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TAX COMPLIANCE STRATEGIES AND INTERNALLY GENERATED REVENUES IN RIVERS STATE, NIGERIA.

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Abstract
This study therefore focused on tax compliance strategies and internally generated revenues in Rivers State, Nigeria. Specifically, aimed at examining the effect of voluntary tax compliance on personal income tax, ascertain the effect of voluntary tax compliance on company income tax, examine the effect of tax compliance simplicity on personal income tax, and ascertain the effect of tax compliance simplicity on company income tax in Rivers State, Nigeria. The study adopts survey research design. The target population of the study consists of seven (7) branches of Revenue collection offices in Rivers State, Nigeria with total respondents of two hundred and ninety-nine (299) and the same sample size used employing census sampling technique. Primary source of questionnaire data was extracted from the staff of the Rivers State Board of Internal Revenue Service and the Nigeria Revenue Services that work in the relevant departments as related personnel, auditing, finance and accounts department. The result of the analyses showed to be reliable with Cronbach Alpha and was above 0.7 coefficients. Data was analyzed using Description Statistics and Linear Regression Estimates with the aid of SPSS Version 23.0. The results showed that the effect of voluntary tax compliance on personal income tax in Rivers State, Nigeria is negative and statistically significant; the effect of voluntary tax compliance on company income tax in Rivers State, Nigeria is positive and statistically not significant; the effect of tax compliance simplicity on personal income tax in Rivers State, Nigeria is positive and statistically significant; the effect of tax compliance simplicity on company income tax in Rivers State, Nigeria is negative and statistically significant. The study concluded that the proxies of tax compliance strategies have both positive and negative effect on the measures of internally generated tax revenue in Rivers State, Nigeria. Thus, the study recommended amongst others that Rivers State Government should consider tax compliance strategies in terms of voluntary tax compliance strategy because by so doing, internally generated revenue would fully impact the economy of the state positively.

Keywords: Tax compliance strategies, Voluntary tax compliance, Tax compliance simplicity, internally generated revenues, Personal income tax and Company income tax.

Introduction

Taxation plays a "fundamental role in financing government activities and remains an important source of revenue for most states in Nigeria. In recent years, Rivers State has introduced several initiatives aimed at reforming its personal income tax and company income tax systems. These initiatives include the adoption of technology-driven tax collection methods, adjustments in tax rates, and the implementation of measures designed to improve taxpayers' compliance. The interconnected relationship between fiscal policies and economic outcomes therefore necessitates a comprehensive examination of how tax reforms influence revenue generation (Igwegbe & Eneh, 2024; Isa & Mohammed, 2024; Shakya & Ojha, 2024). Against this background, the study seeks to examine the influence of tax compliance on internally generated revenue in Rivers State, Nigeria, with particular attention to its implications for revenue mobilization, economic development, and the overall well-being of the state and its citizens. The study argues that reforms in personal income tax and company income tax, particularly through the adoption of electronic tax systems, the introduction of the Rivers State Identification Number, and adjustments in tax rates, can improve the efficiency of tax administration. The effective utilization of modern technologies is therefore considered an important factor influencing revenue outcomes of state governments through personal and company income tax collection.

Tax compliance refers to the extent to which taxable individuals and organizations adhere to established tax laws, regulations, and obligations. It is an important determinant of the efficiency and effectiveness of government tax policies, particularly in relation to revenue generation (Slemrod, 2015). Effective tax compliance also represents one of the most viable long-term strategies for improving the financial independence of governments. Consequently, the fundamental objective of taxation, irrespective of whether an economy is developed, emerging, or developing, remains the generation of revenue to finance public expenditure and development activities (Ayuba, Saad, & Ariffin, 2015).

Oladapo and Olalekan (2023) described personal income tax as a tax imposed on the income of individuals, communities, families, trustees, or estates. Since the introduction of personal income tax through Decree No. 4 of 1993, the relevant legislation has undergone several amendments aimed at improving its administration and effectiveness. Tax compliance generally reflects the willingness of taxpayers to fulfil their tax obligations within the stipulated period. Shakya and Ojha (2024) explained that compliance may occur either voluntarily through taxpayers' willingness to fulfil their obligations or through enforcement by the tax authority. Igwegbe and Eneh (2024) further observed that voluntary compliance can create a synergistic compliance environment, while Shuweikha et al. (2020) maintained that voluntary tax compliance can be enhanced by strengthening taxpayers' trust in tax authorities and creating an environment in which individuals are willing to pay taxes without undue pressure from the tax regime.

Asaolu and Dopemu (2023) explained that voluntary tax compliance involves the timely filing and reporting of tax returns, accurate self-assessment of tax liabilities, and payment of taxes on or before the stipulated due date without enforcement intervention. Enforcement compliance, in contrast, relies on deterrence measures and the statutory authority of tax agencies to compel taxpayers to fulfil their obligations. Excessive reliance on enforcement may create a hostile tax environment; however, enforcement remains an important component of tax administration where voluntary compliance is inadequate. The major instruments of tax enforcement include tax audits, amnesty programmes, penalties, fines, search, and seizure (Imam, 2024; Oluwole, 2023; Kanyi, 2020; Madugba et al., 2023).

