CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF STUDY.

Every country in the world tends to generate income through tax administration. In Nigeria the company income tax administration aims and tries to tax each company in the state more effectively. However the level at which the company income tax Administration in Nigeria tend to achieve its desired goals and objectives depends mostly on the tax office and the company that is operating in Abia state.

For the tax Administration in Nigeria to be effective the aspect of the companies been taxed should be considered adequately and more accurately so that the company would provide reliable financial performance information for assessment. In which the federal government derives its income.

Due to the ever changing tax administration policies in the country and modifications in the aspect of taxation in Nigeria some companies want to stay afloat and employ all kind of strategies that benefits them. Some of them evade tax and some avoid tax.

When tax in Nigeria is paid by the various companies operating in the state the revenue collected are used to provide utility services and providing additional government services such as in education and transport which are of great importance to the growth of the economy of the state and to the country.

Tax administration in the country is a very important aspect that assist in the provision of revenue to the economy of which the avoidance of tax payment by the companies in the country in general and in Abia state in particular will result to a serious damage to the revenue which should have been generated and used for the provision of infrastructure.

When a company is been taxed by the federal board of inland revenue (FBIR) the company is meant to give an accurate information about their income but some companies go to the extent of forgery in provision of their documents which gives an incorrect information to the board, thereby causing reduction in their tax assessment.

Based on the above observation or trend of this action over time this study set out to examine the problems and prospects of the company income tax administration in Nigeria and in Abia state to be precise.

1.2 STATEMENT OF PROBLEMS.

The tax administration (collection and assessment of tax from companies is a difficult task. The assessment and collection of companies' income tax as at when due has been a problem

Associated with company income tax administration in Nigeria. These problem through observation has been influenced by the following understated factors.

Fraudulent under-declaration of income and making of incorrect returns by companies coupled with collusion of officials of FBIR staff with company under assessment.

The problem of tax evasion is real and so much in Nigerian economy where individuals and companies use all means to evade tax.

The fact that the federal board of inland revenue (FBIR) is unable to bring their entities within the letter of the law is of a serious concern mostly in the area of highly government spending borrowing and when there is pressing need to improve revenue generations from all sources including taxation.

The problems of revenue losses to government due to fraudulent and illegal deals from her citizens and organisations within the country prompt the need for this research work.

1.3 RESEARCH OBJECTIVES

1. To ascertain whether sharp practices in administration between the staff of FBIR and assess company contributed to tax evasion
2. To ascertain if there is any variation between financial statement used for AGM and that sent to FBIR for tax administration
3. To ascertain whether loss of confidence in government officials has contributed to tax evasion.

1.4RESEARCH QUESTIONS

For the purpose of this study the following question were raised for an indept study of this research work;

1. To what extent has sharp practices in administration between the staff of the FBIR and assess company contributed to tax evasion
2. To what extent has there been variation between financial statement used for AGM and that sent to FBIR for tax administration
3. Has loss of confidence in government officials contributed to tax evasion

1.5 RESEARCH HYPOTHESIS

HYPOTHESIS ONE;

Ho:- Sharp practices in tax administration between the staff of FBIR and assessed company does not contributes to tax evasion

H1:- Sharp practices in tax administration between the staff of FBIR and assessed company contributes to tax evasion

HYPOTHESIS TWO;

Ho:- There is variation between the financial statement used for AGM and that used for tax administration of assessed company.

H1:- There is no variation between the financial statement used for AGM and that used for tax administration of assessed company

HYPOTHESIS THREE;

H0:- The loss of confidence in government does not contribute to tax evasion

H1:- The loss of confidence in government contributes to tax evasion.

1.6 SIGNIFICANCE OF STUDY

The result of this study will throw more light on the problems of companies' income tax administration in Abia state Nigeria. The special emphasis on the federal Board of Inland revenue (FBIR) will highlight peculiar problems and difficulties in administering the companies' income tax would increase the revenue generation of the government.

1.7 SCOPE OF THE STUDY

This study shows the problems and prospect of Nigerian company tax with Abia State Federal Board of Inland Revenue as the case study. The period covered by this research enabled the research to be reliable.

1.8 LIMITATION OF THE STUDY

This research study is limited to detailed study of (FBIR) and the relevant Act setting it up with particular emphasis on the overall administration of the act in Abia state.

Gathering of relevant data for this study was a hectic task it is also expected that there will be limited mostly in areas of questionnaire distribution answering the question sincerely and returning them (especially the tax officials) due to fear of the unknown.

1.9 THE OPERATIONAL DEFITION OF TERMS.

1. **ASSESSMENT AUTHORITY**:- This is the body appointed by the board for the purpose of assessing tax payable.
2. **COMPANY**:- A company is defined by section 3(1) of the act as “any co-operation(other than a corporation sole) established by or under any law in force in Nigeria orelsewhere”. The relevant tax authority in respect of company income tax is the Federal Board of inland revenue.
3. **COMPANIES INCOME TAX**:- This is the tax imposed on the profit made by companies.
4. **EFFICIENCY AND EFFECTIVENESS**:-Horngreen (1984) defines efficiency as an optimum relation between input and output whereas effectiveness is the accomplishment of pre-date runnined objective. Tax

collected can only be said to be effective when a high proportion is actually collected. Similarly for efficiency and assessment should be less than the revenue accruing from such expenditure.

5. **FEDERAL INLAND REVENUE SEVICE (FIRS):-** This is the body set up by section 5.1 of ITA (1979) and charged with the overall administration of companies income tax act.
6. **INCOME**:- There is no statement that defines the word `` income`` in taxation status. However, for the purpose of this study reference is made to section 5.4 (2) (6) of income tax management act (ITMA)1961, which recognizes income as including any amount deemed to be income under the act.
7. **TAX ARRERS**:- These are assessment of tax during the preceding period whose payment are received at the current assessment period.
8. **TAX AVOIDANCE**:- This is the arrangement of the affairs of the tax payer in such a way as to reduce tax payable. Tax avoidance is not a criminal or crime punishable under the law. This was clearly stated in Lord Tumbling declared as follows in his judgement

Every man is entitled to order his affair so that the tax attached under the appropriate tax act is less than is otherwise would be.

According to Longman Dictionary of contemporary English, tax avoidance are Legal way of paying less tax.

9. **TAX BASE**:- This is simply that object on which tax should be imposed or applies.

10. **TAX EVASION:-** Is a fraudulent, dishonest intentional distortions or concealment of fingers by the tax payer in order to reduce the tax payable. It is a criminal and deceitful was of not paying tax or reducing ones tax liability. These offences are punishable under law.

According to Longman Dictionary of contemporary English Tax evasion are the illegal ways of paying less tax.

CHAPTER TWO

LITERETURE REVIEW

2.0 OVERVIEW OF THE NIGERIAN TAX SYSTEM

In Nigeria taxation has been existing even before the amalgamation in 1914 of the North and South provinces to form the territory now called Nigeria. The types of taxes paid in those days are in form of homage paid to Oba's, household contribution for maintenance of peace and maintenance of soldiers, penalty paid for non-performance of civil right and contribution to educational development.

The earliest trace of taxation was believed to have started from Northern Nigeria and this was before the advent of British administration. The emirs had organized forms of administration and their Islamic Relation made it possible for people to contribute toward charity which laid a sound foundation for direct taxation in Northern Nigeria. Prior in 1900,some of the levies were "Zakkat (a tax on moral property meant for charity),Jangali (tax on livestock),Gado (death tax),Jizjah (tax on slaves) etc these were recognized in the Northern Nigeria, Onwubiko(1998).

There were also some form of taxes in Southern Nigeria (Yoruba parts) by way of tributes (isalcole), totls, levies, feas and presents given to Obas (Kings), Chief in Benin, Oyo and some other Yoruba Kingdom of Western Nigeria. However in the east this type of tax paying tradition was virtually non-existing but except fine called "Iri-iwu"due, mainly to lack of organised central authority which the eastern Nigerians are known for their Egalitarian society. These forms of taxation comes to a halt with the advent of colonial master’s. The Oba’s and emirs now used in imposing taxation on their subjects and anymore found guilty was punished Onwubiko (1998).

With the advent of the British, the administration and collection of tax were made with the enactment of several ordinances. Direct income assessment was introduced by the Lord Lugard, the British high commissioner through the community tax ordinances 1904 in the then Northern Nigeria. He also passed another law “the nature revenue proclamation law at 1906”. This law aimed at verifying all forms of taxation in Northern Nigeria. He also made changes which aculiminated in the nature revenue ordinate of 1917.

In 1918 an amending ordinances that extended the provision of 1917 ordinance applied to Abeaculta in the Western Nigeria and to Benin-city in mid-Western Nigeria, but these were initially opposed most especially in Owarri, Calabar and Aba areas. It was after the 1917 ordinance was amended that Lord Lugard extended the law to eastern province in 1928, the native direct taxation (colony) ordinance number 41 of 1937 was promulgated. Modern era of taxation began when two major legislations were passed in 1940. The direct ordinances number 4 applicable of all citizen except those in Lagos township and the income tax ordinance number 3 applicable to expatriate and to Nigerians living in Lagos.

When Nigeria became a federation in 1952, each regional government was responsible for the taxation of individual resident in the areas of authority base on separate laws thus making trading activities within regions of the country difficult since a trader may be called upon to pay tax in more than one region in a year. In order to avoid this type of situation and introduce some uniformity the first act regulating taxation in Nigeria as an eutity, referred to as the income tax Management Act (ITMA) of 1961 was enacted by the federal government to serve as the principal Act uniting all the regions but was to been conjunction with the individuals regional laws.

