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TAX ADMINISTRATION CHALLENGES ON VOLUNTARY TAX COMPLIANCE AMONG BUSINESS OWNERS IN BAYELSA STATE, NIGERIA

By

Ihenyen, Confidence Joel[1,] Youpele, Allison Pouzigha[2,] Atinakpa Tonbra Veracious[3,] Lazarus Ligha Johnson[4]

[1,2,3,4]Department of Accountancy, Management Sciences, Niger Delta University, Wilberforce Island, Bayelsa State.

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Abstract

This study examined the relationship between tax administration challenges—tax complexity and perceived fairness—and voluntary tax compliance among business owners in Bayelsa State. A survey research design was adopted, and primary data were collected from 239 business owners across various sectors using structured questionnaires. The data were analyzed using descriptive and inferential statistics, including Pearson correlation. The findings revealed a significant negative relationship between tax complexity and voluntary tax compliance ($r = 0.761$, $p < 0.01$), indicating that increased complexity discouraged compliance. Conversely, perceived fairness in tax administration had a strong positive effect on tax compliance ($r = 0.814$, $p < 0.01$), suggesting that when taxpayers perceived the system as fair, they were more likely to comply voluntarily. Based on these findings, the study recommended that tax authorities simplify the tax system by reducing bureaucratic hurdles, providing clear tax guidelines, and improving taxpayer education. Additionally, enhancing transparency and fairness in tax administration—such as equitable tax assessments and fair dispute resolution—could foster higher compliance levels. The study contributed to the growing literature on tax compliance by providing empirical evidence on how tax complexity and fairness impacted voluntary compliance in a developing economy.

KEYWORDS: *Tax Compliance, Tax Complexity, Perceived Fairness, Administration*

1. INTRODUCTION

Societies rely on structured systems to maintain order, promote progress, and provide important services to its populace. In these systems, governance is crucial for the effective mobilization and distribution of resources. A flourishing economy is maintained not alone via production and commerce, but also by the government's capacity to create funds for public welfare. In several nations, taxes constitutes the principal source of financing for essential areas like education, healthcare, infrastructure, and security (Audu & Ishola, 2021). The efficacy of tax collection is affected by several elements, notably the readiness of people and enterprises to fulfill their tax obligations. In several economies, tax compliance is essential for maintaining fiscal stability and promoting national advancement. When individuals willingly comply with tax restrictions, governments may efficiently execute public programs that improve living conditions (Rahayu & Kusdianto, 2023). Conversely, poor compliance rates result in income shortfalls, leading to underfunded public services and heightened reliance on external borrowing. This problem is particularly pronounced in poor countries, where structural inefficiencies, economic instabilities, and bureaucratic obstacles impede effective revenue collection (Akinadewo et al., 2023). Thus, fostering voluntary tax compliance continues to be a crucial objective for tax authorities worldwide.

Despite the general recognition of the necessity of taxes, several organizations and people exhibit reluctance to fulfill their tax duties. This hesitance is frequently influenced by views on tax revenue management, the intricacy of the tax system, and the efficacy of tax authorities (Ihenyen et al., 2022). Certain company proprietors, especially within the informal sector, perceive taxation as onerous and complex to manage. Some individuals view the tax system as inequitable or prejudiced, casting uncertainty on the effective use of their contributions. These impressions profoundly affect compliance behavior, either encouraging or deterring taxpayers from fulfilling their responsibilities freely.

The function of tax administration is vital in influencing compliance perspectives. A transparent and systematically planned tax administration cultivates confidence between taxpayers and the government, so encouraging a culture of

*Corresponding Author: **Ihenyen, Confidence Joel.**

voluntary compliance (Olaniyi et al., 2023). Conversely, when tax administration is perceived as inefficient, excessively complex, or prone to corruption, taxpayers may be dissuaded from compliance. In several emerging economies, such as Nigeria, tax administration encounters various challenges that hinder efficient revenue collection. These issues encompass bureaucratic inefficiencies and insufficient technology infrastructure, rendering tax procedures difficult to access and manage for numerous taxpayers (Onoja & Odoma, 2021).

