

ITINERANT ENTREPRENEURS TAX EVASION AND IMPLICATION TO THE NIGERIAN ECONOMY: A CASE STUDY OF EDO STATE

Angela Obose Oriazowanlan, University of Benin

ABSTRACT

The high rate of tax evasion among SMEs including itinerant entrepreneurs is alarming, yet they use public resources which government provides with continuous borrowing. The study therefore examined the negative impact of itinerant entrepreneurs' tax evasion on the Nigerian economy. It determined possible intervention strategies for effective tax assessment and collection in order to block the existing loopholes and increase government revenue. The descriptive research design was adopted for the study and an infinite population of itinerant entrepreneurs and about 1,237 tax officers constituted the study population. 390 itinerant entrepreneurs and 83 tax officers were selected as samples using stratified and purposive sampling techniques respectively. A 20-item and 25-item structured questionnaires were used for data gathering. 0.87 and 0.89 respectively were obtained as coefficient values using Cronbach Alpha. On-the-spot delivery and recovery method was adopted for data gathering which was analysed using the descriptive statistics of mean and standard deviation to address the research questions and determine the respondents' homogeneity. The findings revealed that to a fairly moderate extent the respondents were aware of their tax obligations but with a low level of compliance due to multiple taxation, inadequate provision of public services, harassment by tax officers and poor tax education/orientations. Moreover, the findings equally revealed that tax officers face numerous challenges to effectively assess itinerant entrepreneurs' taxable incomes using personal judgement because they do not have valid tax information since they are scattered in different locations and are not captured in the government tax net. While the oral interview revealed that unscrupulous elements engage in illegal tax collection from the traders. It was therefore recommended among others that government should adopt a swift mechanism to ensure that all itinerant entrepreneurs are captured in the tax net and duly registered in the online Tax Identification Number (TIN) policy to form data base. Also give them proper tax knowledge through tax education/orientations and checkmate the excesses of illegal revenue collectors especially in market places to block the existing loopholes and increase government revenue in Edo State and Nigeria in general.

Keywords: Tax Evasion, Itinerant Entrepreneurs, Implications to the Nigerian Economy, Case Study of Edo State.

INTRODUCTION

Available evidences indicate that most micro, small and medium scale business (SMEs) operators evade tax in Nigeria and in particular itinerant entrepreneurs (traders). Odusola (2006) argued that the Nigerian tax system is lopsided and is characterized by unnecessary complex distortionary and largely inequitable taxation laws that have limited applications in the informal sectors that dominate the economy. Atawodi and Ojeka (2012) posited that the government of Nigeria tends to lay emphasis on tax compliance more on big companies than SMEs resulting to

massive evasion and huge revenue loss. These atomistic economic units in their millions are so diverse in size and nature of business in all states capitals, major towns and cities in Nigeria. Considering their large number when put together, they constitute a veritable source of self-employment and economic contributors to gross domestic product of the nation. The taxation is an instrument of economic growth in Nigeria.

Although this group of economic players contributes to satisfying the wants and needs of consumers at the grass root level but there seem to be little or no empirical evidences to ascertain their contributions to national economic development especially through tax payment. It appears that neither the local nor state government in Nigeria have really given serious thoughts on tapping the economic resources and impact of these itinerant entrepreneurs (traders) through tax payment focus. Ekwealor (2017) posited that some SMEs in Nigeria always erroneously assume that tax collectors' net are too porous to catch them because most of them do not have a specific place of operations. Government gets finances from tax payment of individuals and businesses to render public services and non-compliance could hinder government to execute projects. Alabede (2014) posited that tax administrator face challenges of non-compliance and less revenue to the government and thereby limits government in executing national projects. Some the public services provided by the government include public infrastructure, security apparatus, good road network, education, health care, markets, electricity, other social amenities among others. Tax fund could also help to ameliorate the government of the deep-neck indebtedness and possibly reduce the high debt profile. According to the Nigeria Debt Management Office (2020) Nigeria total public debt as at June stood at \$85,896.52M (#31,008,642.14M) that is, (external debt is \$31,477,13M (#11,363,243.93M) while domestic debt is \$54,419.39M (#19,645,398.21M). These groups of entrepreneurs use public resources provided by the government but because they do not have specific resident business locations, it's extremely difficult for government tax officers to locate them for tax assessment and collection.