Furthermore, another tax law was passed known as capital gain tax 1961 to tax gains accruing to persons or companies on disposal of assets such as shares and lauded property.

A major amendment to the income tax management Act of 1961 (uniform taxation provisions). The purpose of that amendment was to harmonize and unify income tax rates and relief throughout the country thereby ensuring that no matter where individuals with the same circumstances of life are resident in Nigeria, will be subjected to the same liability. Under the income Tax Management Act, a joint tax board was established as an advisory organ on income tax matters to both the federal and state government.

In 1979 another decree was enacted called the capital transfer tax decree 1979, this decree imposes tax on capital assets transferred from one person to another. Similarly, the companies income tax act (CITA) 1979 was promulgated to impose tax on profits at companies and corporate bodies. This act was amended in 1990 which changes it to CITA 1990,decree 104 of 1993 repealed ITMA and also to personal income tax decree 1993.

However the practical effect of these provisions is that all individual tax payers, whether they are employees or self employed, shall be entitled to the same system of allowances and relief and shall be liable to pay income tax and income rate at the same ratio, irrespective of their state of residence. The income tax management decree 1975 and income tax management Act 1961 are the main provisions applicable to the personal income tax decree 1993 only that from time to time changes in the rate of taxation and in belief and allowances are issued by the federal government taking cognizance of the economic situation in the country Agjei et al (2000).

2.1 NATURE AND DEFINITION OF TAXATION

Taxation may be defined as the demand made by this government of a country for a compulsory payment of money by the citizens of the country (Ola-1985-1). It may also be defined as a compulsory levy imposed by the government of a state for effective management of the government activities (Lawrence 2000).

Taxation is a general concept for devices used by governments to extract money or the other valuable things from people and organisations by the use of law. Tax formula contains at least three elements the definitions of the base, the rate structure and identification of legal tax payer. The base multiplied by the appropriate rate gives a product called the tax liability which is the legal obligation that the tax payer must meet at specified income in the case of income tax. The rate structure may be simple, consisting of one rate applying to the base, such as a specified number of naira (#) per litre of a tax on petrol or complex e.g varying rate depending upon the size of the base of a tax on personal income.

Taxation pre supposes private ownership of weather, If a government owned all the wealth embodied in people, it would be nothing to tax. Agyei et al (2002) defined tax "as the transfer of resources from the private to public sector in order to accomplish some of a nation's economic and social goal".

2.1.1 REASONS FOR IMPOSITON OF TAX

The primary goal of developing countries is to increase the rate of economic growth and hence the per capital income leads to higher standards of living through the accomplishment of two major objectives identified by one (1963:144) as follows:-

a. Provision of additional basic government services particularly in education public health and transport which are imperative for the growth of the remainder of society.
b. A higher rate of capital formation in production facilities, whether under taken in the public or private section. The specific goal is of course, not the highest possible rate capital formation but the lowest rate that will

permit the maximum rate of growth in GNP regarded as feasible under the circumstances.

In his book, Rabiu (1981;1) states that the original purpose of taxation was to raise money to finance government expenditure and this remains the principle purpose.

Ola (1985;1) agreed with him (Rabiu) when he stated that taxation has two main objectives; first to raise revenue to finance the government expenditure and secondly, to influence activity in the economic as a whole.

Tax policy provide a mechanism for influencing consumer demand and for providing incentives for production, investment and savings. It is therefore a key factor for objectives.

Nowadays taxation is used to

a. Achieve economic growth.
b. Fight inflation, deflation and depression.
c. Achieve equitable distribution of income wealth.
d. Allocated resources in a socially desirable manner.
e. Discourage the consumption of certain goods.
f. Encourage and protect new industries.
g. Ensure that the balance of payment of the country is in a healthy position.

Buruwa (1985:3) has further listed two purposes for taxation.

a. To transfer resources from the private to public sector.
b. To distribute the cost of government fairly by income class among people in approximately the same class.

On the contrary, Lipsery (1975;444) views the use of tax structure as a policy tool. Records has shown that taxes raised amount to a substantial portion of all income earned in country. He also stated that because of the effect taxes have on prices, we also expect them to have an effect on the allocation of resources. However, some people also hold the view that the total effect, taxation have is on the allocation of resources.

Finally the aims and purpose of modern taxation from the different view points are as follows:

Taxation is a tool for:

a. Satisfying collective wants.
b. Solving economic problems.
c. Social policy.

2.1.2 FUNCTIONS OF TAXATION

Three main functions of taxation were explained by sills (1972:522-523) as;

a. REVENUE:- A tax extracts money from people on organisations and provides revenue for government.

This makes it possible for individuals to have less money for spending while the government has move to spend.

The reduction in the spending potential of the public sector and the corresponding increase in the potential of the public sector is clearly by power of taxation hence tax was solely introduced to help the government out of financial needs rather than from a public objective of reducing the citizens spending power.

b. RESOURCE RE-ALLOCATION:- Tax can alter the product mix generated within the private sector. The imposition of taxes may make certain commodities expensive.

Examples include tobacco, liquor etc where as the use of subsidies or negative taxes could make certain commodities of essential nature less expensive. As a result of this, people will tend to use more of the latter group and less of the farmer. The tax included charge in the product mix which cause about through the effects of taxes on prices and qualities produced. Also, the potential income tax purposely leaves some gains subject to little or no tax and thereby encouraging source activities.

c. INCOME REDISTRIBUTION:- Economic power as measure by income or wealth could be redistributed through the use of taxation. When tax is substantially progressive it takes are increasing proportion of income.

2.1.3 EFFECTS OF TAXATION

The effect of taxation is concerned to cover all the changes in the economy resulting from the imposition of tax.

Generally, the presence of tax distorts the patterns of production, consumption, investment and employment thus giving validity to what Harper (1963:213) calls the concept of “General fiscal rationality.

Taxation has effects on the following:

a. INCENTIVE TO INVEST:- Heavy taxes may reduce the incentive to invest, especially if the tax falls heavily on savings and profits. All the discriminating features at the companies income tax stems from the fact that company’s net income is the base. By definition of tax, all unincorporated activities are excepted and even within the corporate sector of the economy. The tax falls more heavily on activities with low ratio’s of debt and it is a deductible expense.

The consequence of this discrimination is the distortion of the economic structure favouring those activities which can readily be financed in large measure by deficit capital over those that cannot, however the Nigerian companies income Tax attempts to attracts investment in certain preferred sectors by giving tax incentives to firms engaged in such activities.

b. INCENTIVES TO WORK:- Heavy direct tax may reduce incentive to work. If the amount paid is too much, the tax payer quit the job or at least work less.

   A highly progressive and steep tax structure may serve as demodulation from working harder once it has reached a certain income after that level because any additional increase in income after that level will more proportionally increase tax of the individuals.

c. INFLATION AND TAXATION:- Taxation as a fiscal tool available to the government can be use to fight inflation, deflation, stagflation and other undesirable trends. For example an increase in the rate of both companies and personal income taxes, during inflationary period can reduce expenditure from the private sector thereby reducing pressure on the market and curtailing inflation.

   The chief impact of inflation on taxation as noted by Freaser (1980:116) is to change and often to increase its yield in money terms without the need to adjust tax rates.

d. It reduces production: if exercise duties are high production will be adversely affected.

e. It will alter demand and supple: when few goods are produced and their prices high as a result of indirect taxes, demand and supply will be low.

f. Causes scarcity of goods: taxation reduces the quantity of goods produced locally and imported thereby causing scarcity of goods.

2.2 NIGERIA TAX LAWS

Personal income tax Act number 104 Laws of the Federation of Nigeria (LEN) 1993.

This is a consolidation of the income tax management Act (ITMA), 1961 and all its amendment's to 1990 the 1993 tax provisions decreases number 30,31 and 32 of 1996. It is the law that provides the rules and practices of personal income taxation in Nigeria.

Personal income tax is collected by the various state government through the state Board of internal Revenue (SBIR) from individuals resident in the tax territory.

Companies income tax Act cap 60 LFN 1990 (as amended by Decree 3 of 1993 and Decree 30,31 and 32 of 1996).

This is the current enabling law that governs the collection of taxes on profit made by companies operations in Nigeria excluding companies engaged in petroleum exploration activities. Non-Nigerian companies ,i.e foreign companies are also subject to tax under this tax law.

The tax is collected by the federal government via the FIRS. The companies income tax Act is a federal law operated by the FIRS. It deals with the taxation of all limited liability companies in Nigeria with the exception of those engage in petroleum operations. The most significant enactment on companies tax is the companies income tax Act number 28of 1979 which replaced CITA 1960. CITA 1979 codifies all the companies income tax enactment since 1961 between 1979 to 1991, there were amendments to CITA 1979;4 of 1985;12 of 1987;31 and 55 of 1989; and 21 and 63 of 1991.

All those 7 amendments were codified into the CITA CAP 60 law of the federation of Nigeria (LFN) 1990, it took effect retrospectively from first APRIL 1977. The amendments in conjunction with decree number 31993 make up the Nigerian tax laws 1995 first edition prepared under the authority of FIRS (in force on the 31 day of December 1993).

The Nigerian tax laws are presently undergoing a review. The CAP 60 has been amended toi date by the following finance.

