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TAX AND TAXATION IN NIGERIA: IMPLICATIONS ON THE CONSTRUCTION INDUSTRY SECTOR

Ademola Eyitope Ojo[1] and Francis Olukayode Oladipo[2]

[1]Physical Planning Department, Federal University, Oye Ekiti. Ekiti State Nigeria.
[2]Quantity Surveying Department, The Federal Polytechnic, Ado Ekiti, Ekiti State Nigeria.

ABSTRACT: *The pressure for development, public finance and revenue concomitantly attract challenges impacting and impairing on businesses especially in building and construction sector of the economy. Mitigating these responsibilities by various levels of government is the concern for efficient and inclusive fiscal policies for streams of auspicious and sustainable revenue windows particularly taxation. This study therefore examined implication of tax and taxation on the construction sector in Nigeria with a view for industry operator's decision making. Using extensive review of related literature as well as eliciting primary data through structured questionnaires administered on purposive but randomly selected 100 respondents, elicited data were analysed using descriptive and inferential tools. The result indicated that Value Added Tax and With Holding Tax are most identified , 85% of respondents are aware of the identified taxes while Multiplicity of taxes, corruption risk and lack of confidence in the tax and poor enforcement of tax laws and policies were ranked major inhibiting factors to tax payment. Yet, tax administration was found to have no insignificant effect on tax payment in Nigeria tax system. The study conclusion avail for long-run taxation behaviour on the building and construction sector of the economy and on investment decision, it recommended that appropriate guidance and understanding of tax system and policies required by operators/investors and tax authorities in order to attract tax compliance in the economy.*

KEYWORD: Construction Industry, Economy, Nigeria, Public Sector, Tax System.

INTRODUCTION

Thoughtful, issues-driven, socio-political and economic concerns continue to emerge the world over. They are apparently diversified and not only impact but impair on businesses and their environment, especially in developing nations like Nigeria. This informed central reason for government in any human society, to solve problems and challenges confronting the governed. Eneh (2011) asserted the collective consent of the governed to yield power for development (through policies, programmes and legal frameworks) to improve transport, education, health, infrastructure etc thereby underpins significantly the social contract principle of governance. In Nigeria, responsibility for development remains part of fundamental objectives and directive principles of state policies and constitutional responsibilities for the various levels of government –federal, state government and local (The Nigeria Constitution, 1999).

Central to meeting up these responsibilities by various levels of government is the concern for efficient fiscal policies towards sufficient public finance. While streams of revenue windows are being explored, (Oyedele, 2015) governments have identified taxation as immensely auspicious and key source of sustainable revenue compared to other sources of revenue. Sanusi, (2010) declining revenue from mono-commodity oil dominance economy resulted in growing and large fiscal deficits and need for domestic debt accumulation. Hence, tax revenues is relatively predictable alternative than the trepidation of the fluctuation in global oil market with

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promising scope considering present tax GDP ratio 7.8% (2013) compared to Tanzania 12%, Burkina Faso 11.5%; which reliefs over dependence on oil revenue Eneh, (2007).

Apart distinctively varied and promising as taxation is, underperformance of taxation (Abiola and Asiweh, 2012), deficiencies of tax administration system (Ayodele, 2006), complex legislations and formal and informal sectors of Nigerian economy apathy to tax payment (Akintola Williams Deloitte, 2015), excruciating impact of multiple taxation etc impair on the tax net. Particular impairment of taxes and taxation is as related to the construction industry sector of the economy. The constant challenge in this industry include project clients frequently deduct multiple taxes (Ahunwan, 2009), in which withholding tax at 5% deducted from the entire contract sum instead of only on the required percentage of the materials accruing to the contracting companies. Also, (Onyeukwu, 2010) is the dearth of payable tax knowledge and understanding amongst many contracting companies in the construction industry supply chain.

This study is set out to identify taxes and deductions mostly applicable in construction industry, evaluate the level of awareness of payable taxes and deductions in construction industry and assess inhibiting factors to tax payment.

