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ELECTRONIC TAX SYSTEM AND TAX COMPLIANCE, EVIDENCE FROM NIGERIA TAX JURISDICTION.

THOMAS AYOBAMI BABARINDE
Department of Accounting and Finance,
Mountain Top University,
Ogun State, Nigeria
tababarinde@mtu.edu.ng

OLADELE JOHN AKINYOMI
Department of Accounting and Finance,
Mountain Top University,
Ogun State, Nigeria
ojakinyomi@gmail.com

JOSHUA ODUTOLA OMOKEHINDE
Department of Accounting and Finance,
Mountain Top University,
Ogun State, Nigeria.
joomokehinde@mtu.ed.ng

&

TAOFIK AKINWUMI TALEAT
Department of Accounting and Finance,
Mountain Top University,
Ogun State,Nigeria
tataleat@mtu.ed.ng

Abstract

The study explores the impact of e-tax on tax submission conduct among taxpayers in Nigeria. To realise the research's aim, three variables were used as proxies for the e-tax system: user friendliness, convenience, and perceived reduced tax submission costs. The study sample of 120 respondents was randomly drawn from SMEs within the South-South zone of Nigeria. The basis for inclusion in the sample was the filing of online tax returns. The instruments for data collection were authenticated by specialists and was submitted to a Cronbach's alpha test of dependability. An overall reliability coefficient of 0.872 was obtained, which suggests that the instrument was consistent in measuring what it was designed to measure. The multiple regression technique was utilised to

predict the influence of the distinct factors on tax submission behaviour. Based on the respective coefficients (UFET = 0.823447, CET = 0.942953, and PRCC = 1.670057, p-values 0.05, and F-stat. = 135.0382, p-value of 0.001 less than 0.05), the study concludes that a user-friendly online interface, the convenience of the e-tax structure, and the perceived reduction in compliance costs substantially impact tax compliance among taxpayers. Based on the conclusion reached, the following recommendations are made, among others: The government has to do more to raise people's understanding of taxes, examine the internet-based tax filing system to lower the cost of use, and offer an easy way for people to utilise it.

Keywords: compliance, electronic, tax, taxpayers, convenience, cost.

Introduction

The utilisation of electronic tax systems and tax compliance may be situated within the broader discourse on the function of technology in augmenting the proficiency and efficacy of tax governance. Conventional tax collection techniques, such as those based on paper systems, have been widely recognised as being inefficient, time-consuming, and error-prone. Consequently, many countries have experienced low levels of tax compliance. Governments worldwide are progressively adopting e-tax systems (ETS) to enhance tax supervision and boost tax compliance, as per Oladele, Aribaba, Adeniran, and Babatunde (2020).

E-tax system (ETS) is a technological solution which permits taxpayers to electronically file their tax returns, make tax payments, and receive tax refunds. Akpubi and Igbekoyi (2019) have noted that the topic of collecting government incomes by means of digital platforms in emerging nations has become a prominent issue in policy debates. According to Adegbola, Tony, Damilola, Henry and Temitope (2021) an e-tax system pertains to a web-based platform that facilitates taxpayers' access to all the services rendered by a monetary authority. The aforementioned services encompass the processes of obtaining a personal identification number, submitting tax returns, and soliciting a compliance certification. One instance of a system of this kind can be observed in the form of an automated billing system. ETS provides various advantages over conventional tax collection techniques, such as enhanced efficiency, reduced costs, and minimised errors in collecting tax. The online tax submission offers taxpayers with a convenient method of filing tax forms and paying taxes online, which is convenient for many people.

Although ETS has potential benefits, its adoption by taxpayers has been slow in certain countries. There are various factors that contribute to this phenomenon, such as insufficient knowledge and education regarding ETS, inadequate technical infrastructure, and limited confidence in the security and privacy of personal data transmitted via ETS (Adegbola, Tony, Damilola, Henry & Temitope, 2021). Furthermore, it is possible that cultural considerations could impact the implementation of electronic tax systems (ETS), such as a predilection for in-person communication with tax authorities or a dearth of confidence in governmental establishments.

Also, there remains a scarcity of research concerning the effect of ETS on tax submission behaviour. While certain studies have indicated that exposure to ETS (environmental tobacco smoke) might result in a rise in tax compliance, other studies have failed to identify any significant impact. Furthermore, there is insufficient understanding relating to the factors that impact the efficient utilisation of ETS by taxpayers. Therefore, further research is required to investigate these matters.

