Impact of Electronic Taxation on Tax Evasion and Avoidance (A Case Study of Nigerian Banks)

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Abstract:
The study investigated the impacts of electronic taxation on tax avoidance and evasion in Nigeria. The sampled for the study was taken from Ekiti State of Nigeria focusing on some banks and the Board of internal revenue of the state. Well-structured questionnaires were administered in the target respondents and were analysed using standard deviation and hypotheses testing. The result led to the rejection of the hypotheses that electronic taxation does not have significant impact on tax avoidance and evasion in Nigeria and consequently the alternative hypothesis was accepted and the study concluded that embracing electronic taxation in tax administration in Nigeria will significantly reduce the incidences of tax evasion and avoidance in Nigeria.

Key words: Tax evasion, Tax avoidance, Electronic taxation

INTRODUCTION
Taxation as could generally see as a compulsory levy imposed by Government through its various agencies on the income, capital or consumption of its subjects (Seyi, 2009). These levies are made on personal income such as salaries, business profits, interests, dividends commissions, royalties or rent. It may also be levied on capital gain and petroleum profits (Wole, 2003).

The desire to uplift one’s society is the first desire of every patriotic citizen. Tax payment is a demonstration of such a desire (Kayode, 1993). The payment of tax is a civic duty and an imposed contribution by government on her subject and companies to enable her finance or run public utilities and perform other social responsibilities. Taxes, thus, constitutes the principal sources of government revenue (Bariyima et al. 2009).

Baiyewu, (2000) said that corruption has a prevalent in the administration of tax and duties. Until very recently, it was commonplace to collect tax payment partly on behalf of one’s self and partly for the government. Evaders prefer to bribe officials rather than pay taxes. Tax assessors collude with taxpayers, particularly with regard to the PIT, or in some cases, in connection with the assessment. Therefore, taxes paid are expect to end in private pocket, not in public utilities’ (CITN, 2010).

Despite all effort by the government over the year to track down most of this obvious problems and crisis facing the collection of tax in Nigeria, none of these have gone any measure to improved revenue generating by the government. This attitude has eroded tax consciousness on the part of Nigeria. Therefore, Electronic-taxation if properly implemented may solve all these problems and bring more revenue improvement (Bariyima et al. 2009).

The concentration of the responsibility of tax assessment and its reviewing by the same tax official break the spirit internal control system therefore, expose him to the risk of abuse of office and computation thus ending tax administrative ineffective (Olatunji, 2003). There is therefore the need for an automated bank collection system that would periodic convenience, reliable, save time and cost for both the tax administrator and the tax payer (Bobek, 1997). From the above, the researcher intends to analyse these problems and to study electronic taxation as a means to boost revenue generation.

Consequently this study is set out to examine whether electronic taxation will significantly curb tax evasion and avoidance using Nigerian banks as our case study. The period for this study is 2004-2011. The period was chosen to give a clear difference between the operation of manual system and electronic system of tax collection. The area covered by this study includes Ekiti-State and Ondo-State board of internal revenue and all the participating banks in the collection of taxes in both States such as First Bank Plc, GTBankPlc and Enterprise Bank Plc head offices both in Ado-Ekiti and Akure.

LITERATURE REVIEW
According to Chiboma (2008) tax evasion undermines the tax system in numerous ways. It is unfair. It cost revenue that could be used to make the tax system better, pay down the debt or provide additional government services. It waste a resource i.e. hampers economic growth. And it feeds on itself, reducing respect for the integrity of the tax system and
leading to more cheating. There is an abundant evidence to show the existence of large-scale tax evasion and avoidance arising from the weak tax administration in the country. Such tax evasion and avoidance takes the form of:

- Income (profit) under declaration
- Donations or charity to organisation.
- Invest in fixed assets.
- Refusal to complete tax forms.
- Illegal bunkering
- Smuggling
- Cash payment with no invoice or receipts.
- Fraud
- Inflation of deductible expenses.

Following this, Asada, (2005) suggested that three things can be done to deter those who are inclined to cheat:
1. A high probability of detection through the use of close computer network.
2. A high penalty if caught in this regard, the first order of business ought to be that whoever is caught under paying or avoiding their tax is made to pay what they owe.
3. Also, in order to enhance the effective collection of tax to reduce the incidence of tax evasion and consequent loss of revenue generation to the government, there is provision in the law for the payment of tax at source. Following this provision, tax is deducted at the point the income is received or accrued to the tax payer through withholding tax.

