

Tax Knowledge and Personal Income Tax Compliance: A Study of Small and Medium Enterprises in Gombe State, Nigeria

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Abstract: Tax income is undoubtedly one of the major sources of revenue of most countries, hence tax compliance is one of the troubling issue faced by tax authorities. Therefore this study evaluated the effect of tax knowledge on tax compliance behaviour of Micro, Small and Medium Enterprises (MSME) in Gombe state Nigeria. The study retrieved 360 questionnaires from the entire 480 MSMEs registered with Small and Medium Enterprises Development Agency (SMEDAN) and corporate Affairs Commission (CAC) in Gombe state Nigeria. Partial Least Squared- Structural Equation Modelling (SmartPLS3) was employed to analyse the data. The study found out that tax knowledge has a significant positive effect on tax compliance behaviour in MSMEs in Gombe state-Nigeria. The study therefore recommends that tax authorities to put more effort in

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the provision of sensitization program to MSMEs in order to improve compliance.

Keywords: Taxation, Tax Knowledge, Tax Compliance, PIT, MSMEs

INTRODUCTION

Government of any country generate their revenue either through tax or non-tax revenue and Nigeria is not an exception. Compliance with tax payment is a serious challenge faced by tax administration in developing countries like Nigeria [1]. Nigeria witness a decreased in tax revenue generation in spite of GDP growth experience during the period of 2010 to 2018. Nigeria has one of the lowest tax revenues-to-GDP (Gross Domestic Products) in the world and it is established by world financial experts that no country will adequately finance its social or economic infrastructure when its tax revenue-to-GDP is below 15% [2].

Tax non compliance remained a menace in any economy. Nigeria is experiencing a serious problem of tax non compliance from every sector of the economy. In 2018 alone FIRS have 31,395 records of various bank taxes and 6772 of these records do not pay any form of tax which at least each record is expected to generate nothing less than N3 billion and if that is multiply 6,772 the amount is huge [2]. Moreover non-Oil revenue is on the decrease from 2016 to 2018. In 2017 non-oil revenue of N4.03 trillion amounting to 62.25 percent was realised as against the oil revenue of 37.75% in 2016. 64.99% was recorded as revenue in favour of non-oil and 35.01 per cent for oil collections while in 2018 non-oil collection dropped to 54.56 per cent and 45.44 per cent for oil [2].

A survey by the National Bureau of Statistics (NBS) in partnership with the Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN) indicate that there are more than thirty seven (37) million MSMEs in Nigeria as at December, 2018. The statistics shows that micro enterprises constituted of 36,994,578, small enterprises are 68,168 while the remaining 4,670 are medium enterprises that bring the total of MSMEs to 37,067,419. At the moment, more than fifty nine (59) million Nigerians which constitute more than 84% of the total national labour force are employed by MSMEs [3]. As at 2016 about 48.5% and 7.3% were contributed to GDP and total national export by MSMEs. There exist a strong relationship between economic growth and tax revenue in any country when the former is lacking, the later will be affected negatively Uba [4] and he further buttressed that if MSMEs are appropriately educated and properly harnessed, their contribution toward economic growth could be in multi folds and the effect will be a promising Nigerian economy.

Several workshops and sensitization programs were organised by FIRS to educate MSMEs believing that they have the aptitude to grow up the economy and opportunity for job creation for the teeming youths. Several studies on tax knowledge and tax compliance were conducted both in Nigeria and foreign countries, yet little or nothing has been done on harnessing the compliance behaviour of MSMEs in Nigeria despite their tremendous contribution to the economic growth.

Previous studies found out mixed result on the relationship between tax knowledge and tax compliance. [Manual and Xin [5], Fauziati, Minovia [6], Inasius [7], Andreama [8], Mohd, Akir [9], Deyganto [10]] found out that there is no significant relationship between tax knowledge and tax compliance in different countries. In the other hand Gangl, Torgler [11] in Australia, [Saad [12], Saad, Mansor [13]] in Malaysia, Kamil [14] in Indonesia found out that tax knowledge have negative effect on tax compliance. However, tax knowledge is found to have significant positive effect in different countries of the world such as Azmi, Zainuddin [15] in Malaysia, Asrinanda [16] also in Malaysia, Olaoye, Ayeni-Agbaje [17] in Nigeria, Manaye [18] in West Africa, Oladipupo and Obazee [19] in Nigeria.