The study on "electronic tax and tax submission" is situated within the broader context of the role of technology in enhancing tax administration and increasing tax compliance. The text emphasises the potential advantages of electronic tax systems (ETS) and the obstacles to their implementation. It also emphasises the necessity for further investigation to get a clearer comprehension of the influence of ETS on tax submission conduct and the factors that affect its adoption and efficient utilisation.

Statement of the Problem

The implementation of electronic tax systems (ETS) is increasingly prevalent as a strategy to advance tax collection and encourage submission. Given the pervasive integration of technology in contemporary society, it is anticipated that the implementation of digital tax will yield advantages such as heightened efficacy, financial savings, and diminished inaccuracies in tax compilation. The efficacy of electronic tax systems (ETS) in fostering tax compliance behaviour is yet to be established.

Conventional tax collection techniques, such as those based on paper systems, have been recognised for their inefficiency and time-consuming nature, resulting in reduced levels of tax adherence. ETS provides taxpayers with a streamlined and convenient method for submitting their tax returns and remitting their tax payments. Notwithstanding the advantages, the implementation of ETS by taxpayers has been sluggish in certain nations.

Numerous research have been directed to explore the effect of ETS on tax submission behaviour; however, the findings have been inconclusive. Several studies have yielded varying results regarding the impact of ETS on tax submission, with some indicating a favourable association (Ndayisenga & Shukla, 2016; Saptono, et al., 2023) and others indicating no statistically significant impact (Akpubi & Igbekoyi, 2019; Oladele, et al, 2020). Furthermore, there is a scarcity of research concerning the determinants that influence the application and efficient utilisation of online tax systems by taxpayers.

Various nations have widely adopted electronic tax systems (ETS) as a way to improve tax management and encourage tax adherence (Akitoby, 2018). Nonetheless, despite its importance, there is a lack of studies examining the effects of digital tax systems on taxpayers' submission conduct. Furthermore, the determinants that impact the implementation and efficient utilisation of electronic tax systems (ETS) among taxpayers are not yet fully understood. The current body of literature pertaining to the correlation between ETS and tax compliance lacks comprehensive comprehension. Additionally, a comprehensive examination of the variables that impact the implementation and efficient utilisation of electronic tax systems (ETS) by taxpayers has yet to be conducted. Therefore, further research is required to address this gap.

Purpose of the Study

The central objective of this paper is to ascertain the effect of electronic tax systems on the tax compliance behaviour of taxpayers in Nigeria. However, the specific objectives are to:

1. Ascertain the impact of the user-friendliness of the e-tax system on tax compliance behaviour.
2. Examine the impact of the convenience of the e-tax system on tax compliance behaviour.
3. Determine the impact of perceived reduced e-tax compliance costs on tax compliance behaviour.

Research Questions

Therefore, in line with the problem statement for this research, the subsequent questions were raised:

1. What is the impact of the user-friendliness of the e-tax system on tax compliance behaviour?
2. What is the impact of the convenience of the e-tax system on tax compliance behaviour?
3. What is the impact of perceived reduced e-tax compliance costs on tax compliance behaviour?

1.5. Hypotheses

In line with the research questions guiding the study, the subsequent hypotheses were tested at the 0.05 level of statistical significance:

Ho_1: The user-friendliness of e-tax systems has no substantial impact on tax compliance behaviour.

Ho_2: The convenience of the e-tax system has no substantial impact on tax compliance behaviour.

Ho_3: Perceived reductions in e-tax compliance costs have no substantial impact on tax compliance behaviour.

Literature Review

2.1. Conceptual Review

2.1.1. Electronic Tax System

Electronic tax systems, commonly referred to as e-tax systems, are electronic platforms used to streamline tax compliance and collection procedures. The process entails utilising technology to acquire, analyse, retain, and communicate tax-related data between taxpayers and tax authorities. Electronic tax systems are designed to alleviate the tax compliance burden for taxpayers, enhance transparency and efficiency in the tax administration process, and elevate tax compliance rates. The term "e-tax system refers to the method of electronically receiving taxes from taxpayers, as described by Akpubi and Igbekoyi (2019). This is an internet-based portal that provides entry to tax information for all the services provided by the tax administration, such as applying for a compliance certificate, submitting taxes, and obtaining a personal identification number (Adegbola, Tony, Damilola, Henry & Temitope, 2021).