Tax Avoidance arises in a situation where the taxpayer arranges his financial affairs in a way that would make him pay the least possible amount of tax without infringing the legal rules. In short it is a term used to denote those various devices which have been adopted with the aim of saving tax and thus sheltering the taxpayer income from greater liability which would have been otherwise incurred (Asada, 2001). Beckar, (1968) has described tax avoidance as follows: the taxpayer knowing what the law is decides not to be caught by it, arranges his business in such a manner as to escape tax liability partially or entirely. It is a lawful trick or manipulation to evade the payment of tax. The meaning of tax avoidance is vividly captured in the case involving Ayrshire Pullman Motor Service and David M. RitchinVs commissioner of Inland Revenue when the lord President, lord Clyde held that:

No man in this country is under the smallest obligation, moral or otherwise so to arrange his legal relation to his business or to his property as to enable the Inland Revenue to put the largest possible shovel into his stores. The Inland Revenue is not slow and quite rightly to take every advantage, which is open to it under the taxing statues for the purpose of depleting the taxpayer’s pocket. And the taxpayer is in like manner entitled to be astute to prevent so far as he honestly can the depletion of his means by the Revenue.

Thus, it is clear that tax avoidance is legal or at least not illegal since one is mostly probably using the tax laws to limit his tax liability under the same laws. Examples of tax avoidance include:
(i) Seeking professional advice;
(ii) Reducing one’s income by submitting claims for expenses in earning the income;
(iii) Increasing the number of one’s children (in Nigeria the maximum allowable is four).
(iv) Taking additional life assurance policies.

Tax avoidance is thus considered to be a matter of being sensible. While the law regard tax avoidance as a legitimate game and tax evasion is seen as immoral and illegal.

Prospects and Impacts of Electronic Taxation in a Developing Economy Like Nigeria.
In Nigeria, the Federal and state boards of Inland Revenue were responsible for overall administration of the tax in the federal and state governments respectively. They are to ensure the effective and optimum collection of all taxes and penalties due to the government under the relevant laws. Before now, tax administration in Nigeria was in the era of bricks and mortar collection of taxation by manual manifest by agent on behalf of the Inland Revenue Service. This was characterized by corruption and has ended with the introduction of automated bank collection system (Annette et al. 2008 and Sosanya, 1981). This provides convenience and saves time and cost for tax payers.

The introduction of electronic taxation has pursuit by FIRS, Faseun, (2001) contain the following impacts:
- It allows tax payer to pay cash, local cheques only to any of the participating banks for all tax types and tax office. It generates a constant electronic ticket as part of tax payment.
- Enhancing administrative business via the internet: the public will be able to use the internet to file and pay taxes and conduct other tax related matters. This improves the level of tax services while also simplifying tax administration and lighten the processing of tax data.
- Internet taxation allows tax payers to obtain stamp deposit slip and electronic ticket from the bank as evidence of payment into FIRS account in the bank. With this system, FIRS would no longer accept manual manifest
from the collecting banks. This will in turn free-up man power that can be used to investigate tax evasion and under-reporting, therefore, boosting government revenue and achieve ring fair and objective of taxation.

- Prior to the implementation of e-taxation, FIRS mostly could not determine the amount collected, neither could it ascertain when money was collected. The bank are always at liberty to declare whatever they like, using manual manifest that could only be ascertained by the banks. As a result, transaction reconciliation between FIRS and the collecting banks often degenerate into controversy and open quarrels. The use of computer for tax administration has removed this ugly incident.

- Account transfer tax payment and rebate will reduce citizen’s need to visit financial institution, speed payment of taxes and simplifying the rebate process: tax data will be transmitted via the internet to tax office. This enhanced remittance procedures, saving their time and man power, and acceleration payment of tax into national treasury. Payment of tax rebates via account transfer will save tax offices the cost and mailing rebate notices and checks.

- With the development of direct electronic solution, FIRS has found a killer system that helps her stamp out irregularities in the administration of taxation in the country. Pay direct is a PC based electronic payment solution designed to secure commercial transaction between an organisation and its dealers/ distributors. It is an effective way of providing e-payment solutions. This pay-direct supports payment from cash cheques, debit and credit cards, also opens up a window of opportunity by serving a wide range of non-cash transaction request and other value added services thereby providing a low cost entry point into the electronic payment network.

- Online data checking and transmission will reveal paper work.

