The Influence of E-tax System on Tax administration and Tax revenue generation: Insights from Lagos State Internal Revenue Service

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Abstract
The e-tax system offers electronic registration, filing and payment, as well as education and information to taxpayers. This study examines the influence of an electronic system of taxation on tax administration efficiency and tax revenue generation in Lagos state, Nigeria. Survey research design was adopted using a structured five point Likert-scaled questionnaire to obtain data. A response rate of 73.33% was achieved as 110 copies of the questionnaire were duly returned out of the 150 copies that were administered. Data gathered were analyzed using descriptive statistics, while hypotheses were tested using the Multivariate Analysis of Variance (MANOVA) with the aid of SPSS. Major findings of the study revealed that respondents do not differ that e-tax system

has enhanced revenue generating potentials of Lagos State and as well, or has positive impact on the efficiency of tax administration. As a conclusion of the study we recommend the relevant tax authority to formulate and implement policies that would promote the sustainability of positive effects of the e-tax system and to train tax officials on how to harness the benefits of administering taxes electronically.

Introduction

The current economic situation in Nigeria has necessitated the need for government to embark on aggressive revenue drive that will enable the discharge of numerous duties to the citizen. With the intended shift to non-oil sources of income, taxation remains an unswerving tool for government to achieve this objective (KPMG, 2017). Taxation is seen as a compulsory contribution levied by the government on personal income and business profits or added to the cost of some goods, services and transactions (Majura, 2013). According to Holban (2007), taxation is expected to play three significant roles: generation of sufficient funds for financing public services and social transfers; provision of incentives for more employment and efficient use of natural resources; reallocation of income. As so much is expected from taxation, Nigeria, like other economies of the world follows the path of continuous tax reform to cope with the global economic realities.

Tax reform refers to general overhaul of the tax system to make it more progressive, simplified, accountable and understandable (Somorin, 2014). Tax experts and administrators have advocated for technology-driven tax system to expand the country's tax base, achieve economic diversification away from the oil revenue, and enhance the delivery of public services and fiscal propriety (Harrisson and Nahashon, 2015; Yekeen, 2017). In Nigeria, government has introduced the unique Taxpayer's Identification Number (TIN) (effective February,

2008); automated tax system that facilitates tracking of tax positions of taxpayers; e-payment system(e-tax) and enforcement scheme (involving special purpose tax officers in collaboration with other security agencies to ensure strict compliance in payment of taxes). All these measures (Section 8(q) of FIRS Establishment Act, 2007) have led to an improvement in tax administration in the country (Asuquo, 2016).

Technology influences the way we work, play and interacts with others and has transformed and impacted the macro environment (Eric and Richard, 2008; Abiola, 2014). Thus, an electronic system of taxation is the application of information and communication technology (ICT) to filing tax returns and remitting taxes based on assessment as prescribed by the relevant tax authority. It is not surprising that e-tax system has permeated both, developed and emerging economies, such as Australia, United Kingdom, France, India, China, Singapore, Turkey, Malaysia, Uganda, Rwanda and Nigeria (Ramayah, Ramoo and Amlus, 2008; Muita, 2011).

Among the greatest problems facing tax administration in Nigeria are tax evasion, non-tax compliance and collusion of tax officials with tax payers to circumvent tax payment (Adegbie and Fakile, 2011; Odia, 2014). However, with e-tax system, revenue collection efficiency is guaranteed, tax compliance would be enhanced, and incidence of tax evasion and avoidance would be greatly reduced (Otieno, et al., 2013; Efunboade, 2014; Harrison and Nahashon, 2015; Oseni, 2015).

As a result, it becomes necessary to assesses how the implementation of the electronic system of taxation has contributed to the restoration of tax compliance culture and hence its effect on tax administration and revenue. Specifically, this study surveys the differences in opinions of tax experts with respect to the effect of e-tax on tax administration and tax revenue in Lagos state.

Methodology and Purpose of the study

The aim of the study is to examine the influence of electronic taxation on tax filing and tax compliance in Nigeria. In order to achieve this aim, tax experts' opinion were sought on: how e-tax affects the effectiveness and efficiency of tax administration and their observed changes in Lagos State revenue due to introduction of e-tax in Lagos State. Survey design was adopted in conducting this research. This method is usually adopted when the researcher does not intend to control any of the samples used for the study (Asika, 2006).

