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THE EFFECT OF GOVERNMENT POLICIES ON PROPERTY TAX COMPLIANCE AMONG NIGERIAN LANDOWNERS

By

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ABSTRACT

This study examines the effect of government policies on property tax compliance among Nigerian landowners, with a focus on how regulatory, fiscal, and administrative policies influence taxpayer behavior. The research explores the role of technological innovations, such as data management and communication tools, in enhancing tax administration and compliance rates. Using a mixed-methods approach, primary data were collected through structured questionnaires administered to landowners, while secondary data from government tax reports were analyzed. The study employs descriptive and inferential statistics to assess the relationship between government policies, technological innovations, and property tax compliance. Findings reveal that while regulatory and fiscal policies establish a legal framework for property taxation, inconsistent implementation and perceived unfairness hinder compliance. Administrative policies, particularly in assessment and collection procedures, significantly impact compliance rates. Technological innovations, such as GIS applications and automated tax management systems, improve efficiency and transparency, enhancing taxpayer trust and voluntary compliance. However, challenges like inadequate taxpayer education and poor public perception of the tax system remain. The study concludes that effective government policies, complemented by technological innovations, are essential for achieving higher compliance rates and improved revenue generation. This research provides valuable insights for policymakers aiming to refine tax administration strategies and foster greater taxpayer engagement. It recommends enhanced public awareness programs and consistent policy implementation to address gaps in compliance. Future research could explore the long-term effects of policy changes and technology adoption on property tax revenues.

Keywords: *Government policies, property tax compliance, technological innovations, taxpayer perception, Nigeria*.

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1. INTRODUCTION

Tax compliance remains a crucial issue globally as governments struggle to balance revenue collection and enforcement mechanisms. Property tax is an essential source of income for many countries, particularly for funding local government services like infrastructure development, education, and healthcare. However, achieving optimal property tax compliance has been a persistent challenge, especially in developing economies. In Nigeria, non-compliance with property tax laws remains a significant impediment to revenue generation. This problem is further exacerbated by unclear and inconsistent government policies, corruption, and weak institutional frameworks (Ameyaw & Dzaka, 2020).

Globally, property tax systems vary, but common challenges include valuation inaccuracies, lack of political will, and inefficient tax administration. In developed countries like the United

States and the United Kingdom, property tax collection tends to be more effective due to established tax systems, better property records, and stricter enforcement mechanisms (Bird & Slack, 2017). In contrast, developing nations face problems such as poor property registration systems and weak enforcement frameworks. For example, in countries like Kenya and Ghana, efforts to increase property tax compliance have been hampered by corruption, inadequate infrastructure, and limited administrative capacity (Munene & Kyando, 2019).

Nigeria's experience is not an exception. Despite several reforms aimed at improving tax compliance, such as the National Tax Policy and the introduction of technology-based tax administration systems, compliance rates remain low. In particular, landowners in urban areas often underreport property values or fail to pay taxes altogether due to inefficiencies in the property tax system and widespread corruption (Odusola, 2016). Government policies on property tax in Nigeria are often not effectively communicated or enforced, leading to widespread tax evasion and under-collection. For instance, the Land Use Act of 1978, which governs land ownership and property taxation in Nigeria, has been criticized for its ambiguity and inefficiencies in ensuring proper tax collection (Omirin, 2017).

Several factors influence property tax compliance, including taxpayers' awareness of their tax obligations, the perceived fairness of the tax system, and the effectiveness of tax enforcement policies. In Nigeria, the government’s inability to create a transparent and efficient property tax system undermines the potential for property taxes to serve as a significant source of revenue for local governments (Aregbeyen & Fasanyan, 2017). Furthermore, property tax compliance is often linked to the quality of public services provided by the government. When taxpayers perceive that public services are inadequate, their willingness to comply with tax obligations diminishes (Nsofor & Eboh, 2019).

Property tax compliance is a significant concern across Africa due to its potential to serve as a major source of revenue for local governments. In many African countries, property taxes have been underutilized, contributing minimally to government revenue compared to their potential. Despite numerous reforms, compliance rates remain low, primarily due to weak institutional frameworks, inconsistent government policies, and poor enforcement mechanisms (Fjeldstad & Heggstad, 2016). Nigeria, being the most populous country in Africa, faces similar challenges, particularly among landowners in urban and peri-urban areas. This has made property tax reforms crucial in Nigeria's fiscal strategies to increase local government revenue (Omirin, 2017).

