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The Effect of Institutional Quality on Willingness to Pay Tax in Ilorin South, Kwara State, Nigeria

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ABSTRACT

Purpose: This study examined the effects of institutional quality on willingness to pay tax in Ilorin south, Kwara State, Nigeria

Design/Methodology/Approach: The data used was collected through a random sampling method in the selected local Government in Kwara State, Nigeria. Due to the ordered nature of the dependent variable, that is, willingness to pay taxes, the ordered logit regression method was employed. The odds of each of the dependent variables on the respondent's willingness to pay taxes were then analysed using Stata 18 software

Findings: The results showed that two of the three measures of institutional quality, namely the level of tax evasion difficulty and the level of tax evasion punishment, increase the odds of the respondent's willingness to pay taxes. Respondent income likewise has a positive, significant effect on the odds of willingness to pay taxes, while household size is negatively and significantly related to respondents' willingness to pay taxes.

Conclusion: The results show that strengthening tax authority quality will enhance tax revenue generation in the study area and the country. The result further shows that the Government will be able to generate more tax revenue if a progressive tax rather than a regressive tax policy is put in place in the study area. Since household size has a negative relationship with willingness to pay taxes. Larger family sizes should be discouraged in the study area because of its negative effect on the citizens' willingness to pay taxes. When the family size is large, the burden of dependency on the household heads will discourage them from paying taxes.

Keywords: willingness, tax, taxpayers, institutional, quality

INTRODUCTION

Governments levy taxes primarily to generate revenue, redistribute income, control the economy, influence price mechanisms, discourage certain consumption patterns, and maintain a balance of payments. Taxation serves as the backbone of a nation's economy due to its versatility and capacity to meet various objectives. A well-structured tax system that aligns with the unique needs of the state is essential for realizing these objectives. However, without such a system, achieving the desired outcomes remains elusive. In Nigeria, the push to prevent inefficiencies and high "nuisance" value in taxation has prompted significant reforms. Currently, the Nigerian tax system is undergoing a re-engineering process to serve as a robust instrument for driving sustainable development.

Nigeria's federal structure implies a multi-tiered governance system, where powers are constitutionally divided among the federal, state, and local governments. The 1999 Constitution of the Federal Republic of Nigeria (CFRN 1999) assigns exclusive taxation rights over mines, minerals, stamp duties, incomes, profits, and capital gains to the Federal Government. Concurrent powers are shared between federal and state governments for items listed in the Concurrent Legislative List. Matters outside these categories generally fall under the jurisdiction of state and local governments. This structure, while providing decentralization, has also resulted in overlapping tax systems and instances of jurisdictional intrusion among government tiers. Notably, reforms in Nigeria's tax system aim to align it with international best practices, minimizing redundancy and maximizing efficiency.

The multiplicity of taxes and overlapping jurisdictions in Nigeria has been both a challenge and an opportunity for reform. Over the past decade, the Nigerian tax system has evolved significantly. The government and tax administrators have recognized the importance of aligning with global standards and creating a system with low "nuisance" value. This shift reflects a growing understanding that taxpayers should be central to the tax administration process, fostering transparency and trust. Recent studies, including those by the Nigerian Economic Summit Group (NESG, 2022), highlight the benefits of ongoing tax reforms in enhancing the business environment and improving revenue collection.

Tax administration in Nigeria encompasses the assessment, collection, and accounting of various taxes as well as implementing tax laws and policies. The system consists of approximately 39 taxes, levies, and fees, with federal, state, and local governments overseeing their administration. Key tax authorities include the Federal Inland Revenue Service (FIRS), State Boards of Internal Revenue (SBIR), and Local Government Revenue Committees (LGRC). Despite these structures, compliance remains a challenge due to factors such as inefficiencies, corruption, and lack of taxpayer education.

From the foregoing, the conclusion is that Nigeria is made up of a multiplicity of tax systems and jurisdictions. A consequence of this is the existence of multiple taxation systems within the system. Another is the existence of cases of intrusion into each other's tax jurisdiction by agencies of the different tiers of government vested with the responsibility of taxation. On the upside, a characteristic of the Nigerian tax system is that it is metamorphosing and changing. It was not structured in the manner it is today a decade ago, it is reforming. The reasons for this can be theorised to range from the need to entrench a system that is in tune with globally accepted practices to the fact that the government as well as those at the helm of the agencies administering the system recognise the need for a system with little or no nuisance value and where the taxpayer is king.