The complexity of the tax system constitutes a significant obstacle to tax compliance. Complex rules can perplex taxpayers, especially small business proprietors who lack the means to employ experienced tax consultants. Ambiguous tax rules and unduly complex filing processes may lead business owners to commit inadvertent errors or choose non-compliance to evade complexities (Aliyu et al., 2022). In Nigeria, the frequent alterations in tax policies and the intricacy of tax legislation have been recognized as primary reasons deterring voluntary compliance among company operators (Onoja & Odoma, 2021).

A significant element affecting tax compliance is the perceived equity of the tax system. Taxpayer compliance is enhanced when individuals perceive tax policies as fair and the generated revenues as beneficial to the group (Olaniyi et al., 2023). Nonetheless, when individuals and enterprises believe that tax regulations preferentially benefit specific groups or that tax revenues are misappropriated, their propensity to cooperate diminishes. In Nigeria, apprehensions over corruption, insufficient transparency, and the selective application of tax rules have engendered adverse impressions of the tax system, thereby influencing compliance behavior (Akinadewo et al., 2023).

2. PROBLEM STATEMENT AND HYPOTHESES FORMULATION

Maintaining tax compliance is a considerable difficulty for governments, particularly in emerging economies where voluntary adherence is sometimes diminished by numerous administrative inefficiencies (Vincent, 2021). In Nigeria, deficiencies in tax administration have severely hindered tax compliance among company owners, leading to revenue deficits for the government (Olaniyi et al., 2023). Notwithstanding initiatives to enhance tax compliance via changes like electronic filing systems and taxpayer education campaigns, compliance rates persistently fall short of expectations. The ongoing gap between anticipated and actual tax income highlights the necessity for a comprehensive examination of the obstacles to voluntary compliance, especially in subnational areas like as Bayelsa State, where commercial operations are crucial for economic development (Ihenyen et al., 2022).

A key barrier to tax compliance is the intricacy of the tax system. When tax rules are challenging to comprehend due to ambiguous legislation, extensive documentation, and intricate filing processes, compliance typically diminishes (Ihenyen et al., 2023). Business proprietors, particularly those managing small and medium-sized firms (SMEs), frequently have difficulties in navigating tax administration, potentially leading to inadvertent non-compliance or deliberate tax evasion (Eneh et al., 2022).

A crucial element influencing voluntary tax compliance is the perceived equity of the tax system. Tax fairness involves the just allocation of tax responsibilities, clarity in tax collection processes, and the concrete advantages taxpayers obtain from their contributions (Eneh et al., 2022). When citizens see the tax system as inequitable—whether owing to exorbitant tax rates, arbitrary enforcement, or insufficient governmental accountability in revenue administration—they are more inclined to reject compliance (Ebimobowei, 2023). In Nigeria, apprehensions of inadequate public service provision and accusations of misappropriated public cash hinder taxpayers' willingness to cooperate. Business owners who consider their tax contributions as failing to provide significant public benefits may use tax cheating as a form of protest against perceived injustices.

The efficacy of tax authorities in enforcing compliance significantly influences taxpayer behavior. Studies demonstrate that subpar tax administration—characterized by corruption, bureaucratic inefficiency, and insufficient taxpayer assistance—adversely impacts voluntary compliance (Ebimobowei, 2023). Business owners may be dissuaded from fulfilling their tax duties when confronted with delays, elevated compliance expenses, or requests for unofficial payments from tax officials.

Furthermore, the existence of multiple tax rates and overlapping tax jurisdictions creates an additional burden for business owners. Many enterprises in Nigeria face multiple taxation due to conflicts between federal, state, and local government tax authorities (Abioye, 2023). This scenario increases compliance costs, making tax payment burdensome for small business owners. Despite the numerous tax reforms aimed at improving compliance, the expected increase in voluntary compliance levels has not been fully realized. Many business owners still prefer to operate informally to avoid tax obligations, which poses a significant threat to revenue generation and economic sustainability (Awodun et al., 2024). Understanding the specific challenges that hinder voluntary compliance among business owners is crucial for formulating effective tax policies and enforcement strategies. Given these challenges, this study seeks to empirically examine the effects of tax complexity and the perceived fairness of the tax system on voluntary tax compliance among business owners in Bayelsa State.

