

Tax Determinants and Sustainable Economic Growth of MSMEs in South - South, Nigeria

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ABSTRACT: *This study investigated the influence of tax determinants on sustainable economic growth of micro, small and medium enterprises (MSMEs) in South-South, Nigeria. A cross sectional survey design was conducted on a sample of micro, small and medium enterprises (MSMEs) in South-South, Nigeria. The study anchored on the fiscal exchange theory. Primary data was collected using a questionnaire with a five-point Likert scale. The sample was 535 owners of micro, small and medium enterprises (MSMEs) taxpayers were purposively selected. The data collected was presented with the use of descriptive statistics, while bivariate and multivariate analysis was used in the estimation of the regression model developed for the study. The results suggested that tax knowledge positively and significantly influenced sustainable economic growth among MSMEs in south-south Nigeria; tax compliance cost positively and significantly influenced sustainable economic growth among MSMEs in south-south Nigeria; tax awareness has no positive and significant impact on sustainable economic growth among MSMEs in south-south Nigeria; taxpayers' perception on accountability positively but not significantly influenced sustainable economic growth among MSMEs in south-south Nigeria and tax rate positively and significantly influenced sustainable economic growth among MSMEs in south-south Nigeria. On the basis of the findings, the study concluded that tax determinants influence the level of sustainable economic growth of micro, small and medium enterprises in South-South Nigeria. The study recommended amongst others that government should continuously invest on tax education both at the basic and secondary levels of education. This can be done by putting in place tax clubs in different schools so that as learners get to the taxpaying brackets they are fully aware of tax responsibilities as well as improve tax information thereby simplifying tax procedures for higher revenue generation for sustainable economic growth.*

KEYWORDS: tax awareness, tax knowledge, tax rate, sustainable economic growth.

INTRODUCTION

The payment of taxes is a vital source of government revenue for the provision of social goods and payment of important services (Young et al., 2016). Twun et al (2020) maintained that taxes collected from corporate and non-corporate entities contribute greatly to a nation's sustainable economic growth. Amaning et al (2021) argued that greater tax revenue will allow the government to embark on more developmental projects to support an increase in the living standards of the citizenry and sustainable economic growth. According to Nyamapheni and Robinson ((2021), taxes are mandatory financial contributions to government's revenue and that are evaluated and imposed by a government agency on the income, trade, profession and vocation by corporate and non-corporate entities. Omesi and Appah (2021) argued that tax is a obligatory contribution made by individuals and organisations of any given nation to the state or even an alien, subject to the jurisdiction of the government, for reasons of residence or property and this contribution is for the provision of social amenities for the well-being of that given society. Anyaduba and Otubugbu (2019) also stated that the main objective of taxes in any given nation is to ensure that government uses the revenue obtained for the acceleration of sustainable economic growth, economic stabilization, income redistribution, promoting fairness and equity, fiscal responsibility and accountability, as well as for the provision of national goods and services. Similarly, Maina (2017) noted that the key objective of taxes is to raise sufficient revenue to finance government spending that promotes maximization of social welfare of citizens.

Kundt et al. (2017) stressed that the deployment of internal resources in developing nations, primarily through an effective and efficient tax systems, is viewed as an essential means of attaining the sustainable economic growth. Nyamapheni and Robinson (2021) noted that over the years, tax has continued to be a vital instrument of public policy, both as a means of financing government expenditures and finance the livelihoods of the low-income population. Weerawickrama and Tilakasiri (2020) argued that governments could increase or decrease taxes to accomplish sustainable economic growth, or to attain political acceptance with certain groups. Ningi et al (2019) maintained that micro, small and medium enterprises (MSMEs) positively and significantly impact on sustainable economic growth in Nigeria. However, the level of tax compliance among MSMEs is poor and the key issue is the failure of countries to come up with strategies to minimize the level of non-compliance to tax (Dlamini, 2017). This is due to the fact that MSMEs are the major employer of labour and they play a very significant role in the development and growth of the Nigerian economy, but their contribution to sustainable economic growth is minimal. The insignificant feature of MSMEs does not influence their impact to the economy due to the multiplier effect and synergy which surpass those of the bigger firms because MSMEs are recognized bases that could increase sustainable economic growth. However, in spite of the potentials of MSMEs and their potentials of improved economic activities, leading to sufficient revenue generation and sustainable economic growth several governments have failed

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to achieve the desired economic growth using tax revenue from MSMEs (Gitu & Ngugi, 2015). The failure to leverage on the enormous potentials of the MSMEs in terms of revenue generation may not be unconnected with the seeming tax evasion which is typical of the informal sector where a number of these trade, vocation and profession operate (Chen et al., 2017; Maboshe & Woolard, 2018).

The issue of tax compliance has gained global interest by researchers in recent years due to the increasing levels of tax non-compliance and its consequences on the capacity of government to improve revenue generation and sustainable economic growth in developing nations. Tax compliance can be affected by several variables such as marital status, age, income level, employment, religion, hunger, sex, corruption, education, awareness, truth in parliament, satisfaction in democracy, level of respondent pride (Amaning et al, 2021; Nyamapheni & Robinson, 2021; Weerawickrama & Tilakasiri, 2020; Twun et al, 2020; Ningi et al, 2019). This study seeks to investigate these contending issues.

The justification for this study is hinged on the fact that it will examine tax determinants and sustainable economic growth among MSMEs with a view to determining tax knowledge, tax awareness, cost of compliance, tax rate and taxpayers perception on accountability of government. This study will assist policy makers in government and specifically to the State Internal Revenue Service in Bayelsa, Edo, Cross Rivers, Rivers, Delta and Akwa Ibom States in understanding ways in which taxpayers ((MSMEs) compliance behaviour can be improved. Therefore, understanding the determinants that influences taxpayers' compliance behaviour could provide information to policy makers for tax planning purposes. It is also hoped that findings of this study would be important to students, tax consultants, academics and policy makers. The broad objective of this study is to investigate the effects of tax determinants on sustainable economic growth in south-south of Nigeria. The specific objectives include:

1. To investigate the relationship between tax knowledge on sustainable economic growth among MSMEs in South - South of Nigeria..
2. To evaluate the relationship between cost of compliance on sustainable economic growth among MSMEs in South - South of Nigeria.
3. To determine the relationship between tax awareness on sustainable economic growth among MSMEs in South - South of Nigeria.
4. To investigate the relationship between taxpayers perception on accountability of government on sustainable economic growth among MSMEs in South-South of Nigeria.
5. To assess the relationship between tax rate on sustainable economic growth among MSMEs in South -South of Nigeria.

Its sets out to answer the following questions:

1. What is the relationship between tax knowledge and sustainable economic growth among MSMEs in South - South of Nigeria?

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2. What is the relationship between cost of compliance and sustainable economic growth among MSMEs in South- South of Nigeria?
3. What is the relationship between tax awareness and sustainable economic growth among MSMEs in South-South of Nigeria?
4. What is the relationship between taxpayers' perception on accountability of government and sustainable economic growth among MSMEs in South-South of Nigeria?
5. What is the relationship between tax rate and sustainable economic growth among MSMEs in South -South of Nigeria?

The following null hypotheses were formulated:

H0₁: Tax knowledge has a positive and significant influence on sustainable economic growth among MSMEs in South - South Nigeria.

H0₂: Cost of tax compliance has a positive and significant influence on sustainable economic growth among MSMEs in South - South Nigeria.

H0₃: Tax awareness has a positive and significant influence on sustainable economic growth among MSMEs in South-South Nigeria.

H0₄: Taxpayers' perception on accountability of government has a positive and significant influence on sustainable economic growth among MSMEs in South-South Nigeria.