The Nigerian government has implemented various e-services as part of its electronic tax system, comprised of electronic submission, payment, registration, stamp duty, and receipt. Taxpayers have the option to electronically file their tax returns through the platform of the Federal Inland Revenue Service. The electronic payment system, commonly known as e-payment, is a digital service that enables the payment of taxes and levies through online means. The utilisation of this service can be facilitated through various channels, such as NIBSS, Remita, and Interswitch. E-registration pertains to the procedure of enrolling as a new taxpayer with the Internal Revenue Service (IRS) with the intention of remitting the relevant taxes. The primary objective of implementing an electronic stamp duty system is to streamline the process of remitting stamp taxes on legally recognised documents. The objective of the e-receipt is to obtain and authenticate digital receipts for tax payments processed through the recently implemented e-payment platform.

Electronic tax systems incorporate electronic auditing and compliance tools that facilitate tax authorities in overseeing taxpayer compliance and detecting potential non-compliance concerns (Chiamaka, Obinna, Friday, & Oraekwuotu, 2021). Tax authorities can utilise various software programmes such as data analytics tools, risk assessment models, and other tools to identify potential tax evasion and fraud. One of the primary attributes of e-tax systems is the utilisation of electronic filing, enabling taxpayers are enabled to provide the returns for their taxes electronically through the web. This approach obviates the necessity of paper-based tax returns, which are susceptible to errors and can consume a significant amount of time. The use of electronic filing facilitates tax authorities' ability to expedite the processing of tax returns with greater precision, thereby mitigating the likelihood of inaccuracies and fraudulent activities. An essential element of e-tax systems is the provision of online payment facilities that allow taxpayers to conveniently settle their tax obligations through online channels. Possible professional rewrite: This may encompass various forms of electronic payment, such as automated clearing house (ACH) transfers, credit card transactions, or alternative digital payment systems. The availability of online payment facilities provides a convenient option for taxpayers, which in turn can aid in mitigating late payment penalties and interest charges.

Moreover, e-tax systems may encompass web-based portals that enable taxpayers to access details regarding their tax responsibilities, payment records, and other pertinent data (Omodero, 2019). The implementation of this measure has the potential to enhance transparency and accountability in the tax administration process. Additionally, it can facilitate taxpayers' comprehension of their tax obligations. Broadly speaking, electronic tax systems provide a variety of advantages for taxpayers and tax agencies alike, such as heightened effectiveness, precision, and openness in the management of tax affairs. With the continuous advancement of technology, it is highly probable that electronic tax systems will become more sophisticated and seamlessly integrated with other government systems. This will result in a more efficient and streamlined tax compliance process for all stakeholders.

Tax Compliance

Tax compliance pertains to the degree to which taxpayers adhere to the laws and regulations governing taxation. The process entails the prompt and precise submission of tax returns, the settlement of tax liabilities, the disclosure of earnings, and other pertinent tax details. Ensuring tax compliance is a key constituent of any tax system, as it guarantees that the government can acquire the revenue required to finance public services and programmes. According to Akpubi and Igbekoyi (2019), tax compliance pertains to the voluntary adherence of entities to the regulations set forth by tax authorities, which includes the timely payment of taxes. Tax compliance refers to the capacity of a tax-paying entity to provide precise, comprehensive, and submitted returns for taxes to the appropriate authorities for tax review in line with the tax jurisdiction (Oladele, Aribaba, Adeniran, & Babatunde, 2020). Taxpayer compliance pertains to the degree to which a person or entity adheres to the tax regulations of their respective jurisdiction. Achieving tax compliance can be facilitated by implementing strategies such as publicity, tax enlightenment, counselling, direction, and inspection, as suggested by Oladele, Aribaba, Adeniran, and Babatunde (2020).

According to Wenzel's (2004) research, the relationship among the tax agency and the taxpayer has a significant impact on the latter's attitude. According to Akpubi and Igbekoyi (2019), taxpayers' trust in the state is positively correlated with their attitude towards paying taxes and their level of commitment to doing so. Through the timely submission of tax returns and prompt settlement of tax liabilities, voluntary submission with tax regulations demonstrates the overall impact.

According to Omodero (2019), tax compliance poses a significant challenge for numerous tax authorities, particularly in Nigeria. Taxpayers frequently seek ways to minimise their tax burden, whether through tax crimes. The potential outcome of this situation could be the production of erroneous tax filings and a subsequent reduction in governmental income ((Night & Bananuka, 2019). The presence of an intricate regulatory framework and strict enforcement of tax regulations can result in an excessive burden on tax compliance. This can also have a distortionary impact on the growth of firms, as they may be inclined to adopt structures that offer reduced tax liabilities or complete exemption from taxes (Akpubi and Igbekoyi, 2019). Tax compliance can pose a challenge for numerous taxpayers, especially those who are self-employed or have intricate financial circumstances. Non-compliance with tax laws may lead to penalties, interest charges, and legal action by tax authorities. It is imperative for taxpayers to comprehend their tax responsibilities and obey to tax laws and regulations to evade adverse repercussions.

