TAX COMPLIANCE STRATEGIES AND FEDERALLY COLLECTED REVENUE IN RIVERS STATE

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ABSTRACT

With the specific goals of determining the associations between voluntary tax compliance and company income tax in Rivers State and the relationship between tax compliance simplicity and company income tax in Rivers State, this study examined the relationship between tax compliance strategies and federally collected revenue in Rivers State. The research study used a descriptive survey design. Seven (7) Revenue Collection offices in Rivers State, with a total of 299 respondents, made up the study's population. Seven (7) Revenue Collection Office branches in Rivers State were used as the sample size for the study. Taro-Yamen's method was used to calculate the responder rate, which resulted in a total of 171 respondents. Using a questionnaire, primary data were gathered from respondents. The null hypotheses were tested using the Pearson Product Moment Correlation Coefficient and the Statistical Package for Social Sciences (SPSS) version 25.0. The study's findings show that voluntary tax compliance has a very strong positive and significant link. Firm income tax in the state of Rivers, and there is a very strong, positive, and substantial correlation between tax compliance ease and company income tax in Rivers. Based on the findings, it was recommended that the Federal Government show honesty in the use of tax revenue because doing so would increase the faith of taxpaying citizens in governance. These actions, among many others, would encourage Rivers state residents to honor their tax obligations.

Keyword: *Tax Compliance, Vgoluntary Tax Compliance, Tax Compliance Simplicity and company Income-Tax.*

INTRODUCTION

There are many opportunities for expansion and improvement that could strengthen the Nigerian economy. The state's rich natural riches are yet mostly untapped. For the overall welfare of the people in Rivers state, these must be fully utilized. Every patriotic citizen aspires to create a civilized nation or state with a robust and stable economy. Although most income earners view paying taxes as a way for the government to take advantage of them, doing so is a demonstration of their willingness. The administration's primary strategy for raising money to further its objectives appears to be taxation. The state government uses the personal income tax, corporate income tax; value added tax, and capital gain tax as one of the crucial tools to achieve this goal (Adegbite et al., 2019). Tax compliance refers to a taxpayer's willingness to adhere to current tax laws and deadlines (Sitardja & Dwimulyani, 2016). Tax compliance can be achieved by payment readiness or through tax authority enforcement. Tax compliance refers to a taxpayer's willingness to timely comply with all applicable tax requirements (Sitardja & Dwimulyani, 2016). Tax compliance can be achieved through payment readiness or through enforcement by the tax authorities. Contrarily, tax evasion refers to the failure to uphold one's tax obligations through the illegal non-payment or underpayment of tax (Musau, 2015). Dissanayake and Kirchler (2021) distinguish between voluntary compliance and coerced compliance as two types of compliance behaviors. By increasing taxpayers' faith in the tax system and allowing people to pay their taxes without being influenced by it, voluntary compliance can be achieved. Voluntary compliance leads to synergistic compliance. The completion and filing of tax forms, accurate self-assessment of taxes owed, and payment of taxes before to or on the due date without enforcement are all examples of voluntary tax compliance (Okee & Isoso, 2022). Enforcement compliance, in contrast, employs disincentive strategies and the ability to collect taxes. A hostile tax environment results from compliance enforcement. Utilizing the appropriate tools, such as tax audits, amnesties, penalties, fines, search and seizure orders, etc., is important for enforcement. Enforcement is a problem for tax administrators, who also place a strong emphasis on raising "tax morale," which generally refers to raising voluntary compliance with tax regulations and fostering a culture of compliance. The majority of medium-sized firm taxpayers in a nation or states are prepared to abide by the tax system, according to Dissanayake and Premaratna (2020). However, given that the government coffer has not yet risen to the anticipated level, it should be examined for the sincerity of the individuals.

Statement of the Problem

In alongside focusing on "tax morale," which they define as enhancing voluntary compliance with tax rules and fostering a culture of compliance, tax administrators are worried about enforcement. According to Dissanayake and Premaratna (2020), the majority of medium-sized firm taxpayers in a nation or states are willing to abide by the tax system. The government coffer has not yet reached the anticipated level, so it should be examined for individual sincerity.

