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LAND-BASED TAXATION AND INTERNALLY GENERATED REVENUE: AN EMPIRICAL INVESTIGATION OF ITS OUTPUTS IN ABIA STATE, NIGERIA

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ABSTRACT: *All plans and programs of government are based on revenue, especially internal revenue because of its reliability. The purpose of this study is to examine for 13years (2007-2019), the returns from land based revenue and internally generated revenue after their prior estimation in budget. It also compares the growth rate of both within this duration and the contribution of land based revenue to the internally generated of the state. Using descriptive approach, the study revealed that Abia state failed to actualize what was projected almost throughout the period, the growth rate of both has remained negative, and the contribution of land based tax revenue to the internally generated was below 5% on the average. All these results are due to poor planning of budget and lack of purposeful leadership. These situation has resulted to arrays of uncompleted projects and decays of public infrastructure in Abia state. The study recommended development of a bespoke software that will close leakages, reduce fraud and corruption, and drive stakeholders to take daily inventory of their revenue performance before the end of the year.*

KEYWORD: land based tax revenue, internally generated revenue, revenue performance

INTRODUCTION

The engine of government machinery can only function effectively when adequate revenue is in place. The major component of government's internally generated revenue is taxation and indeed land based taxes, giving the numerous opportunities this sector enjoys. Land-based taxation has been in existence before the coming of colonial government, right from the feudal system. Taxation is mainly a compulsory levy on al incomes, goods, services, properties of individuals, partnership, trustees, executorships and companies by the government (Samuel and Simon, 2011; Yunusa, 2003). But specifically, Oyedele(2017) stated that Land-based taxes are the fees, fines, dues, charges, levies, rates and rents paid on land, either developed or undeveloped to governments for wealth redistribution and as a form of government control over land. Land-based tax is one of the major sources of revenue to all levels of government. In Nigeria, it is major block in federal and state government's budget, the taxes so collected come back to taxpayer in form of services. Taxation is recognized as a very crucial tool for national development and economic growth in most societies. It has been viewed as a major vehicle for long and short term development of

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infrastructures of the state (Eneojo and Tyokoso, 2014). In fact, decisions of projects to execute these days as contained in the budget, are matched strictly with available or expected revenue.

The consistent drop of revenue from oil has led to decrease in the funds available for distribution to the state governments. The need to raise revenue internally has therefore become a matter of great importance. This need compels the state government to look for new sources of revenue or to become aggressive and innovative in the mode of collecting revenue from existing sources (Aimurie, 2012). Nwafor and Onyejiaka (2018) submitted that most democratically elected government have resorted to increase of land-based taxes as a way of beefing up their internal revenue. Kaibel and Nwoka (2009) suggested that engagement of external revenue consultant could help states generate more revenue. So, many states from 2006 to2019 have in either or both ways tried to boost the revenue base of the state, yet it is only Rivers and Lagos States that possess the capacity to pay salaries if there are no federal allocations from available records (Omodero, Ekwe & Ihendinihu, 2018).

Abia State, one of the south eastern states of Nigeria, created out of Imo state in 1991, have adopted these two strategies to improve the revenue base of the state and most recent according Nto(2014) added direct bank lodgment of all taxes in the state, payment through point of sale; elimination of touts and agents in revenue collection process; harmonization of fees and levies to stamp out multiple taxation; participatory taxation policy through the establishment of institutions like Ministerial Revenue Coordinating Committee (MRCC), State Internally Generated Revenue Committee and State Revenue Summit, that formulate and approve tax and revenue policies for the State. Yet Nto (2015) still observed that IGR in the state has not improved. There is still a huge variance between budgeted amount and actual generated revenue from 2009 to 2013 fiscal year.

No doubt, land based tax is a veritable source of revenue and a major contributor to IGR of states, the tax has witnessed consistent increase of rates in use, especially on building approval charges and land administration services. From 2006 to 2020, Abia state has increased land based tax rates more than four times, not minding the peculiar nature of this tax. Unlike income tax that can be deducted from source, land based taxes can be collected when individuals are willing to come forward to make payments mostly due to what they need from government. All these efforts are geared towards improving the contribution of land-based taxes to the internally generated revenue of Abia state.