Specifically, questionnaire was used in gathering the data used for the purpose of analysis. The study took advantage of the cluster of Lagos State Internal Revenue Service staff into three facets of tax accountants, tax consultants and tax auditors. Hence copies of the questionnaire were distributed to respondents in each expertise area and were all given equal opportunities to complete and return. Of all distributed, only 110 were returned and usable for the purpose of the analysis.

The questionnaire design was tailored towards gathering responses on how tax revenue and effectiveness of tax administration have reacted to the adoption of electronic taxation in Lagos State, Nigeria. Hence, questionnaire items were developed on a 5-point Likert scale measured by 5 = strongly agree and 1 = strongly disagree, so as to measure the importance of each of the factors on the basis of respondents' profiles. The analysis takes two strands namely, descriptive and inferential analyses. Summary of the distribution of respondents' profiles was done using frequencies and percentages. Further, group mean was computed for each of the dependent variables (effectiveness of tax administration and Tax revenue due to e-tax) to identify the variable that is most affected by the impact of e-tax.

To make a reliable statistical inference by testing the stated hypotheses, a parametric analysis is required. For this purpose, significant effect of e-tax on the dependent variables is examined on the basis of respondents' tax expertise (tax accountants, tax consultants and tax auditors). Hence, three cohorts of tax experts were considered against two dependent variables. In such research situations, Multivariate Analysis of Variance (MANOVA) becomes handy as the appropriate data analysis tool. MANOVA is designed to look at several dependent variables (outcomes) simultaneously and so is a multivariate test (Field, 2005). More so, MANOVA, by including all dependent variables in the same analysis, takes account of the relationship between outcome variables and has the power to detect whether groups differ along a combination of dimensions (Field, 2005).

Theoretical Framework
With its first appearance in a doctoral thesis in 1985, Davis' Technology Acceptance Model (TAM) has sprawled over several findings investigating the adoption of Information Technology (IT) in all facets of human endeavor. TAM posits that the intention to adopt IT is determined by two beliefs – *perceived usefulness* (possible benefits from adoption) and

perceived ease of use (Effectiveness and efficiency of administration) (Venkatesh and Bala, 2008) thus incorporating management and outcome of the adoption of IT. The model is therefore developed to explain that IT use is a response that can be explained or predicted by user motivation which in turn is directly influenced by an external stimulus consisting of the actual system features and capabilities (Chuttur, 2009). TAM is adopted in this work to explain the effect of the application of IT soft and hard infrastructure to the tax system termed e-taxation on user's objective (the administration efficiency and effectiveness, as well as the tax revenue). *Perceived ease of use* is conceptualized to explain the need to identify the infrastructure both hard and soft wares, as well as personnel needed to bring about the motivation (revenue) expected by the user. The TAM depicts that the adoption of IT can only be achieved by the acquisition of the necessary IT infrastructure and the availability of IT expertise for easy utilization of the acquired infrastructure. The twinning of these elements is expected to bring about effectiveness and efficiency of tax administration which, as modeled by TAM is expected to affect the perceived motivation (tax revenue) behind the adoption of IT. The framework presented in fig. no. 1 explains how the theory predicts the relationship among the variables.