- Online services will extend service hours and location. However there are many factors which can lead to tax evasion via the internet. We have examined the internet impact on existing taxation frame works on the assumption that any transaction conducted over the internet would be to some degree either self reported or within the investigative and enforcement powers or revenue authority.

- The web server could be located anywhere irrespective of the fact that transaction has been taken place, the remote web server location provides easy room for the concealment of the identity of the parties by tempering the data base of the web site where it has been uploaded.

- Deletion of the data base is possible within fraction of the moment, which can provide enough opportunity for tax payer to tamper with the record of the transaction in remote server and evade imposition of taxation (Cliton et al, 1999).

### METHODOLOGY

This study is essentially a survey research. According to Ezejelue et al, (2008), survey research usually consists of gathering essential data from usually a large number of respondents, who themselves constitute a sample and analysing same to draw meaningful conclusion. It holds that the purpose of a survey research is not the collection of data per se but the discovery of meaning in the data collected, so that facts and events can be better understood, interpreted and explained. Consequently, survey research procedure was deemed most appropriate in this circumstance.

### Population of the Study

The population for this study is 167, comprised the senior staff from level ten and above of the listed departments and sections of the State Board of Internal Revenue of both states, which are directly dealing with the administration and collection of taxes and the Tellers in the State headquarters of the participating Banks which are directly dealing with the collection and posting of tax paid by the tax payers.

The departments are:
1. Pay As You Earn (PAYE) Inspectorate Department.
2. Investigation or Withholding Department.
3. Pool betting Department
4. Stamp Duties Department
5. Road Taxation or State Licensing Office (Auto Regd)
6. Account section
7. Self Employed Department.

Therefore,

Ekiti Board of Internal Revenue, Ado-Ekiti = 63
Ondo Board of Internal Revenue, Akure = 71
First Bank Plc, Ado-Ekiti = 06
First Bank Plc, Akure = 06
GT Bank Plc, Ado-Ekiti = 05
GT Bank Plc, Akure = 04
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Enterprise Bank, Ado-Ekiti = 06
Enterprise Bank, Akure = 06
\[ \text{Board of Internal Revenue Ekiti State} = 54 \]
\[ \text{Board of Internal Revenue Akure} = 60 \]
\[ \text{First Bank plc Ado Ekiti} = 6 \]
\[ \text{First Bank plc Akure} = 6 \]
\[ \text{GTBank Plc Ado Ekiti} = 5 \]
\[ \text{GTBank Plc Akure} = 4 \]
\[ \text{Enterprise Bank Plc, Ado-Ekiti} = 6 \]
\[ \text{Enterprise Bank Plc, Akure} = 6 \]
\[ \text{Total sample size} = 147 \]

Sample Size Determination
The researcher used barley’s formula to determine the sample size. This is used when the population of the study is known (Taro Yamane, 1973). The formula is as follows:
\[ n = \frac{1 + N(e)^2}{N} \]
Where: n= required sample size.
N=population
I= a constant
E= level of confidence/ significant (5%)

Research Instrument
The major instrument used for the study was the questionnaire. It was used in conjunction with interview and observation of documents. The questionnaire instrument has two parts:
PART I solicited relevant personal data and other (if any) from the respondents as well as yes/no questions fundamental to the research.
PART II involved responding to five point Likert Scale questions weighted as follows: Strongly agree (5), Agree (4), Undecided (3), Strongly disagree (2) and Disagree (1).
These question were carried in a way the responses arising from the world provide answers that would enable the researcher to analyse her data either to accept or reject the hypotheses.

Administration and Collection of Instrument
For effective administration of questionnaire, there was a distribution schedule for each subject. Copies of questionnaire were personally distributed to all needed respondent on their schedule dates. The physical presence of the researcher afforded the researcher the opportunity to give explanation where necessary for successful completion of the questionnaire. This personal contact has a lot of advantages apart from ensuring a high rate of return. It also gives the researcher the opportunity to interview some unit heads and shop owners.

Method of Data Analysis
The data collected for the study were analysed using percentage analysis, frequency counts, mean score and Z-test. Data relating to question 5 to 10 of part 1 of the questionnaire were analysed using mean score. The responses from Likert scale was weighted as follows: strongly agree has 5 points and disagree 1 point. A mean score of 3.0 and above indicates position responses i.e. agree. Any statement of mean score below 3.0 is negative response i.e. disagree. The hypotheses were tested using z-test. This was done to ascertain the inferences between the population means when the hypotheses were tested at 0.05 (5% level of significance).

