Effect of Taxpayers' Awareness on Taxpayer' Registration among Academic Staff of Nigerian Universities.

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ABSTRACT

Government all over the world requires adequate funding for proper execution of programmes for the well being of the citizens. Compliance with tax regulations by taxpayers to generate adequate tax revenue is a major challenge faced by the government. This study looked into the effect of tax awareness on taxpayers' registration for tax purpose among academic staff of Nigeria universities using Ogun State as case study. Survey research design was employed by the study using structured questionnaire as instrument. The population was made up of 221 members of academic staff in business related departments of Federal, State and private universities in Ogun State. Total enumeration was adopted since all the 221 academic staff were the respondents. 115 copies (about 52.04% response rate) of the questionnaire were completed and returned for analysis. Descriptive and inferential statistics, using multiple regression, were employed to analyze the data collected. The results of the study revealed that tax awareness has significant effect on taxpayers' registration among academic staff in Nigerian universities ($Adj.R^2 = 0.177$, $F\text{-}stats = 6.904$ (df=4), $p = 0.000$) The study concluded that tax awareness significantly affects taxpayers' compliance with taxpayers' registration among academic staff of Nigerian universities. The tax authority in the state should ensure that appropriate tax return forms are made available and completed by the individual academic staff on annual basis as required by the personal income tax law.

Keywords: Academic staff, Nigerian universities, Taxpayers' awareness, Taxpayers' compliance, Tax education, Taxpayers' registration.

INTRODUCTION

Government all over the world requires adequate funding for proper execution of programmes for the well-being of the citizens. Generating revenue, to provide the citizens with essential goods and services is one of the main goals of every government. Crude petroleum has been the major source of revenue to Nigerian government since oil was discovered in the late 1950s. The huge decline in the price of oil in recent years has led to a decrease in the funds available for distribution to the federal, states, and local governments therefore the need for governments at all levels to generate adequate revenue from internal sources has therefore become a matter of urgency and importance. This need underscores the eagerness on the part of state and local governments and even the federal government to explore new sources of revenue or to become aggressive and innovative in the mode of collecting revenue from existing sources (Nwaiwu & Aaron, 2018).

Sokoh (2018), stated that no country can be effectively governed without sourcing for revenue through tax. In 2005, only 15% of gross domestic product (GDP) in developing countries was derived from taxes compared to 35% in developed countries. In some poorer countries, the proportion was 12%. According to Organization for Economic Cooperation and Development (OECD, 2016), the average tax revenue to GDP ratio in Sub Saharan Africa is an average of 18% as against between 25% to 35% in developed countries. This could be due to non-tax compliant behaviour of the taxpayers and high level of inefficiency of the tax authority.

According to Federal Inland Revenue Service (2015), the tax system in Nigeria is expected to encourage economic growth and development, generate stable revenue or resources needed by government to embark on projects and or investments for the benefit of the people, provide economic stabilization, pursues fairness and distributive equity and correction of market failure and imperfection.

Despite all the benefits taxation seeks to give the citizens and the society, there is still a problem of non-compliance. Tax compliance can be explained as the extent to which a tax payer adheres to rules and regulations (Alabede, Ariffin, & Idris, 2011). In most developing countries including Nigeria, tax noncompliance is a major hindrance towards generating tax revenue. Non tax compliance could be as a result of the inadequate knowledge of tax awareness by taxpayers. Tax awareness has to do with the knowledge of the taxpayers about his legal obligation to pay tax as long as he earns income that is taxable. Many studies had been conducted on tax awareness and perception of taxpayers that will ensure his voluntary compliance with tax payment. Niway and Wondwossen (2017) discussed that tax awareness and perception of taxpayers are determined by tax education, enlightenment and evidence of utilization of tax revenue by tax authority in Ethiopia; Hastuti (2014) carried out a study on tax awareness and tax education among students of higher education in Indonesia, and Saad (2012) studied about the perception of tax fairness and tax compliance behaviour of taxpayers in Malaysia.

The Nigerian government in 2018 launched the Voluntary Assets and Income Declaration Scheme (VAIDS), which was a tax amnesty programme where the government granted tax defaulters a three (3) months' extension to regularize their tax position before the deadline. This was done because of the level of non-compliance that existed in the country as at then. Nigeria was reputed to be among the countries with the lowest tax compliance rate in the world (KPMG, 2018). For this scheme to achieve success, government had to embark on series of education and enlightenment campaigns. This study therefore sought to investigate the influence of tax awareness on tax compliance, (using taxpayers' registration as a proxy of tax compliance) among academic staff of universities in Nigeria using Ogun State as case study because of her strategic position in higher education in Nigeria.