Overview of Nigeria Tax System.

Nigeria tax system is historical (Odusola, 2006) dates back to 1904 when the personal income tax was introduced in northern Nigeria before the amalgamation, through the Native Revenue Ordinances 1917 the West, the Direct Taxation Ordinance No. 4 of 1940 to Income Tax Management Act (ITMA) of 1961 and the various tax reforms till date. Moreover, the events in the financial landscape in Nigeria trajectory to independences in 1960 and before the oil boom era of the 1970s, (Bahl, 1999) led to various reforms and new regulations being introduced by governments to enhance public sector revenue base, ensure sustainable economic growth and development, improve equitable wealth distribution and to meet public demands. United Nations Conference on Trade and Development(UNCTAD)(2009) conceptualised tax administration in Nigeria's federal system as stratified with the FG overseeing largest and most yielding taxes while States and Local government scramble with less buoyant others. Under current Nigerian law, (Enahoro and Jayeola, 2012) taxation involves the three tiers of Government, each being legally spelt out under the constitution, appropriate laws and statutes. Succinctly, the federal government tax corporate bodies(such as corporate income, withholding taxes, oil and gas production taxes and charges, value added tax (VAT) and import duties) while state and local governments' tax individuals(like personal income tax, individual capital gains tax, stamp duties, urban land rentals, business premises and registration, development levy and road and gaming taxes). Specifically, local governments' collect taxes on personal, social and commercial permit fees.

The tax system in Nigeria is made up of tax policy and tax laws, stratified into tax assessment, tax collection and tax administration. According to the Presidential Committee on National tax policy (2008), the principal objective of the Nigerian tax system is to contribute directly to public finance and governance through improved policy formulation, collection and appropriate utilization of tax revenue for the benefit of the Nigerians. Besides, the Nigerian tax system is expected to (Federal Inland Revenue services (FIRS), 2015) encourage economic growth and development, generate stable revenue or resources needed by government to accomplish loadable projects and or investment for the benefit of the people, Provide economic stabilization, pursue fairness and distributive equity and Correction of market failure and imperfection.

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Prior to the Presidential National tax policy reform of 2008, about 40 different taxes and levies (Enahoro and Jayeola , 2012) were in operation (in the informal and formal economic sectors) by all three levels of government, characterized by complexity, multiplicity, distortion and unjustifiable laws.

Challenges of Taxes Payment

Though recent data reveals that 95% of collectable taxes accrues through FG (as part of non-oil income forming 20% of total revenue) through FIRS, a substantial amounts of that is shared amongst tiers of government, while the State board of internal revenue and the local government revenue committee are responsible for collection, assessment and administration. However, this fiscal autonomy attracted several challenges (Ekpo and Ndebbio, 1998) such as inadequate personnel, system corruption, lack of confidence in the tax system. PricewaterhouseCooper (2010) identified 50 top issues on taxation in Nigeria not limited to Multiplicity of taxes, Tax awareness and communication, Certificate of acceptance etc including (Andreika, 2010) tax administration challenges, compliance challenges, lack of equality, poor taxation drive, leading to increased tax evasion and avoidance, negatively distributable income of the individual etc. The level of taxpayer’s awareness of payable taxes has also accrued significantly. Specifically, most corporate entities especially construction companies (Adekanola, 1997; Olatunji, 2009) appears elusive of all necessary and applicable taxes payable by them.

Particular menace in Nigeria tax system is tax evasion occasioned by where taxpayers pay taxes and yet provide own infrastructure, increasing costs to taxpayers etc. World Bank's Doing Business 2011 report asserted that while Ghana (78), South Africa (24), and Nigeria ranks 134 out of 183 countries surveyed on the ease of paying taxes due to various factors.

Construction industry and Taxation in Nigeria.