On the other hand, government at all levels, project their expected returns for the year, upon which certain capital and recurrent expenditures are pegged for possible implementation. Preliminary inquiry revealed that arbitrary increase on previous years' actuals are made as current years estimates and that has resulted to increase in rates to meet up with the targets and arrays of abandoned projected littered in the state due to failure of budget. So, failure of governance, is it based on poor planning of budget or unwillingness of policy makers to take actions that will drive the course of the state economy?

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Therefore, there is every need to investigate the performance of land based revenue and IGR of Abia state, every increase in tax rates should result to improvement in actual revenue otherwise a review possibly downward is expedient. The main aim of the study is to examine the performance of land based revenue and internally generated of Abia State from 2007 to 2019, the growth of both within the studied period and the contribution of land based revenue to internally generated revenue from 2007 to 2019.

LITERATURE REVIEW

Conceptual Review

Land Based Tax Revenue

All levels of Government are expected to generate revenue from within to supplement any form of external aid. This is particularly required now that the revenue from petroleum has gone down due to the fall in oil price, bizarre looting of government funds and dwindling economy (Oni and Ajayi, 2011). Among the sources of internally generated revenue approved (Otubu, 2018) which is equitable, certain, unhidden and can be monitored is land based tax (Corker and Nieminen, 2001). Land based tax is an important revenue source that is often underused as a source for financing government expenditures. According to Kelly (2003) land based taxes account for about 40-80 percent of local government revenues, except in developing countries where it may generate a maximum of 40 percent of local government revenues. For instance, Ghana land based tax accounts for about 14% of the total revenues of local assemblies, an average of about 6% of total local revenue in local councils in Sierra Leone, and less than 10% in The Gambia (Fjeldstad, Ali and Goodfellow, 2017). Thus, the amount generated from this source is very small compared to the potentials of land based tax. Although land based tax has great potentials yet it is faced with the problem of ineffectiveness, leakages and unreliability which seriously limit its ability to generate enough revenue. In particular, weak administration and technical limitation affects the extent to which government can tap on an expanding tax base and enforcing compliance to land based taxation (Balogun, 2019).

The focus of many state governments is currently on land-based tax as a means of improving IGR, Nwafor and Onyejiaka (2018), noted that almost every successive democratically elected government in Nigeria, increase their land-based taxes for this singular purpose. However, the review of land-based tax administration in various states in Nigeria shows varying degree of challenges militating against its success as a source of internally generated revenue. For example, Babatunde and Sunday (2008) in a study conducted in Minna, Niger state, observed that the land based taxes levied in the state are stamp duty and business premises registration. They reported that the major problem of land based tax in Niger State is lack of political will to support the assessment and its collection. In Akwa Ibom State, Ndehedehe and Kolawole (2012) in their study

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reported that land administration is carried out using hard copy revenue data either in the form of maps or descriptive documents. There is no documentary evidence of title for up to 80% of the parcels in Akwa Ibom state. Besides, less than 10% of the state is covered by cadastral survey in hard copy form. Out of 23 Local Government Areas of Kaduna State, according to Ishaya, Dabo and Makama (2012), only three have tenement rating units. The reason for this was that the cost of collection of the tenement rates was higher than the revenue generated from the exercise. If the cost of administering the properties becomes higher than the generated income, then the rating is uneconomical. Added to this was the corrupt practice of the revenue staff.

In Bauchi state, Muhammad and Ishiaku (2013) listed lack of political will, inadequate records of taxable properties, unpopularity of the tax, inadequacy/lack of skilled personnel and corrupt practices of officials as the major challenges militating against the success of land based tax administration. Added to this was that most taxable properties are owned by the ruling class which made it difficult to effect compliance. Oluwadare and Ojo (2014) in their study in Olorunda Local Government Area of Osun State observe that inadequate knowledge of spatial distribution of properties and the haphazard manner in which the property tax record is kept contributed to the huge amount of revenue being lost by the government. Their study further revealed that only financial institutions are up-to-date in the payment of land based tax probably due to the fear of losing customers in case they are prosecuted. The study concluded that government can meet up with its financial obligations by establishing GIS Unit for accurate management of property tax records.