Tax evasion occurs more with the payment of direct taxes than indirect taxes especially if the system is not water-tight. Direct taxes especially in a tax bracket system can become a major disincentive to work hard and earn more money because the harder you work, the more taxes an individual pays (Kagan, 2019). There is always a chance of tax evasion by manipulating the law and using subtle techniques. Direct taxes are usually not in accordance with the canon of convenience because tax payers have to go through several formalities and procedures to submit tax returns, this is one of the factors that has led to tax evasion (Meer, 2016).

Studies had been conducted by Adekoya (2019) and Niway and Wondwossen (2017) on tax awareness and tax compliance amongst corporate and individual taxpayers but not much seem to have been done in the area of tax compliance among the academic staff of higher educational institutions especially those in courses like Accounting, Finance, Business Administration and Economics. It can be said that the level of awareness of the obligations on the part of taxpayers will determine their level of taxpayers' registration (compliance). The level of awareness will also be determined by the level of taxpayer's education and his knowledge of tax laws. Academic staff in business related courses are supposed to impact the awareness in their students who will eventually become tax payers and tax administrators after graduation. This study therefore inquired into the impact of tax awareness on taxpayers' registration among academic staff in Nigerian universities.

REVIEW OF RELEVANT LITERATURE

This section discussed relevant literature in the area of conceptual review, theoretical review and empirical studies on the relationship between taxpayers' awareness and taxpayers registration for tax in Nigeria.

Tax Compliance

James and Alley (2002) defined tax compliance as the ability of taxable individuals and entities to act completely in accordance with the provisions of the tax laws and administration and without the need for

enforcement. Adejuwon, et al (2022), citing Adekoya, et al (2019), defined tax compliance as complying with the provisions of laws and regulations by making appropriate payment of taxes without compulsion or enforcement. Clear and unambiguous tax laws as well as trust in government for proper utization of the tax revenue for the benefit of the citizens are factors influencing such compliance. Tax compliance behavior refers to the concrete behavioral compliance with specific tax laws (Gangl, et al, 2019) such as honest and timely payment and tax filing (tax honesty), proper and transparent handling of documents (administrative compliance), registering as a taxpayer (tax filing), legal exploitation of the tax law (tax avoidance), paying less than the statutory tax (tax evasion), or criminally exploiting the tax law (tax fraud). Low tax compliance limits the capacity of the government to raise revenue for development purposes (Gwangdi & Garba, 2015). Isbell (2017), also agrees with them by stating that low compliance weakens the ability of the state to invest and develop.

Palil and Mustapha (2010) opined that tax knowledge has a positive impact on compliance. Some researchers advocated that one of the ways in which compliance could be attained would be through the tax authorities conducting public enlightenment. According to Palil and Mustapha (2010), tax compliance can be enhanced through provision of education to taxpayers, making them aware of their social responsibilities thereby influencing them to comply. They further declared that tax compliance is influenced by public cooperation and there are many merits associated in helping taxpayers to meet their tax liability, through making significant improvements to the information made available to taxpayers or providing more tax knowledge to them through various media such as television, newspaper and public campaigns. These will equip the taxpayers to become more responsible citizens and can result in an increase in tax revenue which is better than to use the money on enforcement activities. Salawu and Salawu, (2021) carried out a study on the determinant of tax compliance among Small and Medium Enterprises (SMEs) in Lagos State, (using 171 SMEs in Yaba Local Council Development Area) and found that tax fairness, tax awareness, tax audit and tax payers' perception of government spending of tax revenue significantly influence tax compliance while tax law had no significant effect on tax compliance. Registration for filing of tax returns was not considered as a determinant of tax compliance by any of the previous studies.

It is important to educate taxpayers with tax knowledge that will enable them comply with tax laws. The tax knowledge of the need for registration by taxpayers, is necessary in order to achieve reasonable compliance level and will also assist record keeping in business which creates a conducive business that enables the business operators who are compliant to operate freely.

Gunadi (2005) in Suyanto and Trisnawati (2016) said tax compliance is the willingness of taxpayers to meet obligations in accordance with the applicable rules without the need for carrying out examinations, investigations, warnings or threats, in the application of sanctions both legal and administrative. Devano and Rahayu, (2006) posited that tax compliance is where the taxpayer meets all tax liabilities, that is, he obeys and fulfils and implement tax obligations in accordance with the provisions of appropriate tax legislations. The Malaysian tax authority defined tax compliance as the ability and willingness of taxpayers to comply with tax laws, declare the correct income in each year, and pay the right amount of taxes on time (IRS 2009).