(Miscellaneous Taxation Provision) decrees ENACTMENT.

a. Decree number 3 of 1993 1st January, 1993
b. Decree number 30 of 1996 1st January, 1993 and 1996
c. Decree number 31 of 1996 1st January, 1995
d. Decree number 32 of 1996 1st January, 1996 (part vii).
e. Decree number18 of 1998 1st January, 1994(b)1/1/96 and 1/1/97
f. Decree number 19 of 1998 1st January, 1998
g. Decree number 21 of 1993 1st January, 1990
h. Decree number 63 of 1993 1st January 1991
i. Decree number 30 of 1996 1st January 1993
j. Decree number 31 of 1996 1st January, 1996
k. Decree number 18 of 1998 1ST January, 1994

l. Decree number 19 of 1998 1st January, 1998

m. Decree number 21 of 1998 1st January, 1998

n. Decree number 40 of 1998 2nd December, 1998

o. Decree number 30 of 1999 1st January, 1999.

Petroleum tax Act cap 354 LEN 1990.

This law is a codification of the petroleum profit tax ordinance number 15 of 1954 with all its amendments up to 1990. This is the law that regulates the collection of tax on profits made by companies engaged in petroleum exploration activities in Nigeria. The tax goes to the federal governments via FIRS.

Capital Gain Tax Act CAP 42 LEN 1990

This law which amended the capital gains tax decree number 42 of 1962 governs the collection of taxes due on the disposal of chargeable asset. This tax is collection by the government via the state Board of in land Revenue (SBIR) from individuals resident in the state where gain arises and by the federal government via the FIRS companies and non resident (person and companies).

VALUED ADDED TAX NUMBER 102 LEN 1993.

This is the law that regulates the collection of tax due on variable goods or services. The three tiers of government according to a clearly defined formula.

EDUCATIONAL TAX ACT NUMBER 7 LEN 1993

This tax law was promulgated in 1993 with sole objective of enabling the government to use the amount collected for the rehabilitation restoration and consolidation of education in Nigeria. The tax is assessed and collected by the FIRS at a rate of 21% at the assessable profits of companies.

INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT CAP 179 LEN 1990.

This is the enabling law that grants tax holiday's to certain categories of companies designed as pioneer companies.

Companies granted pioneer status are exempted from all forms of tax on profit derived during the pioneer period which is for an initial period of three years but which could be exempted to a future two years maximum. Pioneer cases are handled by FIRS.

Emphasis has been placed on legislation because every tax imposed has to be backed up by legislation as no person would agree to part with some of his income without being convinced that it authorized by law. Besides tax payers are very sensitive and aggressive when tax demands are made on them. This make it necessary that tax be adequately supported by legislation so that tax be adequately supported by legislations so that the administration can use backing as a basis of their notices.

In addition of the law, above, the various states and local government have laws that regulates personal income tax and other forms of tax. This now begins us to the various taxes/ levies collectible by the tiers of government in Nigeria.

Taxes and levies (approved list for collection) Decree 1998.

In order to avoid multiplicity of taxes the federal government via decree No2 of 1998 came out with a list of the approved taxes and levies for collection by each tier of government in Nigeria. By the provision of the decree, person other than the appropriate tax authority i.e the federal board of Inland Revenue, the state board of inland revenue, the local government revenue committee or a ministry, government department or any other government body charged with responsibility of assessing or collecting the particular tax shall asses or collect on behalf of the government, any of the taxes or levies as listed in the Decree. In the addition no person including a taxes authority shall mount a road block in any part of the federation for the purpose of collecting taxes or levies. A person who collects or levies any tax or levy or mounts a roadblock or causes road block to be mounted for the purpose of collecting any tax or levy shall be guilty of an offence and shall be liable on conviction to a fine of #50,000 or imprisonment for 3years or both. This Decree took effect from 1st April 1997.

2.3 HISTORY OF COMPANIES INCOME TAX

The first attempt at legislation to regulate the collection of taxes from companies was in the year 1939 through the promulgation of the companies income tax ordinance (C.I.T.O) This ordinance was found to be ineffective as it failed to bring individuals into the tax net. Due to this weakness, the Nigerian income tax ordinance was enacted in 1940. This legislation brought both companies and individuals into the tax net for the time.

In 1943, another tax ordinance was enacted to replace the 1940 tax ordinance. Under the 1943 enactment, the income tax rate was 50% and this has highest so far. Under this enactment however there was a provision that it a company could prove to the satisfaction of the commissioner (I e Minister of Finance) that any dividends has been paid out of such chargeable income an amount equal to such dividends maybe charged at a lower rate or free from being charged as the commissioner (finance minister). may determine.

There had been some amendments to the income tax ordinance between 1949 and 1958, the most important being the "small companies relief" inserted in 1949. In 1958, another amendment was made under which the rate reduced from 50% to 40%.

After the attainment of independence in 1960, there was needed to do away with the old ordinance of the lonial authority, which resulted to the enactment i8n 1961 of the companies incomes tax act, 1961. However, the 1961 enactment was seriously criticized as many saw the enactment as a mere transplant of the Britains sophisticated company tax law which did not take into account the local environment it was meant to apply. This aliminated in 1979 in the enactment by the Government of the companies income Tax Act (CITA) 1979 which with its various amendments remains the principal Act for companies income tax in Nigeria.

The current enabling law regulating the assessment and collection of taxes from companiesis the income tax Act cap to laws of the federation of Nigeria

(LFN) 1990 as amended by decrees 3,21 and 63 of 1993, decrees 18,19,21 and 40 of 1998 decrees 30,31 and 32 of 1996 and decrees 30 of 1999.

2.4 COMPANY INCOME TAX ADMINISTRATION IN NIGERIA

ADMINISTRATION OF THE COMPANIES INCOME TAX ACT.

Part 1 of the companies income tax act made up of seven(7) sections deals with the administration of the companies income tax in Nigeria (Nwadighoha 2007) section 2(1) states that the due administration of this CITA (STC) and tax shall be under the care and management of the Federal Board Of Inland Revenue (SIC) who may do all such things as may be declined necessary and expedient for the assessment and collection of Tax and shall account for any such property and the proceeds of sale thereof in a manner to be presented by the commissioner (Nwadighoica-2007).

TAX ADMINISTRATION

This refers to the reform of the entire tax administration agency including the litigation/approved process. It focuses attention on its processes and methodologies including its staffing, welfare etc. To achieve progress and efficiency in this regard, seven(7) strategic reform flauiks were established to drive the programme. The strategic flauks are:-

a. Firs funding/Autonomy.

b. Reengineering Human Resources Functions

c. Capacity building programme

d. Automation of collections procedure and other tax administration functions
e. Providing tax payer education and services
f. Strengthening legal and enforcement Rules.
g. Auditing of large taxpayer's and investigation activities.

The coordination of all the above functions is presently being handles by the modernization department in conjunction with selected change managers drawn from each of the department, as well as appointing project champions with clearly defined tasks with reporting functions directly to c/FIRS.

2.4.1 THE MINISTER OF FINANCE

The minister of finance is the officer in charge of the Federal Inland Revenue matters and he reports to the federal Government of Nigeria. He has no power to direct or intervene on matters involving raising of additional assessment or discharge assessment affecting a particular company but has power over/on revenue matters.

2.4.2 FEDERAL BOARD OF INLAND REVENUE SERVICES (FBIRS)

The federal board of Inland Revenue services was first established under section 3 of the income tax ordinance 1958. It is constituted under section (1) of CITA 1979 to assess to tax all limited liability company though out Nigeria.

The operations aim of the board is the Federal Inland Revenue Services (FBIRS).

2.4.3 THE GENESIS OF FEDERAL INLAND REVENUE SERVICES AND CONCEPT OF THE INTEGRATE TAX OFFICE.

The Nigerian Federal Inland Revenue was created in 1943 when it was carried out from the east while Inland Revenue Department that covered what was then the Anglo-phone West Africa (including Ghana, Gambia and sierra leone) during the colonial era.

In 1958, the board of Inland Revenue was established under the income tax ordinance of 1958. The income was later changed in 1961 when the Federal Board of Inland Revenue (FBIR) was established under section 4 of the companies income tax act (CITA) Number 22 of 1961. FBIR operated as a department in the federal industry of finance. A further transformation of the FBIR took place in 1995 when the finance (miscellaneous taxation provisions). Act number 3 of 1993 established the FIRS as the operational aim of FBIR. The Act also created the office of the Executive chairman of the board.

As part of the Federal Governments economic reform agenda. Tax reforms were a veritable part of the process and were jump started in 2002 with the mauguration of the study group to review the Nigerian Tax system. The outcome of the report submitted in 2003, has triggered a whole range of changes, one of which is the reform of the FIRS. One of such reforms within the firs is the need to recognize the tax payer as king (Within the confines of the law) and organize our services accordingly. In this regard, the idea of having a one-top point for the tax payer to meet all tax needs was conceptualized and a new organizational structure was introduced in September, 2004 to make it happen. The concept of integrated tax office handling incomes tax matters are now handled by one tax office.

An integrated Tax office (ITO) is therefore a tax office that has the responsibility of collecting companies income Tax (CIT) petroleum profit Tax (PPT), value Added Tax (VAT), Capital Gains Tax (CGT) withholding tax (WHT), Education tax (ET) and personal income tax (PIT)/Pay as you Earn (PAYE) from tax payers who fail with defined criteria. it is to be a one-step shop for all tax payers. The ITO thus replaces the old tax structure which emphasized more on tax type them the tax payer. However, for purely administrative convenience, an ITO that administers large tax payer is called "Large Tax payer office (CTO)".