They argue that the government's tax revenue has been steadily declining as a result of this issue. Tax gap has been defined as the difference between actual tax liabilities for the same period that are supposed to have been paid with little to no effort and the total sums of taxes paid voluntarily and on time (Amos et al., 2019). The Federal Government's non-oil tax revenue decreased from around 43.7% in 1977 to roughly 13.2% in 2008 (Central Bank of Nigeria, 2008). This pattern demonstrates the ineffectiveness of Nigeria's taxes officials. Additionally, Nigeria was ranked 138th out of 183 economies in Price Waterhouse Coopers' (PwC) 2012 "Ease of Paying Taxes Ranking" report. According to the same report, Nigeria's average tax compliance time is 936 hours, compared to a standard of 318 hours for Sub-Saharan Africa and 186 hours for nations in the Organization for Economic Cooperation and Development (OECD). All of them indicate that there is a problem with tax compliance in Nigeria.

The aforementioned issues and earlier investigations indicate that there is an empirical gap. The Federal Internal Revenue Service (FIRS)'s (before evaluated) federally collected revenue activities in Rivers State, which are located in a south-south geographic area, were not taken into account. According to the same report, Nigeria's average tax compliance time is 936 hours, compared to a standard of 318 hours for Sub-Saharan Africa and 186 hours for nations in the Organization for Economic Cooperation and Development (OECD). All of them indicate that there is a problem with tax compliance in Nigeria.

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Aim and Objectives of the Study

The objective of this study was to experimentally explore how tax compliance practices and federally collected income in Rivers State relate to one another. However, the particular goals of the study are to:

1. Determine the relationship between Rivers State's company income tax and voluntary tax compliance
2. Relationship between Rivers State's company income tax and simple tax compliance.
3.

REVIEW OF RELATED LITERATURE

CONCEPTUAL REVIEW

Tax Compliance Strategies

Tax compliance tactics involve filing an income tax return, accurately disclosing all taxable income, and paying all tax liabilities on time without waiting for approval to take any further action. According to the relevant tax regulations, tax compliance is a deliberate and obedient action by taxpayers regarding the timely reporting and payment of tax obligations every month and every year (Prabandaru, 2019). The taxpayer can take the form of a group of individuals or a group of capital in the form of a business. Formal tax compliance is the accomplishment of tax responsibilities based on formal taxation provisions by individuals and corporate entities. Tax compliance occurs when the tax due is fully disclosed in the tax declaration and the tax statement is submitted on time, in compliance with all applicable laws, and to the appropriate locations (Puteri, 2020). The OECD (2014) highlights four areas of tax obligation, including the need to register for taxes, file tax returns on time, accurately declare tax liabilities, and pay taxes on time.

Voluntary Tax Compliance

The definition of voluntary tax compliance behavior by Palil and Mustapha (2011) was "a combination of taxpayers' preparedness to comply with the tax laws, declare the correct income, claim the correct deductions, relief, and rebates, and pay all taxes on time. The tax authorities are viewed as service providers since they help the taxpayers comply with the law, and the taxpayers respect the tax regulations in this scenario. Tax avoidance is the practice of paying less than the required amount of taxes due by exploiting legal loopholes in order to comply with the tax regulations. The trust and cooperation that develop between the tax authority and the taxpayer, as well as the taxpayer's personal willingness to abide by the rules and directions of the tax authority, are what enable voluntary compliance. Additionally, a tax system known as voluntary tax compliance relies on taxpayers following the law without being pushed to do so by the tax authority. According to this system, taxpayers are required to assess their tax burden, record their income, and file a tax return (Okee et al., 2022).

Tax Compliance Simplicity

According to Slemrod and Bakija (2008), the ideal tax system should be fair, uncomplicated, enforced, and intended to promote economic progress. A 2002 study by Chattopadhyay and Das Gupta found that taxpayers' willingness to abide by the law might be considerably impacted by tax law simplification. The self-assessment approach improves voluntary compliance and streamlines the tax collection procedure, claims Loo (2006). Taxpayers come from a wide range of cultural and economic origins, educational backgrounds, and tax knowledge. As a result, tax law simplification is said to have a significant impact on tax compliance, according to Palil and Mustapha (2011) and Richardson (2006). If the form is made simpler, taxpayers may choose to file their own returns rather than having them prepared by professionals (Baer & Silvani 1997). The complexity of the tax code has long been recognized as one of the main causes of tax cheating, according to Chau and Leung (2009). How simple taxes are can affect how you evaluate suggested equitable tax policy (Murphy, 2009). According to data, simplifying tax payments is one of the elements that encourage voluntary compliance (Saad 2014), suggesting that a complicated tax system may discourage voluntary tax compliance. The tax system will become less difficult and may promote tax compliance if tax rules are stable and uniform in their enactment and application (Ahangar et al. 2011).

