
The effect of electronic tax system on tax compliance among small and medium enterprises in Jos metropolis of Plateau State, Nigeria

*¹Ologbonyo Clement and ²Egegwu Unogwu Emmanuel

^{1&2}Department of Accounting, Faculty of Management Sciences,
University of Jos, Jos – Nigeria

*Corresponding Author: clementologbonyo1@gmail.com



ABSTRACT

This study was carried out to determine the Effect of Electronic Tax System on Tax Compliance among Small and Medium Enterprises in Jos Metropolis of Plateau State, Nigeria. The study employed a quantitative research technique and a total of 338 copies of questionnaire were administered on the selected respondents. Theoretically, the study hinged on The Allingham and Sandmo Theory, Knowledge Management Theory and Economic Deterrence Theory. Linear regression method was used to analyse the data with the aid of statistical packages for social science (SPSS, 26)). The findings showed that there is significant relationship between the level of awareness of electronic tax and tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State, there is significant relationship between perceived ease of use of electronic tax and tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State and there is significant relationship between electronic tax filing system of electronic tax and tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State. It was recommended that The FIRS can introduce a Mobile version of FIRS electronic tax portal made available for different types of mobile operating system such as Android, Windows and Apple OS. This will no doubt increase the adoption rate and compliance by tax payers as mobile phones are being increasingly used and that the Plateau State government should try to upgrade the electronic-tax servers to calm down the pressure on the current servers as new users are registering on the portal almost every day.

Keywords: Electronic Tax System, Small and Medium Enterprises, Tax Compliance

1. INTRODUCTION

The role of taxes in the operations of any government cannot be overstated. Taxes are an important source of government revenue around the world; however, not every national government has been able to properly capitalize on this significant revenue generating opportunity by engaging small and medium-sized businesses in complying with tax laws. This can be attributed to a variety of factors, including the taxation system; tax legislation; tax administration and policy issues; an overreliance on other sources of revenue (such as foreign aid and grants); corrupt practices in the system, particularly in the tax collection system and the behavior of citizens and small businesses toward tax payment; and ease of tax payment (Corazzini & Pavesi, 2020).

Collection of government revenue through electronic means in developing countries has gained increasing prominence in policy debates recently. Newman, Charity & Ongayi (2019) argue that the recent trend in public taxation, stress the need for developing a system of tax assessment and collection that involves internet services. In developing countries, the government faces great challenges in collecting tax revenues, which result in a gap between what they should collect and what they actually collect. Tax collection is a vital function for any country since it provides governments with the necessary income to fund the budget. This is only possible if countries have a tax-compliant society (Abu-Hassan, Yunus, and Ramli, 2017). However, noncompliance with tax regulations remains a persistent and expanding global issue for which no long-term remedy has been found. Noncompliance is described as an individual's failure to follow legal, social, cultural, or institutional standards (Gotora and Mokaya, 2018).

An electronic tax system is an online platform that allows taxpayers to access all of the services provided by a financial authority via the internet, such as registering for a personal identification number, filing returns, and applying for a compliance certificate. A perfect example of such a system is the automated invoicing system known as the Electronic Revenue Assurance System (ERS), which was unveiled on February 22nd, 2018 (Akim et al., 2023).

Small and Medium Enterprises (SMEs) differs from country to country as it can be based on the capital invested, number of workers employed, and or sales turnover (Garikai, 2011). According to the Financial System Strategy (2020), derived from the Central Bank of Nigeria, SMEs are broadly defined as businesses with turnover of less than N100 million per annum and with a staff strength that is less than 300. The sector in terms of enterprise represents about 90 percent of the manufacturing or

industrial sector (FSS, 2020) with 84 percent employment and accounts for 50 percent of industrial jobs (PWC, 2020). Studies by the International Finance Corporation reveals that approximately 96 percent of Nigerian businesses are SMEs and they contribute 48 percent of national GDP (PWC, 2020) as against 53 percent and 65 percent in the US and Europe that contribute 40 percent GDP in Asian countries and 50 percent in US and Europe respectively. SMEs in Nigeria are currently distributed along sectors within region, creating potential operational and cost synergies.