From the various definitions listed above, tax payers' compliance can be said to include the willingness of the taxpayers to declare correct income and resulting tax liabilities and as well make timely payment of the appropriate tax payable. Taxpayers' education is necessary to achieve tax compliance. This study therefore seeks to investigate relevance of taxpayers' registration in ensuring tax compliance.

Taxpayer's Registration for Payment of Tax

Taxation of employees is made through the Pay As You Earn (PAYE) scheme. The employer is an unpaid agent of the government (the relevant tax authority) and it is therefore expected to deduct taxes from salaries, wages, allowances, benefits in kind and bonuses of the employees.

The Personal Income Tax (Amended) Act 2011 provides that the employer who has deducted tax from the income of employees should remit same to the relevant tax authority's internally Generated Revenue Account.

Operation of Pay As You Earn (PAYE) regulations state that an employer shall register with the relevant tax authority for the purposes of deducting tax from the income of her employees with or without notification or direction by the relevant tax authority. Paragraphs 1 and 2 of Pay As You Earn (PAYE) Regulations states that the employer shall within six months of the commencement of these regulations or within six months of commencing a business deduct tax from emoluments of her employees and remit to the relevant tax authority.

Without prejudice to the provisions of paragraph 21 of these regulations, an employer who fails to or refuses to register with the relevant authority within the time specified in paragraph 1 of this regulation commits an offence and is liable on conviction to pay N25,000.00 in addition to the payment of arrears of the tax due.

It is therefore compulsory for any employer of labour to ensure that all the employees are registered with the relevant tax authority. This will ensure compliance with relevant tax laws.

Tax Awareness

According to Adekoya (2019), education refers to the general knowledge possessed by the taxpayer which highlights the taxpayers' capability to understand what the tax laws are saying and be able to follow such laws as a result of such understanding. Tax education involves any informal or formal programme organized by the tax authority, government or other agencies to encourage taxpayers in filing correct tax returns and also cultivate awareness of their responsibilities in respect of the tax system (Mckerchar, 2007 as cited in Palil and Mustapha (2010). It might be desirable to organize broad education campaigns to explain taxpayers rights and obligations, the rationale to pay taxes, the way tax revenues are spent and the benefits taxpayers derive from government spending (United Nations, 2000). Alabede, et al (2011) said taxpayers' awareness is an effort or action accompanied by self-encouragement and willingness to perform the rights and obligations of taxation in line with regulations. According to them, low awareness of taxpayers is deemed to be caused by the minimum knowledge and understanding. Akintoye and Tashie (2013) believed that tax compliance may be influenced by variables like the knowledge and understanding of tax regulations. Theoretically, they opined that there is inter-connectivity between knowledge and understanding of tax regulation and taxpayer awareness that can improve taxpayer compliance.

Kamil (2015) believed that penalties are made with the goal of keeping taxpayers to be afraid of violating tax law. Taxpayers will comply with the payment of their tax if they perceived that the penalties will be more detrimental. Tax awareness basically relates to the consciousness of the taxpayers' need of tax education, knowledge of tax laws, knowledge of tax policy and knowledge of penalty for non-compliance with the tax laws and policy. While carrying out an assessment of Personal Income Tax knowledge among the staff of the University of Ilorin, Salam, et al (2018), administered a structured questionnaire on 365 academic and non-academic staff, found that tax knowledge among non-academic staff is higher than academic staff, while male had more knowledge of tax legislation than the female. In the same vein, more than 50% of the staff were not aware that they need to file Form A (Income Tax Returns) and claim allowances and reliefs.

In Nepal, Bidaru, et al (2023) carried out a study on tax knowledge among 83 Unversity Professors using Makawanpur Multiple Campus, selected 69 proportional samples among 4 clusters involving Management, Sciences, Humanities and Education. It was found that tax awareness was less than 50% on the average while those in the showed above average level of awareness.This is an indication that many of the respondents in this study could not have registered for payment of tax and as well understand the need to file tax returns with the relevant tax authority

Tax Awareness and Taxpayers' Registration

Oluyombo and Olayinka (2018) examined the effects of tax compliance on the growth of government revenue in Nigeria with emphasis on federally collected non-oil revenue. Secondary data were collated for the purpose of this study which were analyzed using ordinary least square regression. Data collected represented the whole value added tax received in Nigeria. The study revealed that tax compliance has a significant effect on boosting

tax revenue generation and that tax default can cause significant variation in government revenue. It was also deduced from the study that government should do everything in its powers to reduce the rate of non-compliance.

