

Optimisation of Avoidable Corporate Tax Administration Costs in Nigeria

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Abstract: *Optimising Avoidable Corporate Tax Administration Costs in Abia State was carried out using Survey structured questionnaire administered to seven hundred experienced corporate personnel in Abia State based on willingness to participate. The objectives of the research aimed at finding out the levels of significance of avoidable costs to costs of tax administration in Nigeria. Proxies of avoidable tax costs were categorized as to compliance costs; capacity building costs; corrupt practices costs; and paucity of database costs. Appropriate hypotheses on the four proxies were raised and tested using Pearson Correlation and Regression analysis. The results showed that all the four proxies have statistically significant relationship with the high cost of tax administration in Nigeria. It is recommended that key focus should be placed on training and retraining of Corporate Tax Desk officers. It is also recommended that quantitative research should be carried on same parameter, void of current survey method.*

Keywords: costs of tax administration, avoidable tax costs, compliance costs of tax administration, paucity of database costs, corrupt practices costs.

INTRODUCTION

The whole essence of governance is to improve the welfare of the generality of the populace which can be carried out with resources raise through taxation. Tax build capacity, legitimacy and consent, thus the imposition of tax is statutory to enable government meet its obligations. The constitution of Federal Republic of Nigeria 1999 as amended under section 24(f), stipulates that “it shall be the duty of every citizen to declare his income honestly to the appropriate lawful agencies and pay his tax promptly.” companies also fall within the categories of persons that are taxable in Nigeria. Nigeria operates a federal tax system, with three distinctive governments, Federal, State and Local empowered to levy specific taxes within their jurisdictions. The primary tax authority, the Federal Inland Revenue Service (FIRS), oversees the assessment, collection and accounting of federally collected taxes (Federal Inland Revenue Service CAP F40 LFN 2004

section 2(1). Companies are taxed under the companies' income tax introduced in 1961 with modification in 1990 and 2007 with all amendments to date. As opined by Alexander (2002) resident companies are liable to corporate income tax on their worldwide income while non-residents are subject to company income tax on their Nigeria source. This assertion is affirmed by Price Waterhouse Coopers <PWC> (2021). The Federal Inland Revenue Service is empowered by law to administer company income tax in Nigeria. The Federal Inland revenue Service Act No.13 of 2007 stipulated that corporate income tax is paid on the income of incorporated companies and regulated by the company income tax act (CITA) Cap (21, LFN) 2007 as amended rate was 30%. Changes were affected by the Nigerian Financial Act 2019. presently, large companies with turnover of N100million, the rate applicable is 30%, medium size companies with turnover of N25million but less than N100million has their CIT of 20% and small companies with turnover of N25million has 0% CIT.

Optimizing corporate tax administration costs involves reducing administrative expenses incurred or revenues lost during the course of corporate tax administration while enhancing/improving the tax base and quality of services. Evans (2008) opined that compliance cost should be considered as an important factor when designing tax laws. The easiest cost to minimize or to eliminate entirely in corporate tax administration is avoidable costs. Avoidable costs are expenses that can be eliminated by choosing better choices of actions in a decision making strategy. Avoidable costs in corporate taxation may come from lost revenues that impact on the Nigerian economy negatively.

Looking at the impact on the general economy, compliance cost is an opportunity cost which could have been reinvested by the businesses to support economic growth. In other words, these include, in some cases, the fees paid to tax professionals, such as accountants and lawyers, as well as costs incurred by businesses in collecting, managing, and remitting taxes paid by employees to the government, the costs of paying the businesses own taxes, and in providing tax-related information to the government. In all cases, tax compliance involves commitment of resources from the side of the taxpayer for the purpose of paying tax. Administrative costs are all costs incurred by the tax authority in collecting taxes and enforcing the tax regulations, which include collecting, administering, and managing the tax collection procedures (Vaillancourt, 1989). In Nigeria, this includes all costs incurred by the Federal Inland Revenue Service, various State Tax Authorities-Inland Revenue Services, as well as the various Joint Tax Boards, in administering and managing the tax system in the country. Administration of Corporate taxation in Nigeria has been a difficult task primarily traceable to various form of corporate entities resistance such as tax evasion, avoidance and corrupt practices. AbdulRahman & Salim (2023) observed that companies are known to be evading and also avoiding taxes due to loopholes in tax laws notably, tax evasion, avoidance and corrupt practice are prevalent practice among corporate entities in Nigeria. Asuquo (2012) observed that paucity of database contributes to tax avoidance in the country. As opined by Okafor (2012) Nigeria corporate tax payers especially large ones both foreign owned and indigenous companies seems to be engaged in continuing smart game of trying to outwit the tax authorities to maximize allowable deductions and minimize tax liability. Agunbiade and Idebi

(2020) opined that tax evaders prefer to bribe officials rather than to pay tax because of the huge costs involved in filling and completing annual tax returns. The high cost of filling and compiling with tax returns' documentations results from complex tax laws in the Country.

Statement of the Problem

The Nigerian Corporate tax laws have been subjected to many amendments so as to streamline and increase the tax base because it is a major source of financing developmental activities in Nigeria. Despite these several amendments, there persist huge and increasing avoidable costs of corporate tax administration in Nigeria. An effective tax system is expected to generate revenue that is responsive to the changes in national income (Ebi and Ayodele, 2017). This has resulted to inefficient and defects, affecting negatively the income generated from taxes in recent times and consequently an unpleasant economic growth. This research focuses on the significant effect of avoidable costs resulting from the under listed on optimizing corporate tax administration in Nigeria with a focus on Abia State.

- Tax evasion and avoidance.
- Complex tax laws
- Corrupt practices
- Compliance cost for taxpayers
- Paucity of database for tax information

Objectives of the Study

The general objective of the study is to explore the reason for optimising avoidable corporate tax administration cost in Nigeria using Abia State as a case study. The specific objectives are to:

- 1 Determine the effect of avoidable compliance costs on corporate taxpayers in Abia State on huge cost of Corporate tax administration in Nigeria.
- 2 Understand how educating taxpayers on voluntary tax compliance will reduce increasing avoidable cost of Corporate tax administration in Nigeria.
- 3 Determine the level of impact avoidable corrupt practices has on Corporate tax administration costs in Nigeria and particularly Abia State.
- 4 Ascertain the effect of paucity of database for tax information has on avoidable corporate tax administration in Nigeria.

Research Questions

In order to achieve the research objectives, the following research question will be of relevance for this research work;

1. How significant, is effect of avoidable compliance costs on corporate taxpayers in optimizing cost of administration in Nigeria?
2. Can education of taxpayers on voluntary tax compliance reduce increasing avoidable cost of corporate tax administration in Nigeria?

3. What is the level of significance of avoidable corrupt practices on corporate tax administration costs in Nigeria and particularly in Abia State?
4. Does the level of paucity of database for tax information has significant effect on the increasing avoidable corporate tax cost administration in Nigeria?

Statement of Hypotheses

H0₁ (Null Hypothesis): There is no significant relationship between avoidable compliance costs and high costs of tax administration in Nigeria.

H0₂ (Null Hypothesis): There is no significant relationship between avoidable costs of tax education and high costs of corporate tax administration in Nigeria.

H0₃ (Null Hypothesis): There is no significant relationship between avoidable Corrupt practices costs and high costs of corporate tax administration in Nigeria.

H0₄ (Null Hypothesis): There is no significant relationship between avoidable Paucity of database and high costs of corporate tax administration in Nigeria.