H0₅: Tax rate has a positive and significant influence on sustainable economic growth among MSMEs in South-South Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Review

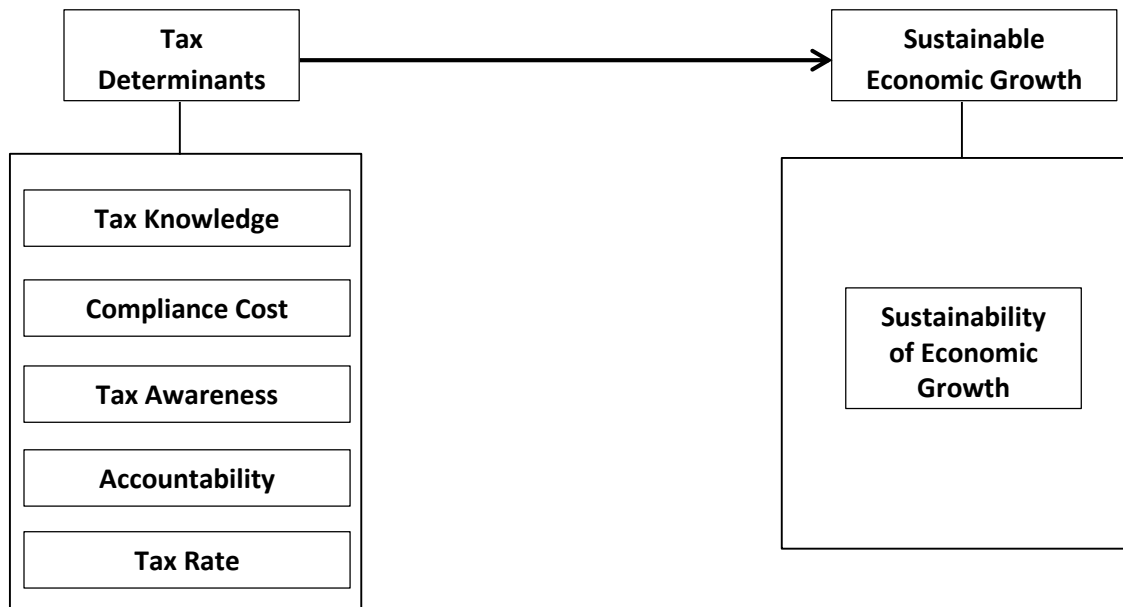


Fig.1: Conceptual Framework on Tax Determinants and Sustainable Economic Growth

Concept of Tax Determinants

The payment of tax is an international issue that has a major significant influence on the generation of revenue and sustainable economic growth of any given society (Ningi et al, 2019). According to Omesi and Appah (2021), tax is a compulsory contribution made by the citizens of any given nation to the state or even an alien, subject to the authority of the government, for reasons of residence or property and this contribution is for the delivery of social services for the well-being of that given nation. Anyaduba and Otubugbu (2019), Omesi and Appah (2020) argued that the primary objective of tax in any given nation is to generate revenue for the acceleration of sustainable economic growth, economic stabilization, income redistribution, promoting fairness and equity, fiscal responsibility and accountability, as well as for the provision of social goods and services. However, the high level of tax evasion by MSMEs in Nigeria impacts on the amount of revenue government generates for the provision of social goods. Hence, it is important for MSMEs to always pay the right tax as this will improve the revenue generation of government that will

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improve the growth and development of businesses in Nigeria. Therefore, this study employed tax knowledge, tax compliance cost, tax awareness, perception of tax accountability and tax rate as tax determinants.

Tax Knowledge: Tax knowledge is the level of responsiveness and thoughtful of taxpayers to the tax system of a nation. Twun et al (2020) argue that tax knowledge involves issues concerning marginal benefits, income tax, deductions, and tax responsibilities. The authors further maintained that the level of tax knowledge is vital in influencing the way individuals understand the genuineness of taxation and the behaviour towards taxation. Mukhlis et al. (2015), Appah and Wosowei (2016) argued that enlightening taxpayers about the public and monetary effects of taxation system can advance their readiness to comply with the tax policies of nations (Twun et al, 2020). Consequently the behaviour of the taxpayer to taxation in relation to the taxpayer's level of tax knowledge affords the provision that educating the MSMEs will guarantee that they become good taxpayers. According to Palil and Mustapha (2011), tax knowledge discloses the level of tax education, which is predicted by understanding tax rights and responsibilities, knowledge of employable income, knowledge of personal relief, awareness of tax offences, penalties, and fines. Mukhlis et al. (2015) stated that tax education as the influence of knowledge in tax rights and obligations, tax functions and penalties, tax type and tariff, tax mechanisms and payments, and tax assessment. Ningi et al (2019) maintained that it is important for the government to enforce tax compliance and design policies that would improve tax compliance among taxpayers. The study of Ningi et al (2019) disclosed that tax knowledge positively and significantly affects the level of sustainable economic growth. Hence tax education is a means of generating more revenue to the government.

Compliance Cost: The cost of compliance determine the ability of taxpayers to pay tax as at when due. These are costs incurred by taxpayers and the government for the objective of meeting the guidelines and regulations of tax compliance. Eichfelder and Schorn (2012) stated that costs of compliance are costs incurred by the taxpayers in fulfilling the requirements set out by relevant tax laws and in fulfilment of their tax obligations. Nyamapheni and Robinson (2021); Weerawickrama and Tilakasiri (2020) noted that tax compliance cost encompasses both social costs and taxpayer compliance costs. The authors maintained that the costs incurred by the government during collection and recovery of tax are categorized as administrative costs. They further stated that social costs include efficiency costs also called dead weight losses and administrative costs. The combination of administrative and social cost is called operating costs of compliance

Tax Awareness: Tax awareness is the knowledge of which is necessary by a taxpayer to be able to fulfill the various tax obligations as at when due. It involves the knowledge recognition and obedience towards applicable tax laws and regulation (Ningi et al, 2019). A better awareness by taxpayers in the society would inspire individuals to fulfill their tax obligations to register as taxpayer and paying taxes appropriately are forms of national and civic obligation (Oladipupo & Obazee, 2016). Saad (2012) argued that most people do not have much understanding of what tax

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laws mean and why the tax system is structured and administered as it is. Hence an increase in tax awareness of a tax initiative is vital to gain public acceptance and confidence. Tax awareness has to be spread in order to inform all individuals about the direction and objectives the governments wish to attain by administering a specific tax policy. Ningi et al (2019) suggested that tax awareness programmes should be channeled towards the attainment of sustainable economic growth especially for MSMEs. The authors further stated that tax awareness would increase the amount paid as tax to government thereby enhancing revenue generation to government. Ningi et al (2019) study revealed that tax awareness positively and significantly affects sustainable economic growth in Nigeria.

Perception of Accountability: The perception of taxpayers on government accountability affects the compliance behaviour of the average taxpayer. This is due to the fact that the lack of accountability of tax revenue by government officials does influence taxpayers' to evade the payment of tax which in the long affects sustainable economic growth. Tadesse and Goiton (2014) argued that taxpayers who pay large amount as tax will be sensitive to what the government spends their tax money on. Manna et al (2020) stated that perception of taxpayers is fundamental in the determination of tax compliance behaviour due to the fact that the spending of government causes various levels of compliance. Niway and Wondwossen (2015) study revealed positive and significant association between government spending and tax compliance behaviour. Hence, the perception of accountability of taxpayers influences the level of sustainable economic growth.

Tax Rate: This is the percentage that is applied on the income or property of a taxable person or entity as part of person's or entity's civic obligation to contribute to the government in its determination to develop and provide for the infrastructural development of the country. According to Assfaw and Sebhat (2019), tax rate describes the rate at which income and property is taxed. The current tax rate for Micro, Small and Medium Enterprises (MSMEs) stands at 20% as against 30% for big companies not categorized as MSME in Nigeria. According to Gitu and Ngugi (2015), tax rate was found to have a significant influence on tax compliance of the SMEs in Kenya. Inasius (2015) investigated tax compliance of small and medium enterprises in Indonesia and the findings revealed that income tax rate is negatively associated with tax compliance. Other studies such as Ali (2018) indicated that tax rate positively and significantly affects income tax compliance.

Concept of Sustainable Economic Growth: The sustainability of economic growth is the basis of increasing the prosperity of a given country. It is an economic development that attempts to satisfy the needs of people but in way that sustains natural resources and environment for future generation. Ningi et al (2019) argued that sustainable economy is an economy that meets the needs of the present generation without affecting the ability of future generations to meet their needs. The authors further stated that sustainable economic growth is intended to explore all available sectors of the economy. Olayinka (2012) noted that MSMEs has been found to be the bedrock of a sustainable economy.

Concept of Micro, Small and Medium Enterprises (MSMEs): There is no universally accepted definition of MSMEs in general terms due to the fact that no economic condition exists the world over. The USA, U.K., and Canada define MSMEs in terms of annual turnover and the number of employees paid. In United Kingdom, MSME is defined as any business with an annual turnover of 2 million pounds or less with fewer than 200 paid employees. In Japan, MSME is defined according to the type of industry, paid-up capital and number of paid employees. MSMEs are the key drivers of nation's economy due to the contribution to economic growth (Gbandi & Amisshah, 2014; Ningi et al, 2019). According to the National Policy on MSMEs are enterprises whose total assets (without land and buildings) are less than Five Million Naira with a workforce not more than ten (10) paid employees. Small Enterprises are enterprises whose total assets (without land and buildings) are above Five Million Naira but not more than Fifty Million Naira with total workforce of more than ten (10) but not exceeding forty-nine while Medium Enterprise are those enterprises with a total assets (without land and buildings) are more than Fifty Million Naira but not more than Five Hundred Million Naira with a total workforce of between Fifty and One Hundred and Ninety-Nine paid employees.