Tax compliance is a matter of behavioural attitude since government requires every good and patriotic citizen whether in office work or business to pay tax to enable it perform its duties and cover expenditures. Despite the provision of public resources by government to enable citizens do business, there seems to be no empirical evidences with respect to itinerant traders' tax compliance. Neither is it empirically proven that they are formally registered with the corporate affair commission (CAC) of Nigeria which calls for concern. If taxes are not paid by expected relevant taxable persons or economic units, it will hinder government developmental efforts. It therefore becomes imperative to examine this class of business owners with respect to tax; the level of awareness, assessment, compliance, collection and its effect on national economic development therefore suggest possible strategies for proper tax assessment and collection, hence the study.

OBJECTIVES OF THE STUDY

The main objective of this study is to assess the level of itinerant entrepreneurs' tax evasion and its implication to the Nigerian economy with particular reference to Edo State. Specifically the study intends to ascertain the followings

1. The level of itinerant entrepreneurs' awareness of their tax obligation and compliance practice regarding their obligations to pay tax.
2. The reasons why itinerant entrepreneurs should pay tax and challenges faced by tax officers to enforce

- payments.
3. Challenges towards effective tax assessment and collection (administration) by tax officers.
 4. The effect of their tax evasion on the nation's economic development.
 5. Suggest possible strategies for effective tax assessment and collection to block the loopholes and boost government revenue.

Research Questions

The following research questions guided the study:

1. What is the level of itinerant entrepreneurs' awareness of their tax obligation and payment compliance?
2. What are the challenges faced by tax officers to enforce payments and why itinerant entrepreneurs should pay tax?
3. What is the effect of itinerant entrepreneurs' tax evasion on the nation's economic development?
4. What are the strategies to be adopted by government revenue tax officers for effective tax assessment and payment by itinerant entrepreneurs?

LITERATURE REVIEW

The diversification of Nigerian economy from oil-reliant to a more productive and sustainable link became imperative which emphasized the promotion of private sector driven economy, proper tax administration and agrarian economy. Tax is a source of government revenue and a compulsory levy paid by individuals, entities and corporate bodies to the government at all levels which could be personal income tax, company tax, capital gain tax, stamp duties, value added tax among others. Aladejebi (2018) stated that the Nigerian government considers tax as a real source of increasing revenue since the fall in oil price globally. According to Oloyede et al. (2017), tax is an obligatory remittance and a source of revenue to the government to strengthen economic buoyancy to meet state needs, stabilize and redistribute national wealth. Adebayo et al. (2015) defined tax as a charge imposed by government authority upon individuals, property or transaction to raise money for public expenditure with some reasonable rules of appointment within a tax jurisdiction. The Presidential Committee on National Tax Policy (2007) outlined the followings as objectives of the Nigeria tax system thus;

- Pursuance of equitable distribution and fairness in the country economy.
- Provision of equitable economic growth and development.
- Provision of economic stabilization to the public.
- Correction of market failure and other imperfection.
- Generation of stable revenue and other resources for government spending on public welfare and investments.

The major components of private sector are the Small and Medium Scale Enterprises (SMEs) whose contributions to economic growth and development is highly acknowledged to be formidable. SMEs have the potential to stimulate employment generation, alleviate poverty, and re-orient values, bridge income gap between the poor and the rich, expansion of local industries among others. Much encouragement was given to SMEs operators by the government through the establishment of various agencies to assist and supervise their activities by granting soft loans, education and enlightenment among others. Some of such agencies include National Directorate of Employment (NDE), Small and Medium Development Agencies of Nigeria, Bank of Industries, Small and Medium Industry Equity Investment Scheme, Youth Enterprise with

Innovation in Nigeria (You-Win), Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) among others. Government is expected to generate revenue through tax payment of persons involve in any of the above mentioned. The government provide public services through the tax payment of taxable persons including those engaged in SMEs developments, properties and entities but when they fail government will resort to borrowing. Osemeke et al. (2020) poised that government might not be able to provide infrastructural development for its citizens, if the citizens do not pay tax. Under the provision of Personal Income Tax Act of 1993 it is expected that individuals who generate income and profits should pay direct income tax to enable her perform its public service function instead of borrowing. According to the Nigeria Debt Management Office (2020) Nigeria total public debt as at June stood at \$85,896.52M (#31,008,642.14M) that is, (external debt is \$31,477,13M (#11,363,243.93M) while domestic debt is \$54,419.39M (#19,645,398.21M).