Based on the studies reviewed so far the actual relationship between tax knowledge and tax compliance remained an issue of debate among scholars. Therefore this study is aimed at examining the effect of tax knowledge on tax compliance of MSMEs in Gombe state Nigeria.

LITERATURE REVIEW

Concept of Personal Income Tax (PIT)

Technical committee for tax administration, Federal Inland Revenue Service and State Internal Revenue Service were established in 1992. In 1993, Personal Income Tax Act (PITA) was established to repeal Income Tax Management Act of 1961. The 1999 Constitution provide for each tier of government a taxing authority and the taxes are shared by these tiers depending on the nature of the tax. Federal government has the power to legislate and collect taxes from company's income, custom and excise, education, custom levies, VAT and personal income tax of the Federal Capital Territory (FCT) and armed forces. The constitution provides state governments with the power to collect personal income tax except for the personal income tax of the personnel of the armed forces and residents of FCT. The local governments are empowered by the Constitution to charge other minor taxes or levies.

The first tax to be introduce in Nigeria was the Personal income tax (PIT) which started in 1906 as a community tax in Northern Nigeria [1].

The law imposing the tax empowered Federal Inland Revenue Service, State Internal Revenue Service and the Local Government Revenue Committee to administer and collect personal income tax.

Constitution of the Federal Republic of Nigeria, 1999 provide the legitimacy of imposing taxes on individuals. National assembly was given power to make laws for the imposition of taxes. The collection and administration of some specified personal income tax under the concurrent legislative list are left to the state governments. The State House of Assembly is empowered under the Residual List to make laws and to levy taxes and rates on individuals within the jurisdiction of the local government.

Alabede [1] affirms that personal income tax in Nigeria covers the income of the individual, corporation sole and body of individuals, (example partnership). The individuals, corporation sole and body of individuals that are assessable under personal income tax include the following:

- a) An employee in both the private and public sector in respect of income obtained from employment.
- b) A sole trader, for the income derived from trading.
- c) A proprietor, for the income obtained from trade, business, profession or vocation
- d) A partner, for income from the share of the profit from the partnership's trade, business, profession or vocation.
- e) An executor(s), for income in respect of the estate of a deceased person.
- f) A trustee(s) for the income from any settlements or trusts or estate.
- g) A beneficiary, for the proportion of income derived from a settlement.
- h) An annuitant, for income in respect of annuities.

For the purpose of tax collection, individual taxpayers are categorized under direct assessment and indirect assessment otherwise known as PAYE. Individuals under direct assessment are to pay their taxes not under appeal or objection within two months after notice of assessment has been given, while the collection of tax on assessments that are subject to appeal or objection will remain in abeyance until the objection or appeal is settled and must be paid after one month. The individuals under PAYE are employees working for either the private or public sectors. They pay tax on their emolument on a monthly basis. Employers of labour are to deduct taxes from salaries or wages payable to their workers at the end of each month in line with the tax table provided by the tax office and shall account

for the deducted amount in the manner that may be prescribed by the relevant tax authority.

Concept of Tax Compliance

The payment of tax is the compulsory obligation of every citizen whether individual or body corporate [1]. It is a responsibility upon any citizen to voluntarily comply with such duty however some do not until government takes measures against them. Most taxpayers don't want to pay tax thereby making imposition and collection very difficult for the tax administrators [20]. Kirchler, Hoelzl [21] on the other hand argue that it is a sole responsibility of any government to ensure that tax payers comply with the provision of tax laws irrespective of their social, economic or political status. For tax compliance to be ensured there must be an effective tax system in place which can make taxpayers voluntarily complying with the provision of the tax laws [1].

Tax compliance is seen as the extent to which citizens act in accordance with tax rules and regulations [1]. James and Alley [22] defined tax compliance as the willingness of taxpayers to act in accordance with tax laws voluntarily with all sense of commitment without any pressure or fear of law enforcement.

McBarnet [23] identified the following as three forms of tax compliance:

- (i) Committed compliance which is the keenness of the taxpayer to comply with tax laws without complaining.
- (ii) Capitulative compliance refers to complying with tax laws by the taxpayer reluctantly and
- (iii) Creative compliance refers to any step by the taxpayer in order to reduce tax liability by adjusting revenue and expenditure within the borders of the tax law.