Theoretical Review: This study anchored on the theory of fiscal exchange. This theory was advanced by Buchanan (1976). According to Akintoye et al (2019), the fiscal exchange theory in taxation explains the two sides of taxes and expenditure must be analysed concurrently and that the examination is regarded from the realm of the political framework. This theory rests on the notion that public sector expenditure is a major motivation for people to pay taxes. The government can generate more revenue through effective and efficient public sector expenditure in providing goods and services that are essential by the citizens. Syadullah and Wibowo (2015) suggested that the level of tax revenue generated will improve by way of tax compliance when there is an improvement in the provision of goods and services. The citizen would want to pay taxes for the sake of public goods which they enjoy as they are very concerned about what they get in exchange for the levy they pay (Akintoye et al, 2019). The presence of positive benefits can increase the possibility that the taxpayer will conform willingly to the payment of tax thereby improving revenue generation for sustainable economic growth. According to Fjeldstad et al (2012), this theory provides that tax revenue is stimulated by level of government expenditure and this contention is well rooted in economics. Akintoye et al (2019) argued that tax compliance by individuals and firms improves with the provision of infrastructures. The main concern of taxpayers is what they benefit in the form of public goods and services in exchange for the amount paid as tax. It is understood from taxpayers' standpoint that the provision of public goods and services is a contractual arrangement between the government and taxpayers because the interest of taxpayers is on what they get from the government in returns for what goes out in the form of tax (Fjeldstad et al., 2012). This theory can also be said to make compliance with payment of tax conditional; it varies with the performance of government on the provision of public goods and services. Taxpayers see the tax payment as bartering purchasing power in the market in exchange for government goods and services. Fjeldstad et al. (2012) opine that the presence of favorable benefits is likely to improve the probability of voluntary compliance by taxpayers bringing

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favorable impact on tax revenue as it entails citizens and businesses to receive goods and services from government in exchange for extractions taken from them by the government. Fjeldstad et al. (2012) further maintained that government performance, honesty, effectiveness, responsiveness to due process and government reliability all determine the degree of tax compliance as compliance becomes reduced without a material benefit even though the exact value of the benefit received in exchange for tax payment from Government cannot be quantified. The fiscal exchange theory is justified in this study because taxpayers' attitude towards government expenditure as a major instrument for the motivation of compliance to pay taxes. This is because government can generate more revenue through its spending in providing public goods and services that are important for the citizens in well-organized and reachable forms as a basis of achieving sustainable economic growth.

Empirical Review: There are several prior empirical investigation on the determinates of tax in developed and developing countries. Some of these studies are reviewed below with a view to observe the trends of the findings and the gaps in literature.

Appah (2023) analysed tax education, fairness and penalty on compliance behaviour of micro, small and medium enterprises (MSMEs) in Bayelsa State. The study utilized survey research design and a population consisting of 1,200 owners of MSMEs with a sample size of 337 while only 313 questionnaires were used for data analysis. The study utilized primary data collected from a structured questionnaire and secondary data from books and articles. The study used tax compliance as the dependent variable while the independent variables consists of electronic form of taxpayer education, print media form of tax education, stakeholders' sensitization programmes of tax education, tax fairness and penalty and enforcement. The data collected from the questionnaire were analysed using univariate, bivariate and multivariate analysis. The findings disclosed a positive and significant association between electronic form of taxpayer education, print media form of tax education, stakeholders' sensitization programmes of tax education, tax fairness and penalty and enforcement on tax compliance of micro, small and medium enterprises (MSMEs) in Bayelsa State, Nigeria.

Ningi et al (2019) investigated tax determinants and sustainable economic growth of MSMEs in North East, Nigeria. The study employed stratified random sampling and a population of 944,503 MSMEs with a sample size of 400. The study used questionnaire as the source of data collection while the dependent variable sustainable economic growth and the independent variable tax knowledge and tax awareness. The data was analysed using regression analysis and the findings indicated a positive and significant relationship between tax knowledge and sustainable economic growth of MSMEs in North East, Nigeria. The findings of the study also indicated a positive and significant relationship between tax awareness and sustainable economic growth of MSMEs in North East, Nigeria.

Twun et al (2020) studied tax education and compliance of small and medium enterprises in Ghana. The study used survey research with a population of 139 managers of SMEs and a sample size of

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130. The primary data was collected from a research questionnaire designed by the researcher. The study used tax compliance as the dependent variable while the independent variables consists of knowledge of rights and responsibilities, knowledge of business income, knowledge of employment income, and awareness of sanctions. The responses from the administered questionnaire were analysed with descriptive statistics and structural model with path coefficient. The findings indicated a positive and significant association between knowledge of rights and responsibilities and tax compliance, a positive and significant association between knowledge of employment income and tax compliance and positive and significant association between awareness of sanctions and tax compliance. The findings also revealed a positive and insignificant association between knowledge of business income and tax compliance.

Amaning et al (2021) conducted a study of tax education and tax compliance of SMEs in Ghana. The study used survey research design with a population of all SMEs the Techiman Municipality of Ghana and a sample size of 334 respondents with valid responses from 297 respondents using purposive and random sampling technique. The primary data was obtained from a structured questionnaire and the analysis was done using structural equation model (PLS –SEM). The analysis indicated that electronic media taxpayer education positively and significantly affects tax compliance; print media taxpayer education positively and significantly influences tax compliance while stakeholder sensitization programmes positively and significantly influences tax compliance.

Nyamapheni and Robinson (2021) investigated the determinants of tax morale in Africa. The study employed quantitative research design and the major sources of data for the study were Wave 6 (2010–2014) and Wave 7 (2017–2020) of the World Values Survey (WVS). The Wave 6 consisted of both South Africa and Zimbabwe, while Wave 7 involved Zimbabwe only. The study sample size of 1,500 and 1,200 for Waves 6 and 7 for Zimbabwe respectively while Wave 6 survey for South Africa had 3 531 participants. The dependent variable tax morale while the independent variables consisted of age, gender, marital status, income level, employment, religion, hunger, religion, corruption perception, trust in parliament, satisfaction with democracy, respondent pride, level of happiness. The study responses were analysed using ordered logit regression model. The findings revealed that marital status does not explain tax morale; democracy explains tax morale in Zimbabwe while it negates tax morale in South Africa; religion, income level, gender and employment status statistically and insignificantly explains tax morale for both South Africa and Zimbabwe. The study also indicated that trust in government negatively and significantly explains tax morale.

Weerawickrama and Tilakasiri (2020) analysed determinants of tax compliance in Colombo District, Sri Lanka. The study employed survey research design and the population consisted of all small and medium enterprises in Colombo District, Sri Lanka. This study administered randomly 120 questionnaires to owners of SMEs and 100 were collected and used for data analysis. The dependent variable tax compliance while independent variables include demographic factors,

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compliance with tax system, government accountability and understanding of tax laws. The study employed primary data from a structured questionnaire while secondary data from books and journal articles. The responses obtained from questionnaires were analysed using univariate, bivariate and multivariate analysis. The findings indicated a positive and significant relationship between compliance with tax system, government accountability and understanding of tax laws and tax compliance while a positive and insignificant relationship between demographic factors and tax compliance in Colombo District, Sri Lanka.

Mannan et al (2020) examined socio – economic factors of tax compliance in Bangladesh. The investigation used cross – sectional quantitative research approach and the population consisted of 740,925 individual taxpayers with 724,063 self-assessment and 6,824 general assessment. The sample of the study was based on proportional allocation based on different strata. The study utilized convenient sample technique with a sample size of 385 universal self-assessment return taxpayers and 376 general assessments. The investigation obtained data from structured questionnaire with tax compliance as dependent variable while independent variables consists of tax rates, compliance cost, fairness of the tax system, penalty, perception of government spending and effect of referrals. The responses obtained from the administered questionnaires were analysed using descriptive statistics and ordered logistic regression. The findings from the ordered logistic regression revealed that perception of government spending and penalty positively and significantly affects tax compliance while cost of compliance and tax rate negatively and significantly affects tax compliance. The study also revealed a negative and insignificant association between referrals and tax compliance.

METHODOLOGY

Research Design: This study employed cross sectional survey research design. According to Appah (2020), survey research is any developmental field investigation that systematically collects, analyses and synthesizes quantitative data on a large representative sample of a given population to cross-sectionally describe and explain the relative incidence, distribution and interrelations of variables as well as other characteristics about sample through data collected from personal interview, telephone interview, self-administered inquiry, and computer assisted inquiry for accurate generalization to cover the total population

Population of the Study: The population of this study consists of all Micro, Small and Medium Enterprises (MSME) in South-South, Nigeria as provided by SMEDAN and National Bureau of Statistics).

Sampling and Sample Size Determination: This study utilized stratified random sampling technique of six hundred (600) Micro, Small and Medium Enterprises (MSME) in South-South, Nigeria and only five hundred and thirty-five (535) was used for the analysis of data.

Sources and Instrument of Data Collection: The data for this study were collected from primary sources. Appah (2020) argued that primary data are those that are obtained by the researcher or his trained assistants. It is the data which the researcher produces subject to the need for such data in research. The major instrument for data collection in this study was a survey questionnaire titled “Tax Determinants and Sustainable Economic Growth Questionnaire” (TADSUEGQ).