Existing literature generally indicates a relationship between tax enforcement and tax revenue generation, although challenges associated with tax administration and revenue collection remain significant. In Rivers State, several factors continue to constrain effective revenue mobilization, including uncertain tax regulations, inefficient tax administration, and inadequate public awareness of tax obligations. Conversely, some studies have reported a negative relationship between tax administration and tax collection, particularly in states that depend heavily on limited federal allocations amid declining oil revenues (Igwegbe & Eneh, 2024; Isa & Mohammed, 2024; Shakya & Ojha, 2024). Several studies have examined the concept of tax compliance and internally generated revenue, with some proposing comprehensive models for explaining the factors that influence taxpayers' compliance (Alabede et al., 2011). Other studies have attempted to extend or refine established models, including the Fischer model (Bani-Khalid et al., 2022). However, relatively limited attention has been given to specific tax compliance strategies, particularly voluntary tax compliance and tax compliance simplicity, and their influence on internally generated revenue in Rivers State, Nigeria. This gap is significant because the effectiveness of internally generated revenue depends not only on the tax strategies adopted by government but also on the extent to which taxpayers comply with their obligations. Therefore, this study seeks to bridge the existing gap by examining how tax compliance strategies contribute to internally generated revenue in Rivers State, Nigeria.

Statement of the Problem

Despite the advancements recorded in tax reforms over the years, the persistent tax gap remains a major challenge to effective tax revenue generation. The tax gap refers to the difference between the amount of tax voluntarily paid by taxpayers within the stipulated period and the actual tax liability that ought to have been paid during the same period with minimal or no enforcement effort. Okee et al. (2022) observed that only about 4% of individuals within the tax net file tax returns as businesses or high-net-worth individuals, while 96% are employees whose taxes are remitted through the Pay-As-You-Earn (PAYE) system, accounting for approximately 75% of total internally generated revenue. Larsen and Brogger (2021) noted that poor tax compliance has attracted considerable global attention, resulting in extensive empirical investigations and theoretical reviews. They further emphasized that low tax compliance remains a significant challenge for tax authorities in Nigeria. Revenue deficiencies reduce the fiscal resources available to government, thereby constraining its capacity to implement policies and programmes and provide essential public services. Unexpected declines in revenue receipts may also result in budgetary reductions and substantial inefficiencies in the management of public expenditure. Furthermore, the quality of revenue administration has significant implications for the investment climate and private-sector development. Potential investors are concerned not only with the formal tax structure but also with the effectiveness and fairness of its implementation. An ineffective revenue administration that lacks the capacity to enforce tax regulations may discourage investment, constrain the participation of law-abiding businesses in the formal sector, and create an unfair competitive advantage for less compliant businesses.

Several studies have examined issues related to tax compliance and revenue generation, although none appears to provide an exact match with the focus of the present study. For instance, Lazos et al. (2022) investigated tax compliance costs for businesses and their key determinants, using evidence from Greek businesses. The findings from the survey revealed that the two major factors influencing tax compliance costs were the complexity of the tax system and the level of electronic tax services provided by the tax administration. Similarly, Bani-Khalid et al. (2022) conducted an empirical study on the determinants of tax compliance intention among Jordanian SMEs, with emphasis on the Theory of Planned Behaviour. The study found that attitude towards behaviour, subjective norms, perceived behavioural control, and patriotism significantly influenced the intention of the examined enterprises to comply with sales tax obligations. These studies provide useful insights into the determinants and mechanisms of tax compliance; however, they do not specifically examine the effect of tax compliance strategies on internally generated revenue in Rivers State, Nigeria. This therefore indicates the existence of an empirical and contextual gap, which the present study seeks to address by assessing the effect of tax compliance strategies on internally generated revenue" in Rivers State, Nigeria.