Akpu and Ohaka (2017) conducted an empirical evaluation of the relationship between tax compliance strategy and tax revenue yield, evidence from Rivers state, Nigeria. It adopted a regression/correlational and causal comparative (ex-post facto) research design. Ten years' data of tax revenue yield from Rivers State Internal Revenue Service for the period 2007-2017, and survey data from 100 respondent stakeholders in the Rivers state tax environment using researcher-designed questionnaire were analysed using regression technique and Pearson product moments correlation with the aid of Statistical package for social sciences (SPSS) version 20. The study found significant relationship between tax compliance strategy and tax revenue yield. The study concluded that increase in tax revenue yield depend on effective tax compliance strategy.

Akpubi and Igbekoyi (2019) using survey design, assessed the effect of level of awareness of electronic tax on tax compliance by small and medium scale enterprises (SMEs) in Lagos state. The researcher also examined the effect of perceived ease of use on tax compliance and determined the effect of electronic tax filing system cost on tax compliance among SMEs in Lagos state. This was done with a view to determining the effect of electronic tax filing system on tax compliance among SMEs in Lagos State, Nigeria. Primary source of data collection method was used through the use of structured questionnaire distributed to the SMEs at their place of work. The population of the study consist of nine hundred and fifty (950) small and medium scale enterprises in Lagos state in the fast food restaurants sub sector. A sample size of two hundred and eighty-one was selected and data collected were analyzed using descriptive statistics, structural equation model analysis and regression. The study concluded that the level at which tax payers are aware of the electronic tax filing system will determine their compliance rate and the compliance cost may discourage the tax payers from using the system if it is higher. The effect of the ease of use of electronic tax filing system was positive, it was however not significant. This could indicate that it has the potential to influence tax compliance.

Badara, (2012) investigated the effect of tax audit on tax compliance in Nigeria; a case of Bauchi State Board of Internal Revenue. Questionnaire were administered to the staff of Bauchi State Board of Internal Revenue, some selected individuals tax payers and corporate bodies within Bauchi to collect data for the study. The result of the study concluded that tax audit reduces the problems of tax evasion. Anichebe, et al (2018) as well used one sample T-test statistical method to determine the impact of tax audit on federal government revenue generation in Nigeria. The study concluded that there is a significant relationship between tax audit and federal government revenue generation.

Oladele, et al (2019) assessed the effectiveness of tax enforcement tools as a means of improving compliance in Ondo State, Nigeria. For this study, primary data were collected by administering structured questionnaires on 150 respondents among staff of Federal Inland Revenue Service and State Board of Internal Revenue Services within the state. The study examined three major tax enforcement tools being employed to enhance tax compliance in Ondo State; tax audit, tax penalties and tax amnesty. This study explains that low tax compliance is a major concern in Nigeria, especially in Ondo state; the study observed that the gap created by non-compliance is enormous and therefore recommended that regular tax audit should be performed, especially on major tax payers and high net worth citizens that mostly indulge in tax evasion.

Modugu and Anyaduba (2014) also examined the impact of tax audit on the tax compliance in Nigeria. Data were collected through the use of questionnaire administered on staff of sampled companies in selected states. The Ordinary Least Square Regression technique was used to analyse the data. The study concluded that tax audit does not have any significant impact on the low corporate tax compliance in Nigeria. Relevant tax authorities were advised to seek more practical and effective means of enhancing the impact of tax audits on corporate tax compliance in Nigeria.

Gangl and Torgler (2020) conducted a study on how to achieve tax compliance by the wealthy, a review of the literature and an agenda for policy. The study was on tax compliance by the wealthy using theoretical,

empirical and policy literature review approach. It discussed how and why the wealthy differ from less affluent taxpayers as a result of their specific interrelated political, social and psychological conditions. Understanding of the psychological mechanism that determine their tax compliance can provide policy insights into how to better integrate them into the tax system. Yahaya, et al (2013) on the effect of corporate taxpayers' awareness of tax authority's responsibilities on compliance behaviour under self-assessment system in Nigeria using questionnaire to collect data from a sample of 196 listed domestic companies in Nigeria while using only 83 respondents and were analysed. Generalized linear model (univariate) statistical tool was employed to analyse the data collected. The results indicated that corporate taxpayers are aware of the responsibilities of the tax authority (FIRS) for its regulatory and audit function. Awareness of tax authority's responsibilities has a positive and significant influence on tax compliance behaviours. Tax authority should therefore enhance its enlightenment campaign of the self-assessment system to enhance better education and understanding of the system by taxpayers.