2.4.4 COMPOSITION OF THE FEDERAL BOARD OF INLAND REVENUE.

The membership of the Board of Inland Revenue as specifies in section (1) of the companies tax Act 1979 and its amendment decree of 1993 is as follows.

An executive chairman who is also the director of the Federal Inland Revenue department. He shall be a person within the services (possessing relevant skills and experience in tax administration) appointed by the president.

a. The directors and heads of depart went of the services.
b. A director responsible for the planning research and statistics in the ministry of finance.
c. A member from the Nigeria national petroleum corporation (NNPC) not below the rank of executive Director.
d. A director from the Nigerian custom services.
e. A director from the national planning commission.
f. The registion-general of the corporation affairs commission (CAAC).
g. The person who service as legal advisor to the service. He may in any proceedings in which the board is a party.
h. The secretary (Who shall be an Ex-officio member of the board) shall be nominated by the board from within the revenue service. The secretary summons meeting of the board whenever business requiring its attention so warrants or upon request of a member of the department. Any seven (7) members of the board of whom one shall be the chairman or a director of a Department within the revenue service shall constitute a quorum.

2.4.5 FUNCTIONS OF THE FEDERAL BOARD OF INLAND REVENUE

1. The due administration of the companies' income tax Act 19979 (as amended).

2. To do such things as may be necessary and expedient for the assessment and collected of the tax.

3. the proper accounting for amounts collected by ensuring that all such monies are promptly logged into with the federal government account, the central bank of Nigeria.

4. It imposes penalties on tax defaulters.

5. It deals with claims, objections and appeal of the tax payer.

6. Advising the government through the minister on policies relating to taxation and helping to bring about changes in the system whenever government wants such changes to be incorporated into the laws.

2.4.6 POWER OF THE BOARD

1. The board has the power to acquire, hold and dispose of properly tax defaulters.

2. The board has the power to be in possession of any property if such property is used by the tax payers as security for tax penalty due.

3. The board may sue and be sued in its official name.

4. To authorize (with the consent of the minister) the joint tax board (JTB) to perform or exercise on behalf of the board any powers and duties specified in schedule (1) of CITA 1979 (as amended) it should be noted that under the income tax (armed forces and other persons) special provisions Act number 51 of 1972, the federal board of inland revenue is still empowered to assess;

i. Persons employed in the Nigerian army, the Nigerian navy or Nigerian air force other than in a civilian capacity.

ii. Officers at the Nigerian Foreign Services.

iii. Persons in receipt of Nigerian persons were such persons are payable overseas; and

iv. Persons resident outside Nigeria who is shareholders of Nigerian companies.

2.4.7 TECHNICAL COMMITTEE OF THE BOARD

The technical committee of the board was established under the finance (miscellaneous taxation provision) decree number 3 of 1993. The committee consists of;

1. All the directors and heads of departments of the services.
2. The legal adviser in the federal inland revenue service and
3. The secretary to the board.

2.4.8 THE FUNCTIONS OF THE COMMITTEE.

The functions of the committee are as follows;

1. To consider all tax matter that requires professional and technical expertise and make recommendations to the board.
2. Advise the board on all power and duties
3. Attend to such other matters as may from time to time be referred to it by the board. The technical committee may co-0pt (I e add someone to an organisation such as a committee, sometimes organise their will, by the agreement of all the other members) from the revenue services such staff as it may require for the discharge of its functions.

2.5 THE JOINT TAX BOARD

The joint tax board was established under section 5.27 of the income tax management, Act 1961 and schedule section 2(4b) and 78 of the companies' income tax Act, 1979, members of the board are civil servants, usually directors of internal revenue experience in income tax matter.

2.5.1 COMPOSITION OF THE JOINT TAX BOARD

i. A chairman:- The chairman of the board of federal board of inland revenue (FBIR) shall be its chairman. The federal board of Inland Revenue (FBIR) is the board upon which the administration of the company tax is bestowed.

ii. Representations of each state of the federation including the federal capital territory as nominated by their respective commissioners of finance.

iii. SECRETARY:- An officer appointed by the federal public service commission.

iv. Legal Adviser:- That may be nominated by the federal judicial commission shall be attendance as a number.

2.5.2 FUNCTIONS OF THE TAX BOARD

i. To exercise the powers or duties that may be conferred on it by any enactment of the federal government relating to companies taxation.

ii. On request, advise the federal government on double taxation arrangement.

iii. To exercise the powers or duties conferred upon it by the act (ITMA 1961).

iv. On request, advise the federal government on capital allowance rates and other taxation matters affecting the whole country and in respect of any amendment to the act.

v. Processing of / approved of for pension of provident funds, schemes. The approval becomes necessary if contributions to the schemes are to allowable deductions.

vi. Resolving disputes in the determination of residence between a tax payer and a tax authority.

vii. Exercise the power or duties conferred upon it by any express provision of the ITMA and any other powers and duties arising under the Act, which may be agreed by the government of each territory to be exercised by the Board.

2.6 THE STATE BOARD OF INTERNAL REVENUE.

Income tax laws in each state of the federation are administration by the state board of internal revenue (SBIR). The 1993 amendment to ITMA has made a uniform composition throughout the country prior to this year, the composition of the board differ from one state to another, section 33(A) subsection to gives the competition of the state Board of internal revenue as follows;

a. The executive head of the state services as chairman being person experienced in taxation, appointed by the Governor of the state.
b. Three other persons nominated by the commission for finance in the state on their personal merit.

c. The directors and heads of department within the state services.

d. A legal adviser (which shall be an ex-office member) to the board shall be appointed by the board within the state service.

At any meeting, any the members of the board of whom, one shall be the chairman or a director shall constitute a quorum.

2.6.1 FUNCTIONS OF FIRS

The functions of the state board of internal revenue are as follows:-

1. Appointing promoting, transferring and imposing discipline on employees of the state service.
2. Doing all things as may be deemed necessary and expedient for the assessment and collection of the tax and shall account for all amount for all amount so collected in a manner to be prescribed by the commissioner.
3. Ensuring the effectiveness and optimum collection of all taxes and penalties due to the government under the relevant laws.
4. Making recommendations, where appropriate to the joint tax board on policy, tax reform, tax legislation, tax legislation, tax treaties and exemptions as may be required from time to time.
5. Generally controlling the management of the service on matters of policy, subject to the provisions of the setting up of the services.

2.6.2 LOCAL GOVERNMENT REVENUE COMMITTEE

Section 33E of the local government revenue committee (LGRC)

("The revenue committee")

2.6.3 COMPOSITION OF LGRC.

The body is composed of as state in his book by Lawrence (2002:4);

a. The supervisor for finance as chairman
b. Three local government councillors as members.
c. Two other members experienced in revenue matters to be nominated by the government on their personal merits.

2.6.4 FUNCTIONS OF THE LGRC

Section 33f of the Act stipulated the following as functions of the revenue committee.

a. Shall be responsible for assessment and collection of all taxes, fines and rates under jurisdiction and shall account for all amounts to be collected in a manner to be prescribed by the chairman of the local government.
b. Shall be responsible for the day to day administration of the department, which forms its operational arm and shall be autonomous of the local government treasury.

2.7 IMPOSITION OF COMPANY INCOME TAX

Section 3 of ITMA (1961) as amended by section 1 of PITD (1993) provides that income tax is levied on the income of individuals, communities or families etc .

Paragragh 1 of the first schedule of ITMA (1961) and under the provision of PITD of 1993 residence was defined as a place for the individuals domestic use in Nigeria, which does not include any hotel, rest house or a temporary lodging. A person is regarded as a resident if he has a place for domestic use, a place of abode in Nigeria other than hotel. On the 1st of January I any year of assessment, company income tax is imposed on the income of all companies operating in the country except those specifically exempted under the Act. The income tax is imposed on;

1. The profits of Nigerian companies irrespective of whether or not they are bought into or relieved in Nigeria. Nigerian company incorporated under companies and Allied matters Decree (CAMD) 1990.
2. The profit of non-Nigeria companies operating in Nigeria. Non-Nigerian companies are foreign companies as defined by the companies and allied matter Decree 1990 as “any companies or corporation established by or under the law in force in any territory or country outside Nigeria” such

company is not incorporated under the companies and Allied Matters Decree 1990.

3. Dividend, interest or royalties due to non-Nigerian companies which are assessed at 10% (withholding tax rate) on the net is payable to the respective companies.

2.7.1 TAXABLE/CHARGEABLE PROFITS

Section 8(1) of the company incomes tax Act.1979 stipulated provides that tax shall, for each year of assessment, be payable upon the profits of any company accruing in, derived from brought into, or received in Nigeria in respect of;

a. Any trade or business.
b. Rent or any premium arising from a right to any person for the use or occupation of any property.
c. Dividends; interests, royalties, discount, charges or annuities.
d. Any annual profits or gain arising from other source whatever.
e. Any amount or profits or gain arising from the acquisition and disposal of short-term money instrument such as federal government securities, treasury bills, treasury or savings certificates, debenture certificate or treasury bonds.
f. Free, due, allowance when paid for services rendered.

2.7.2 EXEMPTION

Section 19 (1) of the company income tax Act CAP 60 LFN, 1990 list the following as exemption from company taxation.