Electronic tax system and tax compliance behaviour

User-friendliness of electronic tax and tax compliance behaviour

It is possible that if a taxpayer perceives an electronic tax system to be user-friendly, their likelihood of tax compliance may increase. Previous studies investigating the correlation among electronic tax and tax adherence have incorporated user satisfaction as a dependent variable (Floropoulos, Spathis, Halvatzis, & Tsipouridou, 2010; Saha, Nath, & Salehi-Sangari, 2012). Consequently, their inquiry centres on the degree of contentment exhibited by taxpayers towards electronic tax services. According to OECD (2021), it is widely recognised that the user interface of the design of an electronic tax ought to prioritise clarity and user friendliness to enhance user friendliness. The aforementioned studies have the potential to provide valuable insights that can aid tax officials in evaluating the execution of electronic tax services within their particular jurisdictions. Nevertheless, the aforementioned studies failed to assess the effect of implementing e-filing on tax adherence. The principal objective of implementing a digital tax is to enhance the convenience of taxpayers in fulfilling their tax-related responsibilities.

Convenience of Electronic tax and tax Compliance behaviour

The application of the online tax submission has the potential to offer taxpayers the advantage of convenience, as suggested by Lee (2016). According to OECD (2021), within the realm of online tax services, the term "convenience" encompasses all aspects that enhance ease and efficiency for taxpayers while minimising the time and effort required. Research conducted on Indonesian taxpayers who experience convenience in terms of accessibility and availability has revealed a positive correlation with their overall fulfilment with the electronic tax system (Tjondro, Prayogo, & Amanda, 2019). The design of the electronic tax system places significant emphasis on convenience, as it enables real-time access from any location globally (OECD, 2021).

The perceived ease of e-taxes is anticipated to result in a higher level of tax law submission among individuals. The implementation of an e-tax is intended to enhance user convenience, thereby increasing the likelihood of tax compliance. According to Akram, Malik, Shareef, Awais, and Goraya (2019), the acceptance of an electronic tax system can provide the public with greater convenience in executing several activities compared to the paper-based tax filing methods. The current body of literature pertaining to the impact of convenience in utilising an electronic tax on intentions to comply with tax regulations remains somewhat restricted. However, this avenue of inquiry holds promise, as logistical difficulties may impede the process of compliance. According to Nimer, Uyar, Kuzey, and Schneider's (2022) research findings, a stable internet connection can mitigate the adverse link among electronic government services and tax crimes. Our contention is that a high level of convenience has the potential to augment the satisfaction levels of taxpayers, thereby positively influencing their tax submission conduct.

Perceive reduced compliance cost and tax compliance behaviour.

Empirical evidence suggests that compliance costs have an impact on filing compliance, as noted by Santoro (2021). Individuals who perceive elevated costs associated with compliance are more inclined to opt out of filing. According to Kochanova, Hasnain, and Larson's (2020) research, the use of the online tax has resulted in a decrease in tax compliance expenses. The assessment of compliance costs involved contemplating the duration required for the preparation of tax submission and the payment of tax obligations. According to Kochanova et al. (2020), Blaufus, Hechtner, and Jarzembski (2019), and Omodero (2019), the adoption of electronic tax has the potential to lower compliance costs, including monetary expenses, time efforts, physical document storage, and error proneness. It is postulated that individuals who hold the perception that the electronic tax system diminishes the expenses associated with tax compliance are inclined to exhibit higher levels of satisfaction with the electronic tax and are further expected to engage in deliberate tax adherence.

2.3. Theoretical Review

The present study is based on the theoretical frameworks of the expediency theory of taxation and the technology acceptance model. The aforementioned theories delineate the objective of taxation and the function of technology in tax management and consequent fiscal generation for a nation's government.

2.3.1. Expediency theory of taxation.

The initial model that serves as one of the foundation for this research is built on the expediency theory of taxation. The theory was advance in 1936 by Buehler. As per Chiamaka, Obinna, Friday, and Oraekwuotu (2021), the theory posits that the practicality of a tax revenue collection system should be the sole criterion for its selection by the government.