Conceptual Framework

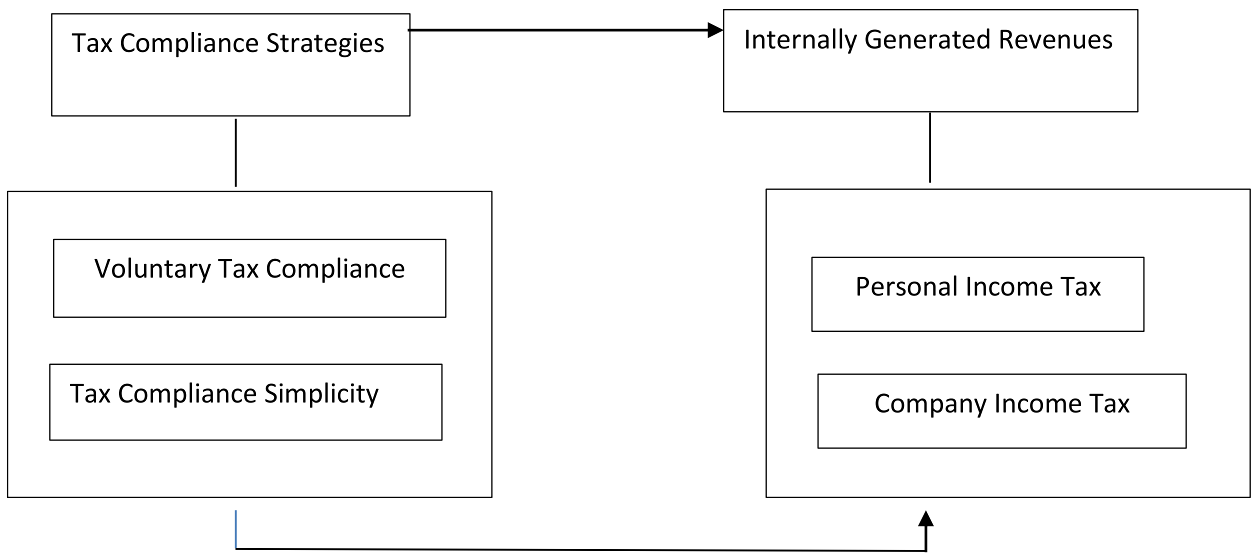

Fig.1 Conceptual framework showing relationship between Tax Compliance Strategies and Internally Generated Revenues in Rivers State, Nigeria.
Source: Researcher's Concept, 2026.

Aim and Objectives of the Study.

The aim of the study was to assessed the effect of tax compliance strategies on internally generated revenues in Rivers State, Nigeria. The specific objectives is to:

1. Ascertain the effect of voluntary tax compliance on personal income tax in Rivers State, Nigeria.
2. Determine the effect of voluntary tax compliance on company income tax in Rivers State, Nigeria.
3. Investigate the effect of tax compliance simplicity on personal income tax in Rivers State, Nigeria.
4. Explore the effect of tax compliance simplicity on company income tax in Rivers State, Nigeria.d

Research Questions

The study addressed the below research questions:

1. What is the effect of voluntary tax compliance on personal income tax in Rivers State, Nigeria?
2. What is the effect of voluntary tax compliance on company income tax in Rivers State, Nigeria?
3. What is the effect of tax compliance simplicity on personal income tax in Rivers State, Nigeria?
4. What is the effect of tax compliance simplicity on company income tax in Rivers State, Nigeria.

Research Hypotheses

The following null hypotheses was raised and tested.

H_{o1}: There is no significant effect of voluntary tax compliance on personal income tax in Rivers State, Nigeria.

H_{o2}: There is no significant effect of voluntary tax compliance on company income tax income in Rivers State, Nigeria.

H_{o3}: There is no significant effect of tax compliance simplicity on personal income tax in Rivers State, Nigeria

H_{o4}: There is no significant effect of tax compliance simplicity on company income tax in Rivers State, Nigeria.

Review of Related literature

Tax compliance Strategies

Tax "compliance refers to the extent to which taxpayers comply with, or fail to comply with, the tax regulations established within their country (Ayuba, Saad, & Ariffin, 2016). Puteri (2020) explained that tax compliance outcomes can be assessed using indicators such as income reporting, tax claims reporting, tax return filing, and tax payment. Similarly, Larsen and Brogger (2021) identified four major areas for measuring tax compliance outcomes, namely reporting, registration, filing, and payment. Bani-Khalid et al. (2022) noted that improving tax compliance requires sustained and long-term reform efforts, beginning with strengthening the organisation and management of revenue agencies, establishing effective tax collection systems such as payment and withholding mechanisms, and developing capacity in key tax administration functions, including taxpayer registration, filing and payment enforcement, debt collection, auditing, taxpayer services, and the processing of appeals. From an economic perspective, Barbuta-Misu (2011) viewed tax compliance as a decision made by taxpayers regarding whether to fulfil their tax obligations or engage in tax evasion. For the purpose of this study, tax compliance will be assessed based on reporting, filing, and payment outcomes, given that the target population comprises registered taxpayers.

Dimensions of Tax compliance strategies

Voluntary Tax compliance

Madugba et al. (2023) posited that voluntary tax compliance involves taxpayers' willingness to comply with tax laws, accurately declare their income, claim the appropriate deductions, reliefs and rebates, and pay their tax obligations within the stipulated period. It describes a situation in which taxpayers willingly observe tax regulations, while tax authorities are perceived primarily as service providers that facilitate and support compliance with tax laws. In other words, voluntary tax compliance occurs when taxpayers fulfil their tax obligations without being compelled through enforcement measures by the tax authority. Similarly, Igwegbe and Eneh (2024) asserted that voluntary compliance involves the timely filing and reporting of required tax information, accurate self-assessment of tax liabilities, and prompt payment of taxes without enforcement. Shakya and Ojha (2024) further explained that voluntary tax compliance reflects an individual's willingness to prepare and file tax returns without direct intervention or coercion from government authorities. Isa and Mohammed also maintained that voluntary tax compliance involves taxpayers making their tax payments without enforcement, reflecting a relationship based on positive mutuality and cooperation between taxpayers and tax authorities.