Significance of the Study

This research on completion will provide a good framework and working document that will;

1. Streamline differentiation between fixed administrative Corporate tax costs and avoidable administrative Corporate tax costs.
2. This research will bring to focus further studies on avoidable administrative corporate tax costs in optimizing administrative corporate tax costs.
3. The research will be able to rank the level of significance of each of the avoidable corporate tax costs on optimizing corporate tax costs.

REVIEW OF RELATED LITERATURE

Conceptual Framework

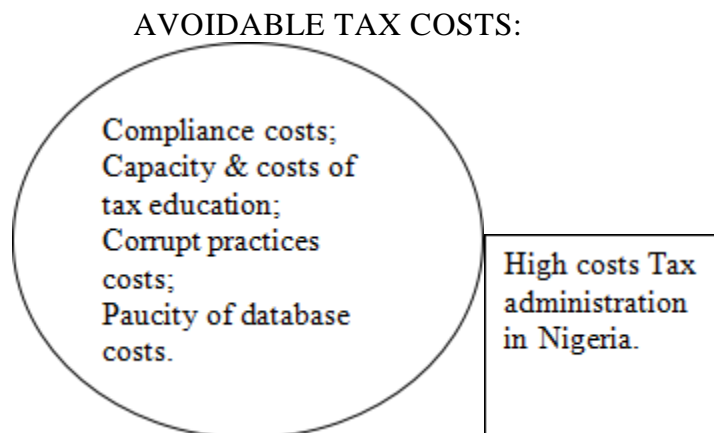


Figure 2.1

Source: Researcher's conceptualization, 2025.

Optimising corporate administration cost concept

Optimizing corporate tax administration costs involves reducing administrative expenses incurred or revenues lost during the course of corporate tax administration while enhancing/improving the tax base and quality of services. Evans (2008) opined that compliance cost should be considered as an important factor when designing tax laws. The easiest costs to minimize or to eliminate entirely in corporate tax administration are avoidable costs. Naomi and Sunday and Osusu (2018) are of the opinion that Company income tax has significant effect on the economy of any nation since it serves as an engine of growth in the area of fiscal and monetary policies, it therefore means that reducing the costs of tax administration correlates positively with increasing the corporate tax revenue base. Optimizing costs invariably leads to revenue optimization.

Corporate tax concept

Corporate income tax is a tax imposed on the profits of registered businesses in Nigeria. It includes taxes on the profits of foreign companies doing business in Nigeria. Nigerian company income taxes are governed by the Company Income Tax Act (CITA) and the Finance Act of 2019. The tax provides a significant source of revenue for the government and is administered by the Federal Inland Revenue Service (FIRS). Tax charged by government is based on the profit of the organisation and profitability depends on the ability of a firm to produce more revenue which is capable of absorbing all expenses incurred in generating such revenue, including tax and still have balance called retained earnings which could be absorbed back into business for expansion (Omodero and Amah, 2018). Corporate taxes are one of the major sources of revenue available to finance government expenditures and it's also an important factor that determines capital investment in every nation of the world (Ileana et al, 2016). After all

allowable expenses have been deducted as specified by the Act; companies are required by the Act to pay 30% of their assessable profit to the government as tax. However, the company income tax rate for small companies is 0% for companies with gross turnover of N25million or less and that of medium companies with gross turnover greater than N25million and less than 100million to be 20% (PricewaterhouseCoopers, 2021). Corporate income tax is basically taxes on income of corporate entities within a particular jurisdiction. There are taxes levied directly on taxable profits of corporate entities. Uwaoma and Ordu (2016) are of the opinion that government incentives to tax payers generate more tax revenue. Conscious tax incentive regime will positively impact on both domestic and foreign investment, which is critical factor in economic development (Kwaghkehe and Alfred 2020). Ojo and Oladikpo (2017) opined that taxation is a concept and the act of imposing special levy by the government on the citizenry. It is a requirement that must be met by the citizenry of the country. Ojong et al (2016) concurred that tax payment is a civic responsibility which is expected to yield income to the government for the provision of social amenities. According to Naomi and Sule (2015) Company income tax has significant effect on the economy of any nation since it serves as an engine of growth in the area of fiscal and monetary policies. Under the company income tax, profits are to be taxed while losses are relieved against profit with a four year time limitation. Company income tax is a levy imposed on the net profits of companies and it is computed as excess receipt over allowable costs. Akpu and Ohaka,(2017) expanded the reasons for taxation of companies as a strategy to enable the government of a country to raise revenue on the profits earned within the country from those companies whose shareholders are either within the Country or elsewhere.

Administration cost concept

Administrative costs are all costs incurred by the tax authority in collecting taxes and enforcing the tax regulations, which include collecting, administering, and managing the tax collection procedures (Vaillancourt, 1989). In order to achieve an optimal tax system, the compliance costs incurred by taxpayers when complying with tax laws and other tax regulations should be kept to minimum levels possible. Similarly, the administrative costs involved by the tax authority should also be minimized.

Optimizing tax collection

Nigeria's federal system presents both challenges and opportunities in tax administration. While a degree of autonomy for state governments allows them to tailor tax policies to their specific needs, a lack of coordination can lead to inefficiencies and disparities. Strengthening fiscal federalism, through mechanisms like revenue sharing and improved inter-governmental collaboration, can ensure a more equitable distribution of tax revenue across all tiers of government. Fostering a culture of information sharing and joint tax administration initiatives between federal and state authorities can optimize tax collection efforts.

Cost concept

Ojo, et al 2020 in their own view see cost as the unit of the products, components or services produced in a period. The may be determined on a number of bases. According to CIMA, cost is

a unit of product in relation to which cost are ascertained. Cost means the amount of money paid to get goods and services. Simply put, cost is the value of resources, materials, risks, time, and benefits used to buy goods and services. Opportunity cost the cost of choosing one thing is the opportunity you lose to do something else. The process of grouping costs is based on similarities or common characteristics. The different types of cost concepts are: Outlay costs and Opportunity costs Accounting costs and Economic costs Direct/Traceable costs and Indirect/Untraceable costs Incremental costs and Sunk costs Private costs and social costs Fixed costs and Variable costs Based on the Nature of Expenses on the basis of nature. Avoidable costs relate to those costs, an efficient Organization will not incur but still achieve their target production or service objectives. Avoidable Costs also refers to those costs which under the present conditions need not have been incurred but were eventually incurred due to inefficiency, lack of skill and care.

Theoretical Review

Adekunle and Disu, (2018) undertook a study on contemporary issues in corporate income tax in Nigeria. They concluded that for enforcement and compliance of tax laws to be effective in Nigeria, tax culture must be instituted. According to Arthur Laffer theory which was propounded in 1974 relates to tax rate and the revenue from tax. Laffer theory uses the Laffer curve to explain the relationship between the applicable tax rate and the anticipated revenue from it. If the tax rate is at 0%, the anticipated revenue would be zero. It also stipulates that as the rate of taxation increases, the expected revenue will also increase. The determination of tax rate is very important to the government as it could affect the revenue positively or negatively. Adegbe and oboh (2012) in their study of company income tax and Nigerian economic development explored the relationship between company income tax in Nigeria and economic development of the nation. Their findings revealed that there is a significant relationship between company income tax and the Nigerian economic development and also non-tax compliance and effective administration are major hindrances of company income tax payment and collection. Madugba et al, (2015) conducted a study on corporate tax and revenue generation in Nigeria. They used Pearson correlation and simple regression to analysis data collected from Central bank of Nigeria, statistical bulletin. They concluded that there is positive significant relationship between company income tax and Total Consolidated Revenue (TCR). They recommended that the federal government should reduce tax incentives granted to these companies in order to increase revenue generated through corporate taxes in Nigeria.