The role of entrepreneurs is crucial in entrepreneurship development and without them other factors of production would be impotently idle no matter how sophisticated they may seem to be (Oriazowanlan & Jimoh-Kadiri 2010; Oriazowanlan & Iyekekpolor 2010). Oriazowanlan (2016) posited that entrepreneur is a person who undertakes to organize and combine other factors of production to create utility for man's satisfaction and make profit. According to oxford business group, itinerant workers are those persons who work in more than one state for more than 20 days in three months of an assessment year if established. In the context of this study, itinerant entrepreneurs include petty traders that hawk and squat, artisans, street traders, mobile sales men and women in vehicles among others who are scattered all over the country especially in states capitals, metropolis, major cities and towns. They can be found at road junctions, along the major streets and roads especially where there are traffic congestions, markets among others. This class of microbusiness owners that run into millions in Nigeria contribute to satisfying the populace and earn profit, therefore their tax payment will constitute a veritable source of revenue to the government. Moreso, the government have consistently empower them in various ways both in the past and present through schemes and programmes such as better life for rural women, market money and among others. The personal income tax law in Nigeria expects every individual who earns profit from trading or business undertakings to pay tax except non-for-profit making organisations. According to the Nigerian Investment Promotion Commission, all businesses which operate in and derive income from Nigeria are liable to pay tax. Since most of them do not have specific business locations and are scattered in different location their tax evasion will be inevitable. According to Gurama et al. (2015), tax evasion typically involves taxpayers consciously misrepresentation or hiding the true position of their affairs to the relevant tax authorities to ease their burden.

Organisation for economic cooperation and development OECD (2014) posits that low level of tax compliance is common among SMEs operators especially the sole proprietors. Olalekan (2020) reported that FIRS boss stated that individuals and business in the informal sector do not declare their income and pay no taxes on them because it is not considered as normal income sources. Itinerant entrepreneur are expected to pay direct income tax based on the principles of equity, economy, convenience and fairness as guided by ability theory of taxation. Revenue generated from taxation could increase government revenue to perform its duties of income redistribution and provision of public services such as security apparatus, good roads, markets, power, and water among others and could perhaps help to ameliorate government debt profile. Unfortunately, most SMEs especially itinerant trades in Nigeria are not registered with Corporate Affairs Commission, therefore the ease of their tax assessment and collection cannot be

guaranteed. Gurama et al. (2015) noted that most tax evasion occur in an informal economy where operating business move from one location to another freely. Amanamah (2016) argued that more than 50% potential tax revenue remains uncollected in most developing countries. Atawodi and Ojeka (2012) posited that the government of Nigeria emphasize tax compliance more on big companies than SMEs resulting to massive evasion and huge revenue loss. Ibadin and Eiya (2013) noted that volume of literature has solely emphasized the wilful default in tax compliance as a major issue in developing countries like Nigeria and tax evasion is inevitable where majority of the people are poor. The little consideration was devoted for curbing the problem of tax evasion to the detriment of public welfare. Oloyede et al. (2017) stated that not much revenue generation was realized from the informal sectors through taxation since only few of them remit their taxes to the state despite government provision. Udoh (2005) stated that income generated from informal sectors is not captured in the Nigeria tax system.