Hypotheses

(H_1): There is a significant relationship between tax complexity and voluntary tax compliance among business owners in Bayelsa State.

(H_2): The perceived fairness of the tax system significantly affects voluntary tax compliance among business owners in Bayelsa State.

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3. LITERATURE REVIEW

Tax Administration

Tax administration includes the methods and frameworks employed by a government or tax authority to collect taxes from individuals, corporations, and other entities under its jurisdiction. This encompasses a wide array of tasks including the formulation and implementation of tax policies, enforcement of tax laws, taxpayer education, and management of tax data (Dwi et al., 2024). An efficient tax administration system guarantees that tax collection is executed equitably, openly, and effectively, therefore producing cash to finance public services and development projects. It is essential for preserving budgetary stability and promoting national development goals.

An essential component of tax administration is the development and implementation of tax policy. This entails delineating the categories of taxes to be levied, determining tax rates, and instituting collection methods (Appah & Aganaba, 2024). Tax policy decisions profoundly influence economic growth by determining corporate operations, investment trends, and consumer conduct. Well-designed tax policies enhance compliance, encourage investment, and facilitate economic growth. In contrast, too intricate or inadequately structured tax systems may promote tax evasion, avoidance, and diminished voluntary compliance

Tax enforcement is an essential component of tax administration, encompassing acts undertaken by tax authorities to guarantee taxpayer compliance via legal and regulatory procedures. These procedures encompass audits, investigations, fines for non-compliance, and legal actions to recover unpaid taxes (Oseni, 2021). Although rigorous enforcement deters tax evasion and promotes compliance, it must be harmonized with equity and respect for taxpayer rights to preserve faith in the system. Excessive enforcement may result in adverse consequences, including reduced taxpayer morale and heightened animosity towards taxes.

A crucial element of tax administration is taxpayer education and support initiatives. These efforts seek to educate individuals and companies of their tax obligations, entitlements, and the importance of tax payments. Delivering transparent and comprehensible information on tax processes, obligations, and rewards streamlines the tax process and enables taxpayers to comply willingly (Appah & Aganaba, 2024). Numerous tax authorities provide assistance via internet resources, helplines, and workshops to aid individuals in comprehending filing obligations and tax rules. Such programs are especially beneficial in regions characterized by low tax literacy or where intricate tax regulations hinder compliance.

Effective tax administration depends on proficient tax record management and technology innovations. Contemporary tax systems increasingly employ information technology to enhance revenue collection efficiency, reduce administrative expenses, and mitigate mistakes. Digital systems for tax registration, filing, and payment improve precision and diminish chances for evasion (Pereowei, 2024). Moreover, automation and data analytics enable tax authorities to monitor payments, identify discrepancies, and perform targeted audits with greater efficiency. The incorporation of technology into tax administration may substantially enhance compliance rates and mitigate fraudulent activities.

Transparency and accountability are essential to an effective tax administration system. Taxpayers are more likely to cooperate when they believe that tax funds are utilized appropriately and that tax authorities act with integrity (Abioye, 2023). Transparency entails explicit information regarding tax legislation, rates, and the distribution of public funds, whereas accountability guarantees that tax authorities are answerable for their activities and judgments. Transparent and responsible tax administration enhances taxpayers' perception of fairness, resulting in increased voluntary compliance and strengthening the connection between the government and the people.