Empirical Review

Soyode and Kajola (2006) in their text on taxation define tax as a ‘compulsory exaction of money by a public authority for public purposes’ and taxation as ‘a system of raising money for the purposes of government by means of contributions from individual person or corporate body’. Tax charged by government is based on the profit of the organization, and the Profitability depends on the ability of a firm to produce more revenue which is capable of absorbing all expenses incurred

in generating such revenue, including tax and still have a balance called retained earnings which could be absorbed back into the business for expansion (Omodero and Amah, 2018).

Corporate taxes are one of the major sources of revenue available to finance government expenditures and it is also an important factor that determines capital investment in every nation of the world (Ileana et al 2016). Companies Income Tax (CIT) is a tax imposed on the profits of registered companies in Nigeria and those of foreign companies carrying on any business in Nigeria. Companies Income Tax Act 2007 as amended is a principal law that regulates the taxation of companies in Nigeria and also empowers the Federal Inland Revenue Service Board with the ability to assess and collect taxes from all limited liability companies that carries out their operation from or within Nigeria except those specifically exempted from tax by the ACT. Tax system is structured in a way that allows domestic corporations to be taxed on its assessable profit which is generated from all its activities carried out globally while foreign corporations are subjected to tax only on income from domestic activities within the Country's sphere of jurisdiction. After all allowable expenses have been deducted as specified by the Act; companies are required by the Act to pay 30% of their assessable profit to the government as tax. However, the CIT rate for small companies is 0% for companies with gross turnover of N25 million or less and that of medium companies with gross turnover greater than N25 million and less than N100 million to be 20% (Pricewaterhousecoopers, 2021).

Adeniran, and Uguru, (2020) assert that Organizations are subjected to various taxes such as property tax, withholding tax, customs duties, payroll tax, and excise tax, value added tax and other taxes which is called "corporate tax." . The Federal Inland Revenue Service (FIRS) is the body charged primarily with the responsibility to administer tax on behalf of the government (Omodero and Amah, 2018).

Companies are subject to tax under the provision of the Company Income Tax Act 1990 as amended to date. The tax of companies will rise in the preceding year basis at 30% of tax profit. Bassey et al (2015) in a study of tax laws enforcement, practice and procedure opined that it is only through tax enforcement that offenses like tax evasion, non-compliance and corruption are detected and the defaulters are brought to book. Gale and Samwick (2014) explored the effect of income tax change on economic growth by examining how changes to the individual company income tax affect long- term economic growth. They concluded that not all tax changes will have the same impact on growth. Mohammed (2015) in his work investigated tax law enforcement, practice and procedure in Nigeria. He stated that by enforcing tax laws, tax authority will not only catch tax defaulters but also promote a wider compliance by giving taxpayers confidence that others are paying their tax promptly.

Adekunle and Disu, (2018) undertook a study on contemporary issues in corporate income tax in Nigeria. They concluded that for enforcement and compliance of tax laws to be effective in Nigeria, tax culture must be instituted. Madugba et al (2015) conducted a study on corporate tax and revenue generation in Nigeria. They used Pearson correlation and simple regression to analysis

data collected from Central bank of Nigeria, statistical bulletin. They concluded that there is positive significant relationship between company income tax and Total Consolidated Revenue (TCR). They recommended that the federal government should reduce tax incentives granted to these companies in order to increase revenue generated through corporate taxes in Nigeria.

Umeokwobi and Nkoro (2019) examined the impact of tax revenue on the economic growth of Nigeria between 1980 and 2018 to 2018 using the modified ordinary least squares- Autoregressive distributed lag (ARDL). They reported that tax revenue has direct and indirect relationships with the infrastructural development and the Gross Domestic Product respectively (GDP). The authors argue that the channels through which tax revenue affects economic growth in Nigeria are infrastructural development, foreign direct investment, and GDP. They stressed that availability of infrastructure stirs up an investment that in turn brings about economic growth. Odugu et al (2021) posited that taxation is a tool of economic development as it can be used to stimulate investment and create job or reduce income inequalities and by so doing promote social justice.

According to Ogbona and Appah (2012) defines it as the transfer of resources from the private to the public sector in order to accomplish some economic development and social goals. This implies that taxation is the process of raising money for the purpose of governance by means of contribution from individuals and corporate bodies. Thus, the primary objectives of a modern tax system is generating of revenue that help government to finance the ever increasing public sector expenditure. As aptly captured by Chigbu and Njoku (2015) assert that the revenue derived from income taxes has been grossly inadequate due to improper tax administration arising from under assessment and inefficient machinery for revenue collections. Therefore, the Nigerian tax system should be structured in line with the tax policies aimed at increasing government revenue that sustains the public expenditure. According to Otekunri et al (2021), using tax as a source of revenue for financing developmental programs in Nigeria has been a very difficult issue, largely due to loopholes in the tax system especially tax gap. Uzoka and Chiedu (2018) observed that tax gap has become a chronic challenge that leads to high loss of financial resources that sabotage the growth of Nigeria economy as government readily present it as reason for the underdevelopment of the country.

According to Ola, (2006), tax administration in Nigeria does not measure up to appropriate standard, because tax is inequitable. Many of the supposed taxpayers know nothing of the rules under which they are to pay tax or the range of deductible expenses and the allowances available to them hence; they cannot be at ease to disclose their taxable income. This fact was further buttressed by Adegbe and Fakile (2011) as they opined that Nigeria's citizen lack knowledge and education about taxation. Hence, there is great desire for tax evasion and non-compliance with relevant tax laws. Consequently, the country has been more adversely affected due to absence of tax conscience on the part of individuals and corporate entities and the failure of tax administration to recognize the importance of communication and dialogue between the government and the citizens in matters relating to taxation (Akinleye and Ogunmakin, 2016).

The Nigerian tax system which was meant to achieve core economic, political and social objectives such as revenue generation for the sustenance of economic and social needs, control consumer

demands, encourage investment and savings, fight economic depression, inflation and deflation, guarantee equitable distribution of income and wealth, control the general trend of the national economy, and ensure proper allocation of national resources has hitherto failed because of several impediments such as under-reporting of income by taxpayers (Asada, 2011). In boom economic situation, the government is required to have a balance budget or surplus in order to enable the country settle debts that were collected at the time of budget deficit. During recession, the government should operate a deficit budget to meet up with shortfalls in demand to stimulate the economy. But in the case of Nigeria, the government has been engulfed with deficit right from the period of structural adjustment program in the 1980s till date due to avoidable expenditure by the government (Awode, 2019).

Phua, (2011) further maintained that although tax gap is often associated with tax evasion and avoidance, but a broader measure of it is non-compliance. Tax gap has been considered as inefficiency of the tax system as government would experience decline in tax revenue. Hajati et al (2020) were of the view that extent of tax evasion, tax avoidance and tax gaps vary from nation to nation due to difference in economic, social and political factors. The complexity of the policies not only reduces the individual freedom to participate in the formal sector but also provides tax evaders with the opportunity for hiding.