The construction industry is a large and significant economic sector of most nations, like Nigeria, which (Ojo and Awodele, 2014) undertakes infrastructural projects and contributes about half of the total stock of national fixed capital investment, generates employment opportunities, accounted 7.2% of GDP) (1998) (Oyejide and Bankole, 2001) and 3.1% of 2013 rebased GDP. With the ambitious government spending on development and rehabilitation of infrastructure and industrial projects post-civil war in Nigeria, this has attracted considerably enhanced and spread opportunities to several interested foreign and indigenous construction project contractors and suppliers companies engaging multidiscipline and skills services of professionals like geologist, architects, engineers, quantity surveyors, builders, project managers etc. These companies transact businesses with public and private organisations, with their employees liable to respective tax obligations as corporate entities and individuals. Ayodele, (2006) warned that companies doing business in Nigeria risk significant reputational damage and financial penalties in default of their taxes correctly and timely payment.

In Nigeria, amongst other mandatory regulatory requirements, tax payment applies to corporate entities. For example, all companies are required to be incorporated by Corporate Affairs Commission (CAC), register with the Federal Inland Revenue Service (FIRS) for income and value-added (VAT) taxes, while remit with states’ Internal Revenue Services for their employees’ income tax, register for pension contribution and file returns on national housing and industrial training funds.

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Some Relevant Taxes and Construction industry Companies.

Hereunder discussed are some major transaction taxes commonly attributed to construction business (Kiabel and Nwokah, 2009; Ayodele, 2006).

a. **Value Added Tax (VAT).** This was introduced by the VAT decree No. 2 of 1993, to replace the old sales tax, which is at a flat rate of 5% of all invoiced amounts of taxable goods and services but borne by the final consumer, payable upon registering with the Federal Board of Inland Revenue. The scope and coverage of VAT is extremely broad and applies to all imported, supplied or manufactured goods and services in Nigeria, except those that are specifically listed as exempt or zero-rated e.g. exported services, medical and pharmaceuticals products, educational and learning materials and equipment. Also, goods and services for use in export processing zones (EPZs) or free port zones are not liable to VAT on the basis that these zones are outside the scope of Nigerian VAT rules. Non-resident companies doing business in Nigeria are required to register for and charge VAT on all their taxable supplies in the country, while any disputes on VAT assessment is decided by Tax Appeal Tribunal. VAT assessment rules are unstructured to construction products and material like concrete, timber and sand often locally obtained and without formal processing, hence impairing aggregate profit margin.

b. **Education Tax.** The Section 7(1)(a) to (e) of the TETFUND ACT, 2011 imposes a 2% Education Tax on the assessable profit (tax-adjusted profit before capital allowances) of all registered companies in Nigeria, undertaking public procurement contracts at all levels of government, viewed as a social obligation to contribute their own quota in developing educational facilities in the country. Moreover, the mandate of the Fund is to Federal and State tertiary educational institutions, specifically for the provision and maintenance of essential physical infrastructure for teaching and learning, Instructional material and equipment, and Research and publication. TETFund invested about N7, 647,600,000.00 in all states and federal government higher institutions in the southwest in 2013 for the provision and maintenance of essential physical infrastructure. However, the scope of the tax is limited to public sector construction contracts in tax assessment.

c. **Withholding Tax.** Nigerian law proviso sections 68 to 72 of the Personal Income Tax Decree No. 104 of 1993; Sections 60 to 64 of the Company Income Tax Act (as amended), and Section 51(a) of the Petroleum Profits Tax Act (as amended) subject certain activities and services to Withholding Tax. Such activities and Services include Construction 5%, Professional/ Consultancy Fees 10 %(for companies) and 5% for partnership. This basically means that where during transactions in any of the specified activities or services, a payment is due from one party to another, the party making the payment is expected to deduct tax at the applicable rate and remit it to the relevant tax authority. This should be done not later than 30 days after the deduction at their current applicable rates. However, WHT is odiously charged on contract sum in construction project in lieu of on material inputs as legally provided. This constitutes significant loss to accruable profit to construction companies.