The three levels of government; federal, state and local are involve in taxation; the federal government through the Federal Inland Revenue Services (FIRS) for personal income tax, capital gain tax and stamp duties, tertiary education tax, personal income tax, capital gain tax, value added tax, petroleum profit tax, stamp duties among. The State Government and the Federal Capital Territory through the State Revenue Board and the local government through the local government authority are in-charge of personal income tax, capital gain tax and stamp duties miscellaneous taxes, levies and rates respectively. The National Investment Promotion Commission states that Nigeria operates a self-assessment system which allows tax payers to assess, pay and file tax returns as prescribed in the extant tax laws. The pay-as-you-earn (PAYE) is easier to enforce because it is paid by salary earners who work in the formal sector and it's deducted at source but the self-assessment is for the informal sector which is full of hi-cup, therefore tax evasion is inevitable. Fagbemi and Abogun (2015) posited that tax compliance is a behavioural issue; it is either a taxpayer pays voluntarily or is coerced. The tax system structure could greatly influence tax compliance which could be tax deterrence, system complexity and tax rate structure. They postulated three main types of tax compliance which include committed compliance, creative compliance and capitulated compliance. Committed compliance is the wilful compliance without complaining and capitulated compliance is discharging tax obligations with some level of reluctance which could provide for tax avoidance through legitimate loopholes that reduces tax liability. The Nigerian government through the Joint Tax Act came up with a tax administration policy in 2007 to collaborate with the Federal Inland Revenue Act 2007 to ensure effective tax administration. The Act stipulates that the three levels of government revenue collections, namely Federal Inland Revenue Service (FIRS), the State Internal Revenue Board and Local Government Revenue Board should come up with taxpayer identification number (TIN) to ensure easy taxpayer easy identification and convenient assess of their information for efficient tax administration. It aimed at having data base of taxpayers in the country, a mechanism towards massive online registration and identification of taxpayers through a paradigm shift from manual to a modern electronic system of tax administration which was made mandatory for persons and businesses in 2008. They posited that the modern electronic taxpayer registration and identification generate proper linkages within tax authorities and yield cooperation and information dissemination about taxpayers leading to a better tax compliance. However huge success was recorded in the formal sector, unfortunately the informal sector where the itinerant entrepreneurs belong had a setback.

In a study carried out by Oladipupo and Obazee (2016) it was revealed that knowledge had a positive significant role on tax compliance while penalty had no significant positive

impact. That is; tax knowledge has a higher tendency to promote tax compliance than penalty.

METHODOLOGY

The descriptive survey research design was adopted to determine the level of itinerant entrepreneurs (traders) level of awareness of their tax obligations, compliance and suggest intervention strategy where loopholes exist. The population comprised all the itinerant entrepreneurs including all the 1,237 Tax Officers in Edo State. The stratified and purposive sampling techniques were adopted to select 390 itinerant entrepreneurs and 83 tax officers as respondents respectively. The primary and secondary data were used; two sets of structured questionnaire were used to elicit information from both set of respondents respectively on a four point scale of High Extent (HE), Moderate Extent (ME), Fairly Moderate Extent (FME) and Low Extent (LE) with nominal scale of 4, 3, 2 and 1 respectively. The instruments were divided into two main sections; A and B. Section B was further sub-divided into sub-section A, B, C and D which contained items that addressed the four research questions. Research informants were interviewed from each local government areas. The suitability of the instruments was determined by subjecting the instrument to scrutiny by four experts who are specialist in entrepreneurship, accounting and taxation as well as measurement and evaluation. The reliability coefficient was determined using Cronbach Alpha method and 0.87 and 0.89 were obtained respectively. On-the-spot method of delivery and recovery was adopted to administer the questionnaires. Also oral interview was conducted on experienced tax officers and informants who were outside the study population and samples. The descriptive Statistics of mean and standard deviation was used to address the research questions and determine the homogeneity of respondents' opinions. The decision rule or average score of 2.5 was taken.

Estimated Result

Level of awareness of tax obligation and compliance practice.		Mean	Std	Remark
1.	I am aware that government provide public services such as security, good roads, markets, education, electricity etc.	3.41	0.64	ME
2.	I am aware that government get money from tax payment to provide public services.	3.41	0.66	ME
3.	I am aware that government use tax money to clean markets.	3.34	0.80	ME
4.	I am aware that government use tax money to fix good roads.	3.48	0.72	ME
5.	I enjoy government security in doing my business.	2.26	0.93	FME
6.	The waste I generate from business is managed by the government officers.	3.11	1.17	ME
7.	I will do better in my business if government provides good roads.	3.41	0.69	ME
8.	I sell better along the roads and major streets.	2.79	1.10	FME
9.	My business travels are limited because of bad roads.	3.02	0.82	ME
10.	I am aware of my tax obligations (pay tax)	1.05	0.30	LE
11.	The markets are too dirty to enable me do business hence I do not pay tax.	2.64	0.89	FME
12.	No sensitization nor enlightenment campaign about tax hence I am not aware.	2.61	0.88	FME
13.	There is no need for persons who do not have a permanent business place to pay tax.	2.18	1.06	FME
14.	Nobody comes around to collect tax from me hence I don't pay.	2.23	0.79	FME
15.	My business is too small to pay tax, so big businesses should pay tax.	2.34	1.15	FME
16.	.Multiple taxation is too much, hence I dodge some.	3.14	0.82	FME