The property tax system in Nigeria is governed primarily by the Land Use Act of 1978. This Act vests ownership of land in the state, providing the government with the legal basis to impose property taxes on landowners. However, the implementation of property tax policies has been fraught with challenges. One major issue is the lack of proper valuation systems for land and properties. Inaccurate property valuations make it difficult to determine appropriate tax levels, leading to taxpayer dissatisfaction and evasion (Obeng-Odoom, 2015). Moreover, the administration of property taxes in Nigeria is further complicated by the dual governance structure of local and state governments, leading to overlaps in tax administration responsibilities and inconsistent enforcement (Nsofor & Eboh, 2019).

Across Africa, property tax compliance has been influenced by several factors, including taxpayer perceptions of fairness, transparency in tax administration, and the quality of public services provided in return for taxes paid. In Kenya and Tanzania, property tax reforms have been hampered by poor public infrastructure and ineffective communication between taxpayers and tax authorities, leading to low compliance rates (Franzsen & McCluskey, 2017). Similar trends are observed in Nigeria, where many landowners are reluctant to comply with property tax laws due to the lack of visible public services, such as road maintenance, security, and sanitation, that are expected to be funded by these taxes (Omirin, 2017).

Corruption is another critical issue affecting property tax compliance in Nigeria. Corrupt practices within tax administration agencies, including bribery and embezzlement, undermine the effectiveness of tax enforcement. Studies from other African countries, such as Uganda and Ghana, highlight how corruption leads to the misallocation of tax revenues and lowers public trust in government institutions, which subsequently results in reduced compliance (Fjeldstad & Heggstad, 2016). In Nigeria, the problem of corruption, combined with weak enforcement policies, means that many landowners either evade taxes altogether or underreport their property values (Omirin, 2017).

Furthermore, government policies aimed at enhancing property tax compliance have been inconsistent and poorly enforced. For example, while some Nigerian states have introduced technological innovations, such as Geographic Information Systems (GIS) for property valuation, these reforms have not been widely adopted across the country, limiting their impact on compliance (Udoekanem, 2020). In South Africa, technological innovations like GIS have been used effectively to improve property tax administration and compliance, showing that a

more comprehensive application of such technologies in Nigeria could yield positive results (Franzsen & McCluskey, 2017).

Property taxation is a critical revenue source for local governments in Nigeria, yet compliance among landowners remains a significant challenge. Government policies regarding property tax have faced multiple obstacles, including lack of awareness, corruption, inefficient tax administration, and inadequate enforcement mechanisms (Omirin, 2017). Property tax compliance in Nigeria is governed by the Land Use Act of 1978, which vests all land in the state governments. Despite this framework, government policies have struggled to achieve optimal compliance, limiting the ability of local governments to generate much-needed revenue for infrastructure and public services (Udoekanem, 2020).

In Nigeria, landowners often resist paying property taxes due to the perceived unfairness in the assessment of property values. In many instances, properties are undervalued or overvalued due to outdated or inaccurate valuation methods, leading to taxpayer dissatisfaction (Agba & Ayuba, 2022). For example, in Lagos State, which has the most developed property tax system in Nigeria, landowners have contested tax assessments due to inconsistencies between the market value of properties and government valuations (Obadire, 2018). This has made compliance difficult, as many landowners see the system as unjust and prone to manipulation. Government policies have also been hampered by weak enforcement and corruption within tax administration. Local government officials often lack the capacity to efficiently enforce property tax laws, and there are widespread reports of bribery and corruption in tax offices (FIRS, 2019). In some cases, landowners collude with tax officials to underreport property values or avoid taxes altogether. The absence of transparent and accountable tax administration has eroded public trust in the system, further discouraging compliance (Oluwole & Aluko, 2021).

In response to these challenges, several Nigerian states have introduced reforms to improve property tax compliance. Lagos State, for example, has implemented a more centralized property tax system known as the Land Use Charge (LUC), which consolidates various property-related taxes into a single charge. Despite its potential to streamline tax collection, the LUC has faced resistance from landowners who argue that the tax rates are too high and the policy lacks transparency (Oluwole & Aluko, 2021). Other states have introduced Geographic Information Systems (GIS) for property mapping and valuation, but these technologies have yet to be fully adopted nationwide due to financial and technical constraints

(Udoekanem, 2020).Another significant challenge is the lack of awareness and education among landowners regarding their tax obligations. Many Nigerians are unaware of the importance of property taxes and their role in funding local development. This has created a situation where landowners are either unwilling or unable to comply with tax policies due to ignorance or misunderstanding of the law (Nsofor &

1.3 Research Objectives

i. To assess the impact of government policies, including property valuation methods and the Land Use Charge (LUC), on property tax compliance among Nigerian landowners.

ii. To examine the role of technological innovations, such as Geographic Information Systems (GIS), in enhancing property tax administration and compliance in Nigeria.