d. **Personal Income Tax.** In 1993 and subsequently the Personal Income Tax Act, (PITA,) Cap P8, Laws of the Federation of Nigeria, 2004 (now Personal Income Tax (Amendment) Act (PITAM 24th June, 2011) was enacted. PITAM (2011) deletes thirty-six sections and modifies the First, Third and Sixth Schedules to the old PITA, making every taxpayer (including expatriates holding residence permits) liable to pay tax on the aggregate amount

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of his income whether derived from within or outside Nigeria (involves salaries, wages, fees, allowances, and other gains or benefits to an employee are chargeable to tax remittance made by Employers of labour). This is inclusive of employee deemed resident in Nigeria for 183 days in any 12month period depending on state of residency or principal place of business of the Taxpayer, determines the extent of a liability and point of payment. Particularly, amendment to Section 108 of the PITA is the redefinition of *itinerant worker* to include *"an individual irrespective of his status who works at any time in any state during a year of assessment (other than as a member of the armed forces) for wages, salaries or livelihood by working more than one state for a minimum of twenty (20) days in at least three (3) months of every assessment year*". Hence, a new subsection (1A), that provides that *"notwithstanding anything in the Principal Act, the relevant tax authority in a State shall have powers to collect tax under this Act from itinerant workers".* However, the nature of construction project allows for various project sites locations across Nigeria with companies anxiously and unevenly charged by various state governments where project sites are located. This seriously attracts disputations on tax assessment and returns especially due to site staff list variations, casualization/adhoc nature of construction workers employment, redeployment etc.

e. **Companies Income Tax.** The Companies Income Tax Act (CITA) governs the taxation of companies' payable tax for each year of assessment of the profits at a rate of 30% i.e. is self-assessed on a preceding government's fiscal year basis. These include profits accruing in, derived from, brought into or received from a trade, business or investment (worldwide income). Also companies paying dividends to its shareholders are first obliged to pay tax on its profits at the company's tax rate. However, where a company is a shareholder in another company then such dividends are excluded from the profits of the company for the purposes of computation of the tax. Except proviso Tax Administration (Self-Assessment) Regulations 2011, failure to pay and file tax returns to FIRS within the time limits specified in the CITA attracts certain penalties and interest. Construction companies often suffer delayed payment on certificates leading to untimely preparation of account statements and hence delayed returns and payment of company tax.

f. **Stamp Duties.** The administration of stamp duty is jointly carried out by the state and Federal authorities, depending on the type and nature of the document. Stamp duties are regarded as transaction taxes with ambiguous applicable rates chargeable depending on the classification of the document. Some documents attract stamp duties on flat rate basis while others are assessed individually. It impairs on payers who are often forced to pay to states coffers where proviso stamp duty act, is due to the federal government as in the case of land transfer involving a company.

g. **Other Related Taxes/ Deductions.**

Capital Gains Tax (CGT) is applicable on capital gains derived from the disposal of a chargeable asset without consideration for inflation, incurred loss and time value of money, except where specifically exempted as in the case of gains on shares. This impairs on company assets e,g. equipment disposed off to raise fund on meeting project funding obligations. **The Industrial Training Fund**: established by Decree No. 47 of 8th October, 1971(as amended), with the aim of "promoting and encouraging the acquisition of skills in industry and commerce with a view to generating a pool of indigenous manpower sufficient to meet the needs of the economy" funded through contribution of 1% of employers' companies turnover and subvention from the Federal

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Government. Companies, especially construction companies, are liable to ITF evidence of which is now a public procurement criterion. The fund provides platform for training and retraining of skilled manpower in varied skills inclusive of engineering and technology field for the construction industry. **Contributory Pension Deduction:** The Pension Reform Act of 2014(as amended) provide for monthly contributory pension for companies having at least permanent 5 number of staff at a by employers to 10% while employees must contribute a minimum of 8%.of total emoluments. This is as defined in the employee's contract of employment provided it is not less than the sum of basic salary, housing and transport allowances. The certificate of evidence of payment is now a public procurement criterion. **National Housing Fund:** This is a social security contribution in Nigeria composing of 2.5% of basic pay by employees deductible monthly organisations with at least 50 workforce assessed, collected and managed by Federal Mortgage Bank of Nigeria (FMBN). **Employee compensation insurance**: this involve 1% each of payroll cost by employer deductible and reserved by employees for compensation of insurance against injured employee in the cause of employers business.