Hastuti (2014) investigated the perception of potential taxpayers in Indonesia, using the students of higher education who are perceived as potential taxpayers since in the future, they will earn revenues that are subjected to taxes. It was to investigate contextual and ethical tax awareness between business. The study was carried out among 341 business and non-business students of Soegijapranata Catholic University (a private university), Indonesia. The study used independent sample in contextual and ethical tax awareness between groups while cross tabs analysis was applied to assess student's perception of the importance and the need of tax education. The result showed there was no significant difference about the perception of the students in the two groups hence tax awareness was already generated among youth. There were significant differences of students' perception in the importance of tax education and the need to have tax as a subject between the groups. The business students believed that tax knowledge will be useful for their future. It recommended that management of business department should evaluate their learning process to enhance better awareness on the part of their students. Effective tax audit will eventually ensure registration for tax payment by taxpayers in order to avoid payment of penalty for non-compliance with tax regulations. This study only reviewed tax awareness among the students who were only potential taxpayers after the completion of their studies, but not among actual taxpayers at the time of the study.

Gaps in Literature

It can be observed that all the empirical studies reviewed concentrated on the influence of taxpayers' awareness and taxpayers education on tax compliance and revenue generation. Previous studies also focused only on business sectors in Nigeria. There were no evidence that any of the previous studies reviewed laid emphasis on the need for taxpayers to register with the relevant tax authorities as a necessary condition for tax compliance. Also most of these studies did not consider registration by individual taxpayers as a means of complying with tax laws and regulations, which will result in expansion of tax base for personal income tax and improve the tax revenue of the relevant states. This study therefore seeks to examine effect of taxpayers' awareness on taxpayer' registration among academic staff of Nigerian Universities using Ogun State as case study. This will reveal compliance behaviour among academic staff who are supposed to train workforce for the country.

Theoretical Review

This study was anchored on the Economic Deterrence Theory. This theory originated from the Allingham and Sandmo model propounded in 1972. It has however undergone series of modifications and extensions since then. This theory posits that when individual is confronted with the choice of evading taxes, the individual would commit evasion when the expected utility of their criminal act exceeds its expected penalty or punishment (Slemrod, 2000). This theory simply explains that if detection is likely and penalties are severe, fewer people would evade tax. The deterrence theory posits that individuals would wish rather not to have tax liability but they are deterred from doing so due to the risk of audit, detection and penalty (Phillips, 2011). The deterrence theory explains that the major reason for tax-payers compliance is the fear of sanctions. It is assumed under this theory that behaviour is influenced by factors such as tax rate, penalties for fraud and the

possibility of being detected through audit. If the taxpayer determines that the benefit of non-compliance outweighs compliance, he will then decide to evade tax. It has also undergone a series of criticisms. Rethi (2012) disputed this theory by explaining that despite the use of penalties and audits for tax-evaders as a means of reducing non-compliance, the existence of tax-evasion has remained. Another major criticism of this theory is that it focuses on why tax payers evade instead of what makes tax-payers comply.

The economic models of tax compliance have been subjected to a lot of criticisms, especially centered on the thought that compliance is not only traceable to sanctions. Although, it has been proven that economic deterrence models have relevance to compliance behaviour, however there are other influences to be considered according to (McKerchar & Evans, 2009) one of the reasons is that being under economic models, taxpayers are assumed to be fully rational utility maximizes whose behaviour is interpreted as a reaction to different financial benefits and losses. The shortcomings of this model is what led to the development of behavioural models of tax compliance.

The main objective of this study was to ascertain the impact of tax awareness on taxpayer registration among academic staff in Nigerian universities while the research question was how does tax awareness impact taxpayer registration among academic staff in Nigerian universities.

The hypothesis tested at 5% level of significance stated that tax awareness has no significant effect on taxpayer registration among academic staff in Nigerian universities.

METHODOLOGY

The survey research design was adopted in this study. This design was chosen because it aids the collection of large amounts of data from a sizable population in a highly economical way and it is critical in determining the quality of research as it helps in addressing the study's research questionsThe dependent variable is taxpayer compliance represented by taxpayer's registration; taxpayer's filing of tax returns; taxpayers' correct tax declaration; and taxpayer's timely payment of tax while the independent variable is taxpayers' awareness represented by taxpayers' education; taxpayers' knowledge of tax law; taxpayer knowledge of tax policy and taxpayer knowledge of penalties for failure to pay tax. Relevant data were collected through a structured questionnaire

The population, for the purpose of this study, consisted of all the 221 lecturers in the departments of Accounting, Economics, and Finance of the Universities (Federal, States and Private) in Ogun State. This population was chosen because they are deemed to have knowledge, by qualifications and training, of the requirements of tax laws and would have been able to impact such knowledge to students who later in life would be tax practitioners, that is tax officials, tax payers as well as tax consultants hence they should be able to ensure compliance with tax laws in their various areas of operations.