Administration Challenges

Tax administration encounters several problems that impede its efficacy and efficiency, particularly in emerging economies. These issues may present in several ways, ranging from structural inefficiencies within tax authorities to the overarching socio-economic milieu that affects taxpayer behavior. A significant problem is the intricacy of tax legislation and regulations. Numerous nations possess tax systems marked by complex and convoluted tax regulations, complicating the understanding of duties for taxpayers, especially small and medium-sized enterprises (Eneh et al., 2022). This intricacy frequently leads to inaccuracies in tax submissions, underreporting, or outright non-compliance, since taxpayers find it challenging to maneuver through the intricate system. Streamlining the tax system can mitigate this difficulty by enhancing taxpayers' comprehension of their duties, thereby boosting voluntary compliance. A notable concern is the deficiency of administrative competence among tax agencies. In several developing nations, tax authorities are inadequately funded and staffed, significantly impairing their capacity to implement tax legislation efficiently (Eneh et al., 2022). In the absence of sufficient resources, tax administrators are unable to do comprehensive audits, investigations, or public awareness initiatives that promote tax compliance. Moreover, inadequate technical infrastructure and obsolete systems intensify the issue, hindering tax authorities' ability to monitor payments, identify fraud, or communicate effectively with taxpayers. Enhancing the capabilities of tax authorities via increased financing, comprehensive training, and the integration of advanced technologies is crucial for addressing these administrative issues.

Corruption within tax administrations represents another significant obstacle to effective tax collection. In some regions, tax officials may engage in corrupt practices, such as bribery or preferential treatment, which undermine the fairness and transparency of the system (Uadiale, Fagbemi, & Ogunleye, 2010). Corruption erodes taxpayer trust, discourages compliance, and perpetuates the perception that tax payments are used inefficiently or unfairly. Combatting

*Corresponding Author: **Ihenyen, Confidence Joel.**

corruption requires strong legal frameworks, transparency initiatives, and mechanisms to hold tax officials accountable for their actions. Without addressing corruption, efforts to reform tax administration will likely remain ineffective, as taxpayers will remain skeptical of the system's ability to manage their contributions fairly. The enforcement of tax laws also presents a considerable challenge in many countries, particularly where there are insufficient penalties for non-compliance or weak enforcement mechanisms. In countries where tax evasion is prevalent, authorities may lack the political will or the legal power to pursue offenders effectively (Mrcela et al., 2023). Taxpayers who perceive that the risk of detection and punishment is low may be more inclined to evade taxes. Strengthening enforcement by enhancing legal frameworks, increasing penalties for non-compliance, and using technology to track tax payments can help deter evasion and encourage compliance. However, enforcement measures must be balanced to avoid alienating taxpayers and creating an environment of distrust toward the tax system.

Tax Compliance

Tax compliance denotes the degree to which people and enterprises conform to the tax rules and regulations set by the government. It encompasses the precise reporting of revenue, spending, and other financial particulars, together with the assurance of timely tax remittances. Voluntary compliance transpires when taxpayers meet their duties freely, without necessitating enforcement measures (Gbelam & Owota, 2021). Numerous factors affect tax compliance, such as the intricacy of the tax system, views of equity, and the probability of detection and sanctions for non-compliance. Comprehending these aspects is essential for governments seeking to augment tax compliance and optimize revenue collection.

A major determinant influencing tax compliance is the intricacy of the tax system. Complex or ambiguous tax legislation might hinder taxpayers, particularly small enterprises, from achieving complete compliance (Olaniyi et al., 2023). This intricacy may lead to filing inaccuracies, inadvertent underreporting, or overlooked deadlines. Streamlining tax legislation, enhancing transparency, and offering explicit instructions can augment compliance rates. Furthermore, incorporating technology—such as digital tax filing platforms—can optimize the process, enhancing tax compliance efficiency and accessibility.

A crucial factor influencing tax compliance is the perceived equity of the tax system. Taxpayer compliance is more probable when individuals see tax policies as equitable and the distribution of tax responsibilities as fair (Ifeyinwa et al., 2023). When individuals observe that their tax payments are utilized efficiently to support public services like infrastructure, education, and healthcare, they are more motivated to meet their commitments. Conversely, perceptions of inequity—such as misuse of tax revenues or loopholes benefiting high-income individuals—can undermine faith in the system and diminish compliance rates. To preserve public trust, governments must provide openness in the transfer of tax revenues and exhibit accountability.

The probability of detection and sanction for tax evasion is a significant determinant of compliance. In nations with inadequate tax enforcement, taxpayers may perceive a diminished likelihood of detection, hence fostering non-compliance (Olaniyi et al., 2023). When tax authorities establish effective enforcement mechanisms—such as audits, penalties, and other deterrents—compliance often enhances. It is essential that enforcement is conducted equitably and impartially, since disproportionate or discriminatory fines may incite anger and erode voluntary compliance. Achieving equilibrium between enforcement and equity is crucial for fostering taxpayer confidence and ensuring long-term compliance.