1. Statutory or registered friendly societies
2. Registered co-operative societies.
3. Companies formed for promoting sporting activities
4. Trade unions registered under the savings bank.
5. Interest received by companies from the savings bank.
6. Companies registered under local government law of any state in Nigeria.
7. Companies engage in exploration (not marketing which are taxed under petroleum profit tax Act (1959).
8. Profit of a body corporate being a purchasing authority established by an enactment and empowered to purchase or sell commodities in or outside Nigeria for the government in servicing interest, for the general public e.g cocoa, Board, Rubber Board etc.

2.7.3 ACCOUNTING FOR INCOME TAX

The payment of revenue into the consolidated revenue fund, the authorization of expenditure from the consolidated fund, the audit of public accounts the allocation of revenue and financial matters are regulated by section 74-79 of the constitution of the federal republic of Nigeria. The collection of public money is regulated by the finance control and amendments Act, 1958. In brief, the accountant general with the approval of the minister of finance.

1. Providing accounting and other services in connection with the collection and accounting of public monies for the department.
2. Examine the collection and accounting practices applied in a department. The minister appoints the accountant general of the federation to be chief accounting officer of the receipts and payments of the government of the federation.

He is also responsible for the general supervision of the accounts of all ministries and department within the federation and for the complication of the annual financial statement of account as may be required by the minister of finance.

Since the Accountant General is by law responsible for the collection, custody and disbursement of government found, it is reasonable that should be concerned with the day to day financial

Undertaking in each ministry and extra –ministerial department. He is therefore, empowered by law to employ train and deploy accounting staff to all the ministers of financial matters.

Records of financial transaction of each ministry are kept and monthly returns are given to the Accountant General who in turn will sort, verify, compare and incorporate all the accounts for preparation to the minister of finance. The

Board of internal Revenue is accountable to the accountant General through the permanent secretary of the ministry of finance. The sub –treasury issue a receipt in the amount paid to him debit his cash book and credits the appropriate revenue head and sub-head.

The federal government is obviously concerned with the collection and accounting procedure over the years efforts at proper timely accounting of company tax revenues are being made to streamline and enhance the effectiveness of the accounting machinery. To this end, the federal board of internal revenue makes a continuous at improving the machinery. This acuminated to the circulate of a document IRC/1001/39 titled.

“Streamlining of procedures for collection, recording and banking cheques in all FBIR officers” in all the offices of the FBIR. This circular states in part as follows.

“ Further to the circular No IRC/00/17 of 22nd march 1990, I am directed to inform you that after detailed review of current mechanism for checks and control in the various revenue cash office and other collection points. The board has decided to standardize the procedures for collecting recording and banking cheques / drafts with a view to plugging all possible loopholes for fraud and achieving greater accountability and response.

2.7.4 COLLECTION PROCESS AND PROCEDURESCOLLECTION PROCEDURE: The primary role of any revenue agency is the collection of tax. Hence, the efficiency and effectiveness of any revenue agency such as the FIRS lies in the accuracy and reliability of its collection records. Such records include, among others, the following;

1 COLLECTION FILES: Where all source documents are filed such as assessment notices, bank manifest, and remission orders etc.

2 K-CARDS: Where assessments raised and collected/ paid discharges and remissions of penalties and interests, etc are recorded for payer.

3 CASH BOOK: Where all collections and receipts issued are recorded.

4 MANIFEST REGISTER: Used for recording all cleared funds from bank manifests. under the present pay direct scheme bank manifest are now the statements of cleared funds issued by collecting banks at the point, such funds are swept by inters witch to lead bank not later than the fourth day after the transaction date Tit3days.

Collection writs exist in ministries which have the responsibility for the collection of specific item of revenues. Each revenue collector should keep a cash book. All receipts must be entered in strict serial number order on the day of receipts. A revenue collector should pay as soon as possible to the sub-accountant representing the accountant general in each ministry, all the collection within that period. The payment should be supported by revenue collectors pay in from and the duplicate receipts which will be included by the sub-accountant his monthly accounts. The revenue collector should obtain from the sub-accountant an official receipt for all monies paid in by him and should post his receipts in his cash book, according to its date and number on the payment side of his cash book.

2.7.5 COMPANIES INOCOME TAX RATES

In addition to the underlined tax law, the federal government in her annual budget continues to vary the rate of tax for companies. These changes are aimed at creating incentives for investments in a priority sector or incentive to a less preferred sector, a reflection of government overall policy direction.

The following rates have exist as a charge to corporate profit from 1961 todate (2011)

DATE	RATES
1/4/61-31/3/72	40% plus super tax (super tax was payable under certain condition
1/4/72-31/3/75	40% on the first #10,000 plus 45% on the excess over #10000
1/4/75-31/3/76	Nil on the first #6000 plus 40% on the excess over #6000
1/4/76-31/3/78	Nil on the first #6000 plus 45% on the excess over #6000
1/4/78-31/3/79	Nil on the first #6000 plus 50% on the excess over #6000. 10% special levy payable on the bank excess profit
1/4/79-31/3/86	45% 10% special levy payable on banks excess profit
1/1/87-31/12/88	40% 20% small business rate with effect from 1988 10% special levy payable on bank excess profit
1/1/89-31/12/90	40% 20% small business rate 15% special levy payable on excess profit by company including bank.

DATE	RATE
1/1/91-31/12/91	40% 20% small business rate Special abrogated via decree 63 of 1991
1/1/92-31/12/92	35% 20% small business rate 2% education tax
1/1/96-to date (2011)	30% 20% small business rate 2% education tax

SOURCE: FIELD SURVEY (2012)

Also prior to 2002 year of assessment : The rate was 45% with effect from 2002 year of assessment, the rate was reduced to 40%

2003 hear of assessment minimum tax payable by companies. From 1st January 2003, a minimum tax has been introduced. It is payable from the fifth year of commencing a trade or business. The tax is computed as follows;

i if turnover is #500 and below , the tax payable is the highest of :

0.5% of gross profit; or

0.5% of net assets; or

0.25% of paid up capital ; or

0255 of turnover for the year.

Ii if turnover is over #500,000.00 the minimum tax, will be whatever is payable on a turnover of #500,000.00 any excess over #500,000, 00 will be taxed in addition at 50% of the rate first used.

Minimum tax does not apply to:

a Agricultural trade or business

b Any company with at least 25% 0f imported equity capital for 2002,2003,2004 and 2005 year of assessment

The rate is 35%

With effect from 2006 year of assessment, the rate is reduced from 35% t0 30

2.8 RETURNS, ASSESSMENT AND PAYMENT OF TAX

The law governing the submission of returns and notices is to be found in part vii of CITA CAP60 LFN 1990 and Part VI of PITD 1993 (in the case of individual) our focus here is an companies. As provided for in 5.41 0f CAP 60 0f the Act of every company is required to file annually, tax returns with the federal Inland Revenue Services (FIRS). The returns to be filed with FIRS on a prescribed from shall contain.

1 The edited account of the company including appropriate schedules and notes that will give additional information about the account submitted for tax consideration. The accounts must conform in all aspects with the provision of the companies and allied matter s Act CAP S9LEN 1990.

2 A computation of income tax and capital allowance.

3 A declaration by a principal officer (i e by a director or the company secretary that the returns contains a true and correct statement of all

sources and that the particulars given in such return are true and completed.

2.8.1 PERIOD FOR FILING OF RETURNS

Companies are to make returns as follows;

1 Every company shall file its tax returns with the tax office within six (6) months after the and of its accounting year.

2 In the case of a Merely incorporated company, the submission shall be within eighteen months from the date of its incorporation or not later than six months after the end of its firs accounting period, whichever is earlier.

2.8.2 PENALTY FOR LATE SUBMISSION OF RETURNS

Any company that fails to comply with the stipulated period for filling of returns shall be liable to a penalty as follows;

1 #2500 in the month default

2 #500 for each subsequent month in which the failure continues (W.e.f 1st January1994).

Where the offence is proved to have been committed with the consent of connivance of or to be attributed to any neglect on the part of any director, manager ,secretary or other officer, servant or agent of the company (or any person deceived purporting to act in any such capacity he as well be tried with the company and shall on imprisonment for six month or both.

2.8.3 ASSESSMENT OF INCOME TAX

After the submission of returns to the revenue, the next step in the scheme of income tax is the making of an assessment and the issue of a notice to the taxpayer. A notice of assessment as issued by the for authority on the tax payer states the amount of any assessable total or changeable income (profit, the tax charged /payable the place at which payment should be made and stating the right of the tax payer to object.

As a tax return is recaved by the FIRS, it may,

(a) Accept the return and make an assessment accordingly.

(b) In the absence of a satisfactory return, refuse to accept the return and raise a best of judgement (BOJ) assessment . A BOJ assessment may also be raised by the tax officers where returns have not been delivered and the FIRS is of the opinion that tax is chargeable.

2.8.4 PROVISION TAX ASSESSMENT

This is another type of assessment procedure in Nigeria taxation administration. A provisional tax is a tax of an amount equivalent of the tax paid in the immediate proceeding year. It is also payable where the collection of tax is in abeyance following an objection or an appeal and such that the provisional tax is higher than the tax not in dispute. The tax is due for payment within three months (i.e. not later than 31st march of the year of assessment. where paid in lump sum. To enjoy instalment concession, the company must, however, commence payment in January subject to the revenue authority's approval. Such approval will be granted is cases where there are reasonable ground to believe that all revenues to obtain necessary funds to effect payment have been exhausted.

