in a loss of tax revenue that could be allocated for essential expenditures.

Revenue generation is a major source of survival and challenge for every economy of the world, including the so-called advanced and developing economies (Adeyeye *et al.*, 2020). That is the reason why every country is interested in the amount of revenue to be generated now and in the future, because it is a determinant of economic development. In the course of trying to solve the challenge of revenue generation, taxation, which includes personal income tax, value-added tax,

and company income tax, has been the major source of government revenue in the economies of the world (Adegbe & Akinyemi, 2020). It is obvious that Nigeria's revenue from oil can no longer fully support its development objectives due to the serious decline in the price of oil in recent years, which has led to a decrease in the funds available to the Government (Asen & Bunn, 2021). Therefore, there is a need for the government to generate revenues internally to help finance its public expenditures. This need underscores the eagerness on the part of the government to look for new sources of revenue or to become aggressive and innovative in the mode of collecting revenue from existing sources. One of these existing sources is taxation. To help the government achieve better revenue collection, there is a need for it to introduce a better and convenient way to collect taxes for its citizens, which is through electronic taxation (Unuigbokhai, Rilwani & Unuigbokhai, 2023).

Niger State, situated in Nigeria, is a region that recognizes the potential benefits of tax digitalization for economic development. As one of the states in Nigeria facing economic challenges, Niger State requires a robust revenue generation system to support its developmental agenda. The implementation of effective tax digitalization initiatives can play a pivotal role in enhancing revenue collection, reducing leakages, and facilitating economic growth.

Statement of the Problem

The Nigerian tax administration system is marred by numerous problems, which have, over the years, made generating revenue through taxation a herculean task for successive governments. These problems include; multiplicity of taxes, lack of comprehensive data and information on tax payers, poor administration and bottle-necks, poor funding, massive leakages occasioned by corruption, inability to prioritize tax efforts, complexities in administration and payment laws, poor compliance - tax evasion and avoidance, lack of information and education for prospective tax payers (Etale & Bariweni, 2020). Amidst these challenges, the federal government of Nigeria through Federal Inland Revenue Service (FIRS) started the process of implementing an electronic tax administration system in 2013 through the introduction of the integrated tax administration system (ITAS) was comprised of a set of programs to enhance simplification of tax administration and encourage voluntary compliance and ensure linkages with other stakeholders through the use of information technology. The ITAS is aimed at reengineering and automating the FIRS tax administration processes as well as the procurement, installation and deployment of the Standard Integrated Government Tax Administration Solution (SIGTAS) and hardware infrastructure.

With the breakdown in the barriers to trade across geographical locations and with the transition to the fourth industrial revolution, tax authorities are faced with the challenges of gathering the

appropriate tax revenue and the problem of tax evasion, which is made simpler by the click of a button (Audu & Ishola, 2021). Unfortunately, our tax system has not been able to reach these perceived objectives over the years as a result of some setbacks and challenges, some of which also include: lack of stewardship amongst taxpayers, multiplicity of taxes, complex tax payment system, lack of database, tax evasion and avoidance, corruption and government instability, which has instigated non-compliance with relevant tax laws.

According to the OECD, Nigeria's tax-to-GDP ratio decreased by 0.6 percentage points from 7.3% to 6.7% between 2010 and 2021. In 2021, Nigeria's non-tax revenues amounted to 4.0% of GDP, which was lower than the average non-tax revenues for the 33 African countries (5.8% of GDP). The IMF reports that Nigeria's general government revenue was 7.3% of GDP for 2021, which is less than half of the average in countries belonging to the Economic Community of West African States (ECOWAS) and nearly a third of the average of countries in Sub-Saharan Africa (SSA). The World Bank notes that Nigeria's weak revenue mobilization has major implications for growth and development, including for improving its dire social service delivery outcomes. According to the Ministry of Finance, Nigeria spent about 80% of its revenues servicing debt between January and November 2022.