A significant component affecting tax compliance is taxpayer education. Effective communication and instructional initiatives are essential for enabling individuals to comprehend their tax responsibilities, entitlements, and the overarching advantages of compliance (Bello & Kasztelnik, 2022). By offering transparent and comprehensible information on tax rules, payment dates, and the significance of taxes for national growth, tax authorities can improve voluntary compliance. In areas with little tax literacy, these programs are especially beneficial, as they provide taxpayers with the essential information to meet their duties without the need for coercion or stringent enforcement tactics. When individuals are adequately educated, they are more inclined to cooperate voluntarily, diminishing the necessity for punitive measures.

Moreover, societal conventions and cultural views regarding taxation profoundly influence compliance behavior. In countries where tax payment is perceived as a civic obligation and a contribution to national advancement, compliance rates are often elevated (Olaniyi et al., 2023). In contrast, in settings where tax evasion is prevalent or socially accepted, voluntary compliance is significantly diminished. Elements include public confidence in governmental entities, views on tax equity, and the general efficacy of tax administration influence these social perspectives. Governments may enhance tax culture by initiating public awareness campaigns, fostering openness in tax revenue management, and emphasizing that tax payment is a common obligation that benefits society at large.

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), developed by Icek Ajzen in 1991, is a prominent psychological model that elucidates human behavior through the interplay of three principal components: attitudes, subjective standards, and perceived behavioral control (Ajzen, 1991). The Theory of Planned activity posits that an individual's intention to do a specific activity is the most significant predictor of actual execution. The idea posits that a taxpayer's propensity to comply with tax legislation is influenced by their own views towards taxes, the impact of societal expectations, and their perceived capacity to conform to tax laws. The Theory of

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Planned Behavior (TPB) is particularly pertinent in examining voluntary tax compliance, since it elucidates how individuals formulate tax-related decisions influenced by their beliefs and external forces.

The initial component of the Theory of Planned conduct, attitude toward the conduct, pertains to an individual's comprehensive evaluation of an action as either positive or negative. Taxpayers who perceive taxation as beneficial to public welfare and economic stability are more inclined to have a positive attitude toward tax compliance. If individuals view the tax system as inequitable, ineffective, or poorly administered, they may develop a negative disposition, diminishing their propensity for compliance (Murphy, 2019). Consequently, cultivating favorable opinions of the tax system—via openness, accountability, and enhancements in public service—can significantly contribute to promoting voluntary tax compliance.

Subjective norms, the second element of the Theory of Planned activity (TPB), denote the social pressures people encounter about a certain activity. Tax compliance norms arise from the expectations and practices of family, friends, coworkers, and wider society influences. When individuals see that their friends and community members esteem tax compliance and consider it a civic obligation, they are more inclined to adhere to tax rules. In contexts where tax evasion is prevalent or accepted, people may feel less obligated to comply with tax regulations due to a lack of significant social pressure (Bello & Kasztelnik, 2022). Acknowledging the impact of subjective norms on tax behavior underscores the efficacy of community activities, media campaigns, and leadership endorsements in fostering voluntary tax compliance.

The third component, perceived behavioral control, denotes an individual's assessment of the ease or difficulty associated with executing a certain activity. In the realm of tax compliance, this pertains to a taxpayer's assurance in their capacity to meet their tax responsibilities. Numerous aspects might affect perceived behavioral control, such as the intricacy of tax forms, the lucidity of tax legislation, the accessibility of support, and the availability of digital tax filing systems. When taxpayers see the tax system as overly complex or believe they lack the requisite knowledge and resources for compliance, they may get disheartened and choose non-compliance (Slemrod, 2018). In contrast, an efficient and accessible tax procedure can improve perceived control, facilitating compliance. Governments may enhance compliance rates by streamlining tax procedures, providing taxpayer assistance services, and ensuring that information on tax obligations is readily accessible.