The data for this study were obtained through the use of a structured questionnaire administered on the 221 sampled respondents. The questionnaire contained forty-three (43) questions designed to collect information from the lecturers of the selected departments. All of the statements or items included in the questionnaire have been adopted from various studies where they have been used and were considered reliable and consistent. Well-structured questionnaire containing demographic and relevant research questions were administered. Nominal scale was used in the demographic section while Likert scale was used in other sections. This measured the extent to which the respondents agree or disagree with the research questions.

To determine the reliability of the research instrument and its items in this study, the researcher carried out a pilot test of internal consistency using the Cronbach's Alpha coefficient. The coefficients of Cronbach's alpha reliability test was 0.799 which was above 0.7 indicating that the research instrument is reliable. The survey instrument was administered to 25 academic staff that cut across Federal, States and Private universities in Nigeria but only 18 completed and returned the questionnaire to determine its reliability.

The study adopted both descriptive and inferential statistical methods to analyse the data collected. To accomplish the stated objectives, the study principally focused on quantitative analysis supported by qualitative analysis. Statistical Package for Social Scientists software was employed to analyse the responses from the questionnaire. The descriptive statistics was employed to present charts, frequency, percentages mean, median, minimum, maximum and standard deviation where necessary. Hence, the inferential statistics of the study equally employed multiple regression analysis. Multiple regression analysis using

Model Specification

From the perceived relationship between tax awareness and tax compliance among academic staff of Nigerian universities, in Ogun State.

Functional relationships, with associated multiple regression models, were employed as specified below:

Independent Variables (X) Tax Awareness represented by:

x_1= Taxpayers' Education

x_2= Taxpayers' Knowledge of Tax Laws

x_3= Taxpayers' Knowledge of Tax Policy

x_4 = Taxpayers' Knowledge of Penalties for Non-Compliance

The Dependent variable (Y) was Registration of Taxpayers

Therefore, the functional equation is given as:

$RT_i = \beta_0 + \beta_1 TE_i + \beta_2 TKTL_i + \beta_3 TKTP_i + \beta_4 TPNC_i + \varepsilon$ ………………….. Model

Where:

TE = Taxpayers' Education

TKTL= Taxpayers' Knowledge of Tax Laws

TKTP = Taxpayers' Knowledge of Tax Policy

TPNC = Taxpayers' Knowledge of Penalties for Non Compliance

β_0= intercept/autonomous variable. It depicts the degree of the need for tax compliance even without the existence of tax awareness.

β_1 = Coefficient of taxpayer education. It depicts the degree of the need for taxpayer registration in ensuring tax compliance.

β_2 = Coefficient of taxpayers' knowledge of tax laws.

β_3 = Coefficient of taxpayers' knowledge of tax policy.

β_4 = Coefficient of taxpayers' knowledge of penalties for Non-Compliance.

ε = Random variable. It depicts other practices that may induce the need for tax compliance.

Model Evaluation

The estimated model parameters measured by the intercepts and coefficients were evaluated through the strength of the independent variables (TE,TKTL,TKTP,TPNC) on the dependent variables (RT) using Adjusted . For the purpose of analysis, the estimation was carried out using Statistical Package for Social Sciences (SPSS). Some of the criteria employed to select an efficient model included Adjusted R^2 and F-tests. The Adjusted R^2 was used to measure the joint effect of the variation in independent variable on the dependent variables. The F-statistics was used to test the significance of the relationship between the dependent variables and independent variables in the models. 5% level of significance was adopted for accepting or rejecting the null hypotheses.

Table 3.1 Decision Rule Table

Hypotheses	Models	Decision Rule
H_0 1	$RT_i = \beta_0 + \beta_1 TE_i + \beta_2 TKTL_i + \beta_3 TKTP_i + \beta_4 TPNC_i + \varepsilon$	Reject if $\beta_1 \geq 0$ and $\rho \leq 0.05$; Otherwise do not reject

Researcher's Compilation 2021

DATA ANALYSIS, RESULTS AND DISCUSSION OF FINDINGS

The results and findings of the study were based on the research objective, research question and testing of hypothesis.

From the data collected, out of the 221 copies of questionnaire administered, 115 were filled and returned. This represents a response rate of 56.37%. According to Mugenda and Mugenda (2003), a response rate of 50% or more is adequate. This was considered sufficient for making inferences and drawing conclusions.