RESEARCH METHODOLOGY

Research Design and Data Analysis.

This research investigated the implications of taxation on the construction industry sector in Nigeria. A mixed research method was adopted in which non-probabilistic survey method was used in eliciting primary data for the study while secondary data were obtained through a literature review of relevant publications(helped in creating criteria and theories for research and in development questionnaire for the survey). The nature study population comprising of various professionals respondents categorised into construction professionals ((particularly Quantity Surveyors), financial professionals (Accountants) and contractors/consultants (Firms) all working related to the construction industry. The sampling technique used for the survey was convenience but purposive randomly selected sample size of 100 respondents from the study population, using structure questionnaires wherein 60 retrieved which is 60%. Generally, the questionnaires ranged variously on a 5- point Likert scale, elicited general information about the respondents' years of experience, professional qualifications; identification and awareness level of industry applicable payable taxes; inhibiting factors to tax payment in the Nigerian Construction industry. The data were analysed using MS excel, presented in descriptive and inferential statistics like mean score ranking and ANOVA.

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RESULTS AND DISCUSSION.

Table 1: Distribution of Questionnaires and Respondents Professional Qualifications

Respondents Categories	Number Distributed	Number of Respondent	Percentage of Respondent	Professional Qualified	Percentage of Respondent	Not Professionally Qualified	Percentage of Respondent
Construction Professionals	33	19	32%	17	28%	2	3%
Financial Professionals	33	26	43%	24	40%	2	3%
Contractor/ Consulting Organizations	34	15	25%	11	18%	4	7%
Total	100	60		52	87%	8	13%

Source: Field Survey, 2015.

Table 1 above covered the respondents by their groupings. Irrespective of their sex, the data shows that 87% of the respondents are professionally qualified with financial professional group being highest with 40% (or 24) while 13% or 8 respondents are not professionally qualified. Also, 26 (43%) of the 60 respondents are from the financial professional group.This result gives a sound base for the quality and understanding of the respondents, and the fact that they are well grounded in the subject of the research area.

Table2: Respondents level of response to Tax payment.

Level of Response to Tax Payment	Freq.	Percentage
Pay Taxes Promptly	27	45%
Pay Taxes regularly but not promptly	21	35%
Pay Taxes when the need arises	9	15%
Do not Pay Taxes	3	5%
Total	60	100%

Source: Field Survey, 2015.

The analysis of the table 2 illustrates that 45% of respondents Pay Taxes Promptly, 35% Pay Taxes regularly but not promptly, while 3% Do not Pay Taxes. This result shows that taxation and payment of taxes has become significant practice in Nigeria.

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Table 3: Respondent Identification of Taxes and Deduction

Types of Taxes	Frequency	Percentatage
Value Added Tax (VAT).	66	66%
Education Tax.	45	45%
Withholding Tax.	63	63%
Personal Income Tax.	63	63%
Companies Income Tax.	54	54%
Stamp Duties.	57	57%
The Industrial Training Fund	51	51%
Contributory Pension Deduction	57	57%
National Housing Fund	57	57%
Employee compensation insurance	57	57%
Capital Gain Tax	57	57%
Capital Allowance	45	45%

Source: Field Survey, 2015.