Moreover, Kirchler [24] further categorised compliance as either voluntary compliance where taxpayer willingly comply with the directives of the tax authorities or an enforced compliance arises where there is mistrust and a lack of understanding between the authority and the taxpayer and the later is not willing to comply with the tax laws thereby making the authorities to compel him to pay using the wrath of law. Mas'ud [25] opined that tax compliance is categorized into administrative perspective on ensuring application of tax laws and judicious perspective which emphasise on accuracy of amount of tax return.

Tax compliance is therefore seen as willingness of a taxpayer to accurately file, report a tax liability and remit same to appropriate tax authority. In the other hand tax noncompliance can be seen as intentionally

under filing, unintentional misfiling, or non-filing of tax return to the appropriate tax authorities.

Noncompliance in Personal Income Tax in Nigeria

Part 11 of PITA, 2004 provides sanctions against the following identified act of non compliance: Noncompliance with any provision of Nigerian tax laws; failure to comply with the requirements of a tax notice; failure to answer tax audit queries; filing of incorrect returns either by omitting or understating any income liable to tax; providing incorrect information for tax purposes; false statement and returns for the purpose of obtaining a deduction, set-offs, relief or refund; understating of income and over stating of claims and any form of forgery, fraud, wilful default or neglect with respect to tax.

The Personal Income Tax Act, 2004 makes provision for penalties for cases of noncompliance. The penalties for tax offences are mostly in the form of a court fine on conviction. However, Arogundade [26] argued that court fines are too low to serve as a restraint to noncompliance behaviour and he further criticized the Nigerian tax laws for treating tax evasion as a civil rather than criminal offence.

Tax Knowledge

Studies in UK and US on taxpayers knowledge, attitudes and perceptions of tax policies, have generally found that taxpayers are indeed really not informed and are at a loss [6]. Tax knowledge is an indispensable component in voluntary tax compliance [27], specifically in reporting and filing an accurate tax liability [13, 28].

Knowledge of taxation is the reasoning and knowing the meaning of benefit of complying and consequence of noncompliance of tax laws [14], he further said that without the knowledge and understanding of the tax rules taxpayers may not want to pay taxes.

Tax Knowledge and Tax Compliance

The manner in which taxpayers behave depends on how informed and knowledgeable they are on the tax laws, benefits and consequence of not complying. Well informed taxpayers' are expected to be more acquainted with tax laws and policies and consequently would be in a right position to comply [29]. However, Eriksen and Fallan [30] argued that level of education doesn't determine knowledge of tax laws. On the other hand, Saad [12] noted that research findings have it that level of education determines the level in which taxpayers understand tax laws and tax

compliance information thereby making those with low educational background seek assistance in filing tax return.

[Olaoye, Ayeni-Agbaje [17], Gereroms and Wilmots [31]] argued that the higher the level of education the lesser the compliance level because well informed people understand better ways of avoiding taxes. However Saad [12] found out that tax compliance has a positive relationship with level of education.

EMPIRICAL REVIEW

Researchers conducted studies widely in the area of tax compliance. The effect of tax knowledge and tax compliance is not left out. There are researches conducted recently on tax compliance and tax knowledge in different countries of the world by different authors at different time and the findings revealed mixed results.

For instance, in Malaysia [Azmi, Zainuddin [15], Asrinanda [16]], in New Zealand, Saad, Mansor [13]; in Indonesia Andreas [8], [Inasius [7], Mukhlis, Utomo [32]]; in Germany Djawadi and Fahr [33], in West Africa Bernard, Manaye [18], in Ethiopia Deyganto [10], and in Nigeria [Olaoye, Ayeni-Agbaje [17], Oladipupo and Obazee [19]] collected data from taxpayers using either questionnaire and/or interview, employed regression analysis and the studies revealed that tax payers that are knowledgeable on tax laws and tax matters do comply more and hence low tax knowledge entails low compliance.