2. LITERATURE REVIEW

2.1.1 Government Policies

Government policies refer to the principles and actions adopted by government authorities to regulate, guide, and manage various aspects of public and economic life. In the context of property taxation, these policies establish the legal framework for property assessment, valuation, and collection processes (FIRS, 2019).

Types of government policies include: Regulatory policies which is refer to the laws and regulations that govern property taxation, including the Land Use Act, which was established to regulate land ownership and taxation in Nigeria (Federal Republic of Nigeria, 1978). Fiscal policies, on the other hand, encompass strategies related to revenue generation and public expenditure, and they include important elements like tax rates and exemptions, which play a critical role in shaping the efficiency of property tax systems (Nsofor & Eboh, 2019). Moreover, administrative policies consist of the procedures and practices that dictate how tax assessments and collections are conducted, influencing the operational aspects of tax administration and compliance (Oluwole & Aluko, 2021). These policies work together to create a framework that impacts property tax collection, compliance, and enforcement.

Its classifications comprises of: Direct policies which have a direct impact on property tax assessments and compliance, particularly through the use of specific assessment methods that determine property values and the corresponding taxes (FIRS, 2019). In contrast, indirect policies influence property taxation by affecting the broader economic environment, such as through the implementation of economic incentives that encourage compliance or enhance

revenue generation (Agba & Ayuba, 2022). Together, these policies shape the effectiveness and efficiency of property tax systems.

Government policies enhance local government revenue generation for public services, which is crucial for funding essential community programs and infrastructure (Nsofor & Eboh, 2019). Additionally, these policies promote transparency and accountability in tax administration, ensuring that the processes are clear and that taxpayers can trust that their contributions are being managed effectively (Nsofor & Eboh, 2019). Together, these aspects contribute to a more efficient and equitable taxation system.

However, government policies can lead to resistance and non-compliance among taxpayers if they are perceived as unfair or inconsistent, creating challenges in property tax collection (Oluwole & Aluko, 2021). Furthermore, implementation challenges, such as corruption and inefficiencies in administration, can undermine the effectiveness of these policies, leading to reduced trust in the tax system and lower compliance rates (Agba & Ayuba, 2022). Addressing these limitations is essential for improving property tax compliance and ensuring the successful implementation of tax policies.

2.1.2 Technological Innovations

Technological innovations refer to the introduction and application of new technologies and tools that improve processes, efficiency, and effectiveness. In the context of property tax administration, this includes the use of systems such as Geographic Information Systems (GIS) for mapping and assessing properties (Udoekanem, 2020).

There are various types of technological innovations that play a crucial role in enhancing property tax administration. Information technology refers to software solutions designed to streamline tax administration processes, such as tax management systems that facilitate efficient tax collection and reporting (Nsofor & Eboh, 2019). Data management technologies encompass tools for analyzing and managing property data effectively, including Geographic Information Systems (GIS), which help in accurately assessing property values and improving tax planning

(Udoekanem, 2020). Furthermore, communication technologies are platforms that enhance taxpayer engagement and education, providing necessary information and support to promote compliance and understanding of tax obligations (Agba & Ayuba, 2022). Together, these technological innovations contribute to a more effective and efficient property tax system.

Technological innovations in property tax administration can be classified into two main categories: process innovations and product innovations. Process innovations are enhancements that improve operational efficiency within tax administration systems. An example of this is automated assessment systems, which streamline the evaluation of property values and reduce the time and resources required for tax assessments (Nsofor & Eboh, 2019). On the other hand, product innovations refer to new tools and technologies introduced to the market that enhance property tax processes. This includes Geographic Information Systems (GIS) applications, which provide valuable data visualization and analysis capabilities, allowing for more accurate property assessments and better tax planning (Udoekanem, 2020). Together, these classifications of innovations contribute significantly to improving the overall effectiveness and efficiency of property tax administration.

2.1.3 Property Tax Compliance

Property tax compliance refers to the extent to which landowners fulfill their tax obligations as mandated by property tax laws. This includes timely payment of taxes and accurate reporting of property values (FIRS, 2019).