According to Parfenova et al (2016) simplified tax laws facilitate taxpayers understanding and promote the effectiveness of the tax system which reduces tax gap. According to Raczkowski (2015) business entities usually optimize their operations so as to make them profitable. One of their common methods is tax aggressiveness by combining legal tax avoidance and illegal tax evasion. The wide spread tax gap is likely to increase when the government is unable to oppose illegal tax activities conducted by business entities that commit tax crimes without being punished on the ground that the perpetrators cannot be identified due to poor database (Raczkowski, 2015). According to Jose et al (2019) three components of tax gap can be identified from the various definitions given namely: Non-filing, Under-reporting and Non-payment. Non-filing has to do with the failure of taxpayers to file tax return at appropriate time. Accordingly, the taxable event not reported but should be declared in accordance with regulations. For instance inheritance received but self-assessment form is not submitted to tax authority (Jose et al, 2019). Under-reporting deals with a situation where the taxable event is reported but not in complete way. For instance, the declaration of assets is uncompleted, the assessment is incorrect or the tax credit is improperly applied. Under-reporting involves understating income, improper deductions, overstated expenses and erroneously claimed credit (Jose et al, 2019). Non-payment happens when the tax returns are filed but the taxpayer does not pay the tax liability within the voluntary payment period. This decomposition provides the tax administration better knowledge to determine the appropriate measures to effectively reduce the tax gap. The estimation of tax gap is a difficult exercise. Although administrators highlight the usefulness of having information about the relative size and nature of non-compliance overtime, but it cannot be denied that the difficulties encountered in their measurement result and reluctance to undertake the exercise.

Company Income Tax Gap: According to Adedeji and Oboh, (2012) stated that the people expected that by sacrificing their private resources to state in the form of taxes, government is

expected to reciprocate by spending public revenue in a way that will enhance their welfare. However, government and tax collectors have dubiously mismanaging the public treasury. There is a high level of manipulation and diversion of tax revenue by the collectors. The dwindling tax revenue as presently witnessed, result from lack of encouragement to the taxpayers, due to the fact that there very little evidence to show for taxes collected. For these reasons there are increased cases of tax evasion. In line with Usman (2019) company income tax and other taxes in Nigeria are not at their ideal levels since many businesses under-report their income and take use of loopholes to pay the bare minimum taxes.

Gap identification

Gap is considered as the difference between estimated taxes and the actual tax receipt. It is the disparity between actual tax liability and tax remitted to the relevant tax authority. According to the united State Internal Revenue Service (US IRS, 2005), tax gap is the difference between the tax that payers should pay and what they actually paid on timely basis. This is because, the tax that taxpayers want to pay may differ from the amount that is statutorily estimated. Ruth (2021) posited that tax gap is the difference between the projected tax due in a given year and the amount of voluntary tax paid. Estimating tax gap is a global challenge that is quickly gaining government attention.

According to Hajati et al (2020), the extent of tax evasion and avoidance vary from nation to nation due to differences in economic, social and political factor. The complexity of the policies not only reduces the individual's freedom to participate in the formal sector but also provide tax evaders with opportunity for hiding. Adedeji and Obo (2010) stated that people expect that by sacrificing their private resources to state in the form of taxes, the government is expected to reciprocate by spending public revenue in a way that will enhance their welfare. However, government and tax collected have dubiously mismanaged the public treasury. There is a high level of manipulation and diversion of tax revenue by collectors. The dwindling tax revenue witnessed over the years results from lack of encouragement to the taxpayer, due to the fact that there is very little evidence to show for taxes collected. For this reasons, there are increased cases of tax evasion. In line with Usman (2019), corporate and other taxes in Nigeria are not at their ideal level since many businesses under-report their income and take use of tax loopholes to pay the meager minimum of taxes.

RESEARCH METHODOLOGY

Research Design and Population Of The Study

This research used primary data collected from structured questionnaire design and administered to the clients of Federal Inland Revenue Service, Abia State as a case study. According to Nigeria Business Directory (2025), there are 2,265 (two thousands, two hundred and sixty five) Companies in Abia State. In addition to the number of Companies in Abia State, the staff of FIRS in Abia State is fifty (50), thus the combined population of the study is 2,315. Total questionnaire administered were three hundred and sixty eight (368) Corporate working Staff in Abia State. Out

of the total of 368 administered questionnaires, 363 were returned and completely filled. The successful return rate is 99 % which is significant enough for the continuation of the research. The following are the representations of acronyms used in the survey:

SD= STRONGLY DISAGREE

D= DISAGREE

N= NO CHOICE

A=AGREE

SA= STRONGLY. AGREE

On scaling, the following numerical values were assigned:

QUALITATIVE EXPRESSIONS	SD	D	N	A	SA
VALUES	1	2	3	4	5

Sample size and sampling techniques

The researchers will make use of the Yaro-Yemen's formula below to determine the sampling size, assuming error level of ten percentage.

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

Where:
 P = Population
 E = percentage error (10%)
 N = sample size
 I = Constant

Solving for the formula

$$\begin{aligned} P &= \frac{2315}{1 + 2315(0.1)^2} \\ &= \frac{2315}{1 + 2315(0.01)} \\ &= \frac{2315}{1 + 23.15} \\ &= \frac{2315}{23.15} \\ N &= 100 \end{aligned}$$

It is expected that total sample size will be one thousand, five hundred and forty-three participants, the number of Companies and Staff of FIRS in Abia State will be;

$$N = \frac{50}{1 + 50(0.1)^2}$$

$$= \frac{50}{1 + 50 (0.01)}$$

$$= \frac{50}{1 + 0.5}$$

$$= \frac{50}{1.5}$$

$$S = 33$$

And C= N-S= 100-33= 67 Companies.

Summary of sampling size thus will be from Companies in Abia State 67 Companies from which five staff each will be administered with the questionnaire and 33 Staff of FIRS in Abia State. Thus a total of three hundred and sixty-eight (368) willing participants were administered with the questionnaire. Sampling techniques adopted was willingness to participate. To motivate high willingness to participate, the questionnaire was kept simple and precise and to complete.

Method of Data Analysis

Descriptive statistics focusing on mean and mean of means was employed to carry out detailed analyses. Pearson Correlation and Regression Analysis decision rules were used to accept or reject the null hypotheses formulated. SPSS version 25 software was used in carrying out the analysis.

PRESENTATION OF DATA, ANALYSIS AND DISCUSSIONS

Results from Respondents:

Table 4.1 Responses on avoidable Compliance costs and % ages

SN	Avoidable Compliance Costs	SD	D	N	A	SA	SD	D	N	A	SA
		1	2	3	4	5	1	2	3	4	5
1	In the course of filing our tax returns to FIRS, costs were incurred ordinarily that should have been incurred if the documentations were clear and simple.	27	73	19	111	133	7.4%	20.1%	5.2%	30.6%	36.6%
2	The tax return documentations are extraordinarily voluminous.	2	10	8	90	253	0.6%	2.8%	2.2%	24.8%	69.7%
3	Transport cost were incurred during the returns that should have been saved where returns are to be made on line.	16	55	22	123	147	4.4%	15.2%	6.2%	33.5%	40.5%
4	Internet connectivity was not helping matters during online tax returns.	12	32	20	99	200	3.3%	8.8%	5.5%	27.3%	55.3%
5	During the physical tax returns/documentations, legit costs were incurred in appreciation to FIRS Staff in return to help favour.	11	25	43	111	173	3.0%	6.9%	11.8%	30.6%	47.7%

Source: Researchers’ Field Survey

Table 4.2: Responses on Cost of training and capacity building on tax administration:

S/N	Cost of training and capacity building on tax administration responses	SD	D	N	A	SA	Cost of training and capacity building on tax administration responses in %ages				
		1	2	3	4	5					
1	The training organized by FIRS helped your firm to timely comply with tax returns and payment.	123	115	17	60	48	33.9%	31.7%	4.7%	16.5%	13.2%
2	Tax expert consultant hired by your firm did not help greatly in your firm's tax compliance requirements.	125	137	20	51	30	34.4%	37.7%	5.5%	14.0%	8.3%
3	Staff of FIRS was promptly recruited to help in the tax returns and compliance.	16	29	21	120	177	4.4%	8.0%	5.8%	33.1%	48.8%
4	You were satisfied with tax training and capacity building seminars your firm sponsored you to.	120	129	18	51	45	33.1%	35.5%	5.0%	14.0%	12.4%
5	The Firms sponsored tax Conferences, Seminars and workshops you attended have helped greatly in your firm in making timely tax returns and payment.	127	105	28	44	37	35.0%	28.9%	7.7%	12.7%	15.7%