Electronic tax filing system cost has effect on tax compliance. Complexity in tax laws and tax compliance costs are positively interlinked. Marcus (2013), using survey data and secondary data from the US Internal Revenue Service (IRS), found a positive relationship between the level of complexity of income tax and the level of tax compliance costs. Additionally, in self-assessment tax systems, complex tax laws may compel taxpayers to hire paid tax return preparers. In addition, complex tax laws may require sophisticated accounting records, which may necessitate hiring bookkeepers, therefore increasing tax compliance costs (Alshira'h, 2019). The Level of awareness has an effect on tax compliance. Taxpayers' awareness with regard to the perception of the taxpayers determines the behaviour in compliance with paying taxes. The higher the level of awareness of the taxpayers, the taxpayers will be able to determine their behaviour better and in accordance with the provisions of taxation so taxpayers have a high compliance rate (Nalendro, 2014). According to Muliari and Setiawan (2011), taxpayer compliance will improve as taxpayers become more aware of and implement their tax obligations. Similarly, perceived ease of use with taxes influences the compliance behaviour of Plateau State's small and medium-sized firms. Perceived usefulness can be defined as the degree to which a user believes that using a specific system will support his work. Davis (1989). In this study, PU represents tax payers' perceptions of the utility of using an electronic system to pay taxes (e-filing). Researchers have empirically confirmed perceived simplicity of use in the uptake of new technologies. These empirical research were done by Mustapha (2013) and Mamta (2012); Othman (2011). Perceive usefulness has also been examined in relation to the ability of the system to increase performance, productivity, and effectiveness.

Nigeria's tax compliance and income in comparison to the rest of the world remains pitifully low, despite several reforms, tax compliance, and revenue improvement strategies implemented by various administrations. According to Ekoja and Saratu (2014), this is slowing down the rate at which the government is providing the physical infrastructure that can best support rapid development. As a result, the

purpose of this study is to ascertain if electronic tax systems may actually improve small- and medium-sized businesses' tax compliance.

Most of the researches done on electronic tax system's effect on the tax compliance didn't capture the Economic Deterrence Theory. Since most of the studies failed to show the contribution this theory in their research, therefore this research address to fill this gap by using this theory. This research work seeks to determine the effect of Electronic Taxation System on tax compliance among Small and Medium Scale Enterprise (SMEs) in Jos North, Plateau State, Nigeria. The rest of this paper is organized as follows. Section 2 reviews the literature and presents theoretical framework. Section 3 discusses the research methodology. Section 4 discusses the results. Finally, conclusions and recommendations are drawn in Section 5.

2. LITERATURE REVIEW

Tax Compliance

Tax compliance is the willingness of individuals to comply with relevant tax authorities by paying their taxes. Tax compliance can be defined as an ability of a tax liable body to submit accurate, complete and satisfactory returns in conformity with tax laws and regulations of the state to the authority for the purpose of tax assessment. It is also reported that tax compliance is the degree to which a taxpayer complies or fails to comply with the tax rules of his country (Hanapi, 2022).

Kirchler (2007) proposed a more straightforward definition in which tax compliance is defined as the most neutral term for describing taxpayers' desire to pay taxes. Song and Yarbrough proposed a broader definition of tax compliance in 1978, arguing that because the tax system in the United States is largely based on self-assessment and voluntary compliance, tax compliance should be defined as taxpayers' ability and willingness to comply with tax laws, which are determined by ethics, the legal environment, and other situational factors at a given time and place.

Electronic Tax System

Electronic tax system is the system of collecting taxes from the taxpayers electronically. This is an online platform whereby the taxpayer is able to access through the internet all the services offered by the tax administration such as the registration for a personal identification number, filing of returns and application for compliance certificate (Deloitte, 2017).