Tax Compliance Simplicity

The literature reviewed generally emphasizes tax simplicity as an important determinant of tax compliance and voluntary compliance behaviour. Bani-Khalid (2022) emphasized the importance of having a simple tax return system from the taxpayer's perspective, noting that simplicity can make the process of fulfilling tax obligations less burdensome. Similarly, Asaolu and Dopemu (2023) opined that simplifying tax legislation can significantly encourage compliance behaviour among taxpayers. Sheuweikha et al. (2020) observed that the self-assessment system enhances voluntary tax compliance while also simplifying the tax collection process. Amah and Nwaiwu (2018) further identified the complexity of the tax system as one of the major factors contributing to tax evasion. In the same vein, Oladapo and Olalekan (2023) asserted that simplicity in tax laws is significantly related to tax compliance, explaining that simplified tax returns may encourage taxpayers to file their returns independently rather than relying on tax professionals. Oluwole (2023) also maintained that an ideal tax system should be fair, simple, enforceable, and capable of promoting economic prosperity.

Internally Generated Tax Revenues.

The internally generated revenue expected to strengthen the financial capacity of state governments is often undermined by corrupt practices among revenue collectors. Evidence suggests that some revenue collectors retain unofficial receipts, which creates opportunities for the diversion of government revenue for personal use. Corruption therefore constitutes a major challenge to effective revenue generation, as it is manifested through the manipulation of revenue receipts, embezzlement, and misappropriation of public funds. Under the 1999 Constitution of the Federal Republic of Nigeria, state governments generally have broad discretion to establish and impose various fees, charges, fines, penalties, levies, and related revenue items within their areas of jurisdiction. Premaratna (2020) further explained that some revenue items are not necessarily income- or transaction-based but may be imposed for the use of public utilities or infrastructure, or levied on specific categories of persons, individuals within particular geographical areas, or certain activities.

Measures of Internally Generated Revenue

Personal Income Tax

Personal Income Tax is a tax imposed on the income earned by individuals employed by either public or private organisations, as well as income derived by self-employed persons. Self-employed individuals are required to file their annual tax returns and remit the appropriate tax liabilities. Generally, taxpayers are expected to file returns for the preceding year within 90 days after the end of the relevant tax year. Personal Income Tax may be administered through three major mechanisms, namely Direct Assessment Tax, Self-Assessed Tax, and Pay-As-You-Earn (PAYE) tax. Direct Assessment is applied in determining the tax liability of self-employed individuals based on their personal income. The Self-Assessment system allows taxpayers to independently determine their tax liabilities, make payments of the computed amount through designated banks, and obtain an electronic Tax Clearance Certificate (e-TCC) without necessarily visiting a tax office. On the other hand, the Pay-As-You-Earn (PAYE) system requires employers in Nigeria to deduct the appropriate tax from employees' earnings and remit the amounts deducted to the relevant tax authority. Such deductions are required to be remitted on or before the 10th day of the month following the month in which the tax was deducted. Thus, PAYE tax liabilities are paid monthly, such that tax deducted from employees' income for November, for example, should be remitted on or before 10 December.

Company Income Tax

This is a tax that is imposed on the income of all companies operating in the country except those specifically exempted under the Act. Company income tax is tax on the profits of incorporated entities in Nigeria. It also includes the tax on the profits of non-resident companies carrying on business in Nigeria (Fowler, 2016). The tax is paid by limited liability companies inclusive of the public limited liability companies. It is therefore commonly referred to as a corporate tax. It was established by the company's Income Tax Act (CITA) 1979 and has its origin from the Income Tax Management Act of 1961. Company Income Tax is one of the taxes administered and collected by the Federal Inland Revenue Services (FIRS) now Nigeria Revenue" Services (NRS).

Theoretical Review

The "underpinning theory for this study is the Economic Deterrence Theory, propounded by Becker (1968). The theory explains that taxpayers' decisions to comply or not comply with tax laws are influenced by economic and policy-related factors, particularly the tax rate, which determines the potential benefits of tax evasion, as well as the probability of detection and the severity of penalties, which determine the potential costs of non-compliance. Thus, taxpayers are assumed to weigh the expected benefits of successfully evading taxes against the likelihood and consequences of being detected and sanctioned. Olaoye and Ekundayo (2019) stressed that the deterrence theory is based on the assessment of the benefits that may be derived from successfully evading tax against the risks and sanctions associated with being caught. Tax evasion occurs when taxpayers deliberately and consciously employ unlawful means to avoid fulfilling their tax obligations. Such practices may include failure to declare income earned, falsification of deductions, understatement of taxable income, or the use of other fraudulent methods to reduce or completely eliminate tax liabilities. Amos et al. (2019) further asserted that the deterrence theory generally predicts tax compliance patterns based largely on taxpayers' ability to pay. From this perspective, the theory provides justification for tax reforms as a means of improving compliance. For tax reforms to achieve a high level of compliance, taxpayers must perceive the reforms as promoting greater equity and fairness within the taxation system. In addition, such reforms should reduce the costs associated with tax compliance while increasing the potential costs and consequences of non-compliance. Therefore, the Economic Deterrence Theory provides a relevant theoretical foundation for this study because it supports the adoption of technological, administrative, and policy reforms as mechanisms for improving tax compliance and strengthening internally generated revenue. The theory suggests that when tax administration is simplified, monitoring and detection are strengthened, and appropriate sanctions are effectively applied, taxpayers are more likely to perceive non-compliance as costly and consequently comply with their tax obligations.