Fig. no. 1. *Theoretical Framework*: Adaptation of the Technology Acceptance Model
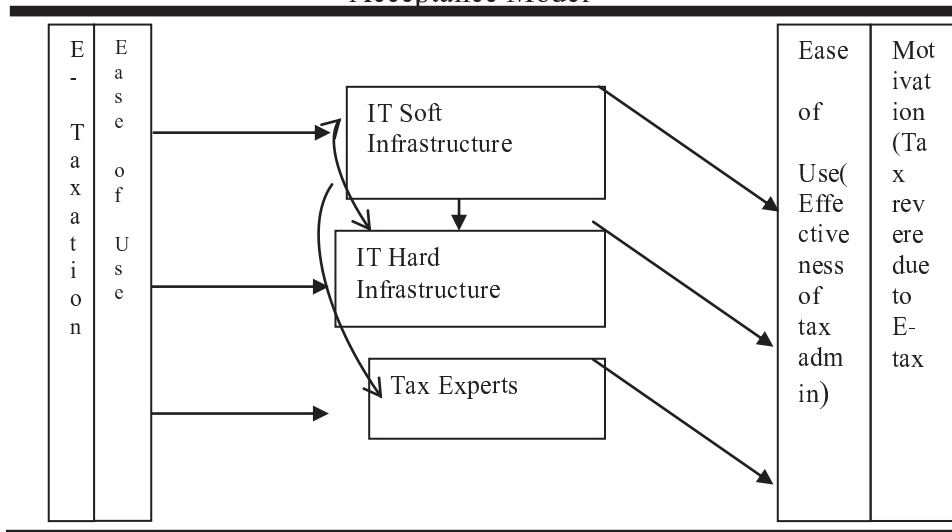
Source: Venkatesh and Bala (2008)

Literature Review

The quest for improved delivery of public services by the government and encouraging taxpayers to better fulfill their tax obligation by the tax authority has been the concern of Nigerian government (Nelson, 2002). To meet these challenges for example, tax authorities are turning to e-government led solutions like electronic tax filing (e-filing) (Amitabh *et al.*, 2008). According to Teltscher (2002), these technological modernisms are having a weighty influence on the administration of fiscal systems and the way in which taxation is administered. The information and telecommunication sector has proven to be the major driver facilitating internet economy in Nigeria (Abiola, 2014). Of recent, the use of technology to improve the effectiveness of tax administration, expand taxpayer services and enhance tax compliance has come to attract increasing attention in developed and developing countries (Dowe, 2008; Olaoye and Kehinde, 2015). E-tax, according to Amitabh et al. (2008), would assist revenue authority in timely completion and processing tax returns and issuance of refunds; also, in taking key administrative decisions in tax administration and compliance functions, serving as a source of most comprehensive, authentic and current financial, business and economic data for policy formulation inside the government.

The Federal Inland Revenue Service (FIRS) embarked on an Integrated Tax Administration System (ITAS) project in 2013. ITAS is technology-driven aimed at enhancing tax administration and simplifying the tax compliance process in Nigeria. Although the FIRS were working towards full implementation of the platform before the end of 2015, the system was already being used by a few taxpayers registered with the Large Tax Offices (LTOs) in Lagos and Abuja. Ezomike (2016) stated that the ITAS has the potential to revolutionize tax practice in Nigeria by improving interaction between the FIRS and taxpayers. Through ITAS, taxpayers were able to file their tax returns electronically, pay their taxes online, get instant credit for withholding taxes deducted on their income, generate tax clearance certificates and chat with their FIRS local tax office through the "Message Centre".

E-tax is a concept that enables taxpayers file their tax returns and make tax payments electronically. In other words, tax administrators and taxpayers communicate online and compliance is enhanced through an online platform created by this system. Electronic taxation hinges on two important concepts: electronic filing (e-filing)

and electronic payment (e-payment) system (Andarias, 2006; Denise, 2008). Generally, under an e-filing and e-payment system returns are filed and payments are made via the internet and the tax administrator sends an electronic confirmation acknowledging receipt of the return and/or payment. In the case of e-payments, the taxpayers also receive a debit confirmation from their financial institution.

Since the advancement of ICT, the operation of tax system has been seriously challenged (Muita, 2011) and one of the ways tax authorities had improved interactions with taxpayers is through e-tax system (Wasao, 2014). E-tax system increases the quality and quantity of information available to tax officers, enabling them to complete transactions faster and more accurately. The primary objective of any tax administration anywhere in the world is to maximize revenue collections by improving tax compliance. Before the emergence of electronic taxation, tax administrators have been hindered in the effective and efficient discharge of their primary assignments. As argued by Adegbie and Fakile (2011), tax evasion and tax avoidance have contributed significantly to limiting revenue accruable to the federal government of Nigeria. Tax administration can better be placed if: tax rules and procedures are simple; tax compliance costs are low; there is easy access to information by taxpayers, and there exists mutual trust between taxpayers and tax authority.