Tax compliance is influenced by multiple factors, including taxpayers' perceptions of the tax system, enforcement efforts, peer attitudes, demographic characteristics, and economic conditions. Kirchler et al. (2021) and Alm et al. (2019) emphasize that compliance improves when taxpayers perceive public benefits from tax payments. Moreover, excessive reliance on punitive measures, such as audits and fines, has limited long-term efficacy. Instead, a balanced approach that includes taxpayer education, incentives, and fair enforcement fosters voluntary compliance.

The concept of "tax morale" is also critical. As noted by Torgler and Schneider (2020), taxpayers are more likely to comply when they trust the government and perceive the tax system as fair and equitable. This trust, however, is undermined by corruption, inefficiency, and lack of accountability, particularly in low-income countries like Nigeria.

The willingness to pay tax, which may depend on the other issues in a tax-revenue generation, remains a key taxation challenge in Nigeria. In the ease of tax payment, evidence from the World Bank Doing Business Report 2011 and 2012, show that Nigeria ranked 109 and 138, respectively, out of 183 countries; in Sub-Saharan Africa (SSA), it ranked 27 out of 46 countries. This result is, despite some improvements the government has made to the tax system in the recent past.

Thus, an integral part of the tax system is the people's attitude towards tax payment. Further evidence that affects willingness will include the multiplicity of taxes that is, paying similar taxes on the same or substantially similar tax base, ineffective and inefficient tax collection structure, poor tax awareness, tax transparency and tax accountability. The issues raised have implications on the willingness to pay tax in Nigeria, with the indirect effects on actual revenue generated from taxation. The end-point implication of strong unwillingness to pay tax is a crippled government that is unable to implement its growth and development objectives.

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The significance of the willingness to pay is also better related to the case of the informal sector, where the government is limited in terms of monitoring its affairs. The willingness of the people is what will speak for the government concerning tax payments. The people's willingness is greatly influenced by their perception of the government delivery.

This study will be limited to the Ilorin South Local Government, Kwara State, Nigeria. It will evaluate the impact of the institutional quality of the Nigerian tax system on the rate of tax compliance in the study area.

LITERATURE REVIEW

The economic validation for the public sector and the resultant requirement for taxation can be described as the allocation branch, the distribution branch and the stabilization branch. The allocation branch is concerned with inefficiencies in the market system in the allocation of economic resources. Hence, it can be said that this is the origin of the rationality approach to tax compliance. The distribution branch is concerned with re-distribution of income and wealth towards that which society considers more equitable. It is in this that one of the roots of the responsible citizen approach lies. Stabilization branch justifies a role for government in trying to smoothen out cyclical economic fluctuations and ensuring a high level of employment and price stability.

The most common approach earlier has been to conceptualize compliance in terms of the "tax gap", that is, the difference between the actual revenue collected and the amount that would be collected if there were 100 per cent compliance. However, the basic concept of the "tax gap" for non-compliance seems to be far too simplistic for practical policy purposes. Thus, successful tax administration requires taxpayers' cooperation in the operation of a tax rather than being forced. Tax compliance simply refers to taxpayers' willingness to pay taxes. Although tax compliance leads to the honest payment of taxes, the underlying intentions of this behaviour can either be voluntary or enforced by authorities. The intention to pay taxes according to the law can be seen as a continuum (James & Alley, 2002), ranging from commitment to society and government's objectives on the one hand to law enforcement on the other hand.

On the compliance side, McBarnet (2001) distinguished between (a) committed compliance, referring to taxpayers' willingness to pay taxes without complaining, (b) compliance due to capitulation, describing taxpayers who give in and pay taxes, and (c) creative compliance, which covers activities addressed to reducing taxes within the brackets of the law. Translating McBarnet's (2001) characterisations of compliance to James and Alley's (2002) continuum concept, one extreme would reflect committed compliance or the intention to comply voluntarily, and the other extreme would describe compliance due to capitulation or the intention to comply due to efficient audits and fines. Similarly, Kirchler (2007; Kirchler, Hoelzl, & Wahl, 2008) developed a concept – the slippery slope framework- which distinguished between taxpayers who intend to voluntarily comply with the law from taxpayers who intend to comply because of enforcement activities. The intentions to comply voluntarily or enforced and avoid or evade taxes are described as resulting from the interaction between taxpayers' trust in authorities and authorities' power to monitor taxpayers. When trust in the authorities is high, taxpayers intend to pay their taxes voluntarily. In contrast, when trust in the authorities is low, taxpayers are assumed to intend to withhold their contributions.