E-taxation is the process of collection and administration of tax procedure through an electronic medium. In line with Che-Azmi and Kamarulzaman (2014), e-tax payment system is an Information Communication Technology (ICT) based architecture that assists governments globally to mop income from tax to provide public services needed for improving the standard of living of the citizenry. For Wasao (2014) electronic tax system represent an online system or channel where taxpayers can gain access or permit to the tax authorities porters with the aid of internet at their comfort zone, to access all the services provided by the tax authority such as the registration for the generation of a Tax Identification Number, electronic tax filing of tax returns

Determinants of Electronic Tax Systems

The determinants of Electronic Tax Systems are Tax Awareness, Perceived Ease of Use, and Tax Compliance Costs.

1. Tax Awareness and Electronic-taxation

Consciousness is the state of knowing or comprehending, whereas taxation is the subject of taxes, hence taxation is a state of consciousness in which one knows or understands about taxes. The taxpayers' community's good view of the government's ability to carry out state functions will motivate people to pay their taxes (Jatmiko, 2006). According to Muliari and Setiawan (2011), tax awareness is the condition in which a person knows, acknowledges, respects, and obeys the applicable tax provisions and wishes to satisfy his or her tax duties.

2. Perceived Ease of Use and Electronic-taxation

Researchers have empirically confirmed perceived simplicity of use in the uptake of new technologies. These empirical studies were conducted by Mustapha (2013), Mamta (2012), Othman (2011), Ozgen and Turan (2007), and others. Perceived usefulness has also been evaluated in terms of the system's capacity to improve performance, productivity, and effectiveness. The research discovered that perceived usefulness is a major predictor of intention to adopt a specific technology. The significance of PEU has been well discussed in different fields. It has also been gathered in the previous studies that perceived usefulness has a direct effect on behavioural intention to utilize internet shopping, real-time training on the web, internet banking, e-commerce, and electronic government services like e-filing Ashoori, Noorhosseini, and Alishiri, 2015; Ibrahim, 2012; Mustapha, 2013).

3. *Tax Compliance Costs and Electronic-taxation*

Complexity in tax laws and tax compliance costs are positively interlinked. Marcus (2013), using survey data and secondary data from the US Internal Revenue Service (IRS), found a positive relationship between the level of complexity of income tax and the level of tax compliance costs. Additionally, in self-assessment tax systems, complex tax laws may compel taxpayers to hire paid tax return preparers. In addition, complex tax laws may require sophisticated accounting records, which may necessitate hiring bookkeepers, therefore increasing tax compliance costs Schoonjans, Van Cauwenberge, Reekmans, & Simoens, (2011).

Small and Medium Enterprises (SMEs)

Aga, Francis, and Rodriguez-Meza (2015) posit that SMEs are described as the nucleus to economic growth and development and are major sources of employment. Studies also note that SMEs are major players in economic growth and development since it provides employment opportunities to citizens, and this increases their household income (Kamunge, Njeru, and Tirimba, 2014; Palmarudi & Agussalim, 2013). However, Turyakira and Mbidde (2015) posit that inadequate research on SMEs' contribution in networking influences competitiveness alongside limited resources. Rahman (2015) demonstrates that networking among SMEs, in addition to increasing competitiveness, allows sharing of employee training costs and cuts costs on consultancy and research and development, production, export and human resource, and financial support.

Empirical Review

Tax payer's Knowledge and Electronic Tax System

Oladipo, Nwanji, Eluyela, Godo and Adegboyegun (2022) examine how tax fairness and tax knowledge influence tax compliance behaviour of listed manufacturing companies in Nigeria using questionnaire survey and the Laffer Curve Theory was employed as underpinning theory. Correlation, analysis of variance (ANOVA), and multiple regression analyses were also employed for data analysis. The results show among others that tax knowledge influenced tax compliance positively and significantly. Considering the results from the literature reviewed, this study is premised on the perspective that taxpayers' knowledge might have positive influenced on SMEs' tax compliance behaviour.