Prior Studies

The empirical literature on tax administration presents diverse perspectives on the factors influencing tax compliance and efficiency. Adebisi and Gbegi (2017) highlighted inefficiencies in Nigeria's tax administration, attributing poor revenue generation to tax evasion, corruption, and ineffective monitoring. They recommended simplifying tax policies and enhancing transparency to boost compliance. Similarly, Kusi and Osei-Assibey (2018) examined tax reforms in Ghana, finding that digitalization and amnesty programs significantly improved voluntary tax compliance. Their study underscored the importance of technological advancements in tax administration. In Nigeria, Tella and Olaseni (2019) focused on the challenges SMEs face with taxation, revealing that high tax rates, bureaucratic hurdles, and inadequate transparency hindered business growth. They suggested that better taxpayer education could enhance compliance while reducing the tax burden on SMEs.

Beyond national contexts, cross-country studies have also explored tax administration effectiveness. Slemrod, Bakija, and Johnson (2020) analyzed tax compliance across multiple countries, emphasizing the role of audits and enforcement in deterring tax evasion. Their findings indicated that rigorous audits improved compliance but could also generate taxpayer resentment if perceived as excessive. Dube and Masuku (2021) studied tax challenges in Zimbabwe, particularly the difficulty in taxing multinational corporations that exploit legal loopholes. They recommended implementing stricter transfer pricing regulations and improving international coordination to prevent tax avoidance. In Nigeria, Olatunji and Adeyemi (2021) examined the role of corruption in tax administration, revealing that bribery and inefficiencies within tax agencies weakened compliance. Their study called for stronger oversight mechanisms and transparency measures to restore public trust in tax administration.

Recent studies have explored the interplay between tax policy, investment, and voluntary compliance. Muriithi and Moyi (2022) found that complex tax policies deterred foreign direct investment in Kenya, suggesting that simplified tax procedures and stable policies could enhance investor confidence. Okafor and Nwankwo (2022) investigated corporate tax compliance in Nigeria, noting that large corporations often exploited tax loopholes due to weak enforcement mechanisms. Strengthening audit capabilities was recommended to curb corporate tax avoidance. Agarwal and Khan (2023) studied tax administration challenges in Pakistan, emphasizing that inconsistent enforcement and poor tax literacy contributed to non-compliance. They advocated for clear communication and taxpayer education initiatives. Lastly, Wenzel (2023) examined psychological factors influencing tax compliance in Australia, finding that perceived fairness in tax policies significantly boosted voluntary compliance. This insight highlights the need for tax authorities to foster a sense of justice in tax administration to encourage compliance.

4. METHODOLOGY

A survey study design was employed to collect data from a representative sample of company proprietors across various sectors within the state. Primary data will be gathered using structured questionnaires aimed at assessing the perceived complexity of the tax system, the equity of tax policies, and the degree of voluntary tax compliance. The questionnaire will include both objective and subjective metrics, addressing

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factors such as the simplicity of tax filing, transparency of tax rules, and taxpayers' opinions of equity in tax policies.

The study's target demographic comprised 1,200 registered small enterprises across several industries within the state. A sample size of 304 respondents was calculated using Taro Yamane's method. A stratified random sample technique was employed to guarantee sufficient representation of enterprises across several sectors, including retail, manufacturing, and services.

The data analysis will encompass both descriptive and inferential statistics. Descriptive statistics will summarize respondents' demographic information and survey responses, while inferential statistics, specifically Pearson correlation analysis, will test hypotheses and examine the relationships between the independent variables (tax complexity and perceived fairness) and the dependent variable (voluntary tax compliance). A regression model will be employed to evaluate the impact of tax administration problems on voluntary compliance.

The general form of the model can be expressed as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where:

Y = Voluntary tax compliance (measured by the level of compliance behavior among business owners)

β_0 = Constant term (intercept)

β_1 = Coefficient for tax complexity (X_1)

β_2 = Coefficient for perceived fairness (X_2)

X_1 = Tax complexity (measured by factors such as the perceived difficulty of tax filing, the complexity of tax laws, etc.)