It can therefore be deduced that a direct or positive relationship exists between the institutional quality and taxpayers' willingness to comply. When trust is low, but authorities' power to effectively audit and sanction wrong behaviour is strong, taxpayers' compliance is enforced; however, it is assumed that taxpayers intend to reduce their taxes within the legal range of the law and engage in tax avoidance but are deterred from illegal reductions. If trust in the authorities and if the power of the authorities is low, taxpayers are expected to break the law and evade taxes. Over the past few decades, the challenge of tax noncompliance has attracted greater attention worldwide mostly in developed countries and this has led to numerous empirical studies into the phenomenon. However, most of the early research studies on the phenomenon viewed the challenge from the theoretical perspective of economic deterrence models (Riahi-Belkaou, 2004).

Allingham and Sandmo (1972) were among the first to attempt to empirically investigate the factors influencing tax compliance behaviour. Their effort led to the development of the traditional theory of tax compliance otherwise known as A-S model based on Becker's (1968) Deterrence theory. The theory assumes taxpayer maximises the expected utilities of the tax noncompliance gamble, balancing the benefits derived from successful tax cheating against the risky prospect of detection and sanction (Sandmo, 2005). The general conclusion of this theory is that compliance depends largely on tax audits and penalties. The theory implies that taxpayers will pay taxes only because of the fear of sanctions. Therefore, more taxes will be paid with an increase in fines or audit rates. However, researchers have provided evidence to prove that deterrence may not entirely be depended upon to understand the phenomenon of tax noncompliance (Feld & Frey, 2003; Slemrod, 2009; Torgler, 2003; Torgler & Schaffner, 2007). Deterrence theory takes cognisance of only the economic factors to proffer an explanation for tax compliance behaviour and ignores the social and psychological factors.

In line with suggestions of Jackson and Millron (1986) and Alm (1999), scholars have developed other models that incorporate social and psychological factors. Among these models, Fischer, Wartick & Mark's (1992) model, which was based on the work of Jackson and Millron (1986), was regarded as a model viable for a better understanding of tax compliance behaviour (Chan, Troutman & O'Bryan, 2000). However, Alm (1999) has contended that no single model and theory have been able to incorporate numerous factors influencing tax compliance.

Institutional Quality and Tax Compliance

Not only the economic but also the political system affects formal and informal economic activities. Bird et al. (2006) stress that if poor countries want to become richer; they need to spend more on public infrastructure, education, and so on. Therefore, the need to tax more arises, but a key reason why they do not do so also seems obvious: "It is not in the interest of those who dominate the political institutions of such countries to increase taxes; If this is the story, then economists, who do not readily take to the revolutionary barricades, have a problem in suggesting a viable solution". The outcome in many countries is explainable as the underlying political conditions in these countries have not, for the most part, changed significantly over this period. Countries may tend to achieve an equilibrium position concerning the size and nature of their fiscal systems that largely reflect the balance of political forces and institutions and stay at this position until 'shocked' to a new equilibrium.

It is an interesting question to ask whether the recent political economy literature on the importance of institutions allows an understanding of the level of tax effort. If yes, it is interesting to understand which institutions are relevant and which institutions can be modified to produce better fiscal outcomes. If the government and the administration have a great discretionary power over the allocation of resources as is the case in many former centrally planned economies, corruption is enhanced. Agents as the political elite, administration staff, and legislators have a discretionary power if institutions are neither credible nor working well.

Levin and Satarov (2000), analyse corruption and institutions in Russia. They criticized that corruption is an integral part of Russia's economy. Corruption has the negative consequence that citizens reduce their trust in the authority. Levin and Satarov state that the degree of corruption exceeds the total expenditures on science, education, health care, culture, and art. Criminal groups spend up to 50% of their revenues in some industrial branches to bribe officials. In countries where corruption is systemic, and the government budget lacks transparency the obligation of paying taxes cannot be assumed to be an accepted social norm.

Institutional instability, lack of transparency and rule of law undermine the willingness of frustrated citizens to be active in the formal economy. Furthermore, there might be a crowding-out effect of morality among the tax administrators when there are many corrupt colleagues. Citizens will feel cheated if they believe corruption is widespread, their tax burden is not spent well, and the rules of law do not protect them. This increases the incentive to enter the informal sector. Corrupt bureaucracy will not assign the services to the most efficient producers, but to the producer who offers the larger bribes. Thus, corruption reduces allocation efficiency and delays transactions to acquire additional payments (Rose-Ackerman, 1997; Jain, 2001). Such tendencies might have a strong impact on tax compliance.