The expediency theory of taxation posits that taxes are indispensable for financing the government while simultaneously imposing a weighty obligation on taxpayers. Hence, it is imperative to devise a tax system that reduces the tax liability of taxpayers while simultaneously generating sufficient revenue to finance governmental operations. A tax regime that poses challenges in terms of its administration and enforcement is likely to be less efficacious in generating revenue and may also increase the likelihood of tax avoidance. Ultimately, it is imperative that taxes do not engender any superfluous disruptions within the economy. The reason for this is that taxes have the potential to disrupt economic activity by deterring specific forms of conduct or by generating motivations for taxpayers to participate in tax avoidance or evasion.

The theory posits that the tax system ought to be constructed to function in practical settings as opposed to an abstract, hypothetical realm. The underlying premise of the theory is that the government's social and economic goals are immaterial, as a tax that cannot be efficiently imposed and collected is futile. The aforementioned model pertains to the investigation, as the tax agencies at the federal and state levels anticipates that the use of an online tax will augment collection of revenue through the establishment of a conducive technological milieu that streamlines the assessment and revenue collection procedures.

The study is associated with the expediency theory as it aims to elucidate the effect of administrative arrangements, like a functional e-tax payment mechanism, on the revenue generation process of the tax agencies.

Technology Acceptance Model

The Technology Acceptance Model (TAM) constitutes the second theoretical framework. The aforementioned model was formulated by Fred Davis in 1986. The (TAM) is a theoretical background in information systems that purposes to explain the process by which users adopt and utilise a given technology. According to Qingxiong (2004), the theory posits that the acceptance ICT is contingent upon two primary factors like easy of usage and usefulness. The usefulness pertains to a person's perception of the degree to which utilising a specific system would improve their work performance. The idea of ease of use pertains to a person’s view regarding the amount of effort needed to operate a specific system.

The Technology Acceptance Model (TAM) posits that the ease of use of a new information technology system is a key determinant of its adoption and usage by users. Subsequently, the probability of users embracing and utilising a novel IT system is higher when they perceive it as advantageous for their professional or personal obligations. The user's behavioural intention to adopt a novel information technology system is a robust predictor of their subsequent utilisation of the system.

The technology acceptance model is germane to this investigation as it serves as the foundation for the assimilation and execution of the e-tax structure by government at all levels and is predicated on the supposition of its perceived efficacy among both taxpayers and tax officials. The electronic tax system aims to address the issues associated with the conventional tax scheme. As a result, the respective tax agencies have emerged as a pioneer in adopting e-tax technology due to its potential to enhance task completion in terms of promptness, correctness, dependability, and efficiency (Chiamaka, Obinna, Friday, & Oraekwuotu, 2021).

The overall ease of tax payment in terms of precision, ease of use, comfort, and confidence in the tax process will serve as a proxy for taxpayers' perceptions of the e-tax system's effectiveness. This, in turn, is expected to promote voluntary compliance and thereby address a significant challenge of taxation in the state. The deduction regarding the supposed ease of use, conversely, poses a barrier for both taxpayers and tax officials, who may perceive themselves as lacking the necessary skills to effectively utilise the technology without significant exertion. The primary reason for the potential hindrance to the implementation of the electronic tax in developing economies is attributed to the insufficient level of technological familiarity.

Empirical Review

The study conducted by Saptono, Hodi'c, Khozen, Mahmud, Pratiwi, Purwanto, Aditama, Haq, and Khodijah (2023) investigates the correlation between technological predictors and the intention of certified tax professionals to comply with tax regulations. The paper presents a novel conceptual framework that integrates convenience and lowered adherence costs seen as predictive of tax compliance intention, drawing on existing literature on information system success. Additionally, the framework posits satisfaction as a mediator in the association among the aforementioned predictors and inclination to pay taxes. The study obtained data from a sample of 650 tax professionals who utilize e-filing and 492 who used e-forms via a virtual survey. The data was subsequently analysed using hierarchical multiple regression. The findings derived from the empirical analysis indicate that the users' inclination to submit with tax regulations is positively impacted by their supposed service quality of e-filing services and their perceptions of lowered adherence costs. The aforementioned predictor exhibits statistical significance solely within the cohort of e-form users. The findings obtained furnish significant substantiation for the intermediary function of contentment in the association linking all predictors and the intent to fulfil with tax regulations. Founded on the results, tax officials and e-filing firms should work to improve their offerings to boost customer satisfaction and encourage taxpayers to pay their fair share.