Federally Collected Revenue

Nigeria as a whole has benefited from increased revenue since the 1970s thanks to reforms implemented by several regimes, all of which attempted to make the state government functional and efficient in fulfilling its legal obligations to the populace. The solution to this problem, which is multifaceted and includes low borrowing capacity, corruption, mismanagement and misappropriation of state government funds, ineffective strategies for increasing internally generated revenue in general, a lack of skilled and technical personnel, etc., was increased sources of revenue generation.

Taxes Collected by the Federal Government

Company income taxes, withholding taxes on businesses, Federal Capital Territory residents, Abuja residents, and non-residents, tax on petroleum profits, Value-added tax, education tax Abuja, business entities, non-resident persons, residents of the Federal Capital Territory, capital gains tax, national information technology development levy stamp taxes on corporations and Federal Capital Territory of Nigeria inhabitants Personal income tax for a) active-duty military personnel. b) Nigerian Police Force personnel. Residents of Abuja's Federal Capital Territory are listed as group c, followed by Ministry of Foreign Affairs employees and non-residents.

Company Income Tax (CIT)

In Nigeria, incorporated entities must pay Companies Income Tax (CIT) on their profits. The tax on the income of non-resident businesses conducting business in Nigeria is also included (Fowler, 2016). Limited liability firms, including public limited liability companies, are responsible for paying the tax. As a result, corporate tax is a common name for it. The Income Tax Management Act of 1961 served as the foundation for CIT, which was established by the Companies Income Tax Act (CITA) of 1979. It is one of the taxes that the Federal Inland Revenue Service (also known as "FIRS" or "the Service") administers and collects. The tax makes a considerable contribution to the Service's revenue profile. The Companies Income Tax income target for 2016 is N1.877 trillion, or almost 40% of total revenue. An audited financial statement is legally necessary when submitting for companies income tax (Fowler, 2016). This makes hiring external auditors to compile and/or certify the filed accounts necessary. The tax computations and capital allowance computations on the company's qualifying assets must be included with the returns. There is no distinction between small, medium, and large taxpayers when it comes to the filing requirement. Due to the excessive number of taxpayers, CIT is a complex type of tax that is challenging to comprehend and comply with.

Theoretical Review

Benefits Received Theory

Adam Smith first proposed this hypothesis as a result of the taxation canon in the seventeenth century, but John Locke and Knut Wicksell were mostly responsible for its expansion in 1690 and 1896. According to the argument, taxpayers receive a portion of the social benefits and services that the government provides in return for the taxes they pay (Appah & Ebiringa, 2012). The philosophy also emphasized that taxes should be levied against people in proportion to the benefits they receive from the government. According to the principle, a person should contribute more to the government the more benefits they receive from government initiatives (Olugbade & Adegbie, 2020). According to the notion, it is the duty of the State to provide certain social and public goods, and taxpayers pay taxes to help cover some of the costs in proportion to the benefits they receive. According to this idea, the benefits that taxpayers obtain from the variety of public goods and services that the government provides to them should be reflected in the taxes that they pay (Elmi et al., 2015). The philosophy also stressed that taxes should be levied on people in proportion to the benefits they receive in order to raise money for the government. According to the principle, a person should give the government a larger contribution the more benefits they receive from state-sponsored initiatives (Olugbade & Adegbie, 2020). The theory recognizes that it is the duty of the State to provide specific social and public goods, for which taxpayers pay taxes to cover a portion of the expense in proportion to the benefits obtained. According to this theory, the taxes that taxpayers pay ought to be a reflection of the value they derive from the assortment of public goods and services that the government offers to them (Elmi et al., 2015).

Empirical Review

A dual-stage PLS-Sem and Ann analysis by Hayat et al. (2022) looked at tax compliance behavior among Malaysian taxpayers. The data were gathered by the survey approach, and the dual-stage methods of partial least squares structural equation modeling (PLS-SEM) and artificial neural network (ANN) were used to analyze the quantitative data. The analysis's findings demonstrated a significant relationship between the intention to abide by tax laws and regulations and perceptions of the fairness of the tax system, tax penalties, and tax awareness. Additionally, the intention to adhere to the tax system has a big impact on tax compliance behavior. Tax awareness, tax penalties, and perceived fairness are the three main elements impacting tax compliance, according to the ANN research. The tax authorities must increase taxpayers' trust in the current tax system and streamline the tax system to reduce tax complexity.