2.8.5 OBJECTION TO ASSESSMENT

IF a company disagrees with an assessment raised it may object to it in writing to the assessing authority for an objection to be complied with,

1 it must be made within 30days of the service of the notice of assessment.

2 it must be in writing asking the inland Revenue to review and raise the assessment.

3 The precise grounds of objection must be stated.

4 The objection should contain alternative figures to which a revision can be made.

2.8.6 PENALTY FOR LATE PAYMENT

s. 60 (1) (a) of CITA 1979 has been amended under the finance (miscellaneous taxation provisions) Decree 1987 and the 10% penalty on the outstanding tax would now be levied annually as long as the tax remain outstanding, penalty shall be imposed from the data tax becomes due for payment and for no reasons that the tax was not paid. In addition the body of appeal commissioners may impose penalties for appeals considered frivolous.

2.9 PROBLEMS OF COMPANY INCOME TAX ADMINISTRATION

The following are the various problem facing the federal board of inland revenue in the administration (assessment and collection) of company income tax in Nigeria.

1. **UNPOPULARITY OF THE TAX SYSTEM**

   Tax paying company has made collection system quite unpopular by using available loopholes. Some tax payers are of the view that rates are extorting and the timing is inconvenient for tax payers.

2. **INEFFICIENT COLLECTION MACHINERY**

One of the major problems of company income tax collection in Nigeria is inefficient tax collection machinery. Non availability, of information, infrastructural inadequate corrupt tax officials non specification of tax laws are all contributing to the ineffective and inefficient system of correcting company income tax in Nigeria.

3. **INCOMPLETENESS OF INFORMATION AND ON TAXABLE ENTITIES AND ACTIVITIES (AGYEI ET AL)**
4. **LACK OF ADEQUATE LAW**

The failure on the part of government to enact adequate laws that will indict perpetrator have encouraged companies to indulge on the practice.

5 TAX AVOIDANCE

Tax avoidance has been clearly described as a means of arranging ones affairs is such away as to reduce tax liability without breaking the law. Tax avoidance involves a great and careful planning sometimes making use of any loopholes in tax legislation to avoid paying too much tax can invest, for example in capital expenditure which increases their standard of production and efficiency while same time create more capital allowance. Companies can also invest in their employees by providing essential services such as medical care, housing and transport all these expenses while serving to increase staff morale and productivity are also tax liability.

5. TAX EVASION

Tax evasion unlike tax avoidance is an act out right illegal act of the tax payer perpetuated with the aim of avoiding tax liability of the individual or company.

It is a serious societal problem that calls for urgent measure to stim the trend. Onadapo (i988:16) says that 15-25% of tax evaders are limited liability companies. When this is quantified in term of revenue loss, it then becomes clear now serious at this crime is. In part is commissioner of taxation CLR in (1963-64) Justice means remarked “it is perhaps inevitable in an acquisitance society that taxation is regarded as a burden from which those that are subject to it will seek to escape by any lawful means that may be found”. Thus, he was saying in essence that there is a human instinct in man to evade tax. Supporting this, another legal expert D.C.O Njemanze in a paper tittled “Tax Evasion”, a social evil maintained that human beings dread to be coupled to pay out money and as a psychological reaction regard any tax driven as punitive.

CHAPTER THREE

RESEARCH METHODOLOGY

INTRODUCTION

Research methodology is the specification of procedure of collecting and analyzing the data necessary to solve the problems at hand.

The purpose of this chapter is to provide data which should be adopted in order to attain the objective of the study.

These are contained in the following such as, research design, area of study, scope of the study, population of the study, sample and sampling technique, data collection procedure, instrument validity and reliability, administration and data analysis procedure.

3.1 RESEARCH DESIGN

In his study, the researcher's design is a frame work of collecting and analysing the data for a study.

Research design answers the fundamental question of how the study subjects will be brought into scope of the research setting to yield the required data (Abdellah and Levine, 1979:166)

The two approaches to research design are the case study and the survey methods. This study will use the study method toinvestigate the problems of company income tax administration in Nigeria, using FIRS, Abia as a case study.

3.2 SOURCE OF DATA

The study relied heavilyon both primary and secondary source of data.

PRIMARY DATA

The primary data used in this approach was obtained from a sample drawn from the staff of the FIRS in Abia state. All these were done through the distribution of questionnaire, and oral interviews with the staff of the FIRS. This is directed at achieving a more conclusion.

QUESTIONNAIRE

The questionnaire design was a combination of structured question with multiple choice answer for the respondents to choose from.

The questions asked in the questionnaire design were well structured so as to be relevant to the researcher. They offer the respondents a limited range of response for instance, simple alternative or multiple choice of responses of agreed and this agreed were made available for the respondents to tick the answers. This assist the researcher to further the question easily.

INTERVIEWS

The oral interviews performed was important to limit the level of bias in the answer supplied in response to the questionnaire.

The interview was also considered to be good supplement to the questionnaire used for the study to extract some useful information.

SECONDARY DATA

This consist of existing information that is useful for the purpose of specific survey.

The source of gathering the secondary data in the study were from journals, literature review, lecture guide, textbooks, periodicals from the gazzete, of the federal government of Nigeria, other relevant official records from the federal inland revenue service and other research works relating to this topic published and unpublished.

3.3 AREA OF THE STUDY

This study wiil be conducted in Abia state FIRS(Federal Inland Revenue Service). The FIRS is located in Abia city of Nigeria.

The federal inland revenue service (FIRS) used for this study is located in at No 68 Onyenubi street, umuode, Aba Abia state and No176 Azikiwe road , Aba Abia State.

3.4 POPULATION OF THE STUDY

The population of the syudyembobies the entire staff of the federal inland service (FIRS) Abia state.

As at the time of this study the population was eighty two (82) staff. The break down shows the following:

Top management 21 staff

Middle management	25 staff
Senior staff	16staff
Junior staff	20staff
Total number of staff	82staff

3.5 SAMPLE SIZE AND TECHNIQUE: The selected members of the class or group (population) to be interviewed constitute the sample.

The sample size of this research covers mainly the federal Inland Revenue services, Abia state. In sampling therefore, Abia state FIRS was chosen, that is to say: Abia state is the project assigned area and the chosen sampling. The sampling size purposely used for this study is determined by the Taro Yamani's formula which is as follows:

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

Where:

N=the number of population in which sample is to be drawn

n= sample size desired to be covered

e= error estimate/ significance level, given as 0.05

i= constant

Therefore to compute a sample size ``n`` which shall be a representative of all confidence limit or 0.05 significant level by using Taro Yamani's formula

$$N = \frac{82}{1+82(0.05)^2}$$

$$N = \frac{82}{1+82(0.0025)}$$

$$N = \frac{82}{1+0.205}$$

$$N = \frac{82}{1.0205} \qquad =68$$

Due to some limitations in this study, this sample can be stratified as follows

Top management	23
Middle management	13
Senior staff	22
Junior staff	10
Sample size	30

3.6 VALIDITY OF INSTRUMENT

The instruments used for the collection of data for the purpose of this study include. The questionnaires, which were also supported by interview, tax, journals, observations etc.

3.7 RELIABILITY OF INSTRUMENTS

The questionnaires was overseen and confirmed by the researcher/ project supervisor, and by that, the questionnaire was reliable, it was subjected to test-retest method of reliability test. During that process the co efficient of reliability test. During that process the co efficient of reliability (r) was above 0.5 the instrument that have co-efficient of reliability (r) above 0.5 is always deemed to be reliable in a research work.

3.7 METHODS OF DATA COLLECTION

The ultimate aim of every research is to find solutions to identify the problems of the subject of study. This can only be achieved through the collection of reliable data.

Therefore data were collected from both primary and secondary sources (data).

3.7 METHOD OF DATA ANALYSIS

The data related to this research work was analyzed using percentage and simple statement as referred to the information collected from respondents through research questionnaire.

A parametric statistical testing tool t-test was used to test hypothesis about the difference between means of the group. The formula for to test statistical tool used is as stated below:

$$T = \frac{x1 - x2}{\overline{\frac{s1^2}{n_1} + \frac{+s2^2}{n2}}}$$

Where x1 and x2 are means of two groups of samples

S1= Standard deviation of population 1

S2= Standard deviation of population 2

N1= Size of sample from population 1

N2= Size of sample from population 2

A five likert scale was used to award the points to a specific question responded by the respondent. The favorable statements are scored as follows;

Strongly Agreed (SA)=4

Agree (A)=3

Disagreed (D) =2

Strongly Disagree (SD) =1

No opinion (NO) =0

DECISION RULE

Reject the Null hypothesis (H0) and upload Alternative Hypothesis (H1) if the T Calculate value exceeds the T critical value. Otherwise do not reject the Null hypothesis

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

This chapter covers the presentation, analysis and interpretation of data gathered through the various methods described in chapter three (3) this stage of the study gives better shape and meaning to the data used. The test of hypothesis will be done in this chapter.

4.1 PRESENTATION OF DATA

The analysis of data made in this project was obtained from the questionnaires which were returned by the respondents.

Out of sixty eight (68) questionnaires which were administered thirty (30) were returned duly filled and completed.