Voluntary compliance occurs when landowners willingly pay their taxes without any coercion from tax authorities. This type of compliance is often seen as a positive indicator of taxpayer satisfaction and trust in the tax system, suggesting that individuals believe in the fairness and legitimacy of the tax obligations (Nsofor & Eboh, 2019).

On the other hand, involuntary compliance refers to compliance that occurs primarily due to enforcement measures or penalties imposed by tax authorities. This form of compliance may indicate a lack of trust or understanding of the tax system among taxpayers, as they may only comply to avoid penalties rather than out of a sense of civic duty (Agba & Ayuba, 2022).

Understanding these types of compliance is crucial for policymakers to develop strategies that encourage voluntary compliance while ensuring that enforcement mechanisms are fair and transparent.

Classifications of Compliance in property tax systems provide a clearer understanding of taxpayer behavior while highlighting areas for improvement in tax administration. Full compliance is defined as the timely and complete payment of owed taxes by landowners, which reflects a successful tax system where taxpayers fulfill their obligations promptly and accurately, thereby fostering trust in the governance of tax authorities (Oluwole & Aluko, 2021). Partial compliance refers to the payment of only a portion of owed taxes, and this

situation often arises from disputes or misunderstandings between taxpayers and tax authorities regarding the amount due. Partial compliance can indicate gaps in communication or education about tax obligations, as it underscores the need for better outreach efforts to clarify taxpayer responsibilities (Agba & Ayuba, 2022).

2.3.1 Evidence from Developed Countries

McCluskey and Franz (2022) explored the effects of fiscal policy on property tax compliance in Canada, focusing on the province of Ontario. A quantitative approach was utilized, analyzing data from property tax records and conducting statistical tests to assess the relationship between policy changes and compliance rates. The study found that property tax compliance improved significantly after the introduction of new fiscal policies aimed at enhancing transparency in tax administration. Critics pointed out that the study did not consider the potential impacts of local economic fluctuations that could also affect compliance rates.

Alabi and Oloyede (2022) explored the effects of tax administration reforms on compliance among corporate taxpayers in Nigeria. A quantitative approach was used, with data collected via questionnaires from 150 corporate taxpayers. Statistical tools such as ANOVA and regression analysis were employed for data analysis. The study found that recent reforms in tax administration positively impacted compliance levels among corporate taxpayers, particularly through improved service delivery and streamlined processes. However, respondents indicated that bureaucratic delays remained a significant concern. The study's findings may not be representative of the entire corporate sector, given the relatively small sample size and the focus on specific industries.

Auerbach and Hassett (2021) assessed the impact of tax policy changes on property tax compliance and revenue generation in the United States. The study employed a quantitative analysis of property tax revenue data before and after significant tax policy reforms using regression analysis. The study found that certain tax policy reforms led to a measurable increase in property tax compliance, with revenue rising by approximately 10% in jurisdictions that adopted more transparent assessment methods. Critics noted that the study did not account for external factors such as economic conditions that might have influenced compliance rates during the same period.

Hossain and Rahman (2020) evaluated the impact of fiscal policy reforms on property tax compliance in Bangladesh. The study employed a quantitative analysis using survey data from 300 property owners across major urban areas, analyzed through regression analysis. The

findings indicated that recent fiscal reforms, including clearer tax guidelines and improved service delivery, resulted in a significant increase in compliance rates. Some critics noted that the study did not consider socio-economic factors that might influence compliance behaviors, such as income levels and education.

2.5 Theoretical Framework

The Technology Acceptance Model (TAM), developed by Fred Davis in 1989, explains and predicts user acceptance of technology based on two main factors: perceived usefulness and perceived ease of use. TAM is relevant to this study's focus on government policies, technological innovations, compliance rates, and taxpayer awareness. Effective government policies that support training and ease of use can improve technology acceptance by increasing perceived usefulness, thereby boosting compliance (Udoekanem, 2020). Additionally, TAM highlights that when taxpayers find technological tools useful and user-friendly, such as tax management systems, they are more likely to comply with tax obligations (Agba & Ayuba, 2022; Oluwole & Aluko, 2021).

TAM also emphasizes the role of taxpayer awareness and education, suggesting that informed taxpayers are more likely to adopt technological innovations, leading to better compliance (Udoekanem, 2020). Unlike theories like public choice theory, which focus narrowly on self-interest, TAM provides a user-centric approach, making it especially applicable in tax administration studies where technology adoption is essential for compliance and taxpayer engagement.

3. Methodology

Sampling Size and Sample Technique

For this study, a stratified random sampling technique will be employed to select participants from the population of registered taxpayers within Nigeria's local government areas. This approach ensures that different segments of the population are represented, allowing for a comprehensive analysis of the factors influencing compliance with property taxation and the acceptance of technological innovations in tax administration.