However, studies by Manual and Xin [5] in Malaysia, Saad [12] in New Zealand; and Kamil [14] in Indonesia employed regression to analyse the data collected through questionnaire administration and/or interview established that those taxpayers that are more knowledgeable on tax laws and tax policies have the highest possibility of non compliance. They further argue that because they are knowledgeable they are very well acquainted with how to avoid paying of taxes without leaving any possibility of being tracked by the tax authorities. Moreover, Fauziati, Minovia [6] in Indonesia found out that there is no significant relationship between tax knowledge and tax compliance.

Based on the literature so far reviewed, it's eminent to conclude that there is no agreement among researchers on the relationship between tax knowledge and taxpayers compliance behaviour. It is worthy to note that tax knowledge influences taxpayer's compliance behaviour either positively or negatively however, it depends on some factors surrounding the scenario. Taxpayer's income, tax penalty, tax fairness, trust, power are some of the factors that are also identified as influencing tax knowledge and taxpayer's compliance behaviour.

In view of the fact that tax knowledge and tax compliance behaviour has been widely studied and the results revealed both positive, negative and no relationship. Therefore the following hypothesis is hereby formulated to test the objective of this study:

H₁: Tax knowledge has significant effect on Tax compliance behaviour of MSMEs in Gombe state-Nigeria.

THEORETICAL REVIEW

Tax compliance can be improved in different best ways. Payment of taxes can be effected by tax payers when it is attached to some motivations otherwise slight opportunity can make compliance low [1]. Increase in tax incentives, tax penalty, tax knowledge are identified to improve tax compliance however some researchers argue that it's the trust and power that improve compliance. Consequently, there are two major theories of tax compliance namely deterrence theory and psychology theory.

Deterrence Theory

This theory originates from the work of Becker [34] further developed by Allingham and Sandmo [35] which advocates that taxpayer's utility maximization is their top priority as such they are highly influenced by how to maximize profit by considering the likelihood of detecting tax non-compliance. Deterrence theory stresses on incentives to comply. For this reason, taxpayers weigh and analyse the various alternatives to compliance that can maximize their return, as whether or not to comply and the possibility of being detected and the consequential penalty. Hence, this theory maintained that increased in tax compliance can only be achieved through increased in non-compliance penalties. Therefore tax compliance and tax penalties have positive relationship.

Psychology Theory

On the other hand Psychology theory which is traced from the work of Jackson and Millron [36] and Alm, McClelland [37] which maintained that psychological factors are what influences taxpayers to comply with the tax obligations or not to. This theory stressed ethics and morals of the taxpayers. The theory have it that likelihood of being detected do not determine compliance however tax payers are driven by their moral and ethical values to comply. Therefore, this theory is advocating for changing taxpayers attitude toward tax obligations as the only way to achieve improved compliance as against the deterrence theory that emphasises on increase penalty. Therefore, improving taxpayers' knowledge on tax obligations is

major tool for changing taxpayers' attitude toward tax compliance. It is therefore believed that improved tax knowledge may increase tax compliance and vice-versa.

Therefore this study adopted psychology theory as an underpinning theory. This is considering the fact Psychology theory clearly explains the relationship between the study variables. Therefore this study would attempt to validate this theory.

METHODOLOGY

This study employed survey research designed where the data is sourced with the aid of a structurally designed questionnaire administrated to the owners of MSMEs in Gombe state, Nigeria. The population of the study consist of the entire 480 MSMEs registered with Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN) and Corporate Affairs Commission (CAC) in Gombe state as at December 2018 [3]. A census sampling technique was employed and the questionnaires were sent to the respondents by means of an online method of data collection using web-based method (Google form), this method was found to be widely used in accounting researches [38]. Cooper, Cooper [39] and Benfield and Szlemko [40] argue that web based data collection is effective and efficient taking into consideration it's cost effectiveness and time management in distribution, retrieval, coding, entry and verification. The questionnaire link was developed and sent to the respondents via their email addresses obtained from CAC Gombe office. The study employed some procedural remedies to minimize the effects of Common Method Bias (CMB) which include: giving assurance to the respondents that all information provided will be kept strictly confidential as the finding will be presented on an aggregated basis to be used solely for academic purposes; vague concepts/statements were avoided in the questionnaire; and finally, few questions were reverse coded. Partial Least Squared-Structural Equation Modeling (PLS-SEM) Smart PLS3.0 software [41] is employed to analyse the measurement and structural model.