Despite the growing interest in tax digitalization and its potential impact on revenue generation, there is a significant research gap in understanding the specific efficiency of e-filing, e-payment, e-registration, and e-assessment systems in achieving this objective. While there have been studies examining the overall effectiveness of tax digitalization, there is a lack of comprehensive research focusing specifically on the individual components of tax digitalization and their impact on revenue generation, except for the work of Adegbe and Akinyemi (2020), and Amarachi & Nwambe (2019). These identified gaps in the literature call for further study in this area, which necessitated this study

Existing literature tends to provide general insights into the benefits and challenges of tax digitalization, but fails to delve into the specific efficiency of e-filing, e-payment, e-registration, and e-assessment systems. This research gap limits our understanding of the extent to which these digital platforms contribute to revenue generation and tax compliance. Additionally, the majority of research conducted in this area has focused on developed countries (Etim, Jeremiah, & Dan, 2022), with limited attention given to developing countries like Nigeria, and specifically, Niger State. This geographical research gap hinders our ability to draw accurate conclusions about the efficiency of tax digitalization in a developing country context.

The primary objective of any tax administration anywhere in the world is to maximize revenue collections by improving tax compliance. However, before the emergence of electronic taxation, tax administrators had been hindered in the efficient and effective discharge of their primary

assignments Sani, Abdulsalam, Yusuf, Muhammad, Aishatu and Bashir, 2023). Therefore, the researcher is motivated by the above background to conduct a study on investigating the efficiency of tax digitalization and revenue generation in Niger State.

Aims and Objectives of the Study

The primary objective of this research is to investigate the efficiency of tax digitalization and its effects on revenue generation in Niger State. Specifically, the research aims to achieve the following objectives:

To assess the effect of electronic registration on revenue generation in the Niger State Internal Revenue Service.

To investigate the effect of electronic filing on revenue generation in the Niger State Internal Revenue Service.

To evaluate the effect of electronic assessment on revenue generation in the Niger State Internal Revenue Service.

To determine the effect of electronic payment on revenue generation in the Niger State Internal Revenue Service.

Review of Few Related Literature

Tax Digitalization

The modern tax administration aims to achieve three main goals: enabling voluntary compliance, providing adequate tax records for easy exchange of information, and efficiently lowering collection costs (Olaoye, Opefolu & Yunus, 2023). Digitalization may reduce tax fraud by enhancing information collection, improving the control tools, and increasing efficiency while giving new opportunities for evading the tax (Yamen, Coskun & Mersni, 2023). This is the primary reason for the widespread usage of IT systems in tax administration. The use of information technology in the enforcement of basic tax operations such as registration, return filing, payment and database maintenance resulted in the development of what is now known as an electronic-based tax system, or e-tax. As a result, an electronic tax system is described as the automation of essential tax operations that allows taxpayers to register, file and pay their taxes electronically, as well as get education and information (Sani et al., 2023).

Digitalization of the revenue collection process plays an important role in reducing errors, cost reductions and it also allows for standardisation of the operational procedures. The need for revenue digitalization emanated from the desire to make the revenue collection process effective, cheap and reliable. The devolved units and governments around the world depend on revenue to

run their affairs. However, the revenue collected by some governments is not sufficient to facilitate the provision of quality services. The shortage in revenue demands that the governments discover new ways and methods of revenue collection (Chikombe & Mwangi, 2022).

Electronic Registration

Electronic registration (e-registration) is the process of registering for taxes online. It is a key component of e-taxation, which is the use of electronic technology to administer and collect taxes. E-registration has a number of benefits for both taxpayers and tax authorities. For taxpayers, e-registration is convenient, efficient and accurate. It can be done from anywhere with an internet connection, and it eliminates the need to fill out and submit paper forms. For tax authorities, e-registration reduces the administrative burden of processing tax registrations and makes it easier to track and manage taxpayer information.

Electronic Filing

E-filing systems increase the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately. Returns filed electronically have much lower error rates than paper returns and substantially cut the need to impose penalties and other punitive measures to foster compliance (Okoye & Adesanya, 2021). Nigeria joined the trend in 2015 when the Federal Inland Revenue Service (FIRS), in collaboration with Inter-bank settlement System (NIBSS) implemented the technology in the Nigerian tax system (Okunowo, 2015). E-filing enables taxpayers to file their tax returns through the SIRS Integrated Tax Administration System (ITAS). E-payment is a service rendered for the payment of all state government taxes and levies through a payment platform. E-registration is for the registration of new taxpayers with the Internal or Inland Revenue Service for various taxes.