Inferential Statistics

Testing of Hypothesis

Objective: To ascertain the impact of tax awareness on taxpayer registration among academic staff in Nigerian universities.

Research Question: How does tax awareness impact taxpayer registration among academic staff in Nigerian universities.

Hypothesis (H_0): Tax awareness has no significant effect on taxpayer registration among academic staff in Nigerian universities.

Table 4.2.1: Summary of Results of Multiple Regression Analysis.

Model 1	*B*	*T*	*Sig.*	*F*	R^2	Adj. R^2	F(Sig)
(Constant)	1.970	4.553	0.000	6.904	0.207	0.177	0.000
Taxpayers' Education	0.177						.119
Taxpayers' Knowledge of Tax Laws	0.137						.194
Taxpayers' Knowledge of Tax Policy	0.182						.060
Taxpayers' Knowledge of Penalties for Non Compliance	0.060						.522

a. Dependent Variable: Registration of Taxpayers (RT)
b. Predictors: (Constant), TPNC, TKTP, TE, TKTL

Source: Researcher's Field Survey Data (2021)

Model 1- $RT_i = \beta_0 + \beta_1 TE_i + \beta_2 TKTL_i + \beta_3 TKTP_i + \beta_4 TPNC_i + \varepsilon$

$RT_i = 1.970 + 0.177 TE_i + 0.137 TKTL_i + 0.182 TKTP_i + 0.060 TPNC_i + \varepsilon$

Interpretation

The regression estimate of model showed that tax awareness has a positive effect on registration of taxpayers (RT). This is indicated by the signs of the coefficients, which are (1.970) > 0. These result is consistent with a-priori expectations. When the coefficient of the variables are substituted into the model, positive result was obtained as can be observed in the model

The size of the coefficient of the independent variables shows that Taxpayer's Education has a positive effect on Registration of Taxpayers, with a coefficient of 0.177. This positive effect is however not singularly significant as the t-statistics significance level shows 0.119 which is higher than 0.05. Taxpayer's Knowledge of Tax Laws has a positive effect on Registration of Taxpayers also, with a coefficient of 0.137. The positive effect is however not singularly significant as the t-statistics significance level shows 0.194 which is higher than 0.05. Taxpayer's Knowledge of Tax Policy has a positive effect on Registration of Taxpayers, with a coefficient of 0.182. this positive effect is however not singularly significant as the t-statistics significance level shows 0.06 which is higher than 0.05. Taxpayer's Knowledge of Penalties for Non- Compliance has a positive effect on Registration of Taxpayers, with a coefficient of 0.060. This positive effect is not also singularly significant as the t-statistics significance level shows 0.522 which is higher than 0.05. The results further showed that 1% increase in tax education will lead to 17.7% in registration of taxpayer; 1% increase in knowledge of tax laws will result into 13.7% increase in registration of taxpayer; 1% increase in knowledge of tax policy will result into 18.2% increase in registration of taxpayer; while 1% increase in knowledge of penalties for non-compliance will lead to 6% increase in registration of taxpayer;

The Adjusted R-square of the model showed that 17.7% showed low explanatory power of variations in Registration of Taxpayers of the sampled population which can be attributed to all the independent variables put together, while the remaining 82.3% variations in Registration of Taxpayers are caused by other factors not included in this model. However, the F-test showed a probability value of 0.00 which indicates that the explanatory variable is statistically significant because the probability value is less than 5%, the level of significance adopted for this study. Therefore, the model is statistically significant, thus, the null hypothesis that tax awareness has no significant effect on Registration of Taxpayers is rejected.

Discussion of Findings

Based on the combination of those that agreed and strongly agreed that registration with Ogun State Internal Revenue Service (OGSIRS) is compulsory for everyone that earns income about 98% which represents 113 respondents),

About 89% (102 respondents) agreed and strongly agreed while only about 11% (13 respondents) either disagreed or undecided that failure to register with OGSIRS is a punishable offence under personal income tax law.

This show that almost 60% of the respondents agreed and strongly agreed that they registered for tax with the OGSIRS for all their sources of income as at when due while about 40% either disagreed or undecided. From the hypothesis tested, Tax awareness has significant effect on taxpayer registration among academic staff in Nigerian universities, hence the Null hypothesis is hereby rejected.