Sources of Data
Two sources of data were used in the study. (1) The primary sources, which constitute information generated through personal interview, questionnaire generation and focus group discussion and (2) The secondary source were sourced from scholarly publication through net and empirical studies. Data on internally generated revenue according to sub-heads were collected from the boards of internal revenue offices in Ekiti and Ondo state of south-west geo-political of Nigeria.
RESULTS AND DISCUSSION

The questionnaire presented in the Appendix was administered to one hundred and forty seven (147) respondents. They are senior staff (level ten and above) in board of internal revenue both in Akure and Ado-Ekiti, Senior staff and top management personnel in First bank Plc, GTBankPlc and Enterprise Bank Plchead quarters in both Akure and Ado-Ekiti and management of some organisations in both Akure and Ado-Ekiti. However, one hundred and nine copies (109) 74% were retrieved and thirty eight (38) 26% were not returned.

Percentage Analysis of Dichotomous (Yes/No) Question 5-12

Table 4.1: Responses of the respondents on the worthiness of paying tax to the government.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekiti</td>
<td>48</td>
<td>6</td>
<td>44%</td>
</tr>
<tr>
<td>Ondo</td>
<td>46</td>
<td>9</td>
<td>42%</td>
</tr>
<tr>
<td>Total</td>
<td>94</td>
<td>15</td>
<td>86%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012*

The responses as shown in the above table discovered that payment of tax to Government is compulsory.

Table 4.2: The responses of the respondents on whether the idea of electronic –taxation is known

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekiti</td>
<td>32</td>
<td>22</td>
<td>29.4%</td>
</tr>
<tr>
<td>Ondo</td>
<td>45</td>
<td>10</td>
<td>41.3%</td>
</tr>
<tr>
<td>Total</td>
<td>77</td>
<td>32</td>
<td>71%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012*

The responses on the table above indicates that seventy seven  respondents say Yes in both state i.e thirty two from Ekiti and forty five from Ondo state which form 71% of the total respondents as against total 29% that says No show that electronic-taxation is known to them in both states.

Table 4.3: The responses of the respondent on whether it is worthy for tax to be administered through electronic process.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekiti</td>
<td>43</td>
<td>11</td>
<td>39%</td>
</tr>
<tr>
<td>Ondo</td>
<td>42</td>
<td>13</td>
<td>39%</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>24</td>
<td>78%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012*

The responses on the table above show that 78% of the total respondents from both states indicate ‘Yes’ while 22% indicate ‘No’ meaning that it is agreed to be administrating the tax through electronic processing.

Table 4.4: The responses of the respondents on the existence of electronic taxation in Ekiti and Ondo State

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekiti</td>
<td>29</td>
<td>25</td>
<td>27%</td>
</tr>
<tr>
<td>Ondo</td>
<td>37</td>
<td>18</td>
<td>34%</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>43</td>
<td>61%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012*

The responses to the operation of electronic taxation in both states by the respondents shows that it has been in existence through the percentage of No respondents (23%) in Ekiti shows that the awareness is not yet circulated.

Table 4.5: The responses of the respondents on the extent of computer literacy of the tax payers

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekiti</td>
<td>30</td>
<td>24</td>
<td>28%</td>
</tr>
<tr>
<td>Ondo</td>
<td>33</td>
<td>22</td>
<td>38%</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>46</td>
<td>58%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012*
The responses of the respondent on the literate level of computer operation shows 58% yes in both states indicating that majority have computer knowledge when it comes to the assessment of tax.

Table 4.6: Tax collected manually four years before the commencement of electronic method was introduced.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Year</th>
<th>Ekiti State</th>
<th>Ondo State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2004</td>
<td>---</td>
<td>2,097,001,909.8</td>
</tr>
<tr>
<td>2</td>
<td>2005</td>
<td>---</td>
<td>2,521,787,850.69</td>
</tr>
<tr>
<td>3</td>
<td>2006</td>
<td>---</td>
<td>2,584,741,310.25</td>
</tr>
<tr>
<td>4</td>
<td>2007</td>
<td>3,840,814,697</td>
<td>2,789,770,927.39</td>
</tr>
<tr>
<td>5</td>
<td>2008</td>
<td>4,018,915,564.63</td>
<td>---</td>
</tr>
<tr>
<td>6</td>
<td>2009</td>
<td>4,091,923,011.15</td>
<td>---</td>
</tr>
<tr>
<td>7</td>
<td>2010</td>
<td>2,945,341,994.22</td>
<td>---</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