Chart 1: Level of Awareness of Identified Taxes and Deduction by % of Respondents

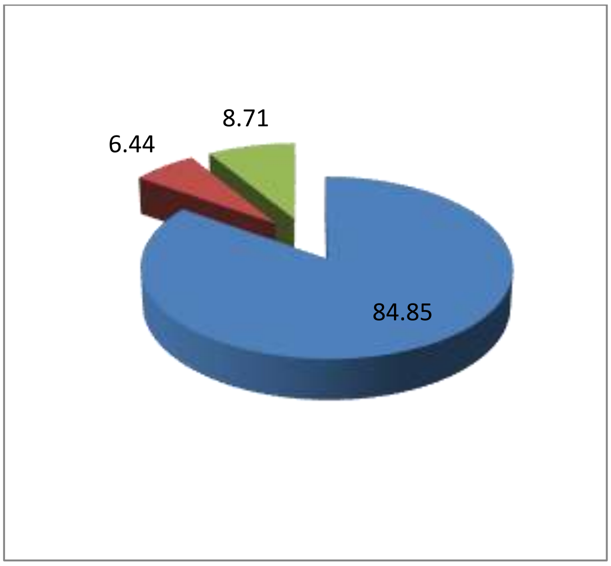

Table 3 reveal respondents can identify the types of taxes and deduction applicable to the construction industry with VAT (66%), WHT (57%) most identified while surprising 45% of respondents could identified ETF tax. Again, 84.85% respondents reported to be aware of the identified taxes. These results underscores (Oyedele , 2015) that with increasing awareness and administration, taxation has great revenue potential in Nigeria.

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In table 4, inhibiting factors to tax payment were investigated within and between the respondent groups. Among the contracting/consulting group, Multiplicity of taxes(3.87), poor enforcement of tax laws and policies and corruption risk and lack of confidence in the tax (3.80) with respective means were found highly ranked; Financial professional group ranked corruption risk and lack of confidence in the tax(4.35), poor enforcement of tax laws and policies, Multiplicity of taxes , lack of transparency and accountability on the part of government (3.81) as major inhibiting factor; and Construction Professional group respondents have Lack of Tax Knowledge and Understanding and Ambiguous Tax laws (3.53), minimum tax on companies where they have no taxable profits and lack of desired institutional capacity to administer tax (3.47). These factors amongst appears slightly similar between Financial professional and contracting/consulting groups but divergent to that of Construction Professional group respondents. However, between the three groups, respondents ranked Multiplicity of taxes and corruption risk and lack of confidence in the tax (4.20), and poor enforcement of tax laws and policies(3.95) high as major inhibiting factors to tax payment. These factors are majorly in the tax administration category. This confirms the view of (Abiola and Asiweh, 2012) that tax authorities saddled with tax administration in Nigeria have subjected payers and corporate bodies different forms leading to increased evasion and avoidance.

Test of Hypothesis

To achieve the objectives of this study, this research is premised on the following hypothesis: To assess inhibiting factors to tax payment. However, it was hypothesised thus;

H0= Tax administration has no significant effects on tax payment in Nigeria.

H1= Tax administration has significant effects on tax payment in Nigeria.

The decision rule for the research hypothesis can be tested thus;

If Tcrit ≥Ttal, then reject Ho; otherwise accept Ho.

Table 5: t-Test: Paired Two Sample for Means

	financial Prof	**Contracting/Consulting**
Mean	3.571	3.489
Variance	0.088	0.203
Observations	24.000	24.000
Pearson Correlation	0.309	
Hypothesized Mean Difference	0.000	
Df	23.000	
t Stat	0.876	
P(T<=t) two-tail	0.390	
t Critical two-tail	2.069	

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From the table 5 above, since Tcrit less than Ttab, in that 0.876 < 2.069 hence Ho is accepted. That means, Tax administration has no significant effects on tax payment in Nigeria. This agrees with (Akintoye and Tashie, 2013) discovery that many Nigerians are complying with tax payment though subject to several examined tax compliance factors notably Tax Accountability by Government and the Tax Payment System and not necessarily influence of tax authorities.