X_2 = Perceived fairness of the tax system (measured by taxpayers' perceptions of fairness in tax rates, distribution of tax revenues, etc.)

ε = Error term (captures other factors affecting voluntary tax compliance that are not included in the model)

5. RESULT, DISCUSSING AND RECOMMENDATIONS

Descriptive Statistics Result

Descriptive Statistics Result for Tax Complexity

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
Frequent changes in tax policies make it difficult to comply with tax obligations.	239	2.00	4.00	3.4700	.61063
The process of filing tax returns is complicated and time-consuming.	239	3.00	4.00	4.1031	.19600
The tax system lacks clear guidelines on how businesses and individuals should comply.	239	3.00	4.00	4.0116	.41421
Inconsistent enforcement of tax laws makes it confusing to determine tax obligations.	239	4.00	4.00	4.1151	.31722
The lack of clear communication from tax authorities contributes to tax complexity.	239	2.00	5.00	3.9194	.21825
Valid N (listwise)	239				

Source: SPSS, 23 output.

The descriptive statistics for tax complexity indicate that respondents generally perceive tax-related processes as challenging. The mean score for frequent changes in tax policies (3.47, SD = 0.61063) suggests that many business owners find policy fluctuations moderately difficult to manage. The process of filing tax returns has a high mean score (4.10, SD = 0.19600), indicating that respondents strongly agree that it is complicated and time-consuming. Similarly, the lack of clear tax guidelines (4.01, SD = 0.41421) and inconsistent enforcement of tax laws (4.12, SD = 0.31722) further reinforce the perception that the system is not straightforward. The lack of clear communication from tax authorities (3.92, SD = 0.21825) also contributes to the complexity of compliance.

Descriptive Statistics Result for Perceived Fairness

	N	Minimum	Maximum	Mean	Std. Deviation
The tax burden is distributed fairly among individuals and businesses.	239	3.00	5.00	3.9134	.39622
Taxpayers receive fair value in public services for the taxes they pay.	239	4.00	5.00	4.1771	.92710
The tax system is transparent in how tax revenues are allocated.	239	4.00	5.00	3.8573	.54110

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The government applies tax laws consistently to all taxpayers.	239	3.00	4.00	3.9184	.85231
The tax dispute resolution process is fair and unbiased.	239	4.00	5.00	4.0521	.77284
Valid N (listwise)	239				

Source: SPSS, 23 Output

The descriptive statistics for perceived fairness reveal that respondents possess varied perspectives on the equity of the tax system. The average score for the equitable distribution of the tax burden (3.91, SD = 0.39622) indicates a reasonable level of consensus regarding the fair allocation of taxes among individuals and corporations. Furthermore, respondents express great agreement that they obtain equitable value in public services proportional to the taxes they provide (4.18, SD = 0.92710), albeit the considerable standard deviation indicates significant variability in individual viewpoints. The openness of tax revenue allocation garnered a little lower mean score (3.86, SD = 0.54110), indicating that while certain respondents regard the tax system as transparent, others sense a deficiency in accountability The consistency of tax law application (3.92, SD = 0.85231) suggests moderate confidence in uniform enforcement, though variations in responses indicate concerns about fairness. The tax dispute resolution process is generally seen as fair (4.05, SD = 0.77284), but the spread of responses suggests that some taxpayers might have reservations.

Descriptive Statistics Result for Tax Compliance

	N	Minimum	Maximum	Mean	Std. Deviation
I am willing to pay my taxes without enforcement from tax authorities.	239	3.00	5.00	3.1174	.81005
Paying taxes is a civic duty that I personally uphold.	239	4.00	5.00	3.8826	.80025
I comply with tax laws because I believe they are necessary for national development.	239	4.00	5.00	3.0227	1.07735
I am more likely to comply with tax laws when I perceive the tax system as fair.	239	2.00	4.00	3.4118	.733420
I believe voluntary tax compliance contributes to the country's economic stability.	239	3.00	4.00	3.1052	1.01148
Valid N (listwise)	239				