The study conducted by Chiamaka, Obinna, Friday, and Oraekwuotu (2021) looked at how computerised tax filing may affect internally generated revenue of the emerging Nigerian economy. The Ebonyi State Board of Internal Revenue was used as a case study. In order to attain the stated goal, digital tax compliance (registration, returns, and payments) were employed as indicators of an electronic tax system. The present investigation was based on the expediency theory of taxation and the technology acceptance model. The study utilised a quantitative cross-sectional survey approach, drawing data from 94 valid responses obtained from a pool of 124 qualified and experienced respondents affiliated with the Ebonyi State Board of Internal Revenue. This dataset was subsequently employed for the purposes of quantitative analysis. The results indicate that among the primary factors investigated, the implementation of online tax registration and return filing have a substantial outcome on the revenue generation in Ebonyi State and, consequently, the developing economy of Nigeria. The statistical analysis indicates that there is no substantial influence of online tax payments on the internally generated revenue of the state. The research suggests that the Ebonyi State Board of Internal Revenue, as well as the Nigerian Tax System, should consider implementing an electronic tax system that is user-friendly. This would facilitate the process of filing and paying taxes online for taxpayers.

The study conducted by Oladele, Aribaba, Adeniran, and Babatunde (2020) investigated the influence of effect of the tax system on adherence via technological means and its consequential impact on tax revenue. The study utilised a quantitative technique and relied on pre-existing data obtained from the Federal Inland Revenue Service. The study analysed tax revenue data from seven years prior to and following the implementation of e-tax administration by the FIRS in 2013. The data was subjected to descriptive statistics and a pairwise t-test to determine the presence of any differences or correlations between pre- and post-e-tax revenue. The research has revealed a robust correlation among the e-tax system and tax conformity (tax income), as evidenced by the pairwise examination (p-value of 0.0120.05). The study reveals that there is a statistically substantial dissimilarity between the mean tax revenue during the pre- and post-e-tax periods, with the former averaging at N3,051,200.00 and the latter at N4,466,828.57. Furthermore, the analysis indicates an average annual variation in overall tax revenue of N1.4 trillion during the post-e-tax period compared to the pre-electronic tax period. The study has confirmed that a robust correlation exists between electronic taxation and adherence to tax regulations. Hence, it is imperative for the service to continuously advance its ICT architecture and infrastructure to facilitate convenient accessibility and flexibility, thereby promoting taxpayer participation and augmenting the efficiency of tax administration. Overall, it is imperative to implement security protocols on a regular basis in order to mitigate the risks of cyberattacks, hacking, and other potential disasters that are inherent in an information and communication technology (ICT) environment.

The consequence of online tax on tax submission among SMEs in Lagos State was evaluated by Akpubi and Igbekoyi (2019), with a focus on the influence of awareness levels. The research methodology utilised in the study was the survey research design. Primary data was obtained by administering survey form to SMEs at their respective workplaces. The research sample comprises 950 SMEs operating in the fast food restaurant sub-sector located in Lagos State. The Taro Yamane formula was utilised to select a sample size of 281. The collected data underwent analysis through various statistical methods, including descriptive statistics, regression, and structural equation model analysis. The results indicate that there is a noteworthy favourable link among the level of awareness (LOA) and tax adherence (= 0.276; t = 2.689; p = 0.008). The study uncovered that the perceived ease of use variable (= 0.249; t = 2.331; p = 0.022) demonstrated a favourable impact on tax compliance, although it was not statistically substantial. The study found that tax compliance cost had a substantial unfavourable impact on tax compliance, as indicated by the beta coefficient of -0.289, t-value of -2.568, and p-value of 0.012. Consequently, the research deduces that the degree of familiarity that taxpayers possess regarding the electronic tax filing mechanism will have a significant impact on their adherence rate. Additionally, if the compliance cost is elevated, it may dissuade taxpayers from utilising the system. Despite the lack of statistical significance, the observed positive impact of ease of use suggests that it may hold promise as a factor influencing tax compliance. Consequently, it is recommended that the government intensify its tax education initiatives, evaluate the e-tax filing mechanism to mitigate usage expenses, and establish a user-friendly platform for accessing the system.

The study conducted by Obert, Rodgers, Tendai, and Desderio (2018) aimed to assess the impact of electronic tax return on adherence to tax in Zimbabwe. The aim of the research was to assess the impact of electronic tax submission on tax adherence among clients residing in Harare, Zimbabwe. The collection of data was facilitated by the use of survey forms. The statistical analysis of the data was conducted using of regression. The findings of the study indicated that e-filing had a significant impact on tax compliance. Additionally, clients exhibited a favourable disposition towards electronic filing. Furthermore, electronic filing was found to have substantially enhanced the ease of conducting business.