17.	If government provides money for my business I will pay tax.	3.42	0.63	FME
18.	The process to find out what I should pay as tax is tedious; therefore, I do not pay tax.	2.75	0.76	FME
19.	Tax officers coerce people instead of educating them; hence I do not bother about tax payment.	3.12	0.77	ME
20.	Tax officers harass people too much, so I avoid them hence I do not pay tax.	3.03	0.85	ME
	Grand Mean Score	2.84	0.82	FME

Collectively the Grand Mean score and Standard Deviation stood at 2.84 and 0.82 which indicates that the level of awareness of their tax obligation and compliance practice was to a fairly moderate extent (Table 1).

Reasons for itinerant entrepreneurs tax payment and challenges faced by Tax officers in enforcement		Mean	StD	Remark
1	Itinerant entrepreneurs pay tax voluntarily.	2.51	1.07	FME
2	Itinerant entrepreneurs are coerced before they pay tax.	2.51	0.99	FME
3	Itinerant entrepreneurs are scattered in different locations therefore their tax assessment and collection is extremely difficult.	3.63	0.76	ME
4	Itinerant entrepreneurs are not captured in the tax net, so it's difficult to enforce their tax payment.	1.92	1.19	LE
5	Itinerant entrepreneurs do not sell a particular product; using personal judgement for their tax assessment is difficult.	2.38	0.83	FME
6	Most itinerant entrepreneurs obscure relevant information for possible tax assessment and collections.	2.41	0.98	FME
7	The government can afford to provide for all its citizens including itinerant entrepreneurs therefore do not expect tax from this class of low income earners despite their large number.	2.65	0.93	FME
8	Itinerant entrepreneur do not have taxpayer identification number for easy identification and information for tax assessment and collection.	2.81	0.82	FME
9	Itinerant entrepreneurs do not keep records for possible tax assessment therefore they conceal their turnover and taxable profits.	2.14	1.20	FME
10	Itinerant entrepreneurs use public resources and they should pay tax to the government	2.65	1.20	FME
11	Waste generated by itinerant entrepreneurs is managed from government fund therefore they must pay tax.	2.36	1.02	FME
12	Itinerant entrepreneurs enjoy security apparatus provided by the government therefore must pay tax.	2.53	1.42	FME
13	Itinerant entrepreneurs use government roads therefore must pay tax.	3.07	1.24	ME
	Grand Mean	2.58	1.05	FME

Collectively the Grand Mean and Standard Deviation stood at 2.58 and 1.05 respectively which indicate that the tax officers face challenges to enforce payment and reasons why they should pay tax are to a fairly moderate extent (Table 2).

Effect of Itinerant Tax Evasion on the Nigerian Economy		Mean	StD	Remark
1	Itinerant entrepreneurs use public resources such roads, markets, water, security.	2.95	1.17	FME
2	Government maintain roads with public fund used by itinerant entrepreneurs.	3.06	1.03	ME
3	Government manage refuse generated by itinerant entrepreneurs with public fund.	1.89	1.08	LE
4	Government provides portable water used by itinerant entrepreneurs with public fund.	1.45	0.90	LE
5	Government provides security apparatus with public fund enjoyed Itinerant entrepreneurs.	2.01	1.15	FME
6	Grand Mean	2.27	1.07	FME

Collectively the Grand Mean and Standard Deviation stood at 2.27 and 1.07 respectively which indicate that the effect of itinerant tax evasion on the Nigerian economy was to a fairly moderate extent (Table 3).