Validity and Reliability of Instrument: The study employed content validity to validate items in the questionnaire in which the instrument will be given to tax consultants and lecturers of taxation at the Niger Delta University and Federal University Otuoke, Bayelsa State who read through and make necessary corrections. The instrument was validated using pre-testing and the responses from the respondents used to improve on the items. The study questionnaires were tested using the test-retest reliability. The instrument were administered to twenty (20) of the target subjects who were not part of the respondents and after a period of two weeks, the same instrument again were given to the same twenty (20) respondents to ascertain the reliability. The Cronbach Alpha (α) was used to determine the statistical reliability of the research instrument of 0.87. Hence, the scale items were considered reliable as Cronbach Alpha (α) values were higher than 0.70.

Method of Data Analysis: The primary data collected from the survey questionnaire were analysed using three distinct stages. Firstly, a univariate (or descriptive) analysis, followed by bivariate analysis and lastly, multivariate analysis.

Model Specification: This study shall be guided by the model below:

$$SUG = \beta_0 + \beta_1 TAK + \beta_2 COC + \beta_3 TAA + \beta_4 TAG + \beta_5 TAR + \varepsilon \text{ ----- (1)}$$

Where:

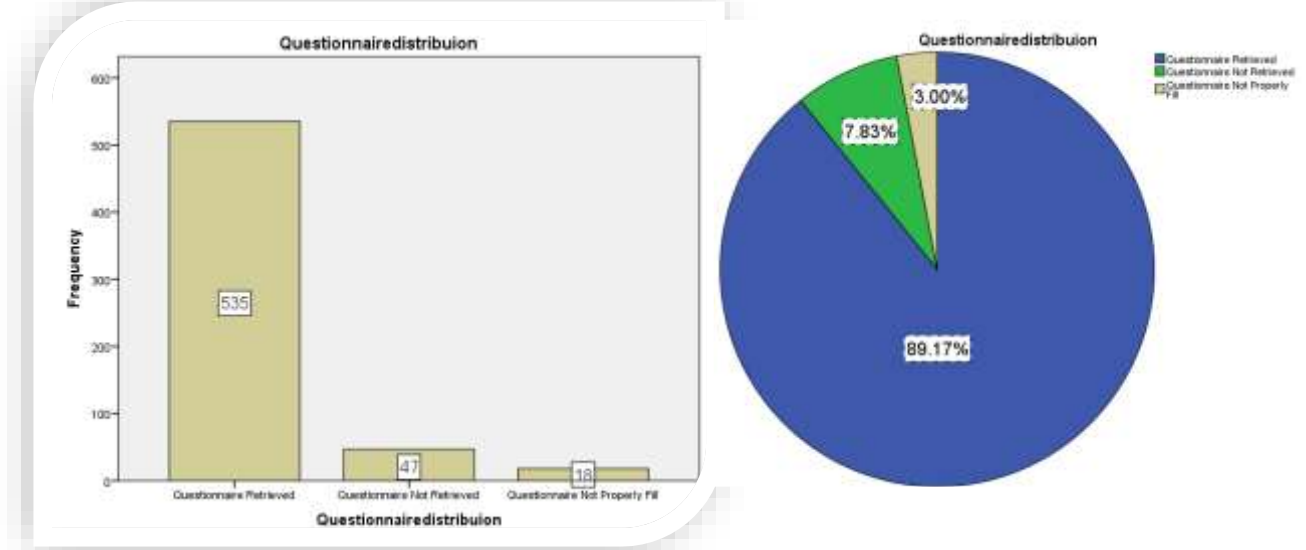
SUG = Sustainable Economic Growth; TAK = Tax Knowledge; COC = Cost of Compliance; TAA = Tax Awareness; TAG = Tax Accountability; TAR = Tax Rate and ε = error term. The priori expectation: $\beta_1 - \beta_5 > 0$. E-view was applied in data analysis. The E-view p value shows what is the smallest level at which we would be able to accept the null hypotheses of a test. The study utilised a 5% level of significance; hence we conclude that the coefficient is significantly different from zero at the 5% level if the p-values is less than or equal to 0.05. If it is greater than 0.05 then we cannot reject the null hypothesis that the coefficient is actually zero at our 5% significance level.

RESULTS AND DISCUSSION

This study was an active period of field work where the researchers had directly and indirectly contacts with the proposed respondents at different time. This chapter was designed to enable the researcher to present the primary data collected from the descriptive survey research work and the results obtained are analysed with the help of statistical package for social sciences (SPSS).

Table 1: Response Rate of Questionnaire Distributed

	Frequency	Percent	Valid Percent	Cumulative Percent
Questionnaire Retrieved	535	89.2	89.2	89.2
Questionnaire Not Retrieved	47	7.8	7.8	97.0
Valid Questionnaire Not Properly Fill	18	3.0	3.0	100.0
Total	600	100.0	100.0	

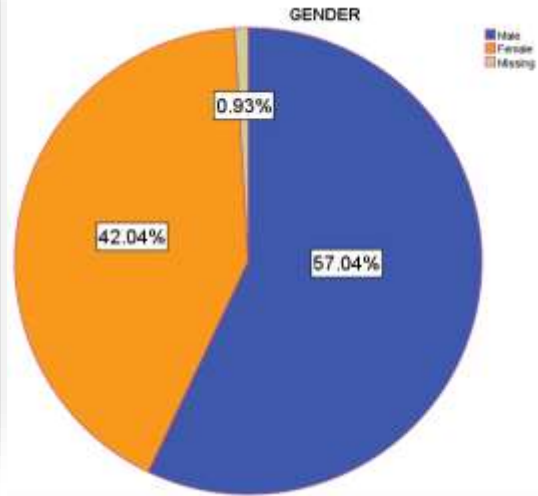
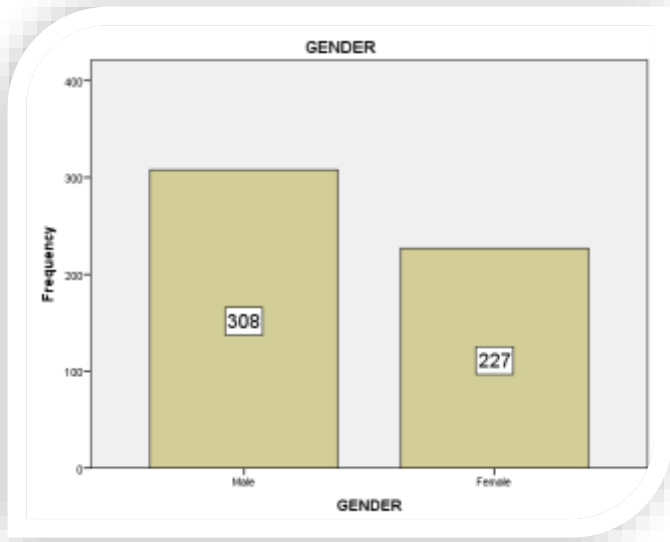


Source: SPSS Output of Field survey (2023)

Table 1 Bar chart and Pie chart above showed that, the researchers distributed a total of six hundred (600) questionnaires to the Micro, Small and Medium Enterprises (MSME) in South-South Zone in Nigeria, out of these, five hundred and thirty-five (535) respondents representing 89.2% filled the questionnaires correctly and returned the questionnaires, whereas forty seven (47) respondents representing 7.8% did not returned the questionnaires while eighteen (18) respondents representing 3.0% filled the questionnaires wrongly and returned the questionnaires. Due to time constraints the researchers could not continue waiting for the respondents who were not available to return their questionnaires at the appointed date. Therefore, five hundred and thirty-five (535) representing a response rate of 89.2%. was used as new respondents sample size for the study.