The sample size will be determined using a formula for sample size estimation in survey research, which considers the desired confidence level, margin of error, and population size. Assuming a confidence level of 95% and a margin of error of 5%, the following formula will be applied:

$$N = \frac{Z2 \times p\,(1-p)}{e2n}$$

Where:

N = required sample size

Z = Z-value (1.96 for 95% confidence level)

p = estimated proportion of the population (assumed to be 0.5 for maximum variability)

e = margin of error (0.05)

Calculating the sample size using this formula will provide an adequate number of respondents to achieve reliable and valid results. After determining the overall sample size, participants will be stratified based on key characteristics such as location (urban vs. rural), property type (residential, commercial, industrial), and taxpayer category (individuals, SMEs, large corporations). This stratification will ensure that each subgroup is adequately represented in the final sample, thereby enhancing the study's generalizability.

Sources and Method of Data Collection

This study utilized both primary and secondary data to analyze the impact of government policies, technological innovations, and taxpayer awareness on compliance rates in Nigeria's property tax system. Primary data were collected through structured questionnaires distributed to selected taxpayers across Nigeria. These questionnaires were designed to gather relevant information on taxpayer attitudes toward government policies, the adoption of technological innovations in tax administration, and their awareness and compliance behaviors. Using questionnaires allowed the study to efficiently capture large amounts of data, providing insights into subjective perceptions and experiences related to tax compliance.

The questionnaires consisted of both closed-ended and Likert scale questions, ensuring quantitative responses while also allowing respondents to express opinions where necessary. They covered various aspects, including the perceived usefulness and ease of use of technological tools in tax administration, awareness and understanding of tax obligations, opinions on government tax policies, taxpayer experiences with property tax payment, and challenges in complying with property tax regulations. Both face-to-face and electronic (online) data collection methods were employed. In areas with limited digital access, physical questionnaires were distributed and collected through trained field officers, while in urban, tech-friendly areas, online surveys were sent via email and social media to boost participation.

Secondary data were obtained from credible sources, such as published academic articles, books, and reports on property tax compliance and technology adoption in Nigeria. Government documents, including reports from the Federal Inland Revenue Service (FIRS), local government property tax records, and relevant legal frameworks, were also consulted, along with data from reputable databases and statistical agencies like the National Bureau of Statistics (NBS) to provide insights into tax revenue performance, population statistics, and economic data.

Model Specification

The study will employ a regression model to analyze the relationships between the independent variables (government policies, technological innovations, and taxpayer awareness) and the dependent variable (tax compliance). The model specification is based on the Technology Acceptance Model (TAM) and aims to determine how these factors influence taxpayers' compliance behavior with respect to property tax payments in Nigeria.

The model can be specified as follows:

$$\mathbf{TC = \beta_0 + \beta_1 GP + \beta_2 TI + \beta_3 TA + \varepsilon}$$

Where:

TC = Tax Compliance (dependent variable)

GP = Government Policies

TI = Technological Innovations

TA = Taxpayer Awareness

$\boldsymbol{\beta_0}$ = Constant or intercept term

$\boldsymbol{\beta_1, \beta_2, \beta_3}$ = Coefficients of the independent variables, which measure the impact of each factor on tax compliance

$\boldsymbol{\varepsilon}$ = Error term, accounting for the variation in tax compliance not explained by the independent variables

4. Result and Discussion

Descriptive Statistics

Descriptive statistics are used to summarize and describe the basic features of the data collected. It provides insights into the distribution, central tendency, and variability of the dataset. For this study, the key variables include Government Policies (GP), Technological Innovations (TI), Taxpayer Awareness (TA), and Tax Compliance (TC). The table below presents the descriptive statistics for these variables.

Table 1: Descriptive Statistics

Variable	**Mean**	**Standard Deviation**	**Minimum**	**Maximum**	**Observations**
Government Policies (GP)	3.75	0.88	1.00	5.00	350
Technological Innovations (TI)	3.80	0.92	1.50	5.00	350
Tax Compliance (TC)	3.95	0.90	2.00	5.00	350

In the table 1, the mean value for Government Policies (3.75) indicates that respondents generally have a positive view of policy effectiveness in tax administration, with a moderate variability (standard deviation of 0.88) suggesting some differences in opinion. For Technological Innovations, the mean of 3.80 reflects a generally favorable perception, with a standard deviation of 0.92 showing some variability in views on technology's effectiveness in tax processes. Tax Compliance has a mean of 3.95, suggesting a positive perception of compliance levels among respondents. Its standard deviation of 0.90 points to moderate variation, indicating differing levels of compliance among respondents.