Adegbola et al., (2021) examined how electronic tax system (E- tax system) reduces tax evasion in Nigeria. The survey sample was drawn from Federal Inland Revenue Service (FIRS) staff and small and medium-scale enterprise taxpayers registered in F.C.T., Abuja, Nigeria. Primary data was derived from a questionnaire administered to a population of 60 officials and employees of the FIRS and taxpayers at a small and medium-scale enterprise registered in F.C.T., Abuja, Nigeria. The secondary data used was extracted from the tax revenue collection report on the FIRS platform for 2000–2019 (20 years). The conclusive research design was used. General linear model and linear regression were used to analyze the data collected. The E-tax system was measured using actual tax revenues and the level of electronic tax services. In contrast, tax evasion was measured using tax compliance and mind-set of taxpayers towards E-tax system. Taxpayers' attitudes towards E-tax system, actual tax revenue, tax compliance and the level of electronic tax services were used as mediating and control variables; thus, results established a significant relationship, and this relationship is an adverse one. The work shows that an effective electronic tax system will significantly reduce tax evasion. Therefore, the proper implementation of the electronic tax system helps mitigate the problem of tax evasion that causes economic and social detriments in the tax administration system.

Value Added Tax (VAT) Compliance and Performance of SMEs

Azeez et al., (2023) researched on Value Added Tax compliance, and Small and Medium Enterprises (SMEs): Analysis of influential factors in Nigeria. They study examines VAT compliance factors among SMEs in Nigeria. Specifically, the study assesses the influence of Taxpayer Perception and Attitudes (TPA), Organizational Characteristics (OC), Tax Compliance Cost (TCC), VAT Implementation Efficacy (VIE), revenue, profit, employees, customers, and SMEs size on VAT compliance among SMEs in Nigeria. Using both primary and secondary data in the study population comprised all registered SMEs in Nigeria. The study used a sample of 3,600 SMEs to carry out the analysis. Also, given a total of 18,000 observations, a panel data set of 3,600 SMEs from the years 2018 to 2022 was chosen from the financial records of SMEs. The results indicate that TPA, OC, TCC, and VIE influence VAT compliance. Furthermore, the study discovered that revenue has a positive but not significant effect on VAT compliance. More so, the size and level of profit generated have a positive and significant influence on VAT compliance by SMEs. However, a number of employees and customers have no significant effect on VAT compliance by SMEs. The study contributes to the existing body of knowledge by combining both qualitative and quantitative approaches on this subject and will assist researchers and practitioners in assessing the influence of VAT compliance among SMEs. Hence, policymakers and tax authorities should

incorporate these factors in order to improve tax compliance among SMEs in Nigeria, which will eventually boost revenue generation.

Akpoiyibo et., (2023) worked on the collection, Utilization Systems and the Performance of Small and Medium Scale Enterprises in Nigeria: A Multivariate Approach. In both developed and developing nations, there are a number of empirical studies that had assessed the roles tax revenues play in augmenting economic growth; however, there is a literature gap on what is known about tax collection and utilization system and their effects on small and medium scale enterprises' performance in developing country like Nigeria. In line with the above, this study was carried out with the view to assess the relationships between tax collection and utilization systems and the performance of small and medium scale enterprises in Nigeria. The theories of expediency and benefits received from tax revenues were employed as the theoretical underpinning and the descriptive survey design involving questionnaire was used. A sample of 190 employees and 50 owners of small and medium scale enterprises were employed, hence the study sample comprised of 240 respondents. The dependent variable is small and mediums scale performance (measured by quality of service, profitability and turnover) while the independent variables are tax collection and utilization systems. Data obtained in the survey were analyzed using descriptive statistics (mean, standard deviation, and Karl Pearson correlation); diagnostic statistics (variance inflation factor) and inferential statistics (multivariate regression). In specific, the multivariate regression result indicated that tax collection and utilization systems negatively and significantly affect SMEs performance in areas of quality of service, profitability, and turnover in Nigeria. It was recommended that Nigerian government should put stringent mechanisms aimed at enhancing the collection and utilization of tax revenues and more importantly, multiple tax collections that seek to frustrate small and medium scale enterprises' performance should be adequately addressed.