In 2012, Edo State obtained a loan of N7.5 billion from the World Bank. Out of which the government proposed to computerize the Ministry of Lands and Surveys and create the Edo State Geographical Information System (EGIS) that will be one-stop system for all land transactions. Although GIS laboratory exist but data on property characteristics and ownership needed for property tax administration are lacking. Available hardcopy cadastral map covers only the Government Reservation Area (GRA). In spite of these inadequacies Edo State government went ahead to sign into law Land Use Charge in 2012. Only Lagos State and Federal Capital Territory (FCT) have success stories. In Lagos, all land taxes were subsumed under Land Use Charge and land documents were electronically converted to create digital database of properties. In the case of FCT, cadastral coverage exists right from the creation of FCT. Lagos and FCT have organized property information needed to administer property tax. FCT is yet to commence property tax but for Lagos, study showed that there is a positive relationship between internally generated revenue and infrastructural development (Adesoji and Chike, 2013).

The above review agrees with UN (2013) observation that revenue buoyancy depends largely on improved administration. A common denominator in all the failing states is that they all suffer from weak institutional framework for administering land based tax. This is a fall out from lack of clear policy on land based tax management. Although the Federal Government granted the state governments authority to collect land based tax, there was however no specific guideline on land

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based tax management that will provide direction. These identified challenges can be addressed through policy reform.

This study therefore examined the performance of land based revenue and internally generated revenue, the growth of both within the studied interval, the contribution of land based revenue to the internally generated revenue in the state with a view to suggesting policy review where necessary and adoption of efficient method of tax review which will improve the buoyancy of land based tax revenue to meet the growing needs of the state for infrastructural development.

Internally Generated Revenue

Adam (2006) sees revenue as those funds required by the government to finance its activities. Internally generated revenues (IGR) are funds generated by states within the Nigerian federation, independent of their share of revenue from the federation account (Deloitte, 2016). There are obstacles that have impeded the rate of IGR collection in Nigeria. These obstacles have been identified and listed below as follows:

Lack of Adequate Information on Taxpayers. No database that presently captures all eligible taxpayers in the country, therefore taxpayers can easily avoid reporting their income to the State (Nigerian Governors Forum, 2015).

Lack of Cooperation from the Taxpayers. Many taxpayers in Nigeria do not see payment of tax as a civic responsibility and an obligation to the state. This is because, they feel that on the part of the government, there is no adequate provision of public goods and services that the citizens need as part of their benefit from their tax payment (Okafor, 2012).

Lack of Uniformity in the Incidence of Taxation. It is obvious that the principle of fairness and equity in taxation do not apply in the Nigerian tax practice and administration. As a result, most tax payers feel unjustifiably levied as there are no yardstick for proper tax assessment in Nigeria (NGF, 2015).

Incompetence of Tax Inspectors. Most tax officers lack adequate training, relevant qualifications and communication skills. The uncivilized manner with which they relate with tax payers does not motivate them to make payments that are due. They approach their job with selfish interest and unfortunate aggression, thereby giving a taxpayer the option of defending his civic right (NGF, 2015).

Complex Tax Laws and System. Tax laws in Nigeria have not been brought to an average man's understanding. Even among the elites it is still very complicated, such that tax liability becomes a difficult task to calculate (Illyas & Siddiqi, 2010).

However, many literatures on internally generated both within Nigeria and in diaspora were reviewed. Nkechi and Onuora (2018) investigated the effect of IGR on infrastructural development

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of the South Eastern states in Nigeria. Secondary data were used for the study, and they were obtained from budget estimates of each of the five South Eastern States of Imo, Abia, Ebonyi, Enugu and Anambra States from the period of 2013-2017. The study adopted descriptive statistics, correlation and linear multiple regression for data analysis and data interpretation. Findings from the study revealed that there is a significant positive relationship between the IGR and infrastructural development in the South East States.

Nnanseh and Akpan (2013) in a similar study but considered only Akwa Ibom state, Nigeria assessed the effects of IGR on infrastructural development. The study specifically sought to ascertain the extent to which IGR has contributed to the provision of such infrastructures as water, electricity, and road. An ex-post facto research design was adopted and the data used were obtained from secondary sources. The data were analyzed with descriptive statistics while Simple Regression statistics was used in testing the hypotheses. It was discovered that IGR contributed significantly and positively to the provision of water, electricity and roads just like the work by Nkechi and Onuora (2018). However, both contributions skewed more to roads than electricity and water.