Source: Researchers' Field Survey

Table 4.3: Responses on Other Costs and Logistics:

S/N	Other Costs and Logistics responses	SD	D	N	A	SA	Responses on Other Costs and logistics expressed in %ages				
		1	2	3	4	5					
1	To speed up your firm's tax returns, other costs (e.g tips) were incurred	51	66	23	99	124	9.2%	11.9%	4.2%	17.9%	22.4%
2	Appreciation were valued made to FIRS staff on each tax return	47	65	13	111	127	8.5%	11.8%	2.4%	20.1%	23.0%
3	As a result of good relationship with Staff of FIRS, tax assessments were a bit more favourable	44	53	44	99	119	8.3%	9.6%	8.3%	17.9%	21.5%
4	Our firm had been able to assert penalties on their own	84	104	34	63	72	15.6%	19.2%	6.5%	11.8%	13.0%
5	Our firm had been able to assert penalties using good and experience Consultant	50	54	10	104	145	9.0%	9.2%	1.8%	18.2%	26.2%

Source: Researchers' Field Survey.

Table 4.4: Responses on Paucity of Data Base in tax returns and Compliance:

S/N	Paucity of Data Base in tax returns and Compliance	SD	D	N	A	AS	Responses on paucity of data in tax returns and compliance in %ages				
		1	2	3	4	5					
1	The tax laws are not easy to understand and to comply with by our firm and things are made more complex by more availability of simply guides.	48	57	11	114	131	8.7%	10.3%	2.0%	21.0%	23.7%
2	Our firm hired Consultant because of the complexities of complying with the tax laws.	45	58	20	109	131	8.1%	10.3%	3.8%	19.7%	23.7%
3	There do not exist enough user friendly guides on how to ensure long term compliance with tax returns and payments and the lack adds to our firm's cost of tax returns (e.g. engaging FIRS staff to help at little appreciation)	22	40	5	101	195	4.0%	7.2%	0.9%	18.3%	35.3%
4	e-tax systems newly introduced by Federal Government is highly appreciated as it eases tax returns and payments	12	27	57	105	142	2.2%	4.9%	10.3%	19.0%	29.3%
5	Our Firm hired a tax Consultant to handle the e-tax returns because of lack of adequate education, enlightenment and capacity building in that regard	22	34	35	120	152	4.0%	6.1%	6.3%	21.7%	27.5%

Source: Researchers' Field Survey

4.2: Data Analyses and Discussions:

Table 4.6: Responses on Avoidable Compliance costs level of significance expressed in Descriptive Weighted Statistics:

S/N	Responses on avoidable Compliance costs	SD	D	N	A	SA		
		1	2	3	4	5	Total	Σ
1	In the course of filling our tax returns to FIRS, costs were incurred ordinarily that should have been incurred if the documentations were clear and simple.	27	146	57	444	665	1339	3.69
2	The tax return documentations are extraordinarily voluminous.	2	20	24	360	1265	1671	4.60
3	Transport cost were incurred during the returns that should have been saved where returns are to be made on-line.	16	110	66	492	725	1419	3.91
4	Internet connectivity was not helping matters during online tax returns.	12	64	60	396	1000	1532	4.22
5	During the physical tax returns/documentations, logistic costs were incurred in appreciation to FIRS Staff in return to help favours.	11	50	129	444	865	1499	4.13
	Sub- Totals	68.0	390.0	336.0	2136.0	4530.0	7460.0	
	Mean of mean							4.11

Source: Author's Computation Based on Field Survey, 2025.

As shown in Table 4.6, the mean for all the avoidable compliance costs are all above the baseline mean. The baseline mean is 3.0 obtained by summation of the weighted values divided by 5 i.e. (5+4+3+2+1)/5. Any mean below 3.0 is considered insignificant, while any mean above 3.05 is considered as been Significant. The analysis as shown in table 4.6, the overall mean also called the mean of Means stood at 4.11 indicating that avoidable compliance costs have a high significant level in the cost of tax administration and compliance in Nigeria.

Table 4.7: Responses on Cost of training and capacity building on tax administration expressed in Descriptive Weighted Statistics:

S/N	Cost of training and capacity building on tax administration responses	SD	D	N	A	SA	Total	\bar{x}
	Value weighting	1	2	3	4	5		
1	The training organized by FIRS helped your firm to voluntarily comply with tax returns and payments.	1.23	230	51	200	200	884	2.44
2	Tax expert consultants hired by your firm did not help greatly in your firm's tax compliance requirements	1.25	274	60	204	150	813	2.24
3	Staff of FIRS was privately recruited to help in the tax returns and compliance.	1.6	58	63	480	88.5	1502	4.14
4	You are satisfied with tax training and capacity building seminars your firm sponsored you to.	1.20	258	54	204	22.5	861	2.37
5	The Firm sponsored tax Conferences, Seminars and workshops you attended have helped greatly in your firm in making timely tax returns and payments.	1.27	210	84	184	28.5	890	2.45
	Level of Significant mean(\bar{x})	511.0	1030.0	312.0	1312.0	1785.0	4950.0	
	Mean of mean							2.73

Source: Author's Computation Based on Field Survey, 2025.

The results of Cost of training and capacity building on tax administration by respondents had no significant effects on the avoidable costs of extra-training and capacity building in order to comply with tax returns, laws and administration. The viewed aspects have a mean ranging from 2.45 to 2.24 except the avoidable costs of recruiting temporarily the Staff of FIRS to help in the Tax returns and Compliance. The mean of this avoidable recruitment stands at 4.14 > 3.0. The result also shows a high commitment of firms to spend more than that is ordinarily they should have in order to comply with tax returns and other tax compliance obligations. The mean of means of responses on avoidable cost of training and capacity building with regards to tax returns and administration was very insignificant as it stands at 2.73.

Table 4.8: Responses on Other Costs and Logistics in Descriptive Weighted Statistics:

S/N	Other Costs and Logistics responses	SD	D	N	A	SA	Total	Σ
		1	2	3	4	5		
1	To speedy your firm's tax returns, other costs (eg tips) were incurred	51	132	69	396	620	1268	3.49
2	Appreciations were willing made to EIRS staff on each tax return.	47	130	39	444	635	1295	3.57
3	As a result of good relationship with Staff of EIRS, tax assessments were a bit more favourable	46	106	138	396	595	1281	3.53
4	Our firm had been able to avert penalties on their own.	86	212	108	252	360	1018	2.80
5	Our firm had been able to avert penalties using good and experience Consultants	50	108	30	416	725	1329	3.66
	Level of Significant mean (Σ)	280.0	688.0	384.0	1904.0	2935.0	6191.0	
	Mean of mean							3.41

Source: Author's Computation Based on Field Survey, 2025.

From Table 4.8, expenses incurred on other costs and logistics which is a good proxy for avoidable corrupt practices has on Corporate tax administration costs in Nigeria and particularly Abia State is found to be very significant with a mean value of 3.41. The only corrupt practices variable that has an insignificant avoidable cost level is each Firm's ability to avoid or evade taxes by their own maneuvering with a mean of 2.83 <3.0 baseline. However, the encouraging low avoidable cost could not be optimized because of high level of significance of costs incurred in Firms' use of Consultants to achieve the same with higher extra costs at a significant level of 3.66.