RESPONDENTS	NO OF QUESTONAIRE DISTRIBUTED	NO RETURNED	NO NOT RETURNED	PERCENTAGE (%)	PERCENTAGE NOT RETURNED %
TOP MANAGEMENT	20	3	17	4.41	24.99
MIDDLE MANAGEMENT	18	8	10	11.765	14.71
SENIOR STAFF	16	10	6	14.707	8.82
JUNIOR STAFF	14	9	5	13.236	7.35
TOTAL	68	30	38	44.12	55.88

RESEARCH QUESTION ONE

To what extent has sharp practices in administration between the staff of FBIR and assess company contributed to tax evasion.

RESPONSE	NO OF RESPONDENT	PERCENTAGE(%)
AGREED	10	33
STRONGLY AGREED	12	40
DISAGREED	5	17
STRONGLY DISAGREED	3	10
TOTAL	30	100

From the above table analysis of the respondents revealed that about 33% agreed, 40% strongly agreed, 17% disagreed and 10% strongly disagreed.

RESEARCH QUESTION TWO

To what extent has there been variation between financial statement used for AGM and that sent to FBIR for tax administration.

RESPONDENTS	NO OF RESPONSE	PERCENTAGE %
AGREED	11	37
STRONGLY AGREED	10	33
DISAGREED	5	17

STRONGLY DISAGREED	4	33.3
TOTAL	30	100

From the above analysis revealed that 37% agreed, 33% strongly agreed, 17% disagreed and 13.3% strongly disagreed.

RESEARCH QUESTION THREE

Has loss of confidence in government officials contributed to tax evasion

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	12	40
STRONGLY AGREED	8	17
DISAGREED	5	17
STRONGLY DISAGREED	5	17
TOTAL	30	100

From the analysis in the table above 40% agreed, 27% strongly disagreed, 17% disagreed, ad 17% strongly disagreed that loss of confidence in government officials contributes to tax evasion.

RESEARCH QUESTION FOUR

Revenue generation can be enhanced by efficient companies' income tax administration.

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	12	40
STRONGLY AGREED	10	33

DISAGREED	6	20
STRONGLY DISAGREED	2	7
TOTAL	30	100

From the analysis in the table above 40% agreed, 33% strongly agreed, 20% disagreed and 7% strongly disagreed that revenue generation can be enhanced by efficient companies income tax administration.

RESEARCH QUESTION FIVE

Are the existing tax laws adequate for the existing company income tax administration?

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	10	33
STRONGLY AGREED	8	27
DISAGREED	9	30
STRONGLY DISAGREED	3	10
TOTAL	30	100

From the above table, it can be seen that 33% agreed, 27% strongly agreed, 30% disagreed and 10% strongly disagreed.

RESEARCH QUESTION SIX

Do some companies falsify their accounts and under-declare their income to incure less tax liability.

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	12	40
STRONGLY AGREED	10	33
DISAGREED	5	17
STRONGLY DISAGREED	3	10
TOTAL	30	100

From the above analysis it can be seen that 33% agreed, 40% strongly agreed, 17% disagreed while 10% strongly disagreed that some companies falsify their accounts and under-declare their income less tax liability.

RESERCH QUESTION SEVEN

The revenue generated by the companies been assessed improve the income of the tax generated by FBIR.

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	12	40
STRONGLY AGREED	11	37
DISAGREED	4	13

STRONGLY DISAGREED	3	10
TOTAL	30	100

From the analysis above it shows that 40% agreed, 37% strongly agreed, 13% disagreed and 10% strongly disagreed that the revenue generated by the companies been assessed improve the income of the tax generated by FBIR.

RESREACH QUESTION EIGHT

Does the board have adequate infrastructures and man power to effectively administer relevant tax laws.

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	10	33
STRONGLY AGREED	11	37
DISAGREED	5	17
STRONGLY DISAGREED	4	13
TOTAL	30	100

The analysis above shows that 35% agreed 37% strongly agreed 17% disagreed and 13% strongly disagreed that the board has adequate infrastructure and manpower to effectively administer relevant tax laws.

RESEARCH QUESTION NINE

Should the currently existing tax laws be reviewed?

RESPONSE	NO OF RESPONSE	PERCENTAGE
AGREED	10	33
STRONGLY AGREED	12	40

DISAGREED	4	13.3
STRONGLY DISAGREED	4	13.3
TOTAL	30	100

From the above analysis 33% agreed 40% strongly agreed, 13.3% disagreed while 13.3% strongly disagreed that the current existing tax laws should be reviewed.

RESEARCH QUESTION TEN

Is the current punishment for tax evaders appropriate?

RESPONSE	NO OF RESPONSE	PERCENTAGE %
AGREED	14	47
STRONGLY AGREED	9	30
DISAGREED	5	17
STRONGLY DISAGREED	2	7
TOTAL	30	100

From the analysis of the above table shows that 47% agreed, 30 % strongly agreed, 17% disagreed and 7% strongly disagreed that the current punishment for tax evaders is appropriate.

4.2 TEST OF HYPOTHESIS

A parametric statistical testing tool t-test is used to test hypothesis about the difference between means of the groups. The formula for t-test statistical tool used is as thus stated below

T= x1 - x2

$$\frac{\overline{sd1\ 2} + \ sd2\ 2}{N1 \qquad N2}$$

Where:-

X1 and X2 are means of two groups of sample

SD1 = standard deviation of population 1

SD2= standard deviation of population 2

N1= size of sample from population 1

N2= size of sample from population 2

A four scale was used to award point to each specific question responded by the respondents. The favourable statement are scaled as follows

Strongly agreed	(SA)
Agreed	(A)
Disagreed	(D)
Strongly disagreed	(SD)

4.2.1 TEST OF HYPOTHESIS ONE

For the purpose of clarity the hypothesis are here by represented thus;

Ho: Sharp practices in tax administration between the staff of FBIR and assess company does not contribute to tax evasion.

H1: Sharp practices in tax administration between the staff of FBIR and assess company contribute to tax evasion.

Analysing the data in question 1 table 1 t-test model thus

$$T = \frac{\underline{x1 - x2}}{\sqrt{\frac{sd1^2}{N1} + \frac{sd2^2}{N2}}}$$

RESPONDENTS	NO OF RESPONDENTS	GROUP THAT AGREED/STRONGLY AGREED	GROUP THAT DISAGREEED / STRONGLY DISAGREED
TOP MANAGEMENT	3	2	1
MIDDLE MANAGEMENT	8	6	2
SINOR STAFF	10	7	3
JUNIOR STAFF	9	7	2
TOTAL	30	22	8

To determine the mean for two groups (X1,X2)

For X1

$x =$ $\frac{x1}{N1} = \frac{22}{4} = 6$

For X2

$x =$ $x2 = \frac{8}{}=2$

N2 4

Is to determine the standard deviation i.e (X1,X2)

GROUP THAT	AGREED/ STR0NGLY	AGREED	GROUP THAT	DISAGREED AND	STRONGLY DISAGREED
X1	X1- X	(X1- X)2	X2	X2-X	(X2-X)2
2	-4	8	1	-1	1
6	0	0	2	0	0
7	1	1	3	1	1
7	1	1	2	0	0
		10			2

SD1= $\overline{X1 - X\ 2}$

N1-1

SD1= $\overline{10}$

4-1

SD1= $\overline{10}$

3

SD1= $\overline{3}$

SD1=1.83

SD2= $\sqrt{(X2 - X)}$

N1-1

$$SD2=\sqrt{\frac{2}{4-1}}$$

$$SD2=\sqrt{\frac{2}{3}}$$

$$SD2=\sqrt{0.67}$$

SD2=0.82

Where

X1=6

X2=2

SD1=1.83

SD2=0.82

N1=4

N2=4

Note; The level of significance is 0.05

Decision rule stated that the Ho= Null hypothesis should be accepted if the t-test calculated is test that t-test critical value of [$\pm$2.04) and the alternative hypothesis should be rejected if it is greater than the critical value of [$\pm$2.04).

The [$\pm$2.04) is the critical values of t for a two tested test at 0.05 level of significance

Substitute

$$T= \underline{x1 - x2}$$

$$\sqrt{\frac{sd1^2}{N1}+\frac{sd2^2}{N2}}$$

$$T = \frac{6-2}{\sqrt{\frac{1.83^2}{4}+\frac{0.82^2}{4}}}$$

$$T = \frac{4}{\sqrt{\frac{3.3489}{4}+\frac{0.6724}{4}}}$$

$$T = \frac{4}{\sqrt{0.837225+0.1681}}$$

$$T = \frac{4}{\sqrt{1.005325}}$$

$$T = \frac{4}{1.002659}$$

T=3.989

To compute the critical value and compute value

Critical value= 2.04

Computed value=3.989

Critical value >computed value

Decision sine the calculated value of t is greater than the critical value we shall reject the null hypothesis and uphold the alternative hypothesis.

Conclusion H1: Sharp practices in tax administration between the staff of FBIR and assess company contributes to tax evasion.

TEST OF HYPOTHESIS TWO

The purpose of clarity the hypothesis are by shown below

Ho; There is variation between the financial statement used for AGM and that used for tax administration of assess company

H1; There is no variation between the financial statement used for AGM and that used for tax administration of assess company.