For the measurement of tax compliance behaviour five (5) items were adopted from Alabede [1]. The tool is used to tests respondent's knowledge of taxation specifically on the knowledge of tax administration (with 4 items), income to be included in tax computation (4 items), income to be excluded in tax computation (3 items), expenses allowable/disallowable (3 items each) and personal relief and allowances (2 items) on a 5-point Likert scale adopted from Alabede [1] as well.

RESULTS AND DISCUSSION

The measurement model was first tested and the analysis of the structural model was subsequently carried out [42]. Out of the 480 questionnaires sent to various MSMEs in Gombe state 360 responses were found to be valid for analysis.

Respondents Demography

The descriptive analysis shows that 76.67% are Owner managers while 23.33% are General Manager of MSMEs. This implies that top managers of micro, small and medium enterprises constitute the respondents of this study as expected, who are in better position to give information as regard to taxation of their enterprises. The analysis also showed that the activities of the businesses were more with Food and Beverages with 19.3%, followed by Convenience Stores with 15%, Bakeries with 12.2%, Furniture has 11.7%, Poultry and Fish Farming has 9.1% Tailoring and Fashion 9%, and Internet-related Businesses with 6.5%. Others include: Graphic Design and Printing Business with 4.2%, Renting Services 4%, Ice Block and Frozen Food Business 3.8%, Private Schools and Computer Training Institute 3.2%, and Building materials with 2%. This implies that the respondents who participated in the research provided adequate variance regarding their nature of businesses and backgrounds.

Descriptive statistics showed that the respondents with less than 5 years of their existence in the business dominated the with 31.11%; followed by the range of 5 - 10 years with 26.94%; then the range bracket of 11- 20 years with 24.72%; followed by those with years of existence ranging between 21-30 years with 9.61%, and, finally the range bracket of above 30 years with 7.62%, this is an indication that in addition to the differences in the type of businesses, the data collected are also from the different categories of people with a different range of experience in the business.

Considering the above information, it could be summarized that the respondents that participated in the survey have the capacity and are in better position to provide adequate and relevant information that will assist in addressing the objective of the study.

Measurement model evaluation

Convergent validity is the degree to which the variable converges to explain the variation of its questions [42] which is determined by examining the factor loadings, Composite Reliability (CR) and Average Variance Extracted (AVE). From table 1 below the construct of this study has achieved the loadings above 0.7, with excellent Alpha coefficients of 0.872, 0.882, 0.854,

0.791, 0.804 for the knowledge of expenses allowable, disallowable, income to be excluded, income to be included and tax administration respectively and 0.886 for tax compliance behaviour with the exception of the knowledge of tax relief and allowance which had a very low loading and hence dropped as suggested by [42]. In addition, the CR of the constructs is in line with that of the alpha coefficient with all the values above 0.8. The AVE for constructs are above 0.5 as recommended by Hair, Risher [42]. However, 1 item (KINC1) out of the 5 items of knowledge of income to be included was deleted from further analysis due to low loading.