Table 4.9: Responses on Paucity of Data Base in tax returns and Compliance in Descriptive Weighted Statistics:

S/N	4. Paucity of Data Base in tax returns and Compliance	SD	D	N	A	SA	Total	Σ
		1	2	3	4	5		
1	The tax laws are not easy to understand and to comply with by our firm and things are made more complex. Income availability of simple guides.	48	114	33	464	655	1314	3.62
2	Our firm hired Consultant because of the complexities of complying with the tax laws.	45	116	60	436	655	1312	3.61
3	There do not exist enough user friendly guides on how to ensure hinge free compliance with tax returns and payments and the lack add to our firm's cost of e-tax system newly introduced by Federal Government is highly appreciated as it eases tax returns and payments.	22	80	15	404	975	1496	4.12
4	Our Firm hired a tax Consultant to handle the e-tax returns because of lack of adequate educations, enlightenments and capacity building in that regard.	12	54	171	420	810	1467	4.04
5	Our Firm hired a tax Consultant to handle the e-tax returns because of lack of adequate educations, enlightenments and capacity building in that regard.	22	68	105	480	760	1435	3.95
	Level of Significant mean (Σ)	149.0	432.0	384.0	2204.0	3855.0	7024.0	
	Mean of mean							3.97

Source: Author's Computation Based on Field Survey, 2025.

Table 4.9 contains levels of Paucity of Data Base in tax returns and Compliance from respondents. It shows that all the surveyed variables are significantly impactful in adding to avoidable costs in tax returns and compliance. Lack of relevant data and guideline on tax returns and compliance had been a complex issue in Nigerian tax administration. The outcomes of table 4.9 is in tandem with the complexities of finding useful and easy affordable ways of filing tax returns and complying other tax payments demands. Physically queuing to be attended at the FIRS office is not only discouraging but attracts other costs such as feeding, drinking and transportation costs. The various proxies adopted avoidable paucity of data costs had a mean ranging from 3.65 to 4.12, each of which is considered as significantly high.

Test of Hypotheses:

Testing of Hypothesis 1: (Null Hypothesis): There is no significant relationship between avoidable compliance costs and high costs of tax administration in Nigeria.

To test Hypothesis 1, Pearson Correlation and Regression analysis were used. The Correlation is to determine the nature of relationship while the Regression analysis is to determine the level of significance of the relationship. The outcomes are as follows;

Table 4. 10: Correlations Analysis of avoidable compliance costs and High Cost Corporate Tax of Administration in Nigeria.

		Compliance Costs Items	Response Outcomes
Pearson Correlation	Compliance Costs Items	1.000	.229
	Response Outcomes	.229	1.000
Sig. (1-tailed)	Compliance Costs Items		.355
	Response Outcomes	.355	
N	Compliance Costs Items	5	5
	Response Outcomes	5	5

a. Selecting only cases for which Mean of Means > 3.00

Table 4. 11 : Regression of avoidable compliance costs and High Cost Corporate Tax of Administration in Nigeria Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
	Mean of Means > 3.00 (Selected)				R Square Change	F Change	df1	df 2	Sig. F Change
1	.229 ^a	.052	-.263	1.77719	.052	.166	1	3	.711

a. Predictors: (Constant), Response Outcomes

Interpretation

The results do show that there is positive correlation between avoidable compliance costs and High Cost Corporate Tax of Administration in Nigeria as seen in Table 4.10 with positive Correlation coefficient (r) at **0.229**. The decision to reject the null hypothesis is further strengthened by the outcomes of the tests that are captured by Correlation and Regression shown in Tables 4.10 and 4.11 with R^2 value of 0.052 at a strong significant value of **0.711**, thus giving us impetus to accept the alternative hypothesis which states that there is that there is significant relationship between avoidable compliance costs and high costs of tax administration in Nigeria.

Testing of Hypothesis 2 (Null Hypothesis): There is no significant relationship between avoidable costs of tax education and costs of corporate tax administration in Nigeria. To test Hypothesis two, Correlation and Regression analysis were used. The Correlation is to determine the nature of relationship while the Regression analysis is to determine the level of significance of the relationship. The outcomes are as follows;

Table 4. 12 : Correlations Analysis of avoidable Training & capacity building costs and High Cost Corporate Tax of Administration in Nigeria

		Cost of Training and Capacity Building	Response Outcomes	Mean of Means
Cost of Training and Capacity Building	Pearson Correlation	1	.033	.030
	Sig. (2-tailed)		.958	.962
	N	5	5	5
Response Outcomes	Pearson Correlation	.033	1	1.000**
	Sig. (2-tailed)	.958		.000
	N	5	5	5
Mean of Means	Pearson Correlation	.030	1.000**	1
	Sig. (2-tailed)	.962	.000	
	N	5	5	5

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4. 13 : Regression of Capacity building costs and High Cost Corporate Tax of Administration in Nigeria Parameter Estimates

	Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Threshold	[Capacity = 1.00]	-38.807	195.387	.039	1	.843	-421.758	344.145
	[Capacity = 2.00]	-4.486	9.504	.223	1	.637	-23.113	14.141
	[Capacity = 3.00]	4.486	9.504	.223	1	.637	-14.141	23.113
	[Capacity = 4.00]	38.807	195.387	.039	1	.843	-344.145	421.758
Location	[Reponses=813.00]	-20.844	96.320	.047	1	.829	-209.627	167.939
	[Reponses=861.00]	20.844	96.320	.047	1	.829	-167.939	209.627
	[Reponses=884.00]	-5151.485	.000	.	1	.	-5151.485	-5151.485
	[Reponses=890.00]	5151.485	.000	.	1	.	5151.485	5151.485
	[Reponses=1502.00]	0 ^a	.	.	0	.	.	.
	[Means=2.24]	0 ^a	.	.	0	.	.	.
	[Means=2.37]	0 ^a	.	.	0	.	.	.
	[Means=2.44]	0 ^a	.	.	0	.	.	.
	[Means=2.45]	0 ^a	.	.	0	.	.	.
	[Means=4.14]	0 ^a	.	.	0	.	.	.
	[Reponses=813.00]	1.691	5.536	.093	1	.760	-9.160	12.542
	[Reponses=861.00]	1.691	5.536	.093	1	.760	-9.160	12.542
[Reponses=884.00]	8.712	2.554	11.636	1	.001	3.706	13.717	
[Reponses=890.00]	8.712	2.554	11.636	1	.001	3.706	13.717	
Scale	[Reponses=1502.00]	0 ^a	.	.	0	.	.	.
	[Means=2.24]	0 ^a	.	.	0	.	.	.
	[Means=2.37]	0 ^a	.	.	0	.	.	.
	[Means=2.44]	0 ^a	.	.	0	.	.	.
	[Means=2.45]	0 ^a	.	.	0	.	.	.
	[Means=4.14]	0 ^a	.	.	0	.	.	.

Link function: Logit.

a. This parameter is set to zero because it is redundant.

Interpretation

There is no statistical evidence to accept the null hypothesis; therefore, we accept the alternative hypothesis which states that there is significant relationship between avoidable costs of tax education and high costs of corporate tax administration in Nigeria. Despite the acceptance of the alternative hypothesis which was made possible by the very significant huge level of Staff of FIRS being privately recruited to help in tax returns and compliance with a mean of 4.14, other Capacity building cost variables were found to be insignificant based on the outcomes of the descriptive statistics.