CONCLUSION AND RECOMMENDATION

This study examined implication of tax and taxation on the construction sector in Nigeria with a view towards industry operator's decision making. The challenges of tax and taxation in Nigeria are yet daunting which will continue to attract tax reforms. The findings revealed salient importance to construction and contracting firms and practitioners in the construction sector as well as tax authorities in Nigeria economy. Besides, while tax remain an enviable revenue windows streams to be explored by governments, identified taxes holds immense and auspicious source of sustainable revenue compared to other sources of revenue. It is however recommended that government should always consider taxpayers' and other key stakeholders' interests in tax policy development and implementation for improved tax compliance rate; appropriate guidance and understanding of tax system and policies is required by operators/investors in the construction sector; tax authorities should strongly improve on tax administration particularly eliminating multiple taxes, ensure transparency in order to attract investment and tax compliance of the building and construction subsector of the economy; Tax authorities are to engage in widespread enlightenment campaign on tax payment so as to foster high rate of compliance.

Government and tax authorities should pay attention to the factors that will influence citizens' willingness to pay tax and improve on them, thereby enhancing revenue, economic growth and development of Nigeria.

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Table 4: Inhibiting Factors to Tax payment.

Inhibiting Factors	All Respondents			Construction Professionals		Financial Professionals		Contracting/Consulting	
Tax Assessment	**mean**	**Ranking**	**Overall Ranking**	**mean**	**Overall Ranking**	**mean**	**Overall Ranking**	**mean**	**Overall Ranking**
Multiplicity of taxes	4.20		1	3.37	10	3.81	3	3.87	1
Commencement, change of accounting date and cessation	3.50		19	3.42	6	3.58	11	3.67	7
minimum tax on companies where they have no taxable profits	3.65		12	3.47	3	3.27	21	3.47	18
Deduction of VAT at source otherwise known as withholding VAT	3.70		9	3.26	14	3.69	10	3.53	14
Lack of Tax Knowledge and Understanding	3.45		21	3.53	1	3.81	3	3.60	9
unnecessarily complication of " place andprincipal place of residence.	3.15		25	3.16	17	3.58	11	3.20	22
Inappropriation of plant and equipment investment allowance.	3.40		24	3.26	14	3.12	23	3.20	22
High tax rate	3.70		9	3.42	6	3.31	20	1.53	24
Political interferences with the Nigerian tax system	3.85		6	3.37	10	3.58	11	3.60	9
Tax Collection									
lack of transparency and accountability on the part of government	3.90		5	3.47	3	3.81	3	3.33	21
Multiple payments of different taxes to different accounts	3.85		6	3.11	20	3.73	7	3.73	4
Inadequate tax collectors personnel.	3.65		12	3.42	6	3.38	19	3.60	9

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Tax touting by unprofessional and untrained individuals.	3.50	19	3.16	17	3.88	2	3.67	7
Multiple documentations for taxation demand.	3.45	21	2.84	24	3.77	6	3.40	20
time required to comply with tax obligations	3.45	21	2.89	23	3.27	21	3.73	4
Poor communication and physical resistance	3.70	9	3.05	21	3.65	8	3.53	14
Tax Administration								
Dearth of technology in tax administration	3.85	6	3.37	10	3.50	14	3.47	18
poor enforcement of tax laws and policies	3.95	3	3.37	10	3.81	3	3.80	2
corruption risk and lack of confidence in the tax	4.20	1	3.32	17	4.35	1	3.80	2
shortage of qualified tax personnel	3.95	3	3.42	6	3.65	8	3.53	14
Multiple Tax Authorities/ Agencies	3.65	12	3.00	22	3.23	23	3.60	9
Inefficiency and ineffectiveness of Tax Policies	3.55	17	3.16	17	3.46	18	3.60	9
lack of desired institutional capacity to administer tax	3.55	17	3.47	3	3.50	14	3.73	4
Ambiguous Tax laws	3.60	15	3.53	1	2.96	24	3.53	14

Source: Field Survey, 2015

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