If citizens perceive that their interests (preferences) are properly represented in political institutions, their willingness to act in the underground economy decreases. On the other hand, in an inefficient state where corruption is rampant, the citizens will have little trust in authority and thus a low incentive to cooperate. A more encompassing and legitimate state may be an essential precondition for a more adequate tax system.

Friedman et al. (2000) show empirically that countries with more corruption have a higher share of unofficial economy. We additionally investigate tax morale, a factor that Friedman et. al. (2000) and other studies have disregarded. Moreover, we analysed the impact of institutional quality with a high number of variables. Dreher and Schneider (2006) have also investigated the correlation between the shadow economy and corruption. They observe the tendency for tax compliance and corruption to be substituted in high-income countries but complemented in low-income countries.

Institutional quality significantly impacts tax compliance. Transparency, accountability, and corruption-free governance are essential for fostering taxpayer trust. Countries with high levels of corruption and weak institutions, such as Nigeria, often struggle with low tax morale and high levels of tax evasion (Friedman et al., 2020). Studies by Dreher et al. (2021) reveal a strong correlation between institutional inefficiencies and the size of the informal economy.

In Nigeria, the challenge of weak institutions, lack of transparency, and systemic corruption hinder effective tax administration. Levin and Satarov's (2020) analysis of institutional failures highlights the detrimental effects of corruption, including reduced trust in government and increased incentives for informal economic activity. Addressing these issues requires comprehensive reforms that enhance institutional quality and accountability.

A competent, reliable and corrupt-free tax institution and the government in power will promote the level of tax compliance in that economy. A hindrance in compliance should be expected if the quality of the institutions in charge is low in terms of misappropriation of this tax revenue.

Based on the evidence provided, Nigeria is not far-fetched from these problems. As said earlier the institutions in charge of the administration of taxation are a major determinant of tax compliance, and so also are the institutions governing taxation in Nigeria. These institutions have been termed to be corrupt, incompetent and partial in the administration of taxes. This study seeks to investigate how institutional quality affects willingness to pay taxes in the Ilorin South Local Government, Kwara State, Nigeria

Theoretical Framework

There is an extensive literature on the determinants of tax compliance by individuals. The major impetus for tax compliance research in economic theory is a seminal paper by Allingham and Sandmo (1972). As in all individual choice situations, there are two essential rudiments which determine the outcome of tax compliance choices by individuals: What choices are feasible? and What choices are considered desirable by individuals?

As in much of neo-classical analysis, amoral individuals are assumed to desire more income but to be risk averse. This assumption follows that individuals will not comply with taxes unless non-compliance either reduces their real income by decreasing the quantity of publicly provided goods or increases their riskiness. The viability of different levels of non-compliance or, more precisely, an individual's ability to get away with a given level of non-compliance, is determined by the prevailing environment, particularly tax administration effectiveness.

According to Allingham and Sandmo (1972), an amoral but risk-averse taxpayer, with true income Y, chooses the fraction of income to declare to tax authorities to maximise her expected utility of income. The legally mandated income tax function gives the policy environment, T(Y), the penalty rate on detected but underpaid taxes, π, and the probability of tax audit and detection, p. For simplicity, a proportional tax function with tax rate t is assumed here. The fraction of income reported voluntarily to tax authorities (or the level of compliance) is denoted by x. The taxpayer's decision problem can be written as:

$$Max_x E(U) = (1-p)U[YN] + pU[YC] \quad (1)$$

Where YN = Y – txY and YC = Y - txY – (1+π)(1-x)tY represent net (after tax and penalty) income if evasion remains undetected (Not caught) and is detected (Caught) by tax authorities respectively. U is the *Von-Neumann Morgenstern* utility function of the taxpayer, assumed to be strictly concave, implying risk aversion. Utility is thought to depend only on after-tax income.

This model predicts that if the expected additional payment on detection p(1+π)tY is below the tax due when income is reported honestly (tY), the taxpayer will not comply fully, choosing to report less than 100 percent of her income. However, there will be greater compliance if stricter enforcement is implemented by raising p or π.