Table 2 Response rate of Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	308	57.0	57.6	57.6
Female	227	42.0	42.4	100.0
Total	535	99.1	100.0	

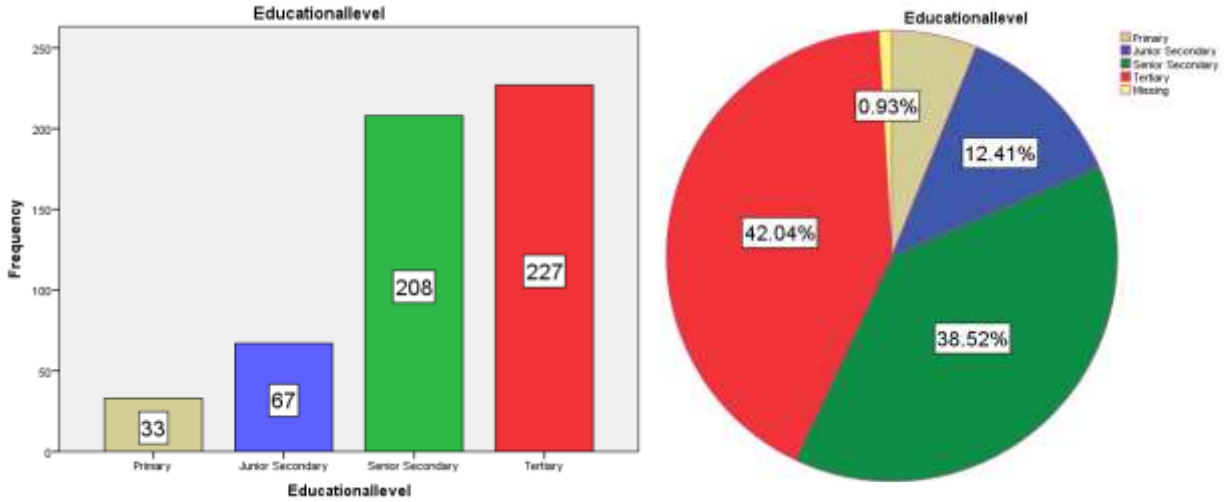


Source: SPSS Output of Field survey (2023)

From the results in table 2, Bar Chart and Pie Chart disclosed the gender distribution data analysis, it showed that out of the five hundred and thirty-five (535) respondents sampled constituted managers, account officers, supervisors and department heads of the Micro, Small and Medium Enterprises (MSME) in South-South Zone in Nigeria. The study revealed that three hundred and eight (308) representing 57.6% response rates were male, while two hundred and twenty seven (227) representing 42.4% response rates were female. The bar chart and pie chart discovered that there were more males employers and employees than females in the Micro, Small and Medium Enterprises (MSME) in South-South Zone in Nigeria.

Table 3 Response rate of Educational level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	33	6.1	6.2	6.2
	Junior Secondary	67	12.4	12.5	18.7
	Senior Secondary	208	38.5	38.9	57.6
	Tertiary	227	42.0	42.4	100.0
Total		535	99.1	100.0	



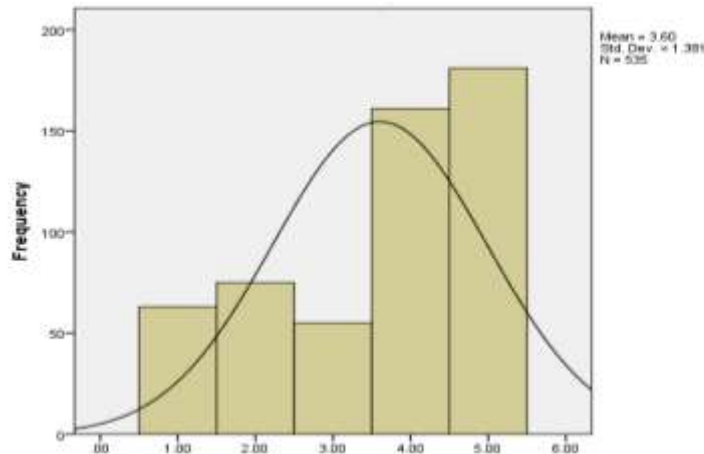
Source: SPSS Output of Field survey (2023)

The bar chart, Pie chart and table 3 revealed that thirty three (33) of the respondents representing 6.1% have Primary school certificate, six-seven (67) respondents representing 12.5 were Junior secondary school certificate holders, two hundred and eight (208) respondents representing 38.9% have Senior secondary school certificate (SSC) while two and twenty-seven (227) respondents representing 42.4% have tertiary certificate or Degree. This implied that respondents were well educated and they were able to respond to research questions with ease. The bar chart discovered that tertiary school level have more respondents rate, follow by senior secondary level, junior school level and primary school level, while the pre chart discovered the percentage rate of the bar chart.

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Table 4 Items and Scores on Tax Knowledge

		SD	D	N	A	SA	Total	Mean	Std D
1.	I am educated on the various rights and responsibilities regarding tax issues	71	111	95	120	138	535	3.267	1.388
		13.3%	20.7%	17.8%	22.4%	25.8%	100%		
2.	Tax education has made me aware of my responsibilities to pay my taxes	63	75	55	161	181	535	3.601	1.380
		11.8%	14.0%	10.3%	30.1%	33.8%	100%		
3.	Tax education has made me aware of the benefits and privileges of paying taxes	83	101	56	92	203	535	3.431	1.312
		15.5%	18.9%	10.5%	17.2%	37.9%	100%		
4.	Tax education has made me aware of the need to prepare accounts and present them tax officers	36	165	64	140	130	535	3.304	1.312
		6.7%	30.8	12.0%	26.2%	24.3%	100%		
5.	I have been able to conduct self-assessment due to tax education	73	112	55	172	123	535	3.299	1.382
		11.6%	20.9%	10.3%	32.1%	23.0%	100%		
6.	My education on taxes has enabled me to estimate my personal income.	124	111	72	87	141	535	3.016	1.534
		23.2%	20.7%	13.5%	16.3%	26.4%	100%		



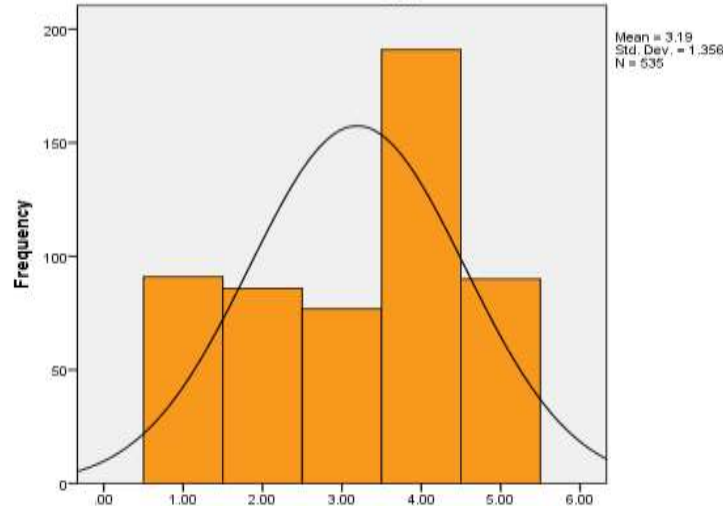
Source: SPSS Output of Field survey (2023)

Results in Table 4 shows that majority 138(25.8%) and 120(22.4%) of the respondents strongly agreed and agreed that in order to have a good tax determinant, tax education is needed (Q1), in Q2, majority of respondents 181(33.8%) and 161(30.1%) strongly agreed and agreed that tax education has made them aware of their responsibilities to pay taxes. Furthermore, in (Q3), majority of the respondents 203(37.9%) strongly agreed that tax education has made them aware of the benefits and privileges of paying taxes while 101(18.9%) disagreed with the statement. in Q4 165(30.8%) of the respondents disagreed that tax education has not made them aware of the need to prepare accounts and present them tax officers. in Q5 172(32.1%) and 123(23.0%) of the

Publication of the European Centre for Research Training and Development -UK respondents agreed and strongly agreed that they have been able to conduct self-assessment due to tax education but 112(20.9%) of the respondents disagreed with the statement. Finally, in Q6, majority of respondents 141(26.4%) strongly agreed that education on taxes has enabled them to estimate their personal income while 124(23.2%) and 111(20.7%) of the respondents strongly disagreed and disagreed with the statement. Furthermore, the result in the bar chart indicates that strongly agreed and agreed had the highest response rate about tax knowledge in terms of tax determinants. The highest Mean value of 3.601 came from question 2 statements while the highest standard deviation of 1.5534 came question 6 statements about tax knowledge. This implied that tax knowledge endeavor to meet the set goals/objectives about tax determinants in the micro, small and medium enterprises in South – South, Nigeria.

Table 5 Items and Scores on Tax Compliance Cost

		SD	D	N	A	SA	Total	Mean	Std D
1.	The cost of tax compliance affects the amount paid as tax.	167	91	46	129	102	535	2.828	1.548
		31.2%	17.0%	8.6%	24.1%	19.1%	100%		
2.	The overall cost incurred during compliance affect your level of compliance	98	74	61	134	168	535	3.373	1.497
		18.3%	13.8%	11.4%	25.0%	31.4%	100%		
3.	The expenses incurred on tax compliance consist of employing tax and other professionals.	97	117	70	116	135	535	3.140	1.497
		18.1%	21.9%	13.1%	21.7%	25.2%	100%		
4.	The cost of tax compliance reduces the revenue generated by government.	188	42	35	158	112	535	2.932	1.617
		35.1%	7.9%	6.5%	29.5%	20.9%	100%		
5.	Cost of tax compliance moderates the level of tax evasion	77	120	65	137	136	535	3.252	1.418
		14.4%	22.4%	12.1%	25.6%	25.4%	100%		
6.	The cost of dealing with relevant tax authorities affects the level of performance of MSMEs	91	86	77	191	90	535	3.192	1.355
		17.0%	16.1%	14.4%	35.7%	16.8%	100%		