Electronic Payment

According to the Federal Inland Revenue Service (2015), the FIRS introduced ITAS in 2013 to improve tax administration in Nigeria and transform the tax compliance process away from the current manual system, which is tedious and bureaucratic. The project aims to automate all core processes around registration, payment, assessment, debt and credit management, audit and investigation, case management, and returns filing (Okoye & Adesanya, 2021). E-filing systems increase the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately. Returns filed electronically have much lower error rates than paper returns and substantially cut the need to impose penalties and other punitive measures to foster compliance.

Electronic Assessment

Electronic assessment of e-taxation refers to the use of electronic systems and technologies to assess and collect taxes. This method of revenue generation has several advantages, including increased efficiency, improved accuracy, and reduced opportunities for corruption. By implementing electronic assessment systems, governments can streamline the tax collection process, making it easier for taxpayers to comply with their obligations and reducing the administrative burden on tax authorities. The goal of any tax authority is to establish a system of tax administration that allows for the collection of required taxes at minimum cost (Onuri Ernest & Fikayo, 2015). A tax authority engages in many activities, such as processing returns and related information from taxpayers, entering tax return data into a database, matching returns against filing requirements, processing tax payments and matching them against assessments, and issuing assessments and refunds.

Revenue Generation

Olatunji and Tijani (2018) describe revenue as an income or funds raised to meet the expenditure. He added further that revenue is a rising resource needed to provide government services. He also stated that there are two aspects of finance, which are income/revenue and expenditure, in other words, the sources of funds and utilization of funds. Again stated that when the compulsory levy is on the income of individuals and corporations, it is called direct taxation, whereas when the compulsory levy is on goods and services, it is referred to as indirect taxation. In the same vein, there are two forms of taxes: direct taxes, which include taxes levied directly on individuals and business firms and indirect taxes, which include taxes levied on goods and services.

Every economy in the world, even the so-called developed and emerging economies, depends heavily on revenue creation to survive. Because it influences economic development, this is the reason that every nation is concerned with the quantity of money that will be made both now and in the future. Taxation, which comprises value-added tax, corporation income tax, and personal income tax, has been the main source of government revenue in the economies of the globe in an effort to address the problem of revenue generation. It has largely served as a source of income for industrialized nations, but there are still certain murky areas that need to be addressed because of different degrees of tax evasion, which have decreased the amount of money made (OECD, 2017).

Empirical Review

Olaoye *et al.* (2023) investigated the impact of an electronic tax system on internally generated revenue in Ekiti State Internal Revenue Service, using electronic tax registration, electronic filing of tax returns, and electronic tax payment as proxies. The study, based on cross-sectional survey

data from 94 respondents, found that electronic tax payments had no statistically significant effect on the state's internally generated revenue. The research suggests that the intended goal of the electronic tax system in Ekiti State will not be achieved unless issues related to electronic tax filing and payment are fully addressed. While the study's limitations, including a small sample size and reliance on a cross-sectional survey, raise concerns about the generalizability of findings to the entire Ekiti State Internal Revenue Service. The use of proxies for an electronic tax system is criticized for oversimplifying its complex dynamics. The study lacks a detailed exploration of the reasons behind the non-significant effect of electronic tax payments on internally generated revenue. To enhance validity, future research is recommended to use a more extensive and diverse sample, employing both quantitative and qualitative methods. Researchers should delve into specific factors contributing to the lack of significance in electronic tax payments, explore barriers or inefficiencies in implementation, and consider conducting a longitudinal study for insights into evolving effects over time. Policymakers in Ekiti State are advised to address identified issues in electronic tax filing and payment through targeted reforms and enhanced infrastructure to ensure the system achieves its intended goals.