In a study carried out in South Western States of the country, Morufu and Babatope (2017) evaluated the influence of IGR on the revenue profile of South Western State governments in Nigeria and how this has impacted on their capital expenditure for the period of 2006-2015. The study adopted descriptive statistics and OLS Multiple regression for the analysis. States of Osun, Ondo and Ekiti were selected from the six South-western States of Nigeria to form the sample for the study. Data collected from secondary sources where of specific variables such as State IGRs and revenue profile/total revenue and capital expenditure were extracted from the financial statements of the selected States through the Office of State Government's Accountant General for the period. Findings from the study showed that there was a significant difference between the major components of IGR of the sampled States except taxes. The result of the study showed that there was a significant positive correlation between IGR and revenue profile of Ekiti, Osun and Ondo States. The study further showed that the IGR had no significant influence on capital expenditure of Ekiti and Ondo State respectively. However, there was a significant influence of Osun state IGR on capital expenditure.

In a similar study, but using only Cross River State as a case study, Peter and Ferdinand (2017) analyzed the relationship between IGR and capital expenditure utilization in Cross River State, Nigeria from 2007 to 2015. Secondary data sought from Cross River State budget office, internal revenue service and ministry of finance were used for the study. Descriptive statistics were used to analyze the relationship between IGR and capital expenditure utilization in Cross River State. Findings from the study indicated that increase in government expenditure without corresponding

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revenue will widen the budget deficit, stating that the Cross River State government should increase the size of its IGR in order to accommodate the capital expenditure of the state.

In direct opposite to the works Nkechi and Onuora (2018), Morufu and Babatope (2017) and the work of Peter and Ferdinand (2017), Asimiyu and Kizito (2014) carried out a study titled 'the analysis of IGR and its implications on fiscal viability of State governments in Nigeria'. The study examined the growth rate of State governments IGR in Nigeria, and also compared the growth rate of IGR in urban and rural states as well as investigates the ability of IGR to finance state governments' expenditures. The scope of the paper covers 5 States randomly selected from the 36 states in Nigeria between 1999 and 2011. Secondary data were collected from the CBN Annual Statistical Bulletin. The data were analyzed using descriptive statistics. Findings from the study revealed that on the overall, the growth rate of State governments IGR was 20.1% which is very low, and this growth rate of IGR is higher in rural states than in urban states. It was also discovered that the growth rate of State governments' recurrent and total expenditures was 30% and 34.2% respectively, and these growth rates are higher than the growth rate of IGR. It was further discovered that the IGR of urban States financed a greater proportion of their recurrent and total expenditures than the IGR of rural States. A direct relationship was found to exist between the growth rates of IGR and capital expenditures.

In the same vein but from different standpoint, Nwosu and Okafor (2014) carried out a study titled 'government revenue and expenditure in Nigeria'. The research examined the relationship between both total and disaggregated government expenditure (current and capital expenditures), and total and disaggregated revenue (oil and non-oil revenues) in Nigeria using time series data from 1970 to 2011. The study utilized co-integration techniques and an Error Correction Mechanism (ECM), and the Granger causality test as the methods of analyses. The Co-integration tests showed the existence of long-run equilibrium relationships between government expenditure variables and revenues variables. The ECM results also indicated that total government expenditure, capital and recurrent expenditures have long-run unidirectional relationships with total revenue, oil and non-oil revenue variables as well as unidirectional causalities running from expenditures to revenue variables. The findings support spend-tax hypothesis in Nigeria indicating that changes in government expenditure instigate changes in government revenue.

In like manner, Morufu and Babatope (2017) that assessed South Western States, Tunji, Olajide, & Olubukunola (2014) examined the roles that IGR plays in the administration of State governments in Nigeria, using Ogun State in the South Western part of the country. Secondary data was used for the study. Data on these variables were collected from Ogun State Treasury Office from 2004 to 2013. The study adopted the econometric tool of Ordinary Least Square (OLS) Regression method. The study discovered that IGR plays significant role in growing the revenue of the State. It was even identified in some instances that the internally generated revenue of Ogun State exceeds statutory allocation from the Federal Government.