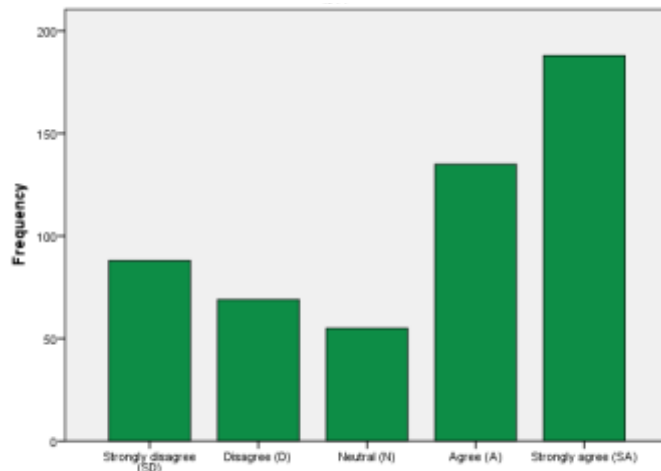
Source: SPSS Output of Field survey (2023)

Results in Table 5 disclosed that a majority 167(31.2%) of the respondents strongly disagreed that the cost of tax compliance affects the amount paid as tax while 129(24.1%) and 102(19.1%) agreed and strongly agreed about the statement, in Q2, majority of respondents 168(31.4%) and 134(25.0%) strongly agreed and agreed that the overall cost incurred during compliance affect their level of compliance. Furthermore, in (Q3), majority of the respondents 135(25.2%) strongly agreed that the expenses incurred on tax compliance consist of employing tax and other professionals while 117(21.9%) disagreed with the statement. in Q4 188(35.1%) of the respondents strongly disagreed that the cost of tax compliance reduces the revenue generated by government. in Q5 137(25.6%) and 136(25.4%) of the respondents agreed and strongly agreed that Cost of tax compliance moderates the level of tax evasion. Finally, in Q6, majority of respondents 191(35.7%) agreed that the cost of dealing with relevant tax authorities affects the level of performance of MSMEs.

Furthermore, the result in the bar chart indicates that, agreed had the highest response rate about cost of tax compliance in term of tax determinants. The highest Mean value of 3.373 came from question 2 statements while the highest standard deviation of 1.617 came question 4 statements about cost of tax compliance. This implied that cost of tax compliance endeavor to meet the set goals/objectives about tax determinants in the micro, small and medium enterprises in South – South, Nigeria.

Table 6 Items and Scores on Tax Awareness

		SD	D	N	A	SA	Total	Mean	Std D
1.	Tax awareness has made me aware of the need to prepare accounts and present them to tax officers.	49	78	45	197	166	535	3.659	1.299
		9.2%	14.6%	8.4%	36.8%	31.0%	100%		
2.	The level of tax awareness has made me aware of the sanctions of non-compliance	42	107	73	103	211	535	3.624	1.377
		7.9%	20.0%	13.5%	19.3%	39.4%	100%		
3.	Tax awareness has made me aware my business could be closed down for non-compliance to tax laws and rules	54	88	47	189	157	535	3.573	1.330
		10.1%	16.4	8.8%	35.3%	29.3%	100%		
4.	Tax awareness has made me aware that I would be made to pay fines for non-compliance	17	94	69	142	213	535	3.822	1.219
		3.2%	17.6%	12.9%	26.5%	39.8%	100%		
5.	Tax awareness has made me aware that I could be prosecuted for non-compliance	88	69	55	135	188	535	3.497	1.483
		16.4%	12.9%	10.3%	25.2%	35.1%	100%		
6.	Tax awareness has made me aware of the benefits and privileges of paying taxes	157	171	69	80	58	535	2.459	1.337
		29.3%	32.0%	12.9%	15.0%	10.8%	100%		



Source: SPSS Output of Field survey (2023)

Results in Table 6 disclosed that a majority 197(36.8%) and 166(31.0%) of the respondents agreed and strongly agreed that tax awareness has made them aware of the need to prepare accounts and present them to tax officers, in Q2, majority of respondents 211(39.4%) and 103(19.3%) strongly

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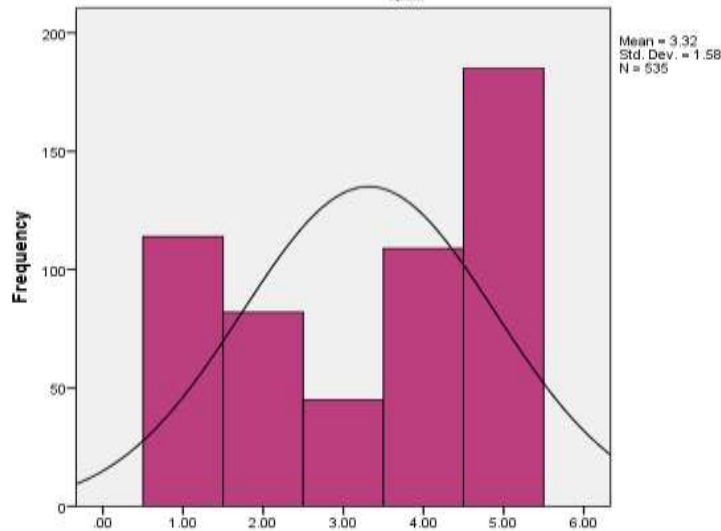
agreed and agreed that the level of tax awareness has made them aware of the sanctions of non-compliance. Furthermore, in (Q3), majority of the respondents 189(35.3%) and 157(29.3) agreed and strongly agreed that tax awareness has made them aware that business could be closed down for non-compliance to tax laws and rules. in Q4 213(39.8%) and 142(26.5%) of the respondents strongly agreed that Tax awareness has made them aware that they would be made to pay fines for non-compliance. In Q5 188(35.1%) and 135(25.2%) of the respondents strongly agreed and agreed that tax awareness has made them aware that they could be prosecuted for non-compliance. Finally, in Q6, majority of respondents 171(32.0%) and 157(29.3%) strongly disagreed and disagreed that tax awareness has made them aware of the benefits and privileges of paying taxes.

Furthermore, the result in the bar chart indicates that, strongly agreed had the highest response rate about tax awareness in term of tax determinants. The highest Mean value of 3.823 came from question 4 statements while the highest standard deviation of 1.497 came question 5 statements about tax awareness. This implied that tax awareness endeavor to meet the set goals/objectives about tax determinants in the micro, small and medium enterprises in South – South, Nigeria.

Table 7 Items and Scores on Perception of Tax Accountability

		SD	D	N	A	SA	Total	Mean	Std D
1.	There is an auditor who usually audits our account at the end of the financial year to show accountability of resources for tax purpose.	57	63	52	162	201	535	3.772	1.352
		10.7%	11.8%	9.7%	30.3%	37.6%	100%		
2.	Due process contributes to service delivery in the organization for tax purpose.	147	165	66	100	57	535	2.542	1.346
		27.5%	30.8%	12.3%	18.7%	10.7%	100%		
3.	Government can hold us accountable on anything regarding the service rendered to the public	54	88	47	189	157	535	3.659	1.394
		10.1%	16.4	8.8%	35.3%	29.3%	100%		
4.	The business adopts good accounting reporting policy for tax accountability	114	82	45	109	185	535	3.315	1.580
		21.3%	15.3%	8.4%	20.4%	34.6%	100%		
5.	Everyone in our organization is accountable to at least an higher authority for proper accountability of tax.	87	42	47	182	177	535	3.598	1.427
		16.3%	7.9%	8.8%	34.0%	33,1%	100%		
6.	I can depend on the employees of tax authority to keep accurate tax records	109	96	107	100	123	535	3.059	1.449
		20.4%	17.9%	20.0%	18.7%	23.0	100%		

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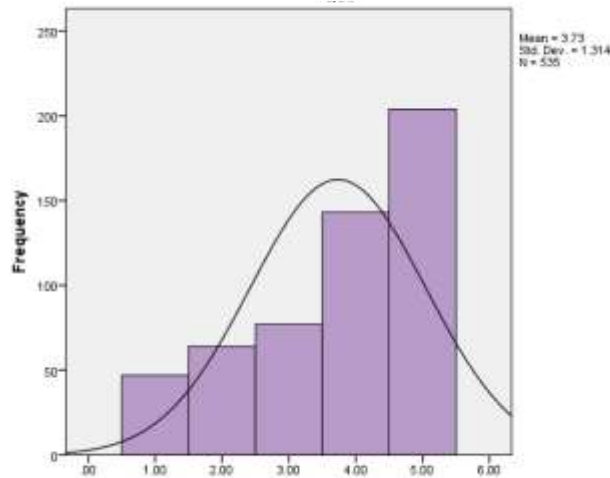
Source: SPSS Output of Field survey (2023)

Results in Table 7 disclosed that a majority 201(37.6%) and 162(30.3%) of the respondents strongly agreed and agreed that there is an auditor who usually audits our account at the end of the financial year to show accountability of resources for tax purpose, in Q2, majority of respondents 165(30.8%) and 147(27.5%) strongly disagreed and disagreed that due process contributes to service delivery in the organization for tax purpose. Furthermore, in (Q3), majority of the respondents 189(35.3%) and 157(29.3) agreed and strongly agreed that government can hold them accountable on anything regarding the service rendered to the public. in Q4, 185(34.6%) and 109(26.5%) of the respondents strongly agreed that their businesses adopts good accounting reporting policy for tax accountability. In Q5 177(33.1%) and 182(34.0%) of the respondents strongly agreed and agreed that everyone in their organization is accountable to at least an higher authority for proper accountability of tax. Finally, in Q6, majority of respondents 123(23.0%) strongly agreed that they can depend on the employees of tax authority to keep accurate tax records.