Lazos et al. (2022) looked at the factors that most influence the cost of tax compliance for firms using data from Greek companies. A representative sample of companies active in the Greek economy was used in the research. A questionnaire was used, and factor analysis was used to analyse the results. The complexity of the tax system and the extent of electronic tax services offered by the tax administration are the two key variables that affect the cost of tax compliance, according to the survey's findings. In actuality, the recognition and study of these aspects will significantly lower the running costs of organizations. This is required if firms are to maintain their viability, develop at a rate that is acceptable, and ultimately be able to compete in the modern economic environment. Hassan et al. (2021) looked at the connections between taxpayers' voluntary tax compliance behavior and a few institutional, social, behavioral, and economic aspects. The multiple perspectives of the theory of attribution, equity theory, expected utility theory, and social exchange theory are used to examine this individual's tax compliance behavior. Data from 435 individual taxpayers were gathered using a quantitative design and survey method. The structural equation modeling technique was applied to investigate the relationship between constructs through mediation and moderation tests. The findings imply that tax compliance simplicity, rather than perceptions of government spending and tax morale, has a greater impact on tax filing. Additionally, there is a strong correlation between perceptions of justice and government spending and compliance behavior. The impact of the digitalization of the economy on tax compliance in Nigeria was studied by Etim et al. in 2020. The researcher used a structured questionnaire and a survey approach to gather data. The Federal Inland Revenue Service (FIRS) in AkwaIbom State served as the data's primary source. The data was gathered from the forty (40) staff members that made up the whole FIRS staff. The data were analyzed using the basic percentage, descriptive statistics, and linear regression methods. The findings imply that the digitalization of the economy has a detrimental impact on tax compliance. It is advised that the Nigerian government take into account creating a tax policy that would support taxing e-transactions, tax education, and the inclusion of taxation of e-transactions in the tax legislation. Determined factors impacting tax compliance: The case of Vietnam, according to Nguyen et al. (2020). Both qualitative and quantitative research techniques were used in the study. Ten chief accountants and tax officers participated in focus group talks as part of qualitative study. Interviews with 200 companies' chief accountants or finance directors in Vietnam were used for quantitative research. The following steps are involved in the model's analysis: The reliability of the scale was assessed using the Cronbach's alpha test, followed by exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modeling (SEM).

The study's findings indicate that the three variables—audit probability, corporate reputation, and firm ownership—directly influence voluntary tax compliance. The likelihood of an audit and the seriousness of the fines have the most effects on tax compliance. Therefore, the tax authorities must improve the scrutiny of business tax returns, payments, and disclosures.

METHODOLOGY

The survey research design was used for the investigation. According to Soyombo (2002), this approach is acceptable since it can be used to analyze non-observable events like beliefs, attitudes, preferences, or dispositions. The seven revenue collection offices in Rivers State that made up the study's research population had a combined total of 299 respondents. All seven (7) revenue collection offices in Rivers State use census sampling methods, and Baridam (2001) utilized Taro-Yamen's methodology to determine the response rate, which is displayed below:

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

Where: n = sample size sought for
e = level of significance
N = population

Hence;

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

N = 299

e = level of significant of 0.05

$$n = \frac{299}{1+299\,(0.05)^2}$$

$$= \frac{299}{1+0.7475}$$

$$= \frac{299}{1.7475}$$

$$= 171$$

There were therefore 171 responders, making up the sample size.
The information was obtained from Inland Revenue Services employees who work in the pertinent departments, such as personnel, audits, finance, and accounts, and who have sufficient knowledge of the study's variables to address any issues with the dependent and independent variables. The generated data was dissected into four main categories, including demographic, primary, secondary, and tertiary data analysis. Frequency charts that show percentages and frequency distributions for sample characteristics like educational attainment and employment status were used in the demographic study. Descriptive statistics were used in the main part of the analysis to show the univariate properties of each variable. Standard deviations, sums, and mean scores were all covered by statistics. Second, using the Pearson product correlation coefficient, bivariate relations were used to analyze the hypotheses. The statistical package for the social sciences (SPSS) was used for all analysis.