Strategy for effective tax collection from itinerant entrepreneurs to block Loopholes		Mean	StD	Remark
1	If I get better orientation on tax payment, I will pay.	3.31	1.01	ME
2	Registration of all taxable itinerant entrepreneurs to have a data-base.	3.12	1.07	ME
3	E-enrolment of all itinerant entrepreneurs.	2.82	0.95	FME
4	Compulsory online Enrolment of all itinerant entrepreneurs in the Taxpayer Identification Number (TIN) policy.	2.49	1.02	FME
5	Mandatory collection of taxpayer identification number before business commencement.	3.04	1.09	ME
6	Formation of union and subsets to aid effective tax assessment and collection.	2.06	1.00	FME
7	Contracting tax collection to private individuals.	1.42	0.89	LE
8	Grand Mean	2.61	1.00	FME

Collectively the Grand Mean and Standard Deviation stood at 2.61 and 1.00 respectively which indicates that the items raised as strategies for effective tax assessment are to a fairly moderate extent (Table 4).

Discussion of Findings

The findings revealed that the itinerant entrepreneurs' level of awareness of their tax obligations and compliance practice is to a fairly moderate extent with an average mean of 2.84 and standard deviation of 0.82 (Table 1). It does not signify appropriate level of tax payment compliance since most of their responses to reasons for non-compliance were not in the affirmative. More importantly the respondents claimed to be ignorant of their tax obligations in their response to item No 10 in Table 1 and the lack of their awareness may have affected their level of compliance. Knowledge is key to individual's response or reaction to situations hence the saying goes; 'if the purpose of a thing is not known, abuse is inevitable'. The findings conform to who asserted that business owners conceal their turnover and taxable profits as well

as manipulate their figures for tax reduction purposes and obscure all relevant third party information because they operate business on cash basis. It also conforms to Osemeke et al. (2020) who argued that it is important to gauge the understanding of SMEs tax obligation with how it can affect their non-compliance tendencies. In the same vein the respondents adduced reasons of multiple taxation and coercion by tax officer for evading tax. They may have been scared and would not want to face any embarrassment.

The uncivilized approach of some government workers to their clients in Nigeria is appalling which has negative effect on individual response to government demands from citizens in most sector of the economy. It also agrees with Ugochukwu et al. (2016) who argued that SMEs evade tax due to harassment by Local and State Government Tax Officers in Nigeria. It also conforms to the findings of Atawodi and Ojeka (2012) study which revealed that high tax rate, complex filing procedures, multiple taxation and lack of proper enlightenment are some of the factors that encourage non-compliance of tax obligation by SMEs. The respondents also decried the poor benefit received from the government which affects their tax non-compliance which conforms to Benefit-Based-Theory which states that payment of tax should be based on benefit derived by the Payers.

The findings equally revealed that to a moderate extent the tax officers face numerous challenges in tax assessment and collection of itinerant entrepreneurs (Table 2). It agrees with Atawodi and Ojeka (2012) who posited that the government of Nigeria tends to lay emphasis on tax compliance more on big companies than SMEs resulting to massive evasion and huge revenue loss. Also with Osemeke et al. (2020) who stated that all programmes set up by successive government officers and tax administrators for tax collection failed due to lack of accountability, poor awareness and publicity and implementation. The problem of easy identification of tax payer and access to their taxable information was also a serious challenge. This conforms with Jocet (2014) who argued that the imperfection of tax structure could be attributed to lack of electronic means to record tax payers' information for effective tax collection without any hitch. Report from the oral interview conducted revealed that unscrupulous elements collect revenue illegally to the tune of #150:00 per person daily from itinerant traders especially hawkers in Oba and New Benin markets. Meanwhile this class of traders are exempted from tax payment by the Local Government Authority.

Moreso, the findings revealed that the effect of itinerant tax evasion on the Nigerian economy is to a moderate extent (Table 3). This could undoubtedly affect the GDP and serves as a drain to government funds thereby imposed continuous borrowing to enable it render public services. The finding is in congruence with Aladejebi (2018) who stated that SMEs accounts for the increasing level of tax evasion in Nigeria which affects their contributions to the national GDP. It also agrees with Alabede (2014) who posited that tax administrator face challenges of non-compliance and less revenue to the government and thereby limits government in executing national projects. Moreso, it conforms to who stated that the benefits derivable from enlarged tax based elude countries that have low tax compliance and collection status.