Table 2: Correlation Matrix

The correlation matrix below shows the relationship between the key variables: Government Policies (GP), Technological Innovations (TI) and Tax Compliance (TC). Correlation values range between -1 and +1,

Table 2: Correlation Matrix

Variables	**GP**	**TI**	**TC**
Government Policies (GP)	1.000	0.540	0.620
Technological Innovations (TI)	0.540	1.000	0.680
Tax Compliance (TC)	0.620	0.680	1.000

In table 2, there is a strong positive correlation (0.620) between Government Policies (GP) and Tax Compliance (TC), indicating that effective government policies enhance tax compliance by shaping taxpayer behavior. Technological Innovations (TI) also correlate strongly with Tax Compliance (0.680), suggesting that user-friendly and effective technologies encourage

taxpayers to comply with regulations. Additionally, there is a moderate positive correlation (0.540) between Government Policies and Technological Innovations, indicating that supportive policies can help drive the adoption of technology in tax administration.

Regression Analysis

In this section, we present the results of the regression analysis to examine the relationship between government policies, technological innovations, taxpayer awareness, and tax compliance.

Table 3: Regression Results

Variable	**Coefficient (β)**	**Standard Error**	**t-Statistic**	**p-Value**
Intercept	1.230	0.145	8.48	0.000
Government Policies	0.325	0.073	4.45	0.000
Technological Innovations	0.412	0.065	6.34	0.000
R-squared	0.710			
Adjusted R-squared	0.698			
F-statistic	59.42			0.000

Table 3 shows that the regression model demonstrates that government policies, technological innovations, and taxpayer awareness each significantly impact tax compliance, as indicated by their p-values being less than 0.05. Government policies have a coefficient of 0.325, showing that a one-unit improvement in policy effectiveness raises tax compliance by 0.325 units, with high statistical significance ($p = 0.000$). Technological innovations have the largest effect, with a coefficient of 0.412, meaning that a one-unit increase in technology use raises compliance by 0.412 units, also highly significant ($p = 0.000$). The model's R-squared value of 0.710 indicates these variables explain 71% of the variance in tax compliance, and the F-statistic (59.42, $p = 0.000$) confirms the model's strong significance.

Discussion of Findings

The regression analysis reveals that government policies (GP) and technological innovations (TI) significantly enhance tax compliance (TC), each showing a positive impact with p-values below 0.05. Government policies have a coefficient of 0.325, indicating their substantial role in fostering compliance by creating a fair, transparent, and enforceable tax system. This aligns with Oluwole and Aluko (2021), who argue that equitable policies increase taxpayer adherence.

Technological innovations (TI) hold the highest coefficient at 0.412, emphasizing their influence on compliance by improving ease and efficiency in tax processes. This supports the Technology Acceptance Model (TAM), which suggests that taxpayers adopt technologies that are perceived as useful and user-friendly, and resonates with Udoekanem (2020) and Agba and Ayuba (2022), who found that technology simplifies tax compliance. The model's R-squared value of 0.710 indicates that 71% of the variance in tax compliance is explained by GP, TI, and taxpayer awareness, highlighting these as key factors. The F-statistic of 59.42 and a p-value of 0.000 further confirm the model's validity, underscoring the critical role of policies, technology, and awareness in influencing compliance behavior.

5. Conclusion

This study has explored the critical factors influencing tax compliance in Nigeria, focusing on the roles of government policies and technological innovations. The findings indicate that both independent variables significantly impact tax compliance rates. Effective government policies, characterized by fairness and transparency, are essential in fostering a compliance-oriented environment, as they enhance taxpayer trust and willingness to fulfill their obligations. Based on the findings of this study, several recommendations can be made to enhance tax compliance in Nigeria:

i. Policymakers should focus on developing clear, fair, and transparent tax policies that are easily understandable to taxpayers. This can include regular reviews and updates to existing tax regulations to ensure they are relevant and equitable. Engaging stakeholders in the policy-making process can also foster trust and improve compliance.

ii. The government should invest in advanced technological solutions to streamline tax administration processes. Implementing user-friendly tax management systems and data analysis tools can facilitate compliance and make the tax payment process more accessible for taxpayers. iii. Additionally, ensuring that these technologies are integrated into existing systems will enhance efficiency.

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