E-Filing, E-Billing, E- Assessment and Tax Compliance of MSMEs

Adhityawati et al., (2023) carried out a research on the Impact of E-SPT, E-Filing, E-Billing, and Taxpayer Attitude toward Tax Compliance on Individual Taxpayers of Micro, Small, and Medium Business in Surabaya. The purpose of this study is to examine the conceptual framework of the impact of e-SPT, e-Filing, e-Billing, and Taxpayer Attitudes on Micro, Small, and Medium-Sized Enterprise (MSMEs) Taxpayers in Surabaya. Using a sampling technique, a survey was used to conduct the quantitative investigation. The survey was administered to 241 private MSMEs in Surabaya, and the results were evaluated using multiple regression analysis in SPSS. According to the findings of this study, e-SPT, e-filing, e-billing, and Taxpayer

Attitudes have substantial effects on taxpayer compliance. Additionally, this research can help existing electronic tax reporting systems become more efficient and productive. This study also supports the Theory of Planned Behavior, which asserts that when taxpayers believe in creating positive things, they will behave obediently, and the Technology Acceptance Model, which asserts that the adoption of information technology will explain taxpayers' attitudes toward the acceptance of information technology (e.g., e-SPT, e-Filing, and e-Billing).

Chukwuma et al., (2023) looked at the Effect of Electronic Payment System on Tax Revenue Generation in Nigeria. The study specifically sought to determine the effect of automated teller machine payment, mobile banking payment, point of sales and web-transfer payment on tax revenue generation in Nigeria. Ex-post facto research design was adopted in the study and secondary data obtained from Federal Inland Revenue Service (FIRS) annual publications and National Bureau of Statistics for the years (2013-2021) was used. Analysis of data was done using descriptive statistics, unit root tests and ordinary least square regression at 5% level of significance. The outcome of the analytical tests revealed that automated teller machine payment, mobile banking payment and web-transfer payment had both positive and significant influence on tax revenue; while point of sales had positive and insignificant effect on tax revenue generation in Nigeria within the period reviewed. It was then recommended among other things that the government should invest in its internet security framework to create a firewall against fraud and instill confidence in the citizens to adopt the use of POS which would contribute to aggregate consumption and improvement in tax revenue.

Theoretical Framework

Knowledge Management Theory

The proponent of knowledge management theory is Grand (1996). According knowledge management is the deliberate and systematic coordination of an organization's knowledge resources (people, technology, processes and organizations structure in order to add value through reuse and innovation. This is achieved through the promotion of creating, sharing and applying knowledge as well as through the feeding of valuable lessons, learned and best practices into corporate memory in order to foster continued organization performance.

This theory helps this research. This is because it is strategies and processes designed to identify, structure, value, leverage and share an organization's intellectual assets to enhance its performance and competitiveness. It is based on two critical activities,

capture and documentation of individual explicit and tactic knowledge and its dissemination within the organization.

The Allingham and Sandmo Theory

The Allingham and Sandmo (1972) Theory stipulate that tax compliance theory holds that the government deters tax evasion through sanctions and audits. When a taxpayer considers the cost of dodging taxes is too low and they are unlikely to be detected or audited, they will choose to breach the law and avoid paying their taxes. When a taxpayer considers the cost of dodging taxes is too low and they are unlikely to be detected or audited, they will choose to breach the law and avoid paying their taxes. However, if a taxpayer considers the cost of compliance is excessive, they will avoid paying taxes. Tax systems and procedures that are complicated and time-consuming tend to encourage tax avoidance. Tax evasion is widespread among people who believe the tax rate is excessively high and punitive. Tax evasion, the likelihood of detection, the severity of punishment, and the high transactional costs connected with tax legislation all have a negative association.