Model Specification and Sources of Data

Drawing from the above theory, the dependent variable for this study is willingness to pay tax while the independent variables are perceived government accountability, tax evasion difficulty and penalty for tax evasion (a proxy for institutional quality), ethnicity, religion, educational status, income and household number. The dependent variable is ordered from 0-10, so, ordered logit regression analysis was conducted to assess the relative predictive power of the independent variables on the dependent variable.

WTP = f(laccountable, income, hnumber, education, religion, ethnicity, evasiondifficult, evasionpunish, age, age2) (1)

A linear representation of the above equation is given below:

$$WTP_i = \beta_0 + \beta_1 \text{ accountable}_i + \beta_2 \text{ Income}_i + \beta_3 \text{ housesize}_i + \beta_4 \text{ edulevel}_i + \beta_5 \text{ religion}_i + \beta_6 \text{ Tribe}_i + \beta_7 \text{ evasiondificult}_i + \beta_8 \text{ evasionpunish}_i + \beta_9 \text{ age}_i + \beta_{10} \text{ age}_i^2 + \varepsilon_i \quad (2)$$

Where:

WTP = Willingness to Pay Tax

gaccountable = Government Accountability

Income = Income of respondents

Hnumber = Household’s number of respondents

Education = Educational status of respondents

Religion = Religion of respondents

Ethnicity = Ethnic group of respondents

evasiondifficult = difficulty of tax evasion

evasionpunish = Penalty for tax evasion

The data used in this survey emanates from a household survey of Urban Ilorin South in Kwara State, which sampled 555 households in the area.

The table below summarizes the data used for the analysis. The variables consist of both the dependent and independent variables related to this research study's model. The observations indicate the number of respondents who responded to the questions related to these variables. The mean and standard deviation of

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each variable are also included. Min and Max indicate the minimum and maximum values attached to each variable during the analysis.

Table 1. Summary statistics of the variables of interest

Variable	**Obs**	**Mean**	**Std. dev.**	**Min**	**Max**
WTP	551	6.709619	2.494918	0	10
Accountable	554	1.685921	1.04799	0	4
Evasionpurnish	552	4.101449	2.558328	0	10
evasiondifficult	551	5.192377	2.865344	0	10
Income	546	11851.65	4223.456	10000	150000
Education	546	3.789377	1.360503	0	5
Hnumber	523	5.608031	3.022472	0	20
Religion	545	0.585321	0.493119	0	1
Yoruba	555	0.634234	0.482079	0	1
Igbo	555	0.0900901	.2865691	0	1
Hausa	555	.1261261	.332291	0	1
age	553	31.91591	10.73759	20.5	60
Age2	554	4072503	9559286	420.25	2.25e+08
gender	551	.4573503	.4986304	0	1

The ordered logit regression results are presented in Table 2 to determine how institutional quality affects willingness to pay tax. There are three variables to test the effects of institutional quality which are gaccountable, evasiondifficult and evasionpunish. gaccountable is not a significant determinant of willingness to pay tax in the study area from the results. It shows that taxpayers' perception of the tax collectors' level of accountability is not a significant determinant of revenue generation by the government through taxation. This may be due to the high level of corruption in the country and the citizens' lack of confidence in the integrity of most public servants.

The next institutional variable is evasiondifficult. This variable is significant in all the regression results in Table 2. The variable measures how difficult it is for taxpayers to evade paying taxes in the study area. It is a significant positive determinant of taxpayers' willingness to pay taxes. The odds of willingness to pay tax increases when it is difficult for taxpayers to evade taxes. A unit increase in the difficulty of tax evasion will increase the odds of willingness to pay tax by 0.0702 in the first model and by 0.0583 in model 4. To increase willingness to pay tax, tax authorities should put policies in place that make it difficult for taxpayers to evade paying taxes.

The last institutional quality variable is the punishment taxpayers perceive they will surely suffer if they evade paying taxes. The results show that taxpayers are more willing to pay taxes if they know they will unavoidably suffer punishment from the tax authority if they evade payment of taxes. The odds of willingness to pay taxes increase by 0.102 in model 4 with a unit increase in perceived punishment for avoiding taxes.