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In contrast to other studies, Adejoh and Sule (2013) assessed revenue generation and its impact on government developmental effort using a study of selected local council in Kogi East senatorial district. The researchers used both primary and secondary methods of data collection to generate the needed data. The data obtained through secondary data were analyzed using Simple Least Square regression method. The study discovered that there is a significant relationship between revenue generated and developmental effort of government in the area.

In other climes outside Nigeria, Kazentet (2011) assessed the role and contribution of internally generated fund (IGF) on the development of Asutifi district of Ghana. Secondary and primary data were used for the study from field sample surveys and documentations. Statistical tools such as correlation and regression analysis were used to find the linkage between IGR and development expenditure for the past eight years of 2003 to 2010. Findings from the study showed that the trend analysis revealed that the IGF and development expenditure of the district have a positive and strong relationship. Both IGF and development expenditures have improved through time. The study also noted that the district spends higher cost to raise IGF from the different sources excluding land royalties.

An analysis of these literatures showed that most of the Nigeria IGR related studies were based on particular State/s, while others were region based. None of the study was carried out used Nigeria as a whole for examination. Also, in all these, no study examined the performance of IGR, its projected figures during budget preparation and actuals during report of state accountant general. This study is timely because such empirical analysis will enable Ministries, Departments and Agencies (MDAs) of government to sit up and mobilize funds from sources available to them, even now that the president of Nigeria and declared sanctions to MDAs who failed to meet up with their projected revenue figures.

The conceptual review provides comprehensive definition and concept of land based tax revenue, internally generated revenue and its inherent challenges as well as scholar's contribution so far on both concepts.

DATA AND METHODOLOGY

The nature of the study necessitated the use of published annual report of Abia state office of accountant general from 2006 to 2019. Data are presented in tabular and graphical forms. This is a deliberate attempt to clearly bring to fore the extent of achievement of projected revenues of the state, and its growth pattern within the period.

Results and Discussion

This section makes detailed submissions on the research objectives as stated earlier in the introduction of the study.

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Research Question/Objective 1: What is the performance of land based revenue and internally revenue of Abia state from 2006 to 2019.

Ideally, budgets of every state government is an estimate of what is expected during the year both income and expenditure, on the basis of which proper plans are made on likely infrastructure, employment and others. Tax rates are matched to internal revenue and many a times, state governments increase same to improve the revenue base of the state. Table 1 and 2 below presented what was budgeted in land based revenue and internal generated revenue and actuals of both realized in Abia state from 2006 to 2019.

Table 1: The Performance of Land based Revenue Abia State government of Nigeria 2007-2019

Year	Budgeted Land based Revenue	Actual Land Based revenue	%Variance
2007	290,492,000.00	211,847,669.34	72.93
2008	532,042,000.00	446,148,829.07	83.86
2009	481,040,040.00	143,766,879.52	29.89
2010	209,778,000.00	59,794,900.00	28.50
2011	281,070,000.00	112,720,135.53	40.10
2012	114,030,000.00	247,427,431.29	216.98
2013	1,802,270,000.00	333,606,136.48	18.51
2014	581,673,725.00	334,587,482.60	57.52
2015	2,206,939,420.00	338,854,573.99	15.35
2016	1,143,735,346.00	373,926,974.97	32.69
2017	840,519,823.00	916,277,238.09	109.01
2018	982,047,210.00	331,171,141.13	33.72
2019	2,165,721,200.00	753,528,268.87	34.79

Source: Abia State Accountant General Annual Report, 2007 to 2019

Land based fees explained in literature culminated into what we have in table 1 above as revenues from land based taxes. In Abia state, these charges can be found in taxes, fees and fines, licenses, earning, rents on government property under the recurrent revenue schedule of the state accountant general's annual reports.