The study conducted by Olurankinse and Oladeji (2018) studied the impact of self-evaluation on Nigeria's income stream through computerised tax collection. The research sample consisted of 30 corporations listed on the Nigerian Stock Exchange. The hypothesis was tested using SPSS Version 20.0 through the application of PPMC coefficient and regression analysis. The findings revealed a statistically substantial correlation among self-evaluation and e-tax payment and revenue generation.

Monica, Makokha, and Namusonge (2017) performed research to see how the Kenya Revenue Authority's (KRA) domestic taxation division fared after implementing an electronic tax system. The study's objectives were to ascertain whether or not taxpayers in Kenya are proficient in using electronic tax systems, what effect staff competence has on collecting taxes effectiveness, and whether or not filing taxes electronically improves revenue collection efficiency. The primary instruments utilised for data collection were surveys that were distributed to both KRA employees and taxpayers. The methodology utilised for data analysis involved the application of both descriptive and inferential statistics. The study's results indicate that a majority of taxpayers expressed a high level of agreement regarding their ability to effectively utilise and navigate the tax system. The study found that employee capability was a major predictor of efficiency in tax collection. However, there was minimal utilisation of online platforms by taxpayers looking for interpretations on tax issues.

Ndayisenga and Shukla (2016) examined an online tax administration platform to see how it might affect Rwanda's tax collection rates. The goal of the research was to ascertain how the implementation of a digital tax administration affected the Rwanda Revenue Authority's tax income. In order to acquire this information, we used formal questionnaires. Correlation analysis and regression analysis were used to examine and report the study's outcomes. According to the findings, tax payments were made on time and operating costs were reduced after the introduction of an electronic tax administration system. The paper concluded that the utilization of an online tax administration system improved Rwanda's revenue collection.

Method

The study employed a correlational design with the aid of a survey. A survey was utilized as a means for obtaining relevant data for the study. The study sample of 120 respondents was randomly drawn from SMEs within three states in the South-South zone of Nigeria. The basis for inclusion in the sample was the filing of online tax returns.

Experts validated the data collection instruments and used Cronbach's alpha to test for reliability. An overall reliability coefficient of 0.872 was obtained, which suggests that the instrument was consistent in measuring what it was designed to measure.

The study used the multiple regression technique to analyse the data. This was done with the aid of Eviews 10 statistical software. The relevant hypotheses were analysed at the 0.05 alpha level of significance.

In line with the study's objectives and other empirical studies, the model used in the study is given as follows:

TCB = f(UFET+CET+PRCC) ……………………………………………… Eqn1

This is further expanded as:

$TCB = \beta_0 + \beta_1 UFET + \beta_2 CET + \beta_3 PRCC + \mu$ ……………………………………Eqn2

Where:

Where:	TCB = Tax compliance behaviour	Dependent variable
	UFET = User-friendliness of e-tax	Independent variables (proxies for queuing theory)
	CET = Convenience of e-tax	
	PRCC = Perceived reduce compliance cost	
	μ = error term	

4.1. Results

Regression Analysis

Dependent Variable: TCB

Method: Least Squares

Date: 05/28/23 Time: 18:56

Sample: 1 120

Included observations: 120

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	17.02084	1.781844	9.552374	0.0000
CET	0.942953	0.213209	4.422668	0.0000
PRCC	1.670057	0.253145	6.597238	0.0000
UFET	0.823447	0.274562	2.999129	0.0033
R-squared	0.777400	Mean dependent var		49.28333

Adjusted R-squared	0.771643	S.D. dependent var	6.036560
S.E. of regression	2.884671	Akaike info criterion	4.989464
Sum squared resid	965.2742	Schwarz criterion	5.082381
Log likelihood	-295.3679	Hannan-Quinn criter.	5.027198
F-statistic	135.0382	Durbin-Watson stat	1.855775
Prob(F-statistic)	0.000000		

The above model predicts the potential influence of an online tax platforms on tax submission behaviour within the Nigerian context. The table illustrates the significance of proxies in electronic tax systems. The variable pertaining to tax compliance behaviour has been assessed and determined to have a 17.02 coefficient. This suggests that, ceteris paribus, the tax compliance behaviour would experience a notable improvement of 17.02084 units as a result of the variables incorporated in the model.