Empirical Review

Eggon et al. (2025) conducted a study on the effect of tax compliance on government revenue generation in North Central States, Nigeria, using a survey research design. The study employed an ordinal logistic regression model to examine the relationship between tax compliance and revenue generation. Tax compliance was measured using three components: tax policy (TXP), tax laws (TXL), and tax administration (TXA). Data were collected through a structured questionnaire administered to a sample of 400 respondents, out of which 356 questionnaires were properly completed and returned. Descriptive analysis was conducted, while multinomial logistic regression was employed to test the study hypotheses and draw inferences from the data. The findings revealed that tax policy had a positive and statistically significant effect on revenue generation in the North Central States of Nigeria. Similarly, tax laws exhibited a positive and statistically significant relationship with revenue generation, whereas tax administration had a positive but statistically insignificant relationship with revenue generation. Based on these findings, the study recommended that government should intensify efforts to improve tax policies in ways that encourage taxpayers to comply with their obligations. The study also advocated increased public awareness of tax laws, particularly at the community level, with emphasis on making the tax system more taxpayer-friendly for both formal and informal sector operators. Furthermore, stakeholders in the tax sector were encouraged to strengthen tax information dissemination and awareness creation across all levels of government, while improvements in tax-system support services and infrastructure were recommended to enhance taxpayers' confidence and demonstrate the productive use of tax revenues.

Nwagu et al. (2025) examined the relationship between tax audit and tax compliance in Nigeria. The study adopted a survey method and focused on an accessible population comprising individual taxpayers and tax officials in the RED Zone offices of the Federal Inland Revenue Service (FIRS) in the South-South region. Using purposive sampling, a sample of 300 respondents was selected, while a structured questionnaire served as the instrument for data collection. The Pearson Product Moment Correlation technique was employed to analyse the data. The findings revealed a significant relationship between tax audit and both timely filing of tax returns and prompt payment of tax liabilities. Specifically, tax audit demonstrated strong positive correlations with timely filing of tax returns and prompt payment of tax liabilities, with correlation coefficients of 0.830 and 0.755, respectively. The study therefore concluded that tax audit has a significant and positive relationship with tax compliance in Nigeria. It recommended that tax authorities increase the frequency and coverage of tax audits to enhance the likelihood of detecting non-compliance. The study further recommended the adoption of transparent and equitable audit processes to strengthen taxpayer confidence and encourage greater compliance with tax obligations.

Dakhil et al. (2025) examined the effect of tax compliance strategies on tax revenue generation in Nigeria, with particular emphasis on the effectiveness of different strategies in reducing the tax gap and improving government revenue. The study adopted a survey research design to examine the relationships among the variables without manipulating them. Primary data were collected through a structured questionnaire administered to 3,784 tax officials of the Federal Inland Revenue Service (FIRS) in the South-West States of Nigeria, who were considered knowledgeable about the subject matter as of December 31, 2023. The questionnaire was structured using a five-point Likert scale, while the validity and reliability of the research instrument were assessed using both statistical and non-statistical methods, including Cronbach's Alpha. The data were analysed using descriptive statistics, including mean, variance, skewness and kurtosis, as well as regression analysis. The empirical findings revealed that both voluntary tax compliance and tax enforcement strategies significantly contributed to tax revenue generation in Nigeria. The study concluded that a combined approach involving the promotion of voluntary compliance and the implementation of effective enforcement strategies provides a more effective means of enhancing tax revenue generation. Consequently, the study recommended that government should invest in comprehensive taxpayer education programmes that clearly explain tax laws, emphasise the importance of compliance, and communicate the benefits associated with fulfilling tax obligations.

Jack et al. (2025) examined the influence of tax compliance strategies on revenue generation in Rivers State, Nigeria. The study focused on the concept and characteristics of tax compliance strategies, particularly as they relate to major Nigerian taxes such as Personal Income Tax and stamp duties. The researchers utilised both secondary and primary sources of data to achieve the objectives of the study, while regression analysis facilitated by SPSS Version 2.0 was employed for hypothesis testing. The findings revealed a significant relationship between tax compliance and revenue generation in Rivers State. Specifically, voluntary compliance strategies were found to have a significant positive effect on tax revenue generation, while the regression coefficients indicated a moderately strong relationship between the various dimensions of tax compliance strategies and Personal Income Tax. The study therefore concluded that voluntary compliance strategies and tax enforcement have significant positive relationships with tax revenue generation, particularly in relation to Personal Income Tax. The researchers further emphasised the importance of tax consultants and practitioners maintaining high ethical standards, integrity and professionalism in the performance of their responsibilities within the state tax revenue system. They recommended stringent punitive measures against consultants and practitioners who facilitate tax evasion, arguing that collaboration with taxpayers involved in fraudulent practices should attract severe sanctions in order to protect the legitimate tax revenue" of the state.