It also conforms with Osemeke et al. (2020) who posited that business operators in the informal economy prefers to take care of their families from their profit rather than paying tax since government do not provide the necessary public services that could enable them do business at a lower cost especially power supplier. Their tax evasions will undoubtedly affect the economy which in turn could heighten government inability to provide public service. If government provides for its citizen, it is expected that the citizens should complement government's efforts to ensure continuous benefits otherwise the lapse in provision of public

resources will continue to increase. The instance of #30,000 market money that the Federal government gave to Nigerian traders is a typical example. Government needs return on investment, both on human and material; therefore itinerant tax compliance is sacrosanct and tax officer should makeshift and adopt suitable mechanism that could complement personal judgement of tax assessment in accordance with National Personal Income Tax Act 2011, Section 36, Sub-section 6.

In addition, to a fairly moderate extent the respondents were of the opinions that all the items raised as strategies for effective tax assessment and collection would be effective to ensure itinerant entrepreneurs tax payment compliance and block the existing loopholes in order to increase government revenue (Table 4).

The finding agrees with the need for proper tax orientation and enlightenment as stated by Aladejebi (2018) who expressed the need for tax education among SMEs owners to be formidable in order to ensure their tax compliance. It also conforms to Oladipupo and Obazee (2016) who advocated the need for government to increase public knowledge on tax matters and to include tax education in the school curriculum at all levels. Moreso, the need to have Taxpayers Identification Number (TIN) in order to have a data base as a means to ensure their easy identification and necessary information conforms with Ebifuro et al. (2016) who asserted that TIN helps to accelerate the processing of taxpayers information in order to ensure increase in their compliance and revenue generation. It also agrees with Olaoye and Oludayo (2018) who describe TIN as a platform meant to enhance taxpayers' identification and to bring more tax payers into the tax net and thereby filling loopholes in the country's tax system. It also agrees with Akinleye et al. (2019) who stated that TIN connects the space between the information of taxpayers and the history of their payments thereby increasing their compliance level.

CONCLUSION

The relevance of tax payment to increase government revenue in order to enable the provision of public resources is not disputable. But the level of SMEs tax evasion including itinerant entrepreneurs is a strong detractor in Edo State and Nigeria in general. The study therefore determined possible strategies to ensure their proper tax compliance and block the existing loopholes in order to increase government revenue. The findings revealed that, to a moderate extent the respondents are aware that government used tax revenue to provide public services and but claimed to be ignorant of their tax obligations leading to low level of payment compliance.

They claimed to evade tax due to multiple taxations, harassment by tax officers and inadequate provision of public resources by the government among others. It equally revealed that tax officers face numerous challenges to enforce tax collections because majority of the traders are not captured in government tax net and they are scattered in different locations therefore identifying them and having access to their tax information becomes difficult. Since their poor compliance and continuous use of public resources serve as drains to government fund its imperative to block the existing loopholes through various intervention strategies such as tax education/orientation and enforcing online taxpayer identification number policy registration to have their data base for appropriate identification and information necessary for tax assessment and collection in order to ensure compliance and increase government revenue in Edo State and Nigeria in general.

RECOMMENDATIONS

1. Government should ensure that all SMEs including itinerant entrepreneurs are captured in the tax net to ensure proper compliance to block the existing loopholes and increase government revenue.
2. Government should ensure that Itinerant entrepreneurs are duly registered in online Tax Identification Number (TIN) policy in order to ensure easy identification and access to their tax information.
3. Unscrupulous elements involved in illegal revenue collection especially from hawkers should be checkmated.
4. Proper tax knowledge through tax education and orientation should be given to the entrepreneurs to promote their high level of compliance and increase government revenue.
5. Tax officer should stop harassing the traders in order not to be scaring them aware.
6. Traders (itinerant entrepreneurs) should develop personal attitude and good behavior as patriotic citizens to voluntarily pay their tax as obligations and avoid being coerced or harassed by tax officer to comply.

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Received: 03-Apr-2022, Manuscript No. IJE-22-11680; **Editor assigned:** 07-Apr-2022, Pre QC No. IJE-22-11680 (PQ); **Reviewed:** 28-Apr-2022, QC No. IJE-22-11680; **Revised:** 19-May-2022, Manuscript No. IJE-22-11680 (R); **Published:** 26-May-2022