Furthermore, the result in the bar chart indicates that, strongly agreed had the highest response rate about perception of tax accountability in term of tax determinants. The highest Mean value of 3.772 came from question 1 statements while the highest standard deviation of 1.580 came question 4 statements about perception of tax accountability. This implied that perception of tax accountability endeavor to meet the set goals/objectives about tax determinants in the micro, small and medium enterprises in South – South, Nigeria.

Table 8 Items and Scores on Tax Rate

		SD	D	N	A	SA	Total	Mean	Std D
1.	The tax rate is fair and equitable which enhances tax compliance	68	60	51	135	221	535	3.712	1.421
		12.7%	11.2%	9.5%	25.2%	41.3%	100%		
2.	Tax rate stimulates the need for MSMEs to pay tax as at when due	152	169	68	86	60	535	2.500	1.347
		28.4%	31.6%	12.7%	16.1%	11.2%	100%		
3.	MSMEs owners are not willing to pay tax due to the high tax rates	120	154	55	78	128	535	2.887	1.509
		22.4%	28.8%	10.3%	14.6%	23.9%	100%		
4.	Tax rates are so heavy that tax evasion is an economic necessity for many MSMEs to survive	117	142	80	144	52	535	2.760	1.320
		21.9%	26.5%	15.0%	26.9%	9.7%	100%		
5.	The tax rate that is fair promote good relationship with MSMSEs owners and tax authority	76	63	61	198	137	535	3.480	1.361
		14.2%	11.8%	11.4%	37.0%	25.6%	100%		
6.	Annual increase in tax rate enhance tax compliance when due before increase data	47	64	77	143	204	535	3.734	1.314
		8.8%	12.0%	14.4%	26.7%	38.1%	100%		



Source: SPSS Output of field survey (2023)

Results in Table 8 disclosed that a majority 221(41.3%) and 135(25.2%) of the respondents strongly agreed and agreed that when there is a fair and equitable tax rate, it enhance tax compliance. In Q2, majority of respondents 169(31.6%) and 152(28.4%) strongly disagreed and disagreed that tax rate stimulates the need for MSMEs to pay tax as at when due. Furthermore, in (Q3), majority of the respondents 154(28.8%) disagreed that MSMEs owners are not willing to pay tax due to the high tax rates. in Q4, 144(26.9%) of the respondents agreed that tax rates are so heavy that tax evasion is an economic necessity for many MSMEs to survive. In Q5 198(37.0%) and 137(25.6%) of the respondents strongly agreed and agreed that the tax rate that is fair promote good relationship with MSMSEs owners and tax authority. Finally, in Q6, majority of respondents

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 204(38.1%) strongly agreed that annual increase in tax rate enhance tax compliance when due before increase data.

Furthermore, the result in the bar chart indicates that, strongly agreed had the highest response rate about tax rate in term of tax determinants. The highest Mean value of 3.73 came from question 6 statements while the highest standard deviation of 1.509 came question 3 statements about tax rate. This implied that tax rate endeavor to meet the set goals/objectives about tax determinants in the micro, small and medium enterprises in South – South, Nigeria.

Table 9: Correlation Matrix

		TAK	COC	TAA	TAG	TAR	SUG
TAK	Pearson Correlation	1	-.630**	.788**	.838**	-.527**	.606**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	535	535	535	535	535	535
COC	Pearson Correlation	-.630**	1	-.897**	-.847**	.964**	.507**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	535	535	535	535	535	535
TAA	Pearson Correlation	.788**	-.897**	1	.959**	-.859**	-.015
	Sig. (2-tailed)	.000	.000		.000	.000	.721
	N	535	535	535	535	535	535
TAG	Pearson Correlation	.838**	-.847**	.959**	1	-.767**	.079
	Sig. (2-tailed)	.000	.000	.000		.000	.069
	N	535	535	535	535	535	535
TAR	Pearson Correlation	-.527**	.964**	-.859**	-.767**	1	.748**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	535	535	535	535	535	535
SUG	Pearson Correlation	.606**	.507**	-.015	.079	.748**	1
	Sig. (2-tailed)	.000	.000	.721	.069	.000	
	N	535	535	535	535	535	535

Source: SPSS Output of Field survey (2023)

Table 9 shows the direction of the relationship that exists between each independent variables and dependent variable. The independent variables of tax determinants measured by Tax Knowledge (TAK), Cost of Compliance (COC), Tax Awareness (TAA), Tax accountability (TAG) and Tax Rate (TAR), while the dependent variable is Sustainable Economic Growth (SUG). The table shows that tax knowledge has strong positive relationship with sustainable economic growth (0.606). Furthermore, the table discloses that cost of compliance has a moderate positive relationship with sustainable economic growth (0.507). Tax accountability has a very weak

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 positive association with sustainable economic growth (0.079). Finally, tax awareness has very weak negative relationship with sustainable economic growth (-0.057).

Table 10 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.693 ^a	.480	.470	.08914	1.604

a. Predictors: (Constant), TAR, TAK, TAG, TAA, COC

b. Dependent Variable: SUG

Source: SPSS Output of Field survey (2023)

In order to answer the research hypotheses, a standard multiple regression analysis was conducted using Sustainable Economic Growth (SUG) as the dependent variable while Tax Knowledge (TAK), Cost of Compliance (COC), Tax Awareness (TAA), Tax accountability (TAG) and Tax Rate (TAR) as independence variables. Adjusted R squared is coefficient of determination which tells us the variation in the dependent variables due to change in the independent variables. Result from the above table disclosed R-squared value of 0.693 which indicates that there is a strong correlation between the prompt dependent variable of sustainable economic growth and independent dimensions of tax knowledge, cost of compliance, tax awareness, tax accountability and tax rate. Whereas R Square stood at 0.480 which implies that about 48% of variations in the dependent variable (prompt sustainable economic growth) attributed to changes in the independent variables of tax knowledge, cost of compliance, tax awareness, tax accountability, and tax rate The remaining variation is the error term and is attributed to other factors not included in the model. The remaining value for sustainable economic growth is high since the unexplained variation is 52%. The Durbin-Watson $d = 1.604$ which is inside the two critical values of $1.5 < d < 2.5$ and therefore we can assume that there is no serial correlation present in the model, hence, there is no need for higher order autocorrelation tests.

Table 11 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.837	10	.384	48.290	.000 ^b
	Residual	4.164	524	.008		
	Total	8.001	534			

a. Dependent Variable: SUG

b. Predictors: (Constant), TAR, TAK, TAG, TAA, COC

Source: SPSS Output of Field survey (2023)

From the ANOVA statistics disclosed in table 11, the processed data which is the population parameters had a significance level of 0.5% which shows that, the data is ideal for making a

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 conclusion on the population’s parameter as the value of significance (P-value) is less than 5%. The result in the table gives a regression F-statistics (F = 48.290), P= 0.000 < 0.05 which measured the collective association of the explanatory variables in the model and it indicates that the explanatory variables have joint significant relationship between tax determinants dimensions of tax knowledge, cost of compliance, tax awareness, tax accountability and tax rate and sustainable economic growth.