Table 1 above presented a huge gap in the projections, for 13years, only 2years had excess of what was budgeted. Nwafor and Egolum (2021) observed same scenario in Anambra and Enugu states, where differences were much in what was budged and actuals received. The gap is worrisome to the fact that for nine years, the state could not boost of 50% of what was budgeted as land based revenue. This could be the reason for abandoned projects in the states. Roads in Abia state are not in good motorable condition, and workers' salaries are not being paid as at when due. Table 2 below examined the performance of internally generated revenue. Internally generated revenue is

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the aggregate of funds raised within the territorial boundary of the state. Almost all sectors including lands, are contributors to this basket of funds. No existing literature has looked at IGR performance in Abia from 2007 to 2019, thus the need to ascertain what has happened within this period in the state.

Table 2: The Performance of Internally Generated Revenue Abia State government of Nigeria 2007-2019

Year	Budgeted Internally Generated Revenue	Actual Internally Generated Revenue	%Variance
2007	2,898,924,010	2,728,967,795.38	94.14
2008	3,330,593,000	11,080,835,264.88	332.70
2009	580,403,360	82,934,787.67	14.29
2010	135,900,000	70,013,850.46	51.52
2011	10,491,120,400	11,200,288,344.05	106.76
2012	22,202,318,470	11,141,467,399.38	50.18
2013	26,808,655,410	12,512,103,711.09	46.67
2014	23,026,989,120	12,376,291,754.49	53.75
2015	25,459,433,342	11,840,705,013.17	46.51
2016	23,778,941,891	12,540,140,261.80	52.74
2017	31,301,976,170	15,462,364,085.23	49.40
2018	29,177,320,960	15,830,928,367.24	54.26
2019	24,378,246,230	15,499,929,260.76	63.58

Source: Abia State Accountant General Annual Report, 2007 to 2019

Similar to table 1, table 2 above had excess of what was budgeted on two different occasions, 2008 and 2011. 2008 is quite unique having a triple rate of what was budgeted. A different investigation is advocated by researcher to find out the reason behind such result. Was tax rates in place affordable, which may have attracted people to pay taxes, was there any form of incentive, were they political assistance or a specific economic policy. if any, from the investigations, the author is of the opinion that such should be encouraged to continue or repeated, since from the table, after 2008 other years had poor results. Only on seven different occasions, specifically, 2007, 2010, 2012, 2014, 2016, 2018 and 2019 witnessed a little above 50% of what was budgeted for IGR. Abia is the commercial hub of Igbo speaking states of Nigeria. Known for their textile materials. Government must plan in such a way that taxes are acceptable and affordable. Machineries put in place are returning what they should, to avoid unnecessary leakages that may have resulted to these failures over the years. Having a budget that fails to raise expected revenue cannot sustain any economy, more so, policies and programs of government will continue to fail.

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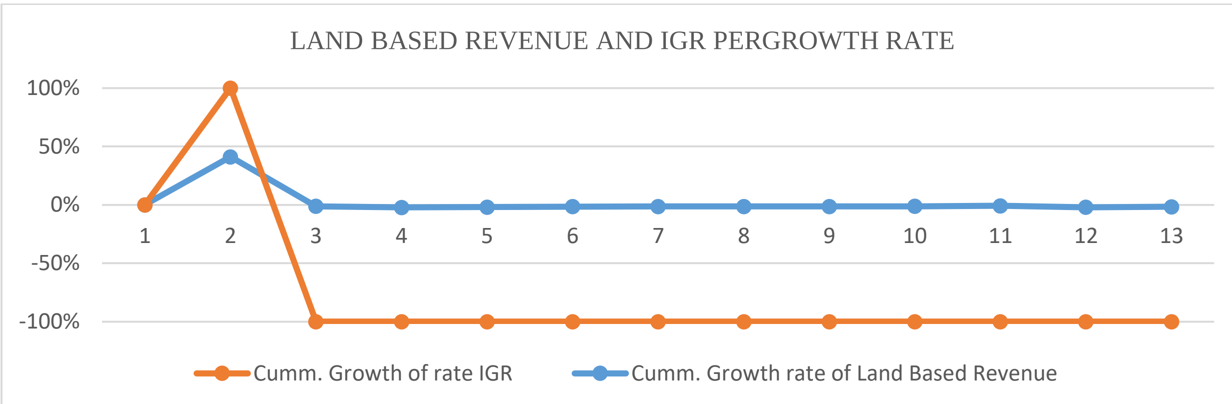
Research Question/Objective 2: What is the growth rate of state governments' land based revenue and internally generated revenue?