Table 4.7: Tax collected electronically by the two states

<table>
<thead>
<tr>
<th>S/N</th>
<th>Year</th>
<th>Ekiti State</th>
<th>Ondo State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2008</td>
<td>---</td>
<td>3,984,678,519.91</td>
</tr>
<tr>
<td>2</td>
<td>2009</td>
<td>---</td>
<td>3,751,817,815.35</td>
</tr>
<tr>
<td>3</td>
<td>2010</td>
<td>---</td>
<td>6,480,372,918.96</td>
</tr>
<tr>
<td>4</td>
<td>2011</td>
<td>10,615,350,000</td>
<td>8,015,725,375.26</td>
</tr>
</tbody>
</table>

Source: Field survey, 2012

The above table indicated that Electronic taxation operation started in 2011 in Ekiti State while Ondo state started 2008.

Table 4.8: Percentage increase of tax collected before and during electronic taxation period.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ekiti State % increase</th>
<th>Ondo State % increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>--</td>
<td>20.3</td>
</tr>
<tr>
<td>2006</td>
<td>--</td>
<td>2.5</td>
</tr>
<tr>
<td>2007</td>
<td>--</td>
<td>8</td>
</tr>
<tr>
<td>2008</td>
<td>4.6</td>
<td>42.8</td>
</tr>
<tr>
<td>2009</td>
<td>2.0</td>
<td>6</td>
</tr>
<tr>
<td>2010</td>
<td>28</td>
<td>73</td>
</tr>
<tr>
<td>2011</td>
<td>260</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

The above percentage increase/decrease shows the operation of both Ekiti and Ondo State four year before the commencement of E-taxation and the operation at the commencement of E-taxation. It implies that the rate of increase in percentage in Ekiti on tax collected using manual method was low, even with decrease operation in 2010 but astronomically jump up to 260% in 2011 immediately Electronic – taxation was introduced. In Ondo State the manual collection equally suffer set back since the rate of increase dwindling until the E-taxation was introduced in 2008 where 42.8% was recorded over 8% of the previous year. It is thereby agreed that E-taxation increase revenue generation in both states.

Table 4.9: Responses of the respondents on whether electronic taxation will significantly curb tax evasion and tax avoidance.