METHODOLOGY

This "study used the cross-sectional type of survey research design having individuals (employees of NRS and RBIRS) as unit of analysis. This method is considered appropriate as it is useful for the study of non- observable events such as opinions, attitudes, preferences or dispositions. The design would be such as to discover important predictive relationship and degrees of association among variables.

Population of the Study

The population of this study are seven (7) branches of Rivers state Revenue collection offices in Rivers State, Nigeria with a total respondent of 299

Revenue Collection Offices and Number of Staff in Rivers State

S/NO	State	Offices	No. of Staff
1	Rivers State	State Head Office Office, Trans Amadi	58
2		Aba Road Large Tax Office	34
3		ken Saro Wiwa Road Elekahia	35
4		Bori Micro & Small Tax Office	51
5		Rumueme Micro & Small Tax Office	50
6		Moscow Road Micro & Small Tax Office	52
7		Ikwerre Road Micro & Small Tax Office	19
		Total	**299**

Source: Field Survey (2026)

Sample size and Sampling Techniques

The study population is small, consequently all the seven (7) branches of Rivers state Revenue Collection Offices in Rivers State, Nigeria employing census sampling technique while Taro- Yamen's formula as was adopted for the determination of respondents rate by Baridam (2001) and shown below:

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

Where: n = sample size sought
c = level of significance
N = Population

Hence:

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

N = 299
c = level of significant of 0.05

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

$$n = \frac{-299}{I + 0.7475}$$

$$= \frac{299}{I + .7475} = 171$$

The sample size for the respondents therefore was 171. The sample of determination techniques applied in selecting a sample of 171 from a population of 299 in this study was the Taro Yamen techniques. We now come to the matter of proportionate sample size determination to enable us selected the proportionate sample from of the seven offices of Revenue Collection. The Bowley's (1937) proportionate size allocation is employed thus:

$$Nh = \frac{nNh}{N}$$

Where
Nh = Sample size for each organization
Nh = Population size for each organization
N = Population" of the study

SAMPLE "DISTRIBUTION

S/NO	NRS FIELD OFFICES	NO: OF STAFF	MATH EX Nh= $\frac{nNh}{N}$	DISTRIBUTION PROPORTION
1	State Head Office, Trans Amadi	58	171=$\frac{58}{299}$	33.17
2	Aba Road Large Tax Office	34	171=$\frac{34}{299}$	19.44
3	Ken Saro Wiwa Road Elekahia	35	171=$\frac{35}{299}$	20.01
4	Bori Micro & Small Tax Office	51	171=$\frac{51}{299}$	29.16
5	Rumueme Micro & Small Tax Office	50	171=$\frac{50}{299}$	28.60
6	Moscow Road Micro & Small Tax Office	52	171=$\frac{52}{299}$	29.73
7	Ikwerre Road Micro & Small Tax Office	19	171=$\frac{19}{299}$	10.86
Total		299		171

Source: Field Survey (2026)

Nature/Sources of Data

The major method of data collection that was adopted in this study is the questionnaire. The primary source in this study is the administration of questionnaire carried out with the staff of Rivers State Board of Internal Revenue Service (RSBIRS) and the Nigeria Revenue Services (NRS) in Rivers State, Nigeria .The distribution and collection of data was done personally.

Research Instrument

Structured questionnaire was used as the main instrument for the collection of primary data. The questionnaire was structured into two sections. The first phase was made up of the respondents' demographic data - This study was interested in the age, sex, education, occupation, ethnic group, nationality, residence, income level of the respondents drawn from the seven (7) Revenue Collection offices in Rivers State, Nigeria. The second phase of the questionnaire was design on a five (5) points Likert rating scale with the below response options strongly agreed, agreed, moderately agreed, strongly disagreed, and disagreed to measure the respondents opinions related to tax compliance and internally generated revenue.

Validity of the Research Instrument

For us to establish the validity of the instrument, copies of the questionnaire were presented to the experts in quantitative analysis. Their comments and adjustments were used to validate the final copy of the instrument that was administered to respondents.

Reliability of the Research Instrument

The term reliability of instrument refers to the ability of an instrument to measure the variables. The reliability of this research was determined using the Cronbach Alpha Coefficient technique. Cronbach Alpha is used to ascertain the reliability of the instrument because of it statistical strength in ascertaining the internal consistency of the questionnaire items. A benchmark of 0.70 (Nually,1978) was used in determining whether a reliability coefficient is accepted as high or low. Thus, questionnaire items below 0.70 Cronbach Alpha Coefficient considered to have showed a low reliability, while those with Cronbach Alpha Coefficient above 0.70 was considered to have showed an acceptable level of reliability. The table below shows the Cronbach Alpha reliability results.