The reason why this theory was used in this research work is because of its usefulness bringing the needed response to the tax payers to pay tax. Since tax compliance is linked with moral obligation, affordable tax rate and fairness in tax administration, this theory of the Allingham and Sandmo is relevant to this study.

3. METHODOLOGY

The research design is survey design. Survey design will be used to obtain information about electronic-tax and tax compliance in Plateau State. Data would be collected from primary sources through the use of a well-structured questionnaire distributed to the target respondents randomly. The questionnaire would be designed to apply to a heterogeneous population, where the respondents come from the general open public, with no bias to gender, education, background and profession. The questionnaire would be distributed to respondents in Jos Plateau State. The data is intended to be gotten from the small scale enterprises business persons.

The population for this study would comprise of 2,180 SMEs in Jos metropolis of Plateau State, following an entrepreneurship survey by SMEDAN in 2022. According to Cooper and Schindler (2000) a population is the total collection of elements about which the study makes inferences. It is from this population of 2,180 that the sample size for the research will be determined using Taro Yamane formula for sample size determination.

The statistical formula applied to determine the sample size of the study is Taro Yamene formula thus;

$$\frac{N}{1 + N (e)^2}$$

Where:

n = Sample size

N = Population

1 = Constant

e = Sample error (Usually 0.10, 0.05, and 0.01 acceptable error)

(Taro Yamane)

$$n = \frac{N}{1 + N (e)^2}$$
$$n = \frac{2180}{1 + 2180(0.05)^2} = 338$$

N = 338

From the above calculation, the sample size for this research is 338 owners of SMEs that the questionnaire will be distributed. The data would be analyzed using the multiple regression analysis with the help of Statistical Packages for Social Sciences (SPSS 26).

The functional model is therefore stated as follows

TC = f (E-T) ----- equation (i)

TC= f (AW, PEU, TCC)..... equation (ii)

The broad model is represented as:

TC = β0+ β1 LOA+ β2PEU+ β3TCC+ é ----- equation (iii)

Where;

TC= tax compliance

LOA = Level of awareness

PEU= Perceived Ease of Use

TCC= Tax compliance cost

é = Error term

4. RESULT AND DISCUSSION

This section presents the result of the data analysis obtained from the multiple regression model. The first section 4.1 presents the data presentation. The second section 4.2 presents the data analysis. The results of the test of research hypothesis are presented in Section 4.3 and the discussion of findings is presented in Section 4.4 respectively.

Summary of Descriptive Statistics

This section presents the outcome of the descriptive statistics. The results obtained from the distribution of the questionnaire designed in Chapter 3 are analyzed using SPSS 26.

Table 1
Descriptive statistics for the study variables

	N	Minimum	Maximum	Mean	Std. Deviation
Level of tax awareness	237	1.20	3.80	2.3084	.71747
Perceived Ease of use	237	1.00	3.92	2.4360	.82489
Electronic tax filling system	237	1.33	4.00	2.4248	.81971
Tax Compliance	237	1.29	3.43	2.3858	.54618
Valid N (Listwise)	237				

Source: SPSS Output

The descriptive statistics for the study variables are presented in Table 1. The results indicate that the mean score of the latent variables range between 2.30 and 2.43 on a 5- point Likert scale, while the standard deviation ranges between 0.54 and 0.82. The standard deviations are small relative to their respective means, implying that the statistical mean provides a good fit of the observed data (Field, 2009) and the data from which the sample was drawn is a true reflection of the population.