<table>
<thead>
<tr>
<th>S/N</th>
<th>STATEMENTS</th>
<th>SD 1</th>
<th>D 2</th>
<th>UN 3</th>
<th>A 4</th>
<th>SA 5</th>
<th>TOTAL</th>
<th>X</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor revenue generation by the government is caused by tax evasion and avoidance by individual and group.</td>
<td>(16)</td>
<td>16</td>
<td>(12)</td>
<td>24</td>
<td>(37)</td>
<td>148</td>
<td>(33)</td>
<td>165</td>
</tr>
<tr>
<td>2</td>
<td>Tax evasion and avoidance can be curbed through computerization of tax administration system and keeping counter acting measures in case of security breach</td>
<td>(10)</td>
<td>10</td>
<td>(21)</td>
<td>42</td>
<td>(37)</td>
<td>180</td>
<td>(26)</td>
<td>130</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Mean ((\bar{x}))</th>
<th>Standard Deviation ((\delta))</th>
<th>Z-test statistic</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Electronics taxation would quicken the tax inspectors to check accounting data of taxpayers so as to fight against tax evasion and avoidance.</td>
<td>9 (04) 8 (17) 51 (49) 196 (30) 150 (109) 414</td>
<td>14 (109) 3.80</td>
<td>109 3.80</td>
<td>A</td>
</tr>
<tr>
<td>4</td>
<td>Bio – data of every tax payer as shown through on line registration would extremely curb tax evasion and avoidance.</td>
<td>13 (17) 34 (08) 172 (28) 140 (109) 383</td>
<td>8 (17) 34 (08) 24 (14) 35 (109) 34 (30) 150 (109) 383</td>
<td>17 (49) 1.09</td>
<td>109 3.65</td>
</tr>
<tr>
<td>5</td>
<td>Weak tax administration is responsible for large scale of tax evasion and tax avoidance.</td>
<td>6 (20) 40 (14) 140 (34) 170 (109) 398</td>
<td>6 (20) 40 (14) 12 (14) 36 (27) 135 (109) 373</td>
<td>11 (25) 1.73</td>
<td>109 3.42</td>
</tr>
<tr>
<td>6</td>
<td>Quick delivery of responsibilities through electronics taxation would significantly curb tax evasion and avoidance.</td>
<td>11 (25) 50 (07) 156 (39) 135 (27) 373 (109) 373</td>
<td>11 (25) 50 (07) 21 (14) 35 (27) 135 (109) 373</td>
<td>25 (49) 1.73</td>
<td>109 3.42</td>
</tr>
<tr>
<td>7</td>
<td>Poor discharged of government responsibilities to the tax payers gives rise to the tax avoidance and evasion.</td>
<td>20 (22) 44 (04) 144 (36) 135 (27) 373 (109) 355</td>
<td>20 (22) 44 (04) 12 (14) 36 (27) 135 (109) 355</td>
<td>12 (09) 1.09</td>
<td>109 3.26</td>
</tr>
<tr>
<td>8</td>
<td>Electronics taxation would reveal unacceptable income from tax payer who wanted to evade tax.</td>
<td>5 (11) 22 (12) 60 (37) 148 (36) 180 (109) 415</td>
<td>5 (11) 22 (12) 24 (36) 124 (31) 200 (109) 414</td>
<td>109 3.81</td>
<td>A</td>
</tr>
<tr>
<td>9</td>
<td>Strong and effective tax administration through electronic taxation would curb tax avoidance and avoidance.</td>
<td>6 (12) 24 (20) 60 (37) 148 (36) 180 (109) 415</td>
<td>07 (10) 20 (15) 45 (45) 10 (32) 160 (109) 412</td>
<td>109 3.79</td>
<td>A</td>
</tr>
<tr>
<td>10</td>
<td>Enough computer literacy by the tax payers reduces tax evasion and tax avoidance.</td>
<td>07 (10) 20 (15) 45 (45) 10 (32) 160 (109) 412</td>
<td>07 (10) 20 (15) 45 (45) 10 (32) 160 (109) 412</td>
<td>07 (10) 3.78</td>
<td>A</td>
</tr>
</tbody>
</table>

Source: Field Survey Data 2012

Assessment of the effects of electronic taxation on tax avoidance and evasion

The hypothesis to be tested here is stated thus

Ho : Electronic taxation will not significantly curb tax evasion and avoidance

This hypothesis is tested as follows

Means of population (\(\mu\)) = \(3 \times 109 \times 10^{10} = 327\)

Means of sample \(X = \overline{\Sigma X} = 393\)

\(\frac{n}{10} = 393.3\)

Standard deviation \(\delta = \frac{\Sigma (X - \overline{X})^2}{n}\)

\(\frac{n}{10} = 3845\)

\(\delta = 19.62\)

Z-test statistic \(= \frac{X - \mu}{\delta}\)

\(X - \mu = 393 - 327 = 66\)

\(\frac{\delta}{n} = 19.62 \times 3.16\)

\(Z-test = \frac{X - \mu}{\delta} = \frac{66}{19.62} \times 3.16\)

\(= 10.63\)
Decision
Since Z-test calculated 10.63 > 1.96 z-test table at 5% significant value, we hereby reject null hypothesis and accept alternative hypothesis.

CONCLUSIONS AND RECOMMENDATIONS
The conclusion that can be drawn from the study is that electronic taxation will significantly reduce tax evasion and avoidance in Nigeria. The implication is that the earlier the tax administrators adopt electronic taxation, the better for our tax administration in Nigeria. The findings from the studies have shown that manual system of tax administration is grossly inefficient and can aid tax evasion and avoidance.

Consequently, it is recommended that effort should be made by various institutions in Nigeria saddled with the responsibility of tax administration to put every resource together to embrace electronic taxation. This will go a long way to reduce the incidences of tax evasion and avoidance in Nigeria.

REFERENCES
The impacts of tax evasion and avoidance to the economy of Nigeria cannot be overemphasized. This effects of tax aversion and avoidance has been so severe in Nigeria, given the fact that, Nigerians are reluctant in carrying out their civic responsibilities of paying their taxes. Nevertheless, problem has in essence, do have historical antecedents. Taking a look at what happened during the Bible days for instance, the Jews were treated tax collectors with contempt and disdain, and this behaviour has continued in the modern society, like Nigeria, as taxpayers invented several ways to frustrate t...