DATA PRESENTATION, DATA ANALYSIS AND DISCUSSION OF FINDINGS

Data Presentation

Table 1: Questionnaire Distribution

Numbers	Questionnaire	Percentage (%)
No. Sent out	171	100%
No. Returned	160	94%
No. Not Returned	11	6%

The distribution and collection of the surveys that were issued to the respondents are shown in Table 1. It was demonstrated that 171 questionnaires, or 100% of the respondents, were disseminated. 160 copies of the questionnaires, or 94% of them, were accurately completed and collected from the respondents; however, 11 copies, or 6% of them, were not. However, the study was based on the 160 correctly completed questionnaires, which the researcher claimed to represent 100% of the sample.

Univariate Analysis
This section is aimed at exploring the individual variables through the descriptive analysis.

Table 2: Descriptive Statistics on Items of Voluntary Tax Compliance

	N	Sum	Mean	Std. Deviation
Tax pardon encourages tax payer’s voluntary declaration of all their income and assets	160	524	3.09	1.302
Taxpayers willingly meet their tax obligations in Federal Inland Revenue Service	160	545	3.11	1.317
I would surely declare my cash incomes to the tax authorities	160	537	3.07	1.354
The self-assessment system as a tool for voluntary	160	545	3.15	1.356
compliance makes taxpayers assesses their own tax liabilities and pay taxes due in FIRS	160	537	3.10	1.367
Valid N (listwise)	160			

Source: SPSS Output

The descriptive statistics on voluntary tax compliance items are shown in Table 2. According to research, "tax pardon encourages tax payer's voluntary declaration of all their income and assets increases the speed at which people file their returns, thus saving time." had a mean of 3.09 and a standard deviation of 1.302; "taxpayers willingly saves the taxpayer a lot of tax plenty costs since everything is done via voluntary tax compliance." a standard deviation of 1.317 and a mean value of 3.11; "the self-assessment system as a tool for voluntary reduces the workload in the branch offices of the tax authority." With a standard deviation of 1.354 and a mean value of 3.07. All of the study's variables had a mean that was greater than 3.0. Consequently, the researcher supported the variable's predominance.

Table 3: Descriptive Statistics on Items of Tax Compliance Simplicity

	N	Sum	Mean	Std. Deviation
Compliance is also greater when the individuals perceive some benefits from a public good funded by the tax payments	160	550	3.16	1.342
Waiver of penalties and interest charges encourage tax payer to comply with tax obligation	160	521	3.09	1.291
Exclusion from prosecution for tax offence causes tax payer to pay their outstanding tax liabilities	160	523	3.10	1.309
Expansion of tax net with the aid of tax amnesty will improve compliance and increase tax revenue		522	3.07	1.282
Imposing a tax in the manner of self assessment of tax to be paid increases tax revenue in Rivers State		520	3.16	1.323
Valid N (listwise)	160			

Source: SPSS Output

Table 3 presents descriptive statistics on the components of tax compliance ease. According to the research, "Compliance is also greater when the individuals perceive some benefits from a public good funded by the tax payments" had a mean value of 3.16 and a standard deviation of 1.342; "Waiver of penalties and interest charges encourage tax payer to comply with tax obligation" had a mean value of 3.09 and a standard deviation of 1.291; and "Exclusion from prosecution for tax offence causes tax payer to pay their outstanding tax liabilities" Although "Imposing a tax in the manner of self-assessment of tax to be paid increases tax revenue in Rivers State" had a mean value of 3.16 and a standard deviation of 1.323, it had a standard deviation of 1.309 and a mean value of 3.10, respectively. All of the study's variables had a mean that was greater than 3.0. The researcher supported the variable's prevalence as a result.