Both Etale and Bariweni (2020) and Olaoye et al. (2023) conducted studies on the impact of electronic tax systems, focusing on specific regions in Nigeria. Both studies utilized electronic tax registration, electronic filing of tax returns, and electronic processes as key components in their assessments. Both identified positive correlations between electronic tax systems and improved tax administration, emphasizing benefits such as cost reduction and streamlined processes. However, both studies acknowledged limitations, including small sample sizes and potential regional specificity, impacting the generalizability of their findings. While Pearson correlation was employed in Etale and Bariweni (2020), Olaoye et al. (2023) used cross-sectional survey data. Both studies recommended broader, more diverse research methodologies, including qualitative approaches, case studies, and larger sample sizes, to enhance the comprehensiveness and generalizability of future studies. Policymaker recommendations in both studies emphasized the need for widespread implementation of electronic processes and comprehensive training programs for tax personnel to ensure effective nationwide implementation of electronic tax systems. Both studies also highlighted the importance of addressing specific challenges and drawbacks associated with electronic tax systems for a more nuanced understanding and successful implementation.

Theory of Digital Diffusion

Innovation theory was developed by a sociologist Everett Rogers, in 1962 in the first edition of the publication 'Diffusion of Innovations' in 1962. The theory of digital diffusion is based on the notion that adoption of an innovation involves the spontaneous or planned spread of new ideas. It involves the application of a new idea, practice or object that is perceived as new in (Rogers, 1995). The theory stressed that it is the perception of change that is important; if the idea seems

new to the potential adopter, then it should be considered to be an innovation. The theory approached innovation diffusion by considering a variety of case studies on some topics including controlling scurvy in the British Navy, diffusion of hybrid corn in Iowa, diffusion of new news, bottle feeding a babies in the third world, how the refrigerator got its hum, Xerox Parc and Apple computers, digital economy, black music in white America and the possible information technology of administrations and products (Thomas, 2023). The philosophy of this theory is associated with the independent variable of this study, hence considered appropriate and relevant to the study as the theory contends that a technological innovation embodies information and its adoption acts to reduce complexities as applicable tax-related issues in Nigeria.

Research Methodology

The researcher adopts a survey research design in examining the role of e-taxation on Internal Generated Revenue (IGR) in Niger State. The population of the study of taxpayers, tax officials, and tax experts in Niger state. The sample size of the study is 300, as dictated by Taro Yamani sample size determination formula. The respondents were selected for the sample size through a stratified sampling technique. The data were collected through a primary source. The instrument of data collection is a questionnaire. The research instrument was thoroughly reviewed and appraised by the supervisor; thereafter, the corrections were made before the pilot study. The study leveraged the commonly used indicators of internal consistency, which is Cronbach's alpha coefficient. Preferably, the closer the reliability coefficient becomes to 1.0, the better. Wide-ranging, reliabilities less than .60 are considered to be poor, those in the .70 range, acceptable, and those over .80 good (Sekaran 2013). The results of the reliability test the shown below;

Table 3.1 Summary of Reliability Analysis

Variables	No of Items	Chronbach's alpha
Revenue Generation	5	.812
Electronic Filling	5	.791
Electronic Registration	5	.801
Electronic Payment	5	.761
Electronic Assessment	5	.731

Source: Pilot study, 2025

The result above revealed the Cronbach’s alpha ranges from 0.731 to 0.812, signifying that the instrument is reliable and can give a consistent result on the efficiency of tax digitalization and revenue generation in Niger State.

The dependent variable of the study is revenue generation, and the various independent variables on efficiency of tax digitalization is proxied by electronic registration (ER), electronic filing (EF), electronic payment (EP), and electronic assessment (EA). In econometric form, the model specification of descriptive design can be as follows:

$$\text{Revenue} = \beta_0 + \beta_1\text{ER} + \beta_2\text{EF} + \beta_3\text{EP} + \beta_4\text{EA} + \varepsilon$$

Where β_0 is the constant term, β_1 - β_4 are the coefficients of the independent variables ER, EF, EP, and EA, respectively, and ε is the error term. The model can be estimated using multiple regression analysis to determine the impact of each variable on revenue generation.