Testing of Hypothesis 3 (Null Hypothesis): There is no significant relationship between avoidable corrupt practices costs and high costs of corporate tax administration in Nigeria. In order to accept or reject the null hypothesis, correlation and regression analysis based SPSS were employed. The outcome appeared thus;

Table 4. 14: Correlations Analysis of avoidable Other and Logistics costs and High Cost Corporate Tax of Administration in Nigeria

		Other Costs and Logistics	Response Outcomes
Pearson Correlation	Other Costs and Logistics	1.000	.894
	Response Outcomes	.894	1.000
Sig. (1-tailed)	Other Costs and Logistics	.	.053
	Response Outcomes	.053	.
N	Other Costs and Logistics	4	4
	Response Outcomes	4	4

a. Selecting only cases for which Mean of Means > 3.00

Table 4. 15: Regression of avoidable Other and Logistics costs and High Cost Corporate Tax of Administration in Nigeria Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
	Mean of Means > 3.00 (Selected)				R Square Change	F Change	df1	df2	Sig. F Change
1	.894 ^a	.799	.698	.93815	.799	7.942	1	2	.106

a. Predictors: (Constant), Response Outcomes

Interpretation

Given that Table 4.14 showed a positive correlation between avoidable Other and Logistics costs and High Cost Corporate Tax of Administration in Nigeria and Table 4.15 with a significance level of 0.106, there is no statistical evidence to accept the null hypothesis, therefore, we accept the alternative hypothesis which states that there is significant relationship between avoidable Corrupt practices costs and high costs of corporate tax administration in Nigeria.

Testing of Hypothesis 4 (Null Hypothesis): There is no significant relationship between avoidable Paucity of database and high costs of corporate tax administration in Nigeria. The outcome of the test is captured in Tables 13.16 and 13.17 thus;

Table 4.16 : Correlation of avoidable paucity of data costs and High Cost Corporate Tax of Administration in Nigeria

		Paucity of Data Costs	Responses	Means
Paucity of Data Costs	Pearson Correlation	1	.725	.722
	Sig. (2-tailed)		.165	.168
	N	5	5	5
Responses	Pearson Correlation	.725	1	1.000**
	Sig. (2-tailed)	.165		.000
	N	5	5	5
Means	Pearson Correlation	.722	1.000**	1
	Sig. (2-tailed)	.168	.000	
	N	5	5	5

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4. 17 : Regression of avoidable paucity of data costs and High of Cost Corporate Tax of Administration in Nigeria Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
	Means > 3.00 (Selected)				R Square Change	F Change	df1	df2	Sig. F Change
1	.725 ^a	.526	.368	1.25677	.526	3.331	1	3	.165

a. Predictors: (Constant), Responses

b. Unless noted otherwise, statistics are based only on cases for which Means > 3.00.

c. Dependent Variable: Paucity of Data Costs

Interpretation

Given that Table 4.16 showed a positive correlation between avoidable paucity of data costs and High Cost Corporate Tax of Administration in Nigeria avoidable calculated 0.725 and a regression significant value of 0.165, there is no statistical evidence to accept the null hypothesis, therefore, we accept the alternative hypothesis which states that there is significant relationship between avoidable Paucity of database costs and high costs of corporate tax administration in Nigeria.

DISCUSSION OF FINDINGS

Avoidable compliance costs proxies are all significant with a mean of means of 4.11 which is greater than 3.0 baseline. The result from test of hypothesis shows that the null hypothesis (Ho1) which states that there are no significant relationships between avoidable compliance costs and high cost of tax administration in Nigeria using Abia State as a case study is hereby rejected. With rejection of the null hypothesis, it means that avoidable costs incurred in Nigerian Tax Administration is significantly high and unreasonable to many tax payers. This level of significance of avoidable compliance costs is not in tandem with Evans (2003) who opined that compliance cost should be considered as an important factor when designing tax laws. Nigeria Tax laws are very good and are aimed at achieving a given objective but they should also incorporate the principle of easiness and less costly to comply with.

As regard to the avoidable cost of training, retraining and capacity building by firms to meet up with the terms and conditions of tax returns and compliance, respondents' mean of means was very insignificant. The low level of insignificance results from inability of Corporate firms to sponsor their Staff for available training, retraining and capacity buildings in Tax returns, administration and other compliance demands. With the mean of Means of 2.73<3.0, the null hypothesis (Ho2) which states that there is no significant relationship between costs of tax education and costs of corporate tax administration in Nigeria is hereby accepted in affirmation with the outcomes of test of hypothesis two . The acceptance of the null hypothesis notwithstanding, lack of adequate staff training, retraining and other related capacity building efforts led such firms to resort to hiring of expert consultants that engineer/help such firms comply with FIRS tax demands. Conversely this lack of training, retraining and capacity building efforts does increase avoidable cost that incurred by such firms. This contradicts the assertion of Vaillancourt (1989) as him opined that to achieve an optimal tax system, the compliance costs incurred by taxpayers when complying with tax laws and other tax regulations should be kept to

minimum levels possible. The outcome also shows that respondents were not satisfied with the few training and seminars in this regard they attended may be because their specific tax filing and compliance needs were not attended to adequately.

From table 4.8, the were establishment of 'tips' a proxy for corrupt practices were willingly given to Staff of FIRS as appreciation for regular helps they offer to firms in order to meet up, sustain and maintain their tax returns, payments and other tax demands made on them. This though not coerced by FIRS officials, it adds significantly to avoidable costs in Tax Administration in Nigeria. With tips and temporary hire of IFRS staff to consult for firms' tax desk officers in order to fasten, ensure compliance and very often to help reduce payable tax demands ends up to add to a significant level to avoidable cost of tax administration in Nigeria. This assertion is in tandem with the affirmation of the outcomes of hypothesis three of Other costs and logistics (used as mild proxy for corrupt practices) depicted in table 4.8 with a mean of means of 3.41 thus the null hypothesis (Ho3) which states that there is no significant relationship between avoidable corrupt practices costs and costs of corporate tax administration in Nigeria is hereby rejected. The rejection is in line with Usman (2019) when he asserts that company income tax and other taxes in Nigeria are not at their ideal levels since many businesses under-report their income and take advantage of loopholes to pay the bare minimum taxes. Corrupt practices do highly aid tax avoidance and tax evasion.

On avoidable cost due to paucity of data base relevant for tax education, guidelines for tax returns and compliance the outcome shows a mean of means of $3.87 > 3.0$ thus the null hypothesis (Ho4) which states that there is no significant relationship between paucity of database and costs of corporate tax administration in Nigeria is hereby rejected based on the outcomes of hypothesis four. The inherent lack of adequate database not only adds to avoidable cost of tax administration but also leads to corrupt practices. Corporate entities should take it as a duty to train their tax desk-officers to keep abreast of changes in tax filing, laws and compliance directives

Summary of Findings:

1. Avoidable Compliance Costs has a very significant effect on the huge cost of Corporate Tax Administration in Nigeria.
2. Capacity building and education of Taxpayers adequately will reduce the high cost of Corporate Tax Administration.
3. Avoidable corrupt practices and other logistics cost impacts significantly to the high cost of corporate tax administration in Nigeria.
4. Avoidable paucity of database costs impacts significantly to the high cost of Corporate tax administration in Nigeria.

Recommendations:

It is recommended that:

1. Federal Inland Revenue Services should engage more on capacity building expressed in training and advisory services offered to tax desk Officers of Corporate entities in Nigeria.
2. It is our recommendation that tax return, filing and compliance documentations should be reduced to barest minimum and online tax registration, filing and other tax correspondence should be encouraged.
3. Simply and user friendly guidelines on tax registration, filing and returns should be created and enforced.
4. It is recommended tax payments should be effected on line. Physical cash tax payments should be eradicated.
5. Online and Live interactive tax matters' consultants should be initiated to avoid physical visitations to FIRS Offices so as to avoid corrupt recruited of FIRS officers who aid in tax avoidance and evasions by Corporate entities.
6. It is also recommended that quantitative research should be carried on same context, void of current survey method.
- 7.