Cronbach Alpha Coefficients for Measurement of Constructs

Scale	Cronbach's Alpha	Number of items
Voluntary Tax Compliance	0.810	5
Tax Compliance Simplicity	0.744	5
Company Income Tax	0.789	5
Personal Income	0.768	5

Source: Field Survey (2026)

Administration of Instrument

This phase elucidated how the questionnaire was administered to the sampled respondent in the seven-revenue collection office in Rivers State, Nigeria. A total of 171 copies of the questionnaire were distributed to the target respondents in the 7 Revenue Collection offices and retrieved through e-emails, use of agents and personal contact with the staff of Rivers State Board of Internal Revenue Service and the Nigerian Revenue Services, Rivers State Nigeria.

Model Specification

The significant variables utilised in this study were operationalized in order to indicate the functional relationship between the dependent and independent variables.

Model I: Personal Income Tax (PIT) Model

PIT= f (VTC, TCS, TAG) ………………. ………….. …………… ………….. i

This can be written in Ordinary Least Square (OLS) form as

PIT = = a_0 + a_1VTC, + a_2TCS, + a_3TAG + U …………… …………………. ii

- $a_1 > 0$; $a_2 0$; $a_3 > 0$

Model II: Company Income Tax (CIT) Model

CIT= f (VTC, TCS, TAG) ………………. ………….. …………… ………….. iii

This can be written in Ordinary Least Square (OLS) form as

CIT = a_0 + a_2VTC, + a_2TCS, + a_3TAG$_1$ + U …………… ………………. iv

$a_1 > 0$; $a_2 > 0$; $a_3 > 0$

Method of Data Analysis

Data from the field was arranged and analysed for decision on making. The statistical package for the Social Sciences (SPSS) version 22.0 was used to execute the descriptive analysis and linear regression model. The primary phase of analysis included the use of descriptive statistics to portray the univariate attributes" of each variable.

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

Multivariate Analysis

Table 4.1

Model "Summaries of Hypothesis One, And Three

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Wetson

I	.954[a]	911	909	68849	1.653

a. Predictor: (Constant), TCS, VTC, TAG
b. Dependent Variables: PIT
Source: SPSS Output

The table above reveals a regression coefficient of (R=.954a, R2=.911, Adjusted R2=.909, DW=1.653). The results of the regression model showed the effect of voluntary tax compliance (VTC) and tax compliance simplicity (TCS) on personal income tax (PIT) has very strong effect. The coefficient of determination R2 represented the proportion of variance of personal income tax (PIT) that has been elucidated by the independent variables in respect to Voluntary tax compliance (VTC) and tax compliance simplicity (TCS) in the regression model. The adjusted R2 provides an insight of goodness of fit of the model. This implied that 91.1% changes in personal income tax (PIT) are contributed to change in voluntary tax compliance (VTC) and tax compliance simplicity (TCS). The remaining variation is the error term and it is attributed to other factors not included in the model. The Durbin - Watson test of (1.653) is within the acceptable range of 1to 3 specified by field (2009) and this affirmed that the problem of autocorrelation is unlikely to exist in the data series.

Table 4.2
ANOVA = of Hypothesis One, And Three

Model	Sum of Squares	df	Mean Square	F	Sig.
I Regression	757.076	3	252.359	532.377	.000[2]
Residual	73.947	156	474		
Total	831.023	159			

a. Dependent variable: PIT
b. Predictors: (Constant), TCS, VTC, TAG
Source: SPSS Output

The above table reported a regression significant P value of.000b<5% and F = (532.377) which showed that, the overall model is statistically significant at 5% chosen feasible region between tax compliance strategies dimensions and personal income tax (PIT) in Rivers State, Nigeria.

Table 4.3
Coefficients= of Hypothesis One, And Three

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
I (Constant) TAG	.592	.201		2.951	-004
VTC	.308	.038	374	8.182	-000
TCS	-218	.042	-158	-5.211	-000
	.479	.042	510	11.394	.000

a. Dependent Variable PIT

Source: SPSS Output

Table 4.4
Model Summary of Hypothesis One, And Three

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Wetson
I	.635[a]	.403	.392	I.22683	1.953

a. Predictors: (Constant), TCS, VTC, TAG

b. Dependent variable: CIT
Source: SPSS Output

The results in the above table reported a regression coefficient of (R=.635a, R2=.403, Adjusted R2=.392, DW=1.953). The results of the regression showed the effect of voluntary tax compliance (VTC) and tax compliance simplicity (TCS) on company income tax (CIT) has a strong effect. The coefficient of determination R2 represented the proportion of variance of company income tax (CIT) that has been elucidated by the independent variables in respect to Voluntary tax compliance (VTC) and tax compliance simplicity (TCS) in the regression model. The adjusted R2 provides an insight of goodness of fit of the model. This implied that 40.3% changes in company income tax (CIT) are contributed to change in voluntary tax compliance (VTC) and tax compliance simplicity (TCS). The remaining variation is the error term and it is attributed to other factors not included in the model. The Durbin -Watson test of (1.953) is within the acceptable range of 1 to 3 specified by field (2009) and this affirmed that the problem of autocorrelation is unlikely to exist in the series.