Computer technology must be combined with the political will to enforce tax collection if it is to yield greater revenue. In addition, taxpayer's identification number could be tied to other means of identification such as drivers' licenses or passport. Corrupt-free and efficient administrative machinery with personnel who are adequately trained, well-equipped and motivated would enable Nigeria to make appreciable progress in revenue diversification.

Tax compliance in its most simple form is usually viewed to mean the full payment of all taxes due (Braithwaite, 2009) which includes timely filling and reporting of required tax information, the correct self-assessment of taxes owed, and the timely payment of those taxes without enforcement action (Andreoni, Erard and Feinstein, 1998; Jones, 2009). From this definition results three dimensions of tax compliance: filing, reporting and payment compliance. A compliant taxpayer would submit the correct forms to the revenue authority; render accurate return and pay tax liability in a timely manner. A

taxpayer would be declared non-compliant if the three dimensions are not properly accomplished (Wasao, 2014).

Voluntary compliance is made possible by the trust and cooperation ensuing between tax authority and taxpayer and it is the willingness of the taxpayer to comply with tax authority's directives and regulations. This is aided by such factors as the efficiency and efficacy of government services, the perceived level of fraud and corruption in the government and whether government is serious in combating fraud and corruption (Fagbemi and Abogun, 2010; Wang, 2010). The presence of tax non-compliance results from: the growing dissatisfaction of the fairness of tax system (Chau and Leung, 2009); mistakes done by a taxpayer while filling his tax form or intentional omission (Fagbemi and Abogun, 2010); the increase of administrative cost of tax collection (Tanko, Okpara and Ajape, 2013).

Therefore, boosting tax compliance level has remained a source of concern to policy makers, tax administrators and society in general (Wasao, 2014). This is mainly because tax compliance affects revenue collection and the ability of the government to achieve its fiscal and social goals (Tan and Sawyer, 2003). In order to achieve higher voluntary compliance and bridge tax gap, researchers have advocated for tax education and review of tax laws to include stringent penalty for tax defaulters (Tanko et al., 2013) and introduction of electronic filing system (Khadijah, 2013).

Tanko et al. (2013) had observed an increasing level of tax compliance in Lagos State as more taxpayers now voluntarily go to the revenue offices to pay land use charge, market levy and infrastructural development levy. This claim is further buttressed in the speech of the Former Governor of Lagos state, Babatunde Raji Fashola in 2015 while addressing the 8[th]Annual Lagos State Taxation Stakeholders' Conference at The Haven, Ikeja GRA. He reported an insignificant number of court cases on tax evasion matters (only about 600 cases, in a population of 21 million people with an estimated taxable base of about 8 million people) (Office of the Governor, Lagos state, press release, January 29, 2015).

The primary objective of a modern tax system is generation of revenue to help the government to finance ever-increasing public sector expenditure (Afuberoh and Okoye, 2014). According to Aguolu (2004), taxation constitutes the most important source of governmental revenues, from the point of view of certainty and consistency of

taxation. This implies that owing to the inherent power of government to impose taxes, the government is assured of its tax revenue no matter the circumstances. Olotu (2012) mentioned that taxation is already showing signs of transformation in many states of the federation of Nigeria. She pointed that states like Imo, Edo, Rivers and Lagos have seen their tax revenues tripled and quadrupled in recent times and this has enabled the implementation of numerous life and community transforming projects and to finance critical infrastructural projects.

Lagos State is one of the biggest contributors to the Gross Domestic Product (GDP) and seemed to have become less dependent on federal allocation through a formidable Internally Generated Revenue (IGR) ingenuity (Syndelle, 2009; Abiola and Asiweh, 2012). In the year 2013 alone, Lagos State was reported by the NBS to have its IGR higher than that of 19 other states combined. This same trend was reported in 2015 where Lagos State IGR accounted for 40% (N268bn) of the total tax collection of N683.6 billion by all 36 states of the federation (NBS, 2013; 2015; Oyedele, 2016). In the same vein, Oyedele (2016) stated that the Joint Tax Board (JTB) statistics showed that there are precisely 10,006,304 people registered for personal income tax purposes in Nigeria with about 46% (about 4.6 million) registered with the LIRS. Table no.1a and b further reveals a continual improvement in terms of widened tax bracket as well as tax revenue collection of Lagos State. These massive improvements can be traced back to 2004 when the e-tax system was implemented and the success story has also been variously attributed to the unswerving efforts of the Executive Chairman of the Lagos State Board of Internal Revenue, Mr. Babatunde Fowler, who served in that capacity from year 2005 through 2014. Today, Lagos is held up as a model in tax administration.