Table 2. Ordered logistics analysis of the effect of institutional quality on the willingness to pay taxes in Ilorin South, Kwara State, Nigeria

	Willingness	Willingness	Willingness	Willingness
VARIABLES	To pay tax (Model 1)	To pay tax (Model 2)	To pay tax (Model 3)	To pay tax (Model 4)
	Odds ratio	**Odds ratio**	**Odds ratio**	**Odds ratio**
gaccountable	0.0596	0.0518	0.0573	0.0588
	(0.0739)	(0.0752)	(0.0785)	(0.0790)

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evasiondifficult	0.0702**	0.0716**	0.0569*	0.0583*
	(0.0320)	(0.0330)	(0.0345)	(0.0348)
evasionpunish	0.0939***	0.100***	0.105***	0.102***
	(0.0280)	(0.0288)	(0.0302)	(0.0308)
income		3.70e-05*	4.26e-05**	4.45e-05**
		(1.91e-05)	(2.00e-05)	(2.15e-05)
education		0.132**	0.0800	0.0834
		(0.0555)	(0.0598)	(0.0633)
hnumber			-0.0796***	-0.0924***
			(0.0278)	(0.0293)
Christian			0.391**	0.477***
			(0.166)	(0.185)
Yoruba			0.0290	0.281
			(0.164)	(0.232)
hausa				0.243
				(0.301)
Igbo				0.817**
				(0.348)
Age				-0.0423
				(0.0495)
age2				0.000565
				(0.000651)
gender				-0.196
				(0.163)
Observations LR chi2(14) Prob > chi2 Log likelihood	549 15.25 0.0016 -1178.4775	534 25.63 0.0001 -1140.7788	499 42.94 0.0000 -1054.6186	494 49.07 0.0000 -1039.4146

Note: Standard errors in parentheses while*** p<0.01, ** p<0.05, and * p<0.1 indicate the significance of the variables at 1%, 5% and 10%, respectively.

If taxpayers know that, the more they evade paying taxes, the greater the punishment they will suffer, they will be more willing to pay taxes to avoid punishment by the tax authorities. However, if there is less or no punishment for evading taxes, willingness to pay taxes will be low.

Respondent's income level is positive and significantly impacts their willingness to pay taxes. This is expected, because the higher a respondent's income, the greater the ability to pay taxes, all things being equal. The effect of educational level on willingness to pay tax is only significant in Model 2 when other demographic variables are not yet included in the model. In models 3 and 4, other demographic variables were included in the regression analysis. The variable education has no significant impact on willingness to pay tax, unlike the result in model 2. This shows that education is not a significant determinant of willingness to pay taxes in the study area.

The variable hnumber, which represents the size of the households, has a negative significant relationship with respondents’ willingness to pay taxes. From the results, a unit increase in household size decreases the odds of respondents’ willingness to pay taxes by -0.0796 and -0.0924 in models 3 and 4 both at a 99% level of significance. To increase revenue generation through taxation, policymakers should implement policies to discourage large family sizes.

Christian religion faithful are more willing to pay taxes in the study area compared to their Muslim counterparts. Being a Christian increases the odds of willingness to pay taxes in the study area by 0.391 and 0.477 in models 3 and 4 compared to the Muslims and the traditional worshippers in the study area. Policy to increase taxation compliance should be targeted at the Muslims and the traditional worshippers in the study area. There is no major ethnic variation in the respondents' willingness to pay taxes except for the Igbo tribe who are more willing to pay taxes than other tribes in the study area. The odds of an Igbos' willingness to pay taxes is 0.817 higher than other tribes such as the Yorubas and the Hausas in the study area. Age and gender are not significant determinants of the odds of willingness to pay taxes based on model 4.

CONCLUSION

This paper considers the effects of institutional quality on willingness to pay tax in Ilorin South Local Government, Kwara State, Nigeria. The results show that tax institutional quality, measured by the ease of evading taxes and the level of tax evasion punishment, is both a positive and significant determinant of willingness to pay taxes in the study area. It shows that strengthening tax authority quality will enhance tax revenue generation in the study area and in the country.

Taxpayers' income level is a significant positive determinant of the odds of willingness to pay taxes in the study area. This shows that the Government will be able to generate more tax revenue if a progressive tax rather than a regressive tax policy is put in place in the study area.

Household size has a negative relationship with willingness to pay taxes. Larger family sizes should be discouraged in the study area because of its negative effect on the citizens' willingness to pay taxes. When the family size is large, the burden of dependency on the household heads will discourage them from paying taxes.

Finally, religion is another important driver of willingness to pay taxes in the study area. adherence to the Christian religion has a higher willingness to pay taxes compared to Muslims and traditional worshippers in the study area. It is necessary to investigate further why this is shown either by carrying out a similar study at the national level or by increasing the number of regressors in future studies.

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