Table 4.5
ANOVA[6] = of Hypothesis One, And Three

Model	Sum of Squares	df	Mean Square	F	Sig.
I Regression	158.532	3	52.844	35.109	.000[3]
Residual	234.799	1.56	1.505		
Total	393.331	1.59			

a. Dependent variables: CIT
b. Predictors: (Constant), TCS, VTC, TAG
Source: SPSS Output

The table above reveals a regression significant P value of.000 < 5% F = (35.109) which showed that, the overall model is statistically significant at 5% chosen feasible region between tax compliance strategies dimensions and company income tax (CIT) in Rivers State, Nigeria.

Table 4.6
Coefficients of Hypothesis One, And Three

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
I (Constant)	3. 745	.358		10.469	.000
TAG	.043	.067	.075	.635	.526
VTC	.075	.075	.079	1.009	.314
TCS	-.419	.075	.649	-5.591	.000

a. Dependent variable: CIT
Source: SPSS" Output

DISCUSSION OF FINDINGS

Voluntary Tax Compliance and Personal Income Tax

According to "results in Table 4.4, the effect of voluntary tax compliance on personal income tax in Rivers State. The T- Statistic -5.211 and prob. Value .000< chosen 5% significant feasibility region. From the above result, the null hypothesis is rejected while the alternative hypothesis is accepted. This implies that the effect of voluntary tax compliance on personal income tax in Rivers State is negative and statistically significant. The findings associated with this variable are tandem with Igwegbe and Eneh (2024), Isa and Mohammed (2024), Shakya and Ojha (2024), Imam (2024), Oluwole (2023), Puteri (2020), Night and Bananuka (2019) whereas; Olaoye and Ekundayo (2019), Sheuweikha, et al (2020) shared a contradicting result with the present study.

Voluntary Tax Compliance and Company Income Tax

The results in Table 4.4 demonstrate the effect of voluntary tax compliance on company income tax in Rivers State, Nigeria. The T- Statistic 1.009 and prob. value .314> chosen 5% significant feasibility region. From the above result, the null hypothesis is rejected while the alternative hypothesis is accepted. This implies that the effect of voluntary tax compliance on company income tax in Rivers State is positive and statistically not significant. The findings associated with this variable are tandem with Ajzen (1991), Olaoye and Ekundayo (2019), Amah and Nwaiwu (2018), Amos et al (2019) whereas; Gotora and Samuel (2018), Keen and Slemrod (2021), Knoll et al (2017), Kothari (2012), Larsen and Brogger (2021) shared a contradicting result with the present study.

Tax Compliance Simplicity and Personal Income Tax

Similarly, Table 4.5 reflects the effect of tax compliance simplicity on personal income tax in Rivers State, Nigeria. The T- Statistic 11.394 and prob.** value. 000< chosen 5% significant feasibility region. From the above result, the null hypothesis is rejected while the alternative hypothesis is accepted. This implies that the effect of tax compliance simplicity on personal income tax in Rivers State is positive and statistically significant. The findings associated with this variable are tandem with Appah and Ogbonna (2014), Bani-khalid et al (2022), Bird and Davis- Nozemack (2018), Dissanyaka and Premaratna (2020), whereas Olaoye and Ekundayo (2019), Amah and Nwaiwu (2018) shared a contradicting result with the present study.

Tax Compliance Simplicity and Company Income Tax

The results in Table 4.6 above show the effect of tax compliance simplicity on company income tax in Rivers State, Nigeria. The T- Statistic -5.591 and prob. value.000< chosen 5% significant feasibility region. From the above result, the null hypothesis is rejected while the alternative hypothesis is accepted. This implies that the effect of tax compliance simplicity on company income tax in Rivers State is negative and statistically significant. The findings associated with this variable are tandem with Asaolu and Dopemu (2023), Kanyi (2020), Madugba et al (2023), Bani-khalid et al (2022), Agada (2019) whereas; Night and Bananuka (2019) share a contradicting result with the present study.

CONCLUSIONS

The results reinforce the common position of this study which says that:

1. Voluntary tax compliance adversely influences personal income tax in Rivers State, Nigeria.
2. Voluntary tax compliance positively influences company income tax in Rivers State, Nigeria.
3. Tax Compliance Simplicity positively influences personal income tax in Rivers State, Nigeria.
4. Tax Compliance Simplicity adversely influences company income tax in Rivers State, Nigeria.

RECOMMENDATIONS

Based on the findings and conclusions of this work, the following recommendations were made:

1. Rivers State Board of Internal Revenue Service should have the ability to pay principle to encourage tax payers as means of tax simplicity.

2. Rivers State Government should consider tax compliance strategy in terms of voluntary tax compliance strategy because by so doing, internally generated revenue would fully impact the economy of the state positively.
3. The Rivers State Government, as a policy maker, should follow up and improve on its tax payer education programmes, by putting in place adequate policies and machinery to promote taxpayer education further in order to increase enlightenment of tax payers and improve their compliance to tax laws.
4. Rivers State Government should show sincerity in the utilise of tax income as this would engender willingness to comply with tax obligation in Rivers State.
5. To enable a high level of compliance, the economic costs of time required, and the expense which a taxpayer may incur during the procedures for compliance should be kept to the absolute minimum" at all times.

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