Table no. 1a. Tax revenue collection of Lagos State

Year	Taxpayers	Tax Revenue (N)	Taxpayers' Growth (%)	Tax Revenue Growth (%)
2011		156,916,323,083.00		0.00%
2012	3,133,888	172,435,519,871.00	0.00	9.89%
2013	4,174,847	200,604,569,017.00	33.22%	16.34%
2014	4,504,927	217,000,013,563.00	7.91%	8.17%
2015	4,591,559	228,809,449,329.00	1.92%	5.44%
2016	4,902,386	244,282,576,930.00	6.77%	6.76%

Source: LIRS Tax Statistics Reports (2016)

Table no. 1b. Lagos State internally generated revenue (IGR) profile

Year/ Variable	LIRS IGR (N)	Other IGR (N)	Total IGR (N)
2012	172,435,519,871.00	41,301,922,911.00	213,737,442,782.00
2013	200,604,569,017.00	40,692,440,913.00	241,297,009,930.00
2014	217,000,013,563.00	59,469,437,736.00	276,469,451,299.00
2015	228,809,449,329.00	39,415,333,105.00	268,224,782,434.00
2016	244,282,576,930.00	55,142,515,035.36	299,425,091,965.00

Source: LIRS Tax Statistics Reports (2016)

Results

Table no. 2 summarizes the profile of the respondents. It indicates that most of the respondents fall within the age range of 25-45 being the most active age range in both, public and private sector. The age range thus lends credence to the quality of data gathered as the sampling targets all staff of the LIRS. Meanwhile, the data gathering also enjoyed a good distribution of nearing retirement and very experienced staff of the service with the cumulative representation of 14.5% in this category. The gender distribution of respondents indicates a fairly equitable distribution of respondents. Meanwhile, the research does not intend to test how gender distribution affects the variable of interest. It merely accentuates the appropriateness of the sampling procedure. The analysis also depicts the distribution of respondents on the basis of tax expertise. Although, the distribution appears skewed, the

percentage response with respect to each cluster is utilized as a basis of identifying their effects on the outcome variables.

Both academic and professional qualifications presented are indicators of the level of knowledge and expertise of the respondents. Interestingly however, more than 80% of the respondents have one professional qualification or another, while some of them possess masters and doctorate degrees. Basically, majority of the respondents possess a bachelor's degree in tax-related field and have basic working knowledge as depicted by their experience.

The research questionnaire items were couched out of the different facets perceived for each of the variables. Constructs from such questionnaires are usually marred by multicolinearity problems, multiplicity of latent variables, among other data-related problems. Therefore, to minimize assumptions regarding the items couched on each of the variables, a factor analysis was conducted on the responses gathered. Identical variables were connected and equivocalness was reduced.

Table no. 2. Respondents' profile

Description Frequency	Percentage	
Age (years)		
25-35	58	52.7
35-45	36	32.7
45-55	14	12.7
55-65	2	1.8
Total	**110**	**100.0**
Gender		
Male	58	52.7
Female	52	47.3
Total	**110**	**100.0**
Tax Expertise		
Tax Accountant	26	23.6
Tax Consultant	66	60.0
Tax Auditor	18	16.4
Total	**110**	**100.0**
Academic Qualification		
OND	14	12.7
HND/B.Sc.	78	70.9
M.Sc./MBA	16	14.5
Ph.D.	2	1.8
Total	**110**	**100**
Professional Qualification		
ACA	6	5.5
ACCA	20	18.2
CITN	69	62.7
Others	15	13.6
Total	**110**	**100**

Source: Field Survey, 2017

As a result, two factors were extracted and they both account for 35.34% of the variance in the 110 observations. The communalities range from 18.6% and 56.4%. The two main themes of the research variables were extracted from the items grouped by the factor loadings. The first factor, which accounts for the highest percentage of variance (78.3%) is tagged "effectiveness and efficiency of tax administration

due to electronic taxation". Items consisted in the second factor recline towards reduction in tax evasion, as well as improved tax revenue amongst others. It is named "tax revenue due to electronic taxation" in this analysis. It accounts for 18.8% percent. The result of the factor analysis is shown in Table no. 3.