Oral interview conducted revealed that majority of the respondents were not sure they registered for tax with the tax authority for all their sources of income because they never completed personal income tax assessment form with the OGSIRS. Their employers actually registered them with OGSIRS once their names appeared

on the payroll of their institutions, hence they were not sure all other sources of income could have been captured. This could be an indication that tax awareness needs to be promoted more among academic staff in Nigerian Universities especially in Ogun State. This is in line with, Oladele, et al (2019), Adekoya (2019), Yahaya, et al (2013), Alabede, et al (2011) and Akpubi and Igbekoyi (2019) who all affirmed that taxpayers' education is positively related to tax compliance by taxpayers. This means that the more the taxpayers are aware of taxpayers' registration, taxpayers' knowledge of tax laws, taxpayers' knowledge of tax policy and taxpayers' knowledge of penalties for non-compliance, the more will be the level of compliance by the taxpayers, hence more tax revenue will be generated by the government. Government, through the relevant tax authority should embark upon more tax education programmes.

This study has confirmed that the theory of planned behaviouris relevant in determining the tax compliance behaviour of taxpayers and that regular tax education and awareness programme can ensure that taxpayers' attitude towards non tax compliance is positively modified.

The study also revealed that it is the responsibility of the respondents to register with the tax authority for the payment of tax on all sources of income. It was however discovered that about 84% of the respondents agreed that they registered for payment of tax on their salaries only, others. This is at variance with the provisions of the tax law that requires taxpayer to register for payment of tax on all sources of income including rent, commission and bonuses.

About 86% of the respondents agreed that it is their responsibility to file their tax returns as and when due. It was however found that it is the employers that actually file tax returns on behalf of the employees. Only 32% of them are aware of the date of filing of tax returns annually.

About 79% of the respondents declared that they have never attended formal tax course organised by the revenue board. This is an indication that the relevant tax authority do not incorporate academic staff of Nigerian universities in the state into tax education and awareness programme. This may have created a gap in the mobilization of the citizens on the importance of the need to register, file returns and pay tax as and when due. The academic staff prepares the students to be future taxpayers and practitioners but when tax education is not properly done by the tax authority, revenue collection cannot be optimized. About 93% agreed that adequate taxpayers' education will reduce errors by empowering taxpayers with tax knowledge thereby encouraging tax compliance.

The study has revealed that tax awareness has positive effect on tax registration. This has confirmed that proper tax awareness will enhance tax compliance among academic staff and will also prepare their students (future taxpayers and practitioners) appropriately for tax compliance in the future. All the explanatory variables are statistically significant at 5% level of significance hence all the Null hypotheses were rejected.

CONCLUSION AND RECOMMENDATIONS

The study examined the impact of tax awareness on tax compliance among academic staff of Nigerian universities using Ogun State as case study. Findings from the study provided relevant empirical evidence that adequate tax awareness will enhance taxpayers' registration while the explanatory variable is statistically significant hence tax awareness is positively related to tax compliance. This implies that when academic staff of Nigerian universities are adequately aware of the requirements for tax registration, timely filing of tax returns, correct tax declaration and timely payment of tax through appropriate tax education, knowledge of tax laws, knowledge of tax policy and knowledge of penalty for non-compliance, they will be able to impact correct tax knowledge to their students, who after graduation will be either tax payers, tax consultants or tax administrators. This will also enhance adequate generation of tax revenue. The study therefore concluded that tax awareness significantly influences tax compliance among academic staff of universities in Ogun State, Nigeria.

Recommendations

Based on the findings of the study, the following recommendations were made:

The tax authority in the state should ensure that appropriate tax return forms are made available and completed by the individual academic staff of universities on annual basis as required by the personal income tax law. This will ensure the correct registration and declaration of all sources of income earned by the academic staff for tax purpose.

Government should ensure adequate tax education through electronic, print and radio media for proper updating of the citizens on the importance of appropriate payment of tax by the citizens.

The relevant tax authority should also adopt more friendly tax registration, filing and payment process to enhance convenience of tax payment by the taxpayers. Government should also organize, on regular basis, interaction with the academic staff on how to enhance adequate tax awareness among the citizens as well as suggestions on appropriate tax policy.

Government should include tax education in the curricula of educational institutions from primary to tertiary level for adequate tax education for all the citizens.

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APPENDIX

Regression Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.455[a]	.207	.177	.57254

a. Predictors: (Constant), TPNC, TKTP, TE, TKTL

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.053	4	2.263	6.904	.000[b]
	Residual	34.747	106	.328		
	Total	43.800	110			

a. Dependent Variable: RT

b. Predictors: (Constant), TPNC, TKTP, TE, TKTL

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.970	.433		4.553	.000
	TE	.177	.112	.170	1.572	.119
	TKTL	.137	.105	.142	1.307	.194
	TKTP	.182	.096	.204	1.900	.060
	TPNC	.060	.093	.069	.643	.522

a. Dependent Variable: RT