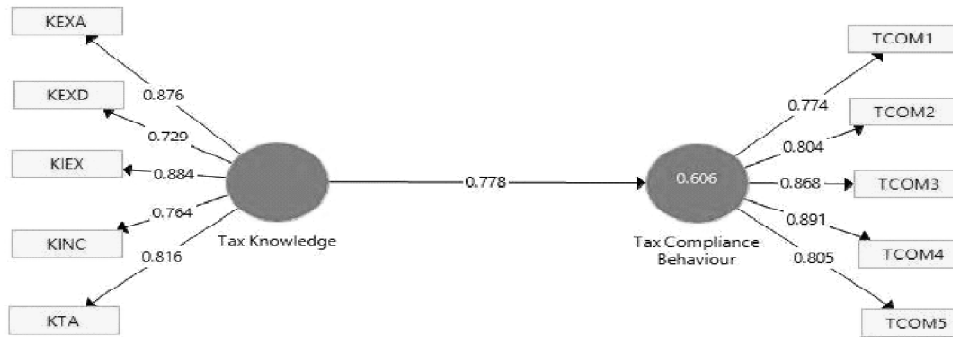
Table 1: Convergent Validity

<i>Variable</i>	<i>Item</i>	<i>Factor loading</i>	<i>Cronbach's Alpha</i>	<i>CR</i>	<i>AVE</i>
Tax Compliance behaviour	TCOM1	0.223	0.886	0.917	0.689
	TCOM2	0.232			
	TCOM3	0.254			
	TCOM4	0.261			
	TCOM5	0.233			
Knowledge of Expenses Allowable	KEXA1	0.374	0.872	0.922	0.797
	KEXA2	0.364			
	KEXA3	0.384			
Knowledge of Expenses disallowable	KEXD1	0.339	0.882	0.927	0.808
	KEXD2	0.373			
	KEXD3	0.400			
Knowledge of Income to be Excluded	KIEX1	0.374	0.854	0.911	0.774
	KIEX2	0.366			
	KIEX3	0.396			
Knowledge of Income to be Included	KINC2	0.292	0.791	0.863	0.612
	KINC3	0.257			
	KINC4	0.318			
	KINC5	0.403			
Knowledge of Tax Admin	KTA1	0.365	0.804	0.870	0.627
	KTA2	0.233			
	KTA3	0.290			
	KTA4	0.370			

Source: Author's Computation using SmartPLS3.0

Predictive accuracy (Q^2) of the model was also calculated, using blindfolding method and the results indicated that the dependent latent constructs have exhibited predictive relevance with Q^2 of 0.415 (see

Figure 1: Measurement Model



Appendix A) which is greater than zero. Hence, rule of thumb has it that Q^2 values within the range 0 to 0.5 portrayed small to large predictive accuracy of the PLS-path model [42], the more closer it's to 0.5 the better. Hence, Q^2 of 0.415 is an indication of high predictive accuracy of the model.

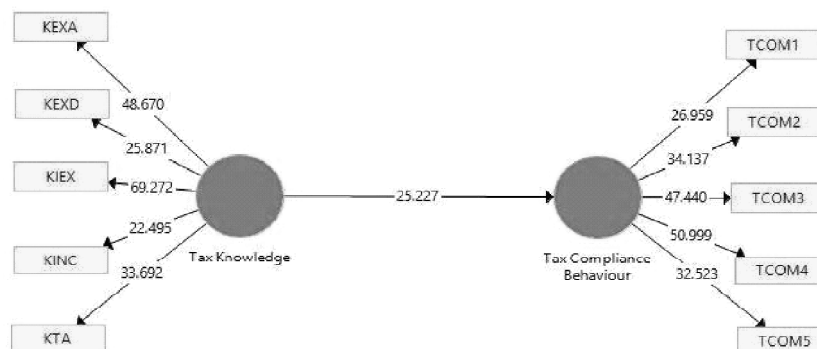
Table 2: Model Summary

	R^2	t stat	Coef.	Std Dev	Q^2	P value	Decision
Tax Compliance Behaviour	0.606	26.09	0.778	0.030	0.415	0.000	Supported

Source: Author's Computation using SmartPLS3.0

The summary of PLS-Path model presented in table 2 above showed R^2 of 0.606 which indicated that about 60.6% variation in tax compliance is explained by join effect of tax knowledge constructs and the result is significant at 1% level. This is further justified by the coefficient of 0.778, which indicated that a unit increase in tax knowledge will bring about 0.61 improvements in tax compliance.

Figure 2: Structural Model



DISCUSSION AND IMPLICATIONS

The paper empirically assessed the structural model of the effect of tax knowledge on tax compliance behaviour in MSMEs in Gombe State-Nigeria. The hypothesis of the study states that “Tax knowledge has significant effect on tax compliance in MSMEs in Gombe state”. It was tested using SmartPLS3.0 software Ringle, Wende [41]. The statistical results supported the hypothesis that tax knowledge has significant positive effect on tax compliance behaviour of MSMEs in Gombe state. This finding is consistent with previous studies [7, 8, 13, 15, 16, 18, 32].

CONCLUSION

This study examines the effect of tax knowledge and tax compliance behaviour in MSMEs in Gombe state-Nigeria. The findings revealed that tax knowledge is positively related to MSMEs tax compliance behaviour and it accounts for 61% of the total variance. Therefore, the study concludes based on the findings on the need for tax authorities to dwell more on enlightenment campaigns, organising seminars and workshops for MSMEs in order to keep them posted on tax laws and policies which can consequently improve tax compliance. However, despite the contribution made by this study, it has some limitations, one major constraint was the used of cross-sectional design for survey research, thus, the study cannot establish a causal relationship on a longitudinal basis. Also, the finding cannot be generalized to the entire MSMEs in the country since the data collected during the study was limited to MSMEs in Gombe state-Nigeria only.