Table 3.2 below explains the variables under study.

Variable	Acronym	Type of Measurement variable	Justification
Revenue generation	RG	Dependent (DV)	Revenue generation is measured as the total amount of money that a company or organization brings in from sales, minus the cost of goods sold and other expenses. Onuselogu and Onuora (2021)
Tax digitalization	TD	Independent Variable (IV)	This measure calculates the proportion of tax transactions that are conducted digitally compared to traditional, paper-based methods. Etim <i>et al.</i> (2020)
Electronic registration	ER	Independent Variable (IV)	This measure evaluates the time it takes for users to complete the electronic registration process. Akhor and Asuelime (2023)
Electronic filing	EF	Independent Variable (IV)	This measure assesses the accuracy of electronic filings and the occurrence of errors. Ajayi and Yidiat (2021)

Electronic payment	EP	Independent Variable (IV)	This measure assesses the effectiveness of security measures implemented in electronic payment systems.	Okoye and Adesanya (2021)
Electronic assessment	EA	Independent Variable (IV)	This measure evaluates the efficiency and time savings achieved through electronic assessment.	Olurankinse and Oladeji (2018)

Source: Researcher’s compilation, 2025.

DATA ANALYSIS AND PRESENTATION

Collinearity Test

The result of the study collinearity test is shown in Table 4.12

Table 4.1 Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Electronic Registration	.777	1.287
Electronic filing	.532	1.881
Electronic Assessment	.501	1.996
Electronic Payment	.668	1.498

a. Dependent Variable: Revenue Generation

Source: Researcher's Field Survey, 2025.

The values of the study tolerance range between .501 and .777, while the values of the VIF range from 1.287 to 1.996. This result means that there is no collinearity concern in the study.

Table 4.2 Model Summary

The result of the study model fit is shown in Table 4.13

Table 4.2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.669 ^a	.349	.339	4.372	1.997

a. Predictors: (Constant), Electronic Payment, Electronic Registration, Electronic Filing, Electronic Assessment

b. Dependent Variable: Revenue Generation

Source: Researcher's Field Survey, 2025.

The result of the model summary in Table 4.2 depicts that the value of R = .669, which means the model has a good level of prediction. The R-squared value of .349 shows that electronic registration, electronic filing, electronic assessment and electronic payment account for the variability in the revenue generation. The adjusted R-squared value of .339 shows that the four independent variables predicted the changes in the dependent variable. The value of the Durbin-Watson = 1.997 means that the model is fit.

Table 4.3 ANOVA

The result of the study ANOVA is shown in Table 4.14

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1889.608	4	472.402	24.710	.000 ^b
	Residual	5697.124	298	19.118		
	Total	7586.733	302			

a. Dependent Variable: Revenue Generation

b. Predictors: (Constant), Electronic Payment, Electronic Registration, Electronic Filing, Electronic Assessment

Source: Researcher's Field Survey, 2025.

The value of the F-statistic in the ANOVA table is 24.710 and is significant at .000. This result implies that the model is statistically significant and is fit for further analysis.

Table 4.4 Test of Hypotheses

The result of the study ANOVA is shown in Table 4.15

Table 4.4.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.902	1.223		11.369	.000
	Electronic Registration	-.006	.054	-.006	-.104	.917
	Electronic Filing	-.072	.071	-.069	-1.008	.314
	Electronic Assessment	-.179	.068	-.187	-2.643	.009
	Electronic Payment	.516	.054	.588	9.572	.000

a. Dependent Variable: Revenue Generation

Source: Researcher's Field Survey, 2025.

The result of the test of the first hypothesis revealed that electronic registration has a negative and no significant effect on revenue generation in Niger State. This explains with the value of the construct coefficient = -.006, t-statistics = -.104 and p - p-value = .917, which is > .05 level of significance. This means that a decrease in electronic registration by 1 unit will not decrease revenue generation by -.006 units. With this result, the study therefore accepts the null hypothesis and rejects the alternative.