Figure 1 below shows the cumulative growth rate of land based revenue and internally generated revenue in Abia state, Nigeria, from 2007-2019. The graph shows the fluctuations of revenue on both land sector and the total internally generated revenue.



There are more 100 Ministries, Departments and Agencies of government in Abia, all of which contributes to the IGR and it is important to note that lands sector sustained the same pattern of growth with IGR within the studied as presented in figure 1 above. Changes in land based revenue, resulted to the same pattern of change in IGR, therefore land based revenue is a pointer to the IGR.

Research Question/Objective 3: What is the contribution of land based revenue to the internally generated revenue of Abia state from 2007 to 2019?

Bird and Slack (2002) submitted that land based tax contributes about 4% when compared to other sources of revenue in developed countries, whereas in developing it contributes 2% of total government revenue (Kelly & Montes, 2001; Kelly, 2000). The effort made in table 3 below demonstrated the nature of contribution of land based tax revenue to the internally generated revenue of Abia State Nigeria.

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Table 3: The contribution of Land Based Revenue to the Internally Generated Revenue from 2007 to 2019

Year	Actual Land Based Revenue	Actual Internally Generated Revenue	%Contribution of land based revenue to the IGR
2007	211,847,669.34	2,728,967,795.38	7.76
2008	446,148,829.07	11,080,835,264.88	4.03
2009	143,766,879.52	182,934,787.67	78.59
2010	59,794,900.00	70,013,850.46	85.40
2011	112,720,135.53	11,200,288,344.05	1.01
2012	247,427,431.29	11,141,467,399.38	2.22
2013	333,606,136.48	12,512,103,711.09	2.67
2014	334,587,482.60	12,376,291,754.49	2.70
2015	338,854,573.99	11,840,705,013.17	2.86
2016	373,926,974.97	12,540,140,261.80	2.98
2017	916,277,238.09	15,462,364,085.23	5.93
2018	331,171,141.13	15,830,928,367.24	2.09
2019	753,528,268.87	15,499,929,260.76	4.86

Source: Abia State Accountant General Annual Report, 2007 to 2019

Table 3 above shows a steady contribution of below 5%, aside few other cases that presented a different picture which requires further investigations, to find out the exact reasons behind the behavior, but the study still emphasized the critical role of land based taxes to the revenue generation of the state and it should be well structured to enhance the IGR of the state.

FINDINGS, RECOMMENDATIONS AND CONCLUSION

Major Findings

Budget planning and preparation in Abia state requires urgent attention. It was discovered that the projected figures used as budget estimates in both land based recurrent revenue and internally generated revenue failed to meet up with the target (actuals) at the end of the year and it is very critical to sustainability of state projects.

There is a looming danger of bankruptcy in the state. The study discovered that the growth rate of land based revenue and internally generated revenue are negative. A clear evidence of the reasons behind decays of public infrastructure and abandonment of projects in the state.

The result of the study also showed that land based revenue contribution to the internally generated revenue is below 5% for many years.

Recommendations

1. There is need for state government to adopt a realistic model in determining expected revenue from land based taxes.

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2. All land based taxes should be made known to the entire public to avoid corruption and fraud of any kind from government officials.
3. Appropriate sanctions like meaningful additional fees should be put in place and adequately publicized for late payment of land based taxes. Citizens should know their liabilities and expectations at the beginning of every year
4. Certified relevant officers should be employed in Ministries, Departments and Agencies (MDAs) of government to determine appropriate taxes that are payable to government at any point in time.
5. A bespoke information system should be developed to cover leakages borne out of corruption and also provide timely performance of the sector's revenue for real time strategic planning.
6. Quarterly assessment of MDAs revenue is now very essential because their failure is the reason for obvious delays in project execution in the state.

CONCLUSION

The dwindling central government allocation to states is a crucial challenge that requires proactive measures to sustain state governance. Sourcing and improving Internal funds is a major way to maintain stability in the system. Land based taxes is a strong contributor of revenue in any state, therefore the sector should be giving adequate attention by policy makers in order to get positive results. Revenue drive should be a priority of government and officers responsible for the activity should be trained and equipped for the task.

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