To overcome the limitations of this study, future research should employ the longitudinal approach of the study and examine a wider scope to enable better generalization. In addition, future studies can consider a qualitative and/or case study approach as against this study with quantitative research approach.

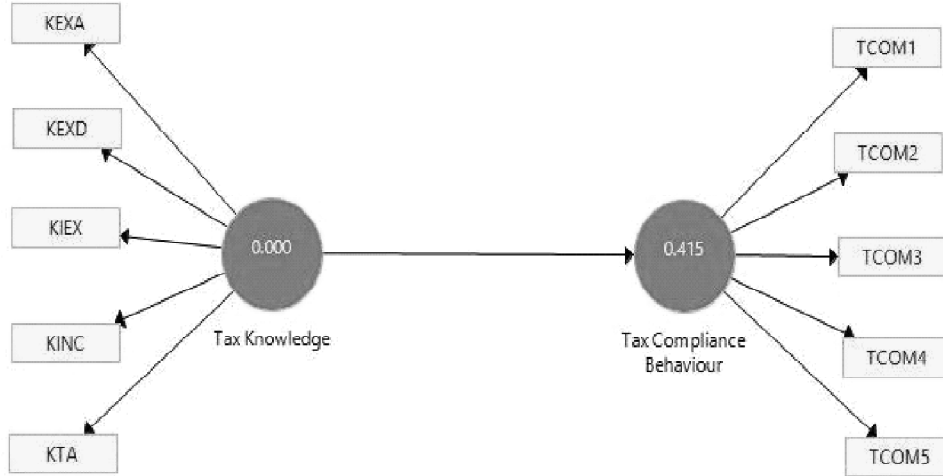
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APPENDIX A
Blindfolding graph



APPENDIX B
QUESTIONNAIRE

Section One: Demographic Information

S/N	Questions	Resp	Resp
1	Management Owner Manager		General Manager
2	Business Activity/Type Food and Beverages Convenience store Bakeries Furniture Poultry and fish farming Tailoring and fashion		Internet-related business Graphic design and printing Renting services Ice block and frozen food Private schools Building materials
3	Years of operation Less than 5 years 11 to 20 years Above 30 years		5 to 10 years 21 to 30 years
4	Gender Male		Female

Section Two: Tax Knowledge and Tax Compliance Behaviour

Knowledge of Tax Administration under Nigerian tax laws

S/N	Question	SD	D	N	A	SA
1	Value added tax in Nigeria is collected by FIRS					
2	State Internal Revenue Service is responsible for the collection the PAYE of members of Nigerian armed forces					
3	Withholding tax is only remitted to FIRS					
4	The administration of company income tax is not the responsibility of FIRS					

Knowledge of Income to be Included under Nigerian tax laws

1	Leave allowance not more than 10%					
2	Basic salary					
3	Gross dividend received on investment					
4	Interest on saving account					

Knowledge of Income to be Excluded under Nigerian tax laws

	Rent received					
	Interest received on government security					
	Transport allowance					

Knowledge of Expenses Allowable for Deduction under Nigerian tax laws

	Interest on loan used for personal purpose					
	Repairs of machines used for business					
	Salaries and wages of workers in an enterprise					

Knowledge of Expenses Disallowable for Deduction under Nigerian tax laws

	Rent paid on building occupied by business					
	Depreciation of assets					
	Provision for doubtful debt					

Knowledge of Personal Relief/Allowances under Nigerian tax laws I wish TO COMPLY with the provisions of Nigerian tax law for the following reasons

1	If I decide not reporting my exact income, I believe that the Nigerian tax authority is tolerant towards my offence and most probability I will escape without any punishment					
2	I believe that Nigerian tax authority has limited capacity to investigate all income reported to it so opportunity for me not to declare my exact income is opened					
3	Where higher income earners should pay more taxes than lower income earners in Nigeria					
4	Filing tax return is easy and simple in Nigeria					
5	There are a number of services, facilities and infrastructure being provided by Nigerian government which I am very thankful					