Source: SPSS, 23 Output

The descriptive statistics for tax compliance indicate varying levels of willingness among respondents to comply with tax obligations. The mean score for willingness to pay taxes without enforcement (3.12, SD = 0.81005) suggests a moderate level of voluntary compliance, though some respondents may require enforcement measures. The belief that paying taxes is a civic duty received a relatively high mean score (3.88, SD = 0.80025), indicating a strong sense of responsibility among taxpayers. However, the perception that tax laws are necessary for national development had a lower mean score (3.02, SD = 1.07735), suggesting that not all respondents see a direct connection between taxation and development. The likelihood of compliance based on perceived fairness of the tax system (3.41, SD = 0.73342) highlights the role of fairness in influencing tax behavior. Lastly, the belief that voluntary compliance contributes to economic stability (3.11, SD = 1.01148) suggests some recognition of the broader economic impact of tax compliance, though variations in responses indicate differing perspectives.

Inferential Analysis Result

Pearson Correlation

		COMPLIANCE	FAIRNESS	COMPLEXITY
COMPLIANCE	Pearson Correlation	1	.814**	.761**
	Sig. (2-tailed)		.000	.000
	N	239	239	239
FAIRNESS	Pearson Correlation	.814**	1	.527**
	Sig. (2-tailed)	.000		.000
	N	239	239	239
COMPLEXITY	Pearson Correlation	.761**	.527**	1
	Sig. (2-tailed)	.000	.000	
	N	239	239	239

**. Correlation is significant at the 0.01 level (2-tailed).

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The Pearson correlation analysis indicates robust and statistically significant associations among tax compliance, perceived justice, and tax complexity. The relationship between tax compliance and perceived fairness is robust and positive ($r = 0.814$, $p < 0.01$), suggesting that as taxpayers view the tax system as equitable, their propensity to fulfill their responsibilities rises. Tax compliance has a robust positive connection with tax complexity ($r = 0.761$, $p < 0.01$), indicating that, notwithstanding the difficulties presented by a convoluted tax system, firms persist in compliance—potentially attributable to enforcement mechanisms or a sense of obligation.

The relationship between perceived fairness and tax complexity is modest and positive ($r = 0.527$, $p < 0.01$), suggesting that people who consider the tax system equitable may also acknowledge its complexity. This indicates that although fairness improves compliance, the complex structure of tax administration continues to be a crucial element. All associations are statistically significant at the 0.01 level, underscoring the essential function of an equitable tax system in fostering compliance, despite administrative difficulties.

Hypotheses Testing

(H1): There is a significant relationship between tax complexity and voluntary tax compliance among business owners in Bayelsa State.

The Pearson correlation coefficient between tax complexity and voluntary tax compliance is $r = 0.761$, with a p-value of 0.000 ($p < 0.01$). Due to the statistical significance of the p-value, the null hypothesis is rejected in favor of the alternative hypothesis (H_1), hence affirming a substantial association between tax complexity and voluntary tax compliance among company owners in Bayelsa State. This conclusion indicates that increased tax complexity affects taxpayers' compliance behavior, either through more stringent enforcement methods or the requirement to comply with tax legislation despite the system's intricacies.

(H_2): The perceived fairness of the tax system significantly affects voluntary tax compliance among business owners in Bayelsa State.

The Pearson correlation coefficient for perceived fairness and voluntary tax compliance is $r = 0.814$, with a p-value of 0.000 ($p < 0.01$). Given the statistical significance of the p-value, the null hypothesis is rejected in favor of the alternative hypothesis (H_2), so affirming that perceived fairness significantly influences voluntary tax compliance. This indicates that when business proprietors perceive the tax system as equitable, they are more predisposed to voluntarily fulfill their tax responsibilities.

Recommendations

The following recommendations were made for the study;

1. The government and tax authorities should streamline tax policies and filing procedures to reduce complexity. This can be achieved by providing clearer guidelines, user-friendly tax filing systems, and regular taxpayer education programs to improve understanding and compliance.
2. Tax authorities should ensure transparency and fairness in tax assessments, enforcement, and the allocation of tax revenues. This includes consistent application of tax laws, fair dispute resolution mechanisms, and clear communication on how tax revenues are utilized for public services.

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*Corresponding Author: **Ihenyen, Confidence Joel.**