Table 4 Descriptive Statistics on Items of Company Income Tax

	N	Sum	Mean	Std. Deviation
Tax compliance is higher in Rivers state because fine imposed on defaulters have effect on tax compliance behaviour which invariably increases company income tax	160	522	3.09	1.306
Companies Income Tax (CIT) is a tax on the profits of incorporated entities in Rivers State	160	524	3.08	1.311
CIT contributes significantly to the revenue profile of the Service and the Government	160	524	3.12	1.313
Company income tax is paid by limited liability companies inclusive of the public limited liability companies	160	524	3.06	1.303
Negative compliance in payments of taxes affect the company income tax revenue of the economy of Rivers State	160	524	3.18	1.317
Valid N (listwise)	160			

Source: SPSS Output

The descriptive statistics on items of corporation income tax are shown in Table 4. According to the data, "Companies Income Tax (CIT) is a tax on the profits of incorporated entities in Rivers State" had a mean value of 3.08 and a standard deviation of 1.311; "CIT is a tax on the profits of incorporated entities in Rivers State" had a mean value of 3.09 and a standard deviation of 1.306; and "CIT contributes significantly to the revenue profile of the Service and the Government." While "Negative compliance in payments of taxes affect the company income tax revenue of the economy of Rivers State" had a mean value of 3.18 and a standard deviation of 1.317, "Company income tax is paid by limited liability companies inclusive of the public limited liability companies" had a mean value of 3.06 and a standard deviation of 1.306. All of the study's variables had a mean that was greater than 3.0. The researcher supported the variable's prevalence as a result.

Table 5 Correlations Matrix of Hypothesis One

			VTC	CIT
Spearman's rho	VTC	Correlation Coefficient	1.000	.831**
		Sig. (2-tailed)	.	.000
		N	160	160
	CIT	Correlation Coefficient	.831**	1.000
		Sig. (2-tailed)	.000	.
		N	160	160

Source: Field Survey (2023)

Note: VTC = Voluntary Tax Compliance and CIT= Company Income Tax

Decision: With a significance P-value of 0.000 to 0.005, the results in Table 5 showed a Pearson Correlation Coefficient (rho) of R-value (0.831**), illuminating a very strong positive association between voluntary tax compliance and firm income tax in Rivers State. As a result, the null hypothesis (Ho1) is rejected and the alternate hypothesis (Ha1) is accepted because the significance value is less than the selected alpha level. As a result, the researcher draws the conclusion that in Rivers State, there is a substantial correlation between voluntary tax compliance and firm income tax.

Table 6 Correlations Matrix of Hypothesis Two

			TCS	CIT
Spearman's rho	TCS	Correlation Coefficient	1.000	.976**
		Sig. (2-tailed)	.	.000
		N	160	160
	CIT	Correlation Coefficient	.976**	1.000
		Sig. (2-tailed)	.000	.
		N	160	160

Source: Field Survey (2023)

Note: TCS = Tax Compliance Simplicity, CIT= Company Income Tax

Decision

With a significance P-value of 0.000 to 0.005, the results in table 6 showed a Pearson Correlation Coefficient (rho) of R-value (0.976**), illuminating a very strong positive association between tax compliance simplicity and firm income tax in Rivers State. The second null hypothesis (Ho2) is consequently rejected and the second alternate hypothesis (Ha2) is accepted because the significance value is smaller than the selected alpha threshold. As a result, the researcher draws the conclusion that in Rivers State, there is a substantial correlation between tax compliance simplicity and firm income tax.

Summary of Findings

The goal of this study was to experimentally examine the connection between tax compliance practices and federally collected income in Rivers State. Primary data were gathered using standardized questionnaires that were sent by random sampling to the staff of the Rivers State Board of Internal Revenue Service and other taxpayers. Utilizing descriptive statistics and correlation analyses, the data acquired were examined. According to the investigated hypotheses, it was discovered that in Rivers State, there is a considerable and favorable association between tax compliance approach and federally collected revenue.

The following is a summary of further findings the researcher made:
1. In Rivers State, the association between voluntary tax compliance and firm income tax is very strong, positive, and significant.
2. In Rivers State, there is a very strong positive and substantial correlation between tax compliance simplicity and business income tax.

Conclusion(s)

The study looked on the relationship between Rivers State's tax compliance tactics and federal money taken in. The study found that: 1. Voluntary tax compliance positively influences firm income tax in Rivers State; 2. Tax compliance simplicity positively influences company income tax in Rivers State; and 3. Tax compliance complexity negatively influences company income tax in Rivers State.

Recommendation(s)

The following suggestions were offered in light of the study's findings and conclusion:
1. The federal government should show sincerity in the utilization of tax revenue as this will increase tax payers' trust in governance; these actions, among many others, will encourage Rivers state residents to honor their tax obligations.
2. To encourage tax payers and make taxes simpler, federal government agents like the federal Inland Revenue agencies should follow the ability-to-pay principle.

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