The beta coefficients for the independent variables (CET, PRCC, and UFET) are 0.942953, 1.670057, and 0.823447, respectively. According to the data, a rise in the convenience of the e-tax system, a decrease in the compliance cost, and an improvement in the user-friendliness of online tax system would have a substantial favourable outcome on tax submission conduct, with respective values of 0.942953, 1.670057, and 0.823447.

The adjusted R^2 value of 0.771643 indicates that variations in the independent variables (CET, PRCC, and UFET) account for 77.16% of the changes observed in tax compliance behaviour. Likewise, the Durbin-Watson statistic of 1.8558 falls within the acceptable range of 2.00, indicating the absence of self-correlation.

The statistical analysis indicates that the electronic tax system variables (CET, PRCC, and UFET) have a substantial influence on tax submission behaviour in Nigeria, as shown by the F-statistic of 135.0382 and the p-value of 0.001, < 0.05. The null hypothesis, which posits that the convenience of e-tax, perceived reduction in compliance costs, and user-friendliness of e-tax systems do not significantly influence tax compliance behaviour in Nigeria, has been refuted.

4.2. Discussion of Findings

The outcomes of the hypothesis test using UFET indicate that the coefficient value is 0.823447 and the p-value is 0.0033, < 0.05 alpha. This suggests that there is a substantial relationship among the user-friendliness of the online tax system and tax adherence. The findings indicate that the implementation of an electronic tax system that is easy to use would likely encourage taxpayers to submit their tax returns via the internet. The ease of usage of an online tax platform plays a substantial part in motivating taxpayers to adhere to their tax responsibilities.

The outcomes of the hypothesis-two revealed that there is a substantial link among the convenience of the online tax system and tax submission conduct. Specifically, the coefficient value was 0.942953 and the p-value < 0.05 alpha, implying a substantial finding. This finding shows that the ability to file tax returns from the comfort of one's own home may motivate taxpayers to fulfil their tax responsibilities. The outcome suggests that tax compliance is significantly influenced by convenience.

The results of hypothesis three's PRCC test (with a coefficient of 1.670057 and a p-value of 0.0000, < 0.05 alpha) indicate that the perceived reduction in compliance costs associated with the e-tax system has a substantial effect on taxpayers' compliance behaviour. The aforementioned outcome suggests that the ease and comfort of filing tax returns from one's personal space may incentivize taxpayers to fulfil their tax responsibilities. Therefore, based on this outcome, convenience emerges as a crucial determinant for tax submission.

This outcome is consistent with research by Ndayisenga and Shukla (2016), which showed that the implementation of an e-tax administration system led to both prompt tax payment and decreased operational costs. Saptono and colleagues (2023) discovered that the perception of decreased compliance costs has a favourable impact on taxpayers' inclination to adhere to their tax responsibilities. Monica, Makokha, and Namusonge (2017) discovered that the ease of use of the e-tax interface is a determinant of taxpayer compliance in Kenya. Oladele et al. (2020) and Olurankinse and Oladeji (2018) found in earlier research that electronic filing had a substantial impact on tax submission and was well-received by clients. The main theme that emerges from the literature and the study's findings is that a variety of factors, such as a user-friendly online interface, the practicality of electronic tax systems, and the perceived reduce submission costs, affect taxpayers' compliance with tax laws.

Conclusion and Recommendations

This paper investigates the impact of e-tax systems on the tax compliance behaviour of taxpayers in Nigeria. To attain the aim of the study, three variables were employed as substitutes for the online tax system: user friendliness, convenience, and perceived reduction in tax compliance cost. The study employed the multiple regression method to forecast the consequence of the independent variables on tax submission behaviour. Based on the obtained coefficients (UFET = 0.823447, CET = 0.942953, and PRCC = 1.670057), all of which have p-values less than 0.05, the present study draws the conclusion that tax compliance among taxpayers is significantly impacted by the user-friendliness of the online interface, the convenience of the digital tax system, and the perceived reduction in compliance cost.

The recommendations presented were formulated based on the conclusion that was drawn.

a) Consequently, it is recommended that the government intensify its tax education initiatives and evaluate the digital tax filing mechanism to mitigate usage expenses and establish a more accessible platform for taxpayers.
b) The present study advocates for the enhancement of services provided by tax policymakers and e-tax filing providers with the aim of augmenting user satisfaction and tax compliance.
c) It is recommended that the Nigerian tax system implement a user-friendly online tax platform to facilitate the ease of tax submission and payment of tax obligations.
d) Ultimately, it is imperative to implement consistent security protocols in order to mitigate the risks of cyberattacks, hacking, and other potential catastrophes that are inherent to online payment systems.

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