Implication to Research and Practice:

The research is adding to knowledge and to practice that in order to optimise cost of tax administration in Nigeria, avoidable costs need be minimize if not eliminated entirely.

Conclusions

The research outcome data as depicted in table 4.6 indicate that there is a significant relationship between avoidable compliance costs and high costs of tax administration in Nigeria. The mean of means response is at 4.11 which is higher than 3.0, and is conformity with the rejection of outcomes of the null hypothesis (Ho1) which states that there is no significant relationship between avoidable compliance costs and high costs of tax administration in Nigeria.

On the second hypothesis (Ho2) which states that there is no significant relationship between avoidable costs of tax education and high costs of corporate tax administration in Nigeria. To affirm or reject this hypothesis, the researchers resort to the outcome of test of hypothesis outcomes using table 4.11, thus the null hypothesis is rejected. The results of captured in Table 4.7 shows very low performances of FIRS and Corporate which do more in capacity buildings for their staff developments. Looking at the descriptive data outcomes alone one be convince anyone to assert that Capacity building expressed in trainings and advisory services offered by FIRS does not add significantly to avoidable costs of tax administration in Nigeria. Additional respondents' Corporate firms contributed little in training and capacity building sponsorship of their staff in tax returns and administration matters but prefers to recruit as the occasion demands on adhoc basis relevant officers of FIRS to help them come out of the woods in tax returns and related tax challenges. The grand total costs of recruiting on adhoc basis FIRS staff to carry out these avoidable tax consultations that are major high additions to avoidable costs of capacity building resulting to

acceptance of the alternative hypothesis which states there is significant relationship between avoidable costs of tax education and high costs of corporate tax administration in Nigeria. It is the huge level of Staff of FIRS being privately recruited to help in tax returns and compliance with a mean of 4.14, that affected the rejection of the null hypothesis as other Capacity building costs variables were found to be insignificant .

Ho3 states that there is no significant relationship between avoidable corrupt practices costs and high costs of corporate tax administration in Nigeria but the results as captured in Table 4.8 affirm otherwise. Table 4.12 shows that avoidable corrupt practices costs has a very high significant relationship with high tax administration costs in Nigeria. It is heartwarming to note that despite the huge significant level of avoidable corrupt practices costs, the result descriptive analysis as contained in Table 4.8 shows that individual firm's efforts to re-engineer that financial statements in order to avoid and evade taxation is not so significant with a mean of 2.80 <3.0. In summary the hypothesis which states that there is no significant relationship between avoidable corrupt practices costs and high costs of corporate tax administration in Nigeria is rejected.

Paucity of database in tax returns and compliance dice as to whether it is significantly affecting the high cost of tax administration in Nigeria or not, the outcomes of Tables 4.9 and 4.13 are invoked. The outcomes of both tables are in tandem indicating that there is a significant relationship between avoidable paucity of database and high costs of corporate tax administration in Nigeria. The null hypothesis (Ho4) which states that there is no significant relationship between Paucity of database and costs of corporate tax administration in Nigeria is rejected.

They researchers conclude from response analyses that avoidable costs are highly significant in coloration with the high cost of tax administration in Nigeria. This research is adding to knowledge and to practice that in order to optimize cost of tax administration, avoidable tax administration costs need to be minimized if not eliminated entirely.

Future Research:

Comparative analysis of Developed Economy and Developing Economy avoidable tax administration optimization costs.

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APPENDIX- 1: RESEARCH INTRODUCTORY LETTER

The post-Graduate School,
 Department of Management Sciences
 Rhema University Nigeria Aba Abia State
 August 2025.

Dear Respondent!

I am a postgraduate student in the above University and presently undergoing my final project work titled “Optimising Avoidable Corporate Tax Administration Costs in Nigeria. A case study of Abia State” Consequently, you have our honour of being selected to participate in completing the attached questionnaire based on your knowledge of the subject and industry experience.

The objective of this exercise is purely academic and in partial fulfillment of the requirements for the award of Post-Graduate Diploma in Accounting in RHEMA University, Nigeria Abia State. Please read each statement carefully and answer them as honestly as you can. Your responses will be accorded the utmost confidentiality it requires. To this end, your maximum cooperation will be highly appreciated.

Yours Sincerely

Unegbu Angus O. PhD, FCA. (Lead Researcher)
 Samuel Bassey Effiong (Research Assistant)

Section B

1. Avoidable Compliance Costs

Please indicate in your opinion, your perception of Avoidable Compliance Costs.

Use the scale where SD= strongly Disagree; D= Disagree; N= No Choice; A= Agree; and SA= Strongly Agree

S/N	Avoidable Compliance Costs	SD 1	D 2	N 3	A 4	SA 5
1	In the course of filling our tax returns to FIRS, costs were incurred ordinarily that should have been incurred if the documentations were clear and simple.					
2	The tax return documentations are extraordinarily voluminous.					
3	Transport costs were incurred during the returns that should have been saved where returns are to be made on line.					
4	Internet connectivity was not helping matters during online tax returns.					

5	During the physical tax returns/documentations, logistic costs were incurred in appreciation to FIRS Staff in return to helps/favours.					
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2. Cost of training and capacity building on tax administration

Please indicate to what extends do you agree or disagree with the following statement regarding training and capacity building on tax administration. Use the scale where SD= strongly Disagree; D= Disagree; N= Neutral; A= Agree; and SA= Strongly Agree

S/N	Cost of training and capacity building on tax administration	SD 1	D 2	N 3	A 4	SA 5
1	The training organized by FIRS helped your firm to voluntarily compile with tax returns and payments.					
2	Tax expert consultants hired by your firm did not help greatly in your firm's tax compliance requirements.					
3	Staff of FIRS was privately recruited to help in the tax returns and compliance.					
4	You are satisfied with tax training and capacity building seminars your firm sponsored you to.					
5	The Firm sponsored tax Conferences, Seminars and workshops you attended have helped greatly in your firm in making timely tax returns and payments.					

3. Other Costs and Logistics

To what extent do you agree with the following statement on Other Costs and Logistics incurred during tax returns and compliance. Use scale where SD= strongly Disagree; D= Disagree; N= Neutral; A= Agree; and SA= Strongly Agree

S/N	Other Costs and Logistics	SD 1	D 2	N 3	A 4	SA 5
1	To speedy your firm's tax returns, other costs (eg tips) were incurred					
2	Appreciations were willing made to FIRS staff on each tax return.					
3	As a result of good relationship with Staff of FIRS, tax assessments were a bit more favourable					
4	Our firm had been able to avert penalties on their own					
5	Our firm had been able to avert penalties using good and experience Consultants					

4.Paucity of Data Base in tax returns and Compliance

To what extent do you agree with the following on Paucity of Data Base in tax returns and. Use the scale where SD= strongly Disagree; D= Disagree; N= Neutral; A= Agree; and SA= Strongly Agree

S/N	Paucity of Data Base in tax returns and Compliance	SD 1	D 2	N 3	A 4	AS 5
1	The tax laws are not easy to understand and to comply with by our firm and things are made more complex by none availability of simply guides.					
2	Our firm hired Consultant because of the complexities of complying with the tax laws.					
3	There do not exist enough user friendly guides on how to ensure hinge free compliancy with tax returns and payments and the lack adds to our firm's cost of tax returns (eg engaging FIRS staff to help at little appreciations)					
4	e-tax system newly introduced by Federal Government is highly appreciated as it eases tax returns and payments					
5	Our Firm hired a tax Consultant to handle the e-tax returns because of lack of adequate educations, enlightenments and capacity buildings in that regard					