Table no. 3. Rotated Component Matrix[a]

	Component	
	1	2
The use of technological devices in Nigeria is reasonably high		
Information and communication technology has been able to influence tax filing and tax compliance in Nigeria		.560
Electronic taxation is the precursor to change in tax payers' morale in Nigeria		.550
The combination of information and communication technology and taxation has led to an increased level of tax compliance in Nigeria		.620
Filing taxes electronically is more efficient and effective than the manual methods of tax filing in all ramifications		.477
The fusion of information and communication technology into taxation has led to a significant blockage of existing tax loopholes		.401
Electronic taxation has reduced to the barest minimum the cases of tax evasion in Nigeria	.457	
Information and communication technology in taxation has helped bridged the gap between taxpayers and tax authorities in Nigeria		
There is a high level of tax awareness and tax education in Nigeria as a result of the introduction of electronic taxation	.463	
The adoption of electronic taxation has led to efficiency and effectiveness in the administration of taxes in Nigeria	.616	.429
Electronic taxation has helped enhanced proper perception of tax authorities by taxpayers in Nigeria	.506	.419
A substantial reduction in tax compliance cost incurred by tax administrations in Nigeria can only be made possible by the use of electronic taxation		

The use of electronic taxation has led to a rise in the level of trust that taxpayers have for tax authorities	.549	
Tax authorities can to a reasonable extent make proficient use of the computer and other electronic devices needed to administer taxes electronically	.440	
Tax revenue has significantly risen since the emergence of electronic taxation in Nigeria	.487	.516
An electronic system of taxation will lead to a higher contribution of tax to government's overall revenue in Nigeria		.429
Increase in tax revenue in Nigeria can only be enhanced by electronic taxation		.571
Tax revenue in Nigeria might have also increased at the same rate if the manual method of tax filing and tax collection was retained		-.519
The rate of increase in tax revenue is not significant enough to conclude that the advantages of electronic taxation overrides the old method of taxation		-.633
Electronic taxation has been able to curtail the incidences of multiple taxation in Nigeria	.650	
The problem of transfer pricing in taxation in Nigeria has been solved by the electronic system of taxation	.510	
There are measures put in place by the electronic system of taxation to guarantee the security of taxpayers' account against fraudulent practices	.498	
Despite the challenge of technology in Nigeria, the objectives of electronic taxation are being achieved	.673	
Taxation in Nigeria is more efficient and effective due to the emergence of an electronic system of taxation	.698	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.
Source: Data Analysis, 2017

To verify the adequacy of the two (2) components extracted from the structure of the entire 24 items, the Kaiser-Meyer-Olkin Measure was conducted. It verified that the sampling is of average quality for the analysis as the KMO = 0.770, a value above the

acceptable limit of 0.5 (Kaiser, 1974; Field, 1999). Bartlett's Test of Sphericity X^2 (276) = 898.619, $p <0.001$, indicated that correlations obtained between items were significantly appropriate for factor analysis (see Table no. 4). The factor loading of the rotated component matrix with an Orthogonal Varimax rotation with Kaiser Normalization of the 24 variables identified as the electronic tax variables are depicted in Table no. 4.

Table no. 4. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.770
Bartlett's Test of Sphericity	Approx. Chi-Square	898.619
	Df	276
	Sig.	.000

Source: Data Analysis, 2017

Before proceeding to the test of hypotheses, normality test was carried out on variables to ensure the appropriate choice of statistical tool. With Kolmogorov-Smirnov test of normality, it was discovered that all the variables follow the law of normality. The perception of effectiveness of tax administration indicates a test value 0.981, P>.05 and the perception of tax revenue due to electronic taxation shows a test value of .989, P>.05.