The result of the test of the second hypothesis revealed that electronic filing has a negative and no significant effect on revenue generation in Niger State. This explains with the value of the construct coefficient = -.072, t-statistics = -1.008 and p - p-value = .314, which is > .05 level of significance. This means that a decrease in electronic filing by 1 unit will not decrease revenue

generation by -.072 units. With this result, the study therefore accepts the null hypothesis and rejects the alternative.

The result of the test of the third hypothesis revealed that electronic assessment has a negative and significant effect on revenue generation in Niger State. This explains with the value of the construct coefficient = -.179, t-statistics = -2.643 and p - p-value = .009, which is < .05 level of significance. This means that a decrease in electronic assessment by 1 unit will decrease revenue generation by -.179 units. With this result, the study therefore rejects the null hypothesis and accepts the alternative.

The result of the test of the fourth hypothesis revealed that electronic payment has a positive and significant effect on revenue generation in Niger State. This explains with the value of the construct coefficient = .516, t-statistics = 9.572 and p - p-value = .000, which is < .05 level of significance. This means that a decrease in electronic payment by 1 unit will increase revenue generation by .516 units. With this result, the study therefore rejects the null hypothesis and accepts the alternative.

Discussion of Findings

The study investigates the efficiency of tax digitalization and revenue generation in Niger State, Nigeria. Specifically, the hypothesis revealed that when all other variables are held constant, E registration positively influences revenue generation by -.006 with $r = .971$. Hypothesis two shows that when all other variables are held constant E filing negatively influences revenue generation by -.721 with $r = .314$. Furthermore, when other variables are held constant, E assessment negatively influences revenue generation by -.179 at .009 significant level. The last hypothesis revealed that when other variables are held constant E payment positively influences revenue generation by .516 at .000 significant level.

The outcome of this study is in line with past studies Ordu and Akor (2022), Olugboyega & Ahmed (2022) and Onuorah and Anastatsia (2023) that tax digitalization was positively and significantly affecting revenue generation in Niger State Internal Revenue Service. Furthermore, Adegbe & Akinyemi (2020) also suggest that tax digitalization have a significant and direct relationship with revenue generation. This indicates the effective tax digitalization enhances drastically the revenue generation of Niger state Internal Revenue Service, Nigeria which will help the Board achieves its targeted mission and objectives.

Conclusion

The paper explores the important role of the E-taxation system on Revenue Generation in Niger State. The study found, among others, that E-tax can significantly enhance revenue generation efficiency and taxpayers' compliance in Niger State. Based on the findings of the study, the researcher concluded that electronic registration has a negative and no significant

effect on revenue generation in Niger State. This explains with the value of the construct coefficient = $-.006$, t-statistics = $-.104$ and p - value = $.917$, which is $> .05$ level of significance. The electronic filing has a negative and no significant effect on revenue generation with the value of the construct coefficient = $-.072$, t-statistics = -1.008 and p - p-value = $.314$, which is $> .05$ level of significance. Electronic assessment has a negative and significant effect on the value of the construct coefficient = $-.179$, t-statistics = -2.643 and p - p-value = $.009$, which is $< .05$ level of significance. The electronic payment has a positive and significant effect on revenue generation.

Recommendation

From the foregoing results and discussions, the study recommends that: The State Government should support with everything at its disposal the establishment of e-tax administration to start reaping the benefits of a high rate of compliance among taxpayers. The system must be secured to guarantee taxpayer confidentiality and minimise fraud, especially with respect to online payments. There should be a harmonized joint committee by the State government under the watch of the NGSIRS/LGs and Joint Tax Board to ensure the effective implementation of the E-tax administration system at all levels of government. Proper monitoring and control of the system must be put in place, such as the collection of relevant information about users in order to evaluate usage and address challenges faced, and also the provision of a data validation mechanism as is the case with smart systems. Tax incentives should be granted to E-tax users in order to encourage taxpayers to adopt the system as well as to ensure total compliance. The E-tax system should be constantly reviewed to address emerging problems and to evolve with the changing economic landscape and increased complexity of today's business.

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