Table 12 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.663	.141		18.888	.000
1 TAK	.128	.018	.606	7.065	.000
COC	.039	.022	.507	1.742	.002
TAA	-.086	.033	-.622	-2.585	.721
TAG	-.025	.036	.114	.692	.069
TAR	.152	.037	1.086	4.101	.000

a. Dependent Variable: *SUG*

Source: SPSS Output of Field survey (2023)

Test of Hypotheses

H₀₁: Tax knowledge has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

Decision: The result in table 4.18 and table 4.21 discovered a significant level between tax knowledge (TAK) and sustainable economic growth (SUG). The R-value = 0.606 in table 4.18 indicated that there is a strong positive influence of tax knowledge (TAK) on sustainable economic growth (SUG). The probability (Sig) value in table 4.21 = 0.000 < 0.05 which revealed that the significant influence of tax knowledge (TAK) on sustainable economic growth (SUG) is statistically significant at 0.05 alpha level. Thus the null hypothesis one is rejected which implied that tax knowledge has positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

H₀₂: Cost of tax compliance has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

Decision: The result in table 4.18 and table 4.21 produced a significant level between cost of tax compliance (COC) and sustainable economic growth (SUG). The R-value = 0.507 in table 4.18 indicated that there is a moderate positive influence of cost of tax compliance (COC) on sustainable economic growth (SUG). The probability (Sig) value in table 4.21 = 0.002 < 0.05 which revealed

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that the significant influence of cost of tax compliance (COC) on sustainable economic growth (SUG) is statistically significant at 0.05 alpha level. Thus the null hypothesis two is rejected which implied that cost of tax compliance has positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

H₀₃: Tax awareness has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

Decision: The result in table 4.18 and table 4.21 disclosed a significant level between tax awareness (TAA) and sustainable economic growth (SUG). The R-value = -0.015 in table 4.18 indicated that there is a very weak negative influence of tax awareness (TAA) on sustainable economic growth (SUG). The probability (Sig) value in table 4.21 = 0.721 > 0.05 which revealed that the significant influence of tax awareness (TAA) on sustainable economic growth (SUG) is statistically insignificant at 0.05 alpha level. Thus the null hypothesis three is accepted which implied that tax awareness has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

H₀₄: Taxpayers' perception on accountability of government has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

Decision: The result in table 4.18 and table 4.21 disclosed a significant level between taxpayers' perception on accountability (TAG) and sustainable economic growth (SUG). The R-value = 0.079 in table 4.18 indicated that there is a very weak positive influence of taxpayers' perception on accountability (TAG) on sustainable economic growth (SUG). The probability (Sig) value in table 4.21 = 0.069 > 0.05 which revealed that the significant influence of taxpayers' perception on accountability (TAG) on sustainable economic growth (SUG) is statistically insignificant at 0.05 alpha level. Thus the null hypothesis four is accepted which implied that taxpayers' perception on accountability has a positive but not significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

H₀₅: Tax rate has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

Decision: The result in table 4.18 and table 4.21 discovered a significant level between tax rate (TAR) and sustainable economic growth (SUG). The R-value = 0.748 in table 4.18 indicated that there is a strong positive influence of tax rate (TAR) on sustainable economic growth (SUG). The probability (Sig) value in table 4.21 = 0.000 < 0.05 which revealed that the significant influence of tax rate (TAR) on sustainable economic growth (SUG) is statistically significant at 0.05 alpha level. Thus the null hypothesis five is rejected which implied that tax rate has positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria.

DISCUSSION OF FINDINGS

Tax Knowledge and Sustainable Economic Growth: The result of the findings disclosed that tax knowledge positively and significantly affects sustainable economic growth of MSMEs in Nigeria. The result is consistent with the research conducted by Ningi et al (2019) that suggested that tax knowledge has a positive and significant effect on sustainable economic growth in North East states in Nigeria. The result provides that education of the average taxpayer and related tax policies would improve the revenue collection of government for the attainment of sustainable economic growth of Nigeria. The findings agreed with the study of Appah (2023), whose result disclosed a positive and significant association between electronic form of taxpayer education, print media form of tax education, stakeholders' sensitization programmes of tax education, tax fairness and penalty and enforcement on tax compliance of micro, small and medium enterprises (MSMEs) in Bayelsa State, Nigeria. Consequently the assertiveness of the taxpayer to taxes in relation to the level of tax knowledge of the taxpayer affords the provision that educating the owners micro, small and medium enterprises (MSMEs) in Nigeria will ensure that they become good tax citizens which stimulate the needed economic growth and development. This result is however different from the conclusions of Palil and Mustapha (2011), which indicated that knowledge of rights and responsibilities had a negative relationship with tax compliance which affects sustainable economic growth. According to Oladipupo and Obazee (2016), the level of tax knowledge positively and significantly influence tax compliance Therefore, tax knowledge promotes tax compliance of MSMEs owners to advance their tax knowledge for the mutual benefits of the governments and taxpayers for sustainable economic growth of Nigeria.

Tax Compliance Cost and Sustainable Economic Growth: The result of the findings disclosed that tax compliance cost positively and significantly affects sustainable economic growth of MSMEs in Nigeria. The results from this study is consistent with the findings by Gitu and Ngugi (2015) in which cost of tax compliance found to have a significant influence on tax compliance of the small and medium enterprises in Kenya.

Tax Awareness and Sustainable Economic Growth: The result of the findings disclosed that tax knowledge has no positive and significant effects sustainable economic growth of MSMEs in Nigeria. This result is concur with the conclusions of Palil and Mustapha (2011), which indicated that awareness of rights and responsibilities had a negative relationship with tax compliance which affects sustainable economic growth. However, this result is different from the study conducted by Ningi et al (2019) that suggested that tax awareness has a positive and significant effect on sustainable economic growth in North East states in Nigeria. The result provides that the level of tax awareness of the average taxpayer in Nigeria would not improve the revenue collection of government for the attainment of sustainable economic growth of Nigeria. According to Oladipupo and Obazee (2016), the level of tax awareness positively and significantly influence tax compliance Therefore, tax awareness promotes tax compliance of MSMEs owners to advance their

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tax awareness for the mutual benefits of the governments and taxpayers for sustainable economic growth of Nigeria.

Taxpayers' Perception on Accountability of Government and Sustainable Economic Growth: The result of the findings indicated that taxpayers' perception on accountability has positive but not a significant influence on sustainable economic growth among MSMEs in south-south Nigeria. This finding concur with the study conducted by Nkundabanyanga et al (2017), that investigated the nexus between perceived compliance behaviour and tax factors where the outcome of the research disclosed that accountability and transparency of tax revenue influences tax compliance. Furthermore, Niway and Wondwossen (2015) maintained that perception of government spending positively and significantly affects tax compliance in Ethiopia. Mannan et al (2020) examined socio – economic factors of tax compliance in Bangladesh and their findings from the ordered logistic regression revealed that perception of government spending positively and significantly affects tax compliance. Therefore, government should tax revenue in a prudent manner that meets the needs of the society that would affect economic growth. In contrast, In contrast, if taxpayers perceive that tax revenue are spent on corrupt and unnecessary projects, taxpayers would feel cheated and attempt to evade tax that would affect sustainable economic growth.

Tax Rate and Sustainable Economic Growth: The findings of this research indicated that tax rate has a positive and significant impact on sustainable economic growth among MSMEs in south-south Nigeria. The results from this study is consistent with the findings by Gitu and Ngugi (2015) in which tax rate found to have a significant influence on tax compliance of the small and medium enterprises in Kenya. Hence, it is maintained that a high tax rate does not promote the survival of small and medium enterprises. The study conducted by Deyganto (2018) also indicated that perception of tax rate structure positively and significantly affects the level of tax compliance attitude of taxpayers.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This research investigated the effects of tax determinants such of tax knowledge, tax compliance cost, tax awareness, taxpayers' perception on accountability and tax rate on sustainable economic growth of micro, small and medium enterprises in South-South Nigeria. The study reviewed several related literature while conceptual framework was developed and the research anchored on the theory of fiscal exchange. The investigation was carried out with the use of research questionnaires which were administered to MSMEs in south-south states of Nigeria. The study distributed six hundred (600) questionnaires to the respondents; five hundred and thirty-five (535) were returned and subjected to reliability and validity test as well as univariate, bivariate and multivariate analysis was used to test the formulated hypotheses. The multiple regression results indicated that tax knowledge has positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria; tax compliance cost has positive and significant

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influence on sustainable economic growth among MSMEs in south-south Nigeria; tax awareness has no positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria; taxpayers' perception on accountability has a positive but not significant influence on sustainable economic growth among MSMEs in south-south Nigeria and tax rate has positive and significant influence on sustainable economic growth among MSMEs in south-south Nigeria. On the basis of the findings, the study concluded that tax knowledge, tax compliance cost, tax awareness, taxpayers' perception on accountability and tax rate influences the level of sustainable economic growth of micro, small and medium enterprises in South-South Nigeria. Hence, for sustainable economic growth to be achieved, the following were recommended based on the findings of the research:

1. The relevant tax authorities in Nigeria should continuously invest on tax education (knowledge and awareness) both at the basic and secondary levels of education This can be done by putting in place tax clubs in different schools so that as learners get to the taxpaying brackets they are fully aware of tax responsibilities as well as improve tax information thereby simplifying tax procedures for higher revenue generation for sustainable economic growth.
2. The government should spend tax revenue in a careful manner that fulfils the needs to citizens because the spending patterns of the government affect economic growth. Hence, spending of tax revenue should be social and relevant projects that create a positive image of government.
3. The government in Nigeria should ensure that tax policies should be followed strictly for the generation of tax revenue that meets the needs of the society.
4. The study also recommends that state governments in the South-South of Nigeria should ensure that tax rates are competitive and multiple tax rates be eliminated. Consequently, State Government should implement interrelated tax laws with a human face that would promote the growth and survival of micro, small and medium enterprises (MSMEs) in the region.
5. The government of Nigeria should ensure that tax rates are competitive and multiple tax rates are completely eliminated that affects the performance of MSMEs in generating sufficient revenue that stimulates sustainable economic growth of the country.

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