Multivariate Analysis of Variance requires the satisfaction of homogeneity of variances assumption. For all the three groups examined, there is equality of variance-covariance matrices as depicted by a non-significant statistical difference as the Box's test = F(110) =.573, $p=.752$. Hence the covariance matrices are sufficiently equal and the assumption is tenable for the conduct of MANOVA with the data. This is further buttressed by Leven's Test of error variances displayed on Table no. 7 separately for each of the dependent variables. For the variable "Effectiveness of Tax administration", Levene's Test $F(110) = .256, p=.774$; while for the variable "Tax revenue due to e-taxation" $F(110)=.064, p= .936$.

Table no. 5. Multivariate Tests[a]

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.001	.061[b]	2.000	106.000	.941
	Wilks' Lambda	.999	.061[b]	2.000	106.000	.941
	Hotelling's Trace	.001	.061[b]	2.000	106.000	.941
	Roy's Largest Root	.001	.061[b]	2.000	106.000	.941
Occupation	Pillai's Trace	.023	.628	4.000	214.000	.643
	Wilks' Lambda	.977	.625[b]	4.000	212.000	.645
	Hotelling's Trace	.024	.623	4.000	210.000	.647
	Roy's Largest Root	.023	1.224[c]	2.000	107.000	.298

a. Design: Intercept + occupation
b. Exact statistic
c. The statistic is an upper bound on F that yields a lower bound on the significance level.

Source: Data Analysis, 2017

The multivariate analysis displayed in Table no. 5, tests the difference between groups across the two dependent variables thereby reporting the two hypotheses simultaneously. It depicts four test statistics (Pillai's Trace, Wilks's Lambda, Hotelling's Trace and Roy's Largest Root). For all, it shows a non-significant difference in the opinion of tax experts on the outcome that, though e-tax positively affects both variables, it has more effect on tax revenue than tax administration. Using Pillai's trace, $V=.023$, $F(4,214) = .628$, $p=.643$; Using Wilks's statistic, $\wedge=.977$, $F(4,212) = .625$, $p=.645$; Using Hotelling's trace statistic, $T=.024$, $F(4,210) = .623$, $p=.647$; and using Roy's largest root, $\Theta=.023$, $F(2,107)$ 1.224, $p=.298$.

Discussion

In recent times, the need to underscore contribution of ICT to tax administration and tax revenue generation is gaining the attention of the researchers. Various government revenue agencies are adopting the use

of ICT to bring more people into the tax net in order to boost the revenue profile of their respective states. This study revealed, in the opinion of tax experts, that though e-tax positively affects both variables, it has more effect on tax revenue than tax administration. This finding, on one hand, corroborates the finding of Harrison and Nahashon (2015) but inconsistent, on the other hand, with the findings of Asuquo (2016); Olaoye and Kehinde (2017). Thus, empirical evidence on the nexus and explanatory power of e-tax with and/or on tax revenue generation and tax administration in Nigeria remained inconclusive. However, it is apparent from this study that the benefits of investing in and deploying of ICT by tax agencies would more than compensated the associated cost.

Conclusion

The result of this study is striking in two regards. First, it unveiled the impact e-taxation had on revenue generation of Lagos State. The impact was sustainable as the percentage revenue performance continue to increase till present (see Tables no.1a and 1b). Second, the result indicates that e-taxation has very little impact on tax administration. This outcome is especially important as it provided a basis for making recommendation to Lagos State government.

This study contributes to tax literature and offers valid judgment on the dilemma of tax administration and revenue in Lagos state. It, as far as the researchers have been able to verify, remains the only research output that statistically positioned e-tax in the technology acceptance model. This may explain the reason behind the continuous complaints about tax administration in Lagos State, despite the e-tax system.

As a result, this study submits that while e-taxation may have brought improved revenue to the state, it has not done much to ease tax administration as much as the taxpayers would expect in Lagos state. Given these findings, this study strongly suggests a reform of tax administration of Lagos State to improve effectiveness and articulate the numerous potentials of the very nascent, but expensive system of electronic taxation.

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