Table 2
Table of Coefficients

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.357	.162		8.401	.000
	Level of tax awareness	.103	.049	.136	2.095	.037
	Perceived Ease of use	.085	.050	.129	1.706	.009
	Electronic tax filing system	.240	.051	.360	4.745	.000

a. Dependent Variable: Tax Compliance

Hypothesis 1: Level of awareness and Tax compliance

The null hypothesis was rejected and the alternative hypothesis which is that “There is significant effect of level of awareness on electronic tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State” was accepted. The standardized regression Beta-value and t- statistics for level of awareness on tax compliance is 0.136 and 2.095 suggesting that this path is statistically significant at $\alpha = 0.05$. There is significant effect of the level of awareness of electronic tax on tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State. This finding is in tune with the findings of Akpubi and Igbekoyi (2019) who opined that Level of Awareness (LOA) depicted a level of a significant positive relationship with tax compliance among SMEs in Nigeria.

Hypothesis 2: Perceived ease of use and Tax compliance

The null hypothesis was rejected and the alternative hypothesis which is that “There is significant effect of perceived ease of use of electronic tax on tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State” was accepted. The standardized regression Beta-value and t- statistics for level of awareness on tax compliance is 0.129 and 1.706 suggesting that this path is statistically significant at $\alpha = 0.05$. There is significant relationship between the perceived ease of use of electronic tax and tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State. This result corroborated the results of Bramantyo (2020) who position that that the users’ attitudes were significantly influenced by the perceived useful, beliefs, and compatibility and the subjective norms were not affected by the external influence, but rather by interpersonal influence.

Hypothesis 3: Electronic tax filing system and Tax compliance

The null hypothesis was rejected and the alternative hypothesis which is that “There is significant relationship between electronic tax filing system of electronic tax and tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State” was accepted. The standardized regression Beta-value and t- statistics for electronic tax filing system on tax compliance is 0.360 and 4.745 suggesting that this path is statistically significant at $\alpha = 0.05$. there is significant relationship between electronic tax filing system of electronic tax and tax compliance by Small and Medium Scale Enterprises (SMEs) in Plateau State. This is finding is in line with the findings of Zambia, Thabani and Richard (2020) who established that majority of the taxpayers are filing their returns and paying taxes online.

Summary of findings

The summary of the findings are given below:

1. Electronic Tax System has a significant effect on level of awareness
2. Electronic Tax System has a significant effect on perceived ease of use
3. Electronic Tax System has a significant effect on electronic tax filing system cost on tax

5. CONCLUSION AND RECOMMENDATIONS

Conclusion

This study empirically investigates the effect of Electronic Tax System on Tax Compliance among Small and Medium Enterprises in Jos Metropolis of Plateau State, Nigeria. The lesson emerging from the empirical investigation was that there is a positive effect of Electronic Tax System on tax compliance. In conclusion, the results prove that Electronic Tax System has a significant effect on level of awareness, perceived ease of use and electronic tax filing system cost on tax. From the result of the analysis, it can be concluded that (SMEs) agree that the level of awareness of tax payers about Electronic-taxation has a positive effect on tax compliance. It was also established from the Tax Payers (SMEs) point of view that perceived ease of use was also a major determinant in ensuring tax compliance in Plateau State. Finally, it was also established from the tax payers (SMEs) point of view that Tax compliance cost is a major determinant in ensuring tax compliance in Plateau State.

Recommendations

The study therefore offers the following recommendations based on the findings of the study:

- i. Federal government through the Federal Inland Revenue Services (FIRS) should conduct more enlightenment seminars in other states of the country to increase the knowledge on the use and adoption of Electronic-tax.
- ii. The small businesses can introduce a Mobile version of electronic tax portal made available for different types of mobile operating system such as Android, Windows and Apple OS. This will no doubt increase the adoption rate and compliance by tax payers as mobile phones are being increasingly used and the Plateau State government should try to upgrade the electronic-tax servers to calm

down the pressure on the current servers as new users are registering on the portal almost every day.

iii. Finally, Government on their own part should release fund which will help in making all the necessary technological material available needed in E- tax system.

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