Analysing the data in question 2 table 2 t test model thus;

$$T= \frac{x1 - x2}{\sqrt{\frac{sd1\ 2}{N1} + \frac{sd2\ 2}{N2}}}$$

RESPONSE	NO OF RESPONDENTS	GROUP THAT AGREED/ STRONGLY AGREED	GROUP THAT DISAGREED/ STRONGLY DISAGREED
TOP MANAGEMENT	3	2	1
MIDDLE MANAGEMENT	8	6	2
SINOR STAFF	10	7	3
JUNIOR STAFF	9	6	3

TOTAL	30	21	9

To determine the mean for two groups (X1,X2)

For X1

$x =$ x1 =$\underline{21}$

N1 4 =5.3

For X2

$x =$ x2 = $\underline{9}$

N2 4 =2.3

To determine the standard deviation (X1, X2)

GROUP THAT	AGREED/ STRONGLY	AGREED	GROUP THAT	DISAGREED/	STRONGLY DISAGREED
X1	X1-X	(X1-X)2	X2	X2-X	(X2-X)2
2	-4	8	1	-1	1
6	0	0	2	O	0
7	1	1	3	1	1
6	1	1	3	1	1
		10			3

SD1=$\underline{\overline{\quad X1-X\ 2}}$

N1-1

SD1=$\underline{\overline{\ 10}}$

4-1

SD1= $\overline{10}$

3

SD1= $\overline{3}$

SD1=1.83

SD2= $\sqrt{}(X2 - X)$

N1-1

SD2= $\overline{3}$

4-1

SD2= $\overline{3}$

3

SD2= $\overline{1}$

SD2=1

Now the t- test formula will be applied

T = x1 - x2

$\overline{\text{sd1 2}} + \ sd2\ \ 2$

N1 N2

Where

X1=5.3

X2=2.3

SD1=1.83

SD2=1

N1=4

N2=4

Note: The level of significant is 0.05

Decision rule stated that the Ho = Null hypothesis should be accepted if the t-test calculated is test that the t-test critical value of [$\pm$2.04) and the alternative hypothesis should be rejected it is greater than critical value of [$\pm$2.04).

The [$\pm$2.04) is the critical value of t- test for a two tested test at 0.05level of significance.

Substitute

$$T= \frac{x1 - x2}{\sqrt{\frac{sd1^2}{N1} + \frac{sd2^2}{N2}}}$$

$$T= \frac{5.3-2.3}{\sqrt{\frac{1.83^2}{4} + \frac{1^2}{4}}}$$

$$T = \frac{3}{\sqrt{\frac{3.3489}{4} + \frac{1}{4}}}$$

$$T = \frac{3}{\sqrt{0.837225} + 0.25}$$

$$T= \frac{3}{1.0427008}$$

T=2.877

To compute the critical value and compute value

Critical value =$\pm$2.04

Computed value= 2.877

Computed value > critical value

Decision: Since the calculated value of t is greater than critical value we shall reject the null hypothesis and uphold the alternative hypothesis

Conclusion H1:- There is no variation between the financial statement used for AGM and that used for tax administration of assess company.

TEST OF HYPOTHESIS THREE

The purpose of clarity the hypothesis are by shown below

Ho: The loss of confidence in government does not contribute to tax evasion.

H1: The loss of confidence in government contributes to tax evasion

Analysing the data in question 3 table 3 t-test model thus:

$$T = \frac{x1 - x2}{\sqrt{\frac{sd1^2}{N1} + \frac{sd2^2}{N2}}}$$

RESPONSE	NO OF RESPONSE	GROUP THAT AGREED/STRONGLY AGREED	GROUP THAT DISAGREED/STRONGLY DISAGREED
TOP MANAGEMENT	3	2	1
MIDDLE MANAGEME	8	5	3

NT			
SINIOR STAFF	10	7	3
JUNIOR STAFF	9	6	3
TOTAL	30	20	10

To determine the mean for two groups i. e (x1, x 2)

For X1

$x =$ x1 $=\frac{20}{4}$ =6

N1

For X2

$x =$ x2 =10=2.5

N2 4

To determine the standard deviation (X1,X2)

GROUP THAT	AGREED/	STRONGLY AGREED	GROUP THAT	DISAGREED/	STRONGLY DISAGREED
X1	$X1-X$	$(X1-X)2$	X2	$X2-X$	$(X2-X)2$
2	-4	8	1	-1.5	2
5	-1	1	3	1	1
7	1	1	3	1	1
6	0	0	3	1	1
		10			5

SD1= $\frac{\sqrt{X1 - X\ 2}}{N1-1}$

SD1= $\frac{\sqrt{10}}{4-1}$

SD1= $\frac{\sqrt{10}}{3}$

SD1= $\sqrt{3}$

SD1=1.83

SD2= $\frac{\sqrt{(X2 - X)}}{N1-1}$

SD2= $\frac{\sqrt{5}}{4-1}$

SD2= $\frac{\sqrt{5}}{3}$

SD2= $\sqrt{1.67}$

SD2= 1.29

Now the t-test formula will hence be applied

$$T = \frac{x1 - x2}{\sqrt{\frac{sd1\ 2}{N1} + \frac{sd2\ 2}{N2}}}$$

Where

X1= 6

X2=2.5

Sd1=1.83

Sd2=1.29

N1=4

N2=4

Note; The level of significance is 0.05

Decision rile stated that the Ho: Nill hypothesis should be accepted if the t-test calculated is test that the t-test critical value of [$\pm$2.04) and the alternative hypothesis should be rejected it is greater than critical value of [$\pm$2.04).

The [$\pm$2.04) is the critical values of t for a two tested at 0.05 level of significance

Substitute

$$T= \frac{x1 - x2}{\sqrt{\frac{sd1^2}{N1} + \frac{sd2^2}{N2}}}$$

$$T= \frac{6 - 2.5}{\sqrt{\frac{1.83^2}{4} + \frac{1.29^2}{4}}}$$

$$T= \frac{3.5}{\sqrt{\frac{3.3489}{4} + \frac{1.6641}{4}}}$$

T= 3.5

$\sqrt{0.837225 + 0.416025}$

T = $\underline{3.5}$

$\sqrt{1.25325}$

T= $\underline{3.5}$

1.1194865

T=3.126.

To compute the critical value and compute value

Critical value=[$\pm$2.04).

Computed value = 3.126

Computed value >critical value

Decision: since the calculated value of t is greater than critical value we shall reject the null hypothesis and uphold the alternative hypothesis.

Conclusion H1:- The loss of confidence in government contributes to tax evation.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.1 SUMMARY

The study highlighted the company income tax in Nigeria and also concluded the various decrees that amended the act particularly 1979 Act.

The Federal board of inland Revenue (FBIR) deals with all revenue matters relating to direct taxes e.g. company income tax.

From the investigations carried out the researcher found out the following which include;

- Sharp practices in tax administration between the staff of FBIR and assess company contributes to tax evasion.
- There is no variation between the financial statement used for AGM and that used for tax administration of assess company.
- The loss of confidence in government contributes to tax evasion.
- Company income tax administration:- the federal Board of inland revenue like other civil service arm is settled civil service bureaucracy. This has affected the responses attitude to work and indirectly encourage tax evasion and avoidance.
- Lack of tranined personnel or inadequacy of trained personnel's; it was found out that great percentage of the staff were not given the opportunity to undergo on proper training with regard to growing technological

strides. Therefore, it is difficult for such personnel's to assess companies for tax.

- It was discovered also from the findings that the reason behind the attitude of tax officials to work and certain fraudulent practices is due to the fact that they are not well motivated.

5.2 CONCLUSION

The problems of company income tax collection already highlighted were the problems facing the federal board of Inland Revenue.

The researcher took time to check all about company income tax administration problems and prospects for the accomplishment of the objectives of the study e.g. reviews of related literature has been carried out to a reasonable level. Data gathered, collected and analysed. The results were used to test the three hypothesis which determine either to accept or reject the hypothesis.

This revealed some of the problems hindering the effective performance of the board which are civil service bureaucracy, Lack of working equipment's and infrastructure, inadequate relevant training and incentives for tax officials and ineffective management strategies and practices etc

Recommendations where made which where the solutions proffered by the researcher to check the problems of the company income tax collection administration.

As pointed out above the government has to take definitive measures to improve the collection machineries.

5.3RECOMMENDATIONS

Based on the research carried out on the company income tax administration in Nigeria with particular reference to Abia state, the following recommendations are made to improve tax revenue generation of the government if properly implemented.

- There should be proper staff training programme yearly. This will increase and effectively and efficiently on the job profession also such as economist, accountants, Lawyers etc should be in greater percentage in the composition of the Federal Board of inland Revenue and its duties effectively and efficiently.
- The Federal Board of Inland Revenue should be made autonomous in the implementation of tax policies. The board should be directly under the presidency. It should be responsible in determine personnel welfare package, promotion and tanning of the staff.
- Tax laws:- Tax laws should be clear and not ambiguous. The language of tax laws should be clear, understanding and be made completely enforceable by law enforcement agencies. The laws should be incorporated in the criminal laws ie there should be provision under the criminal laws of Nigeria

- Human resource development: Motivation is a necessary management tool to achieve efficiency in employee. Enough and good motivational tools should be made available to the workers such as promotion of workers when due, timely payment of gratuity at the retirement of a staff.
- Provision of infrastructural facilities:- There should be provision of enough and adequate infrastructural facilities to create staff efficiency. Facilities as modern communication gadgets vehicles for transport and other necessary equipment should be put in place to enable the boards staff to discharge its duties effectively and efficiently
- An efficient and effective management information system (MIS) should be put in place and right administered in the entire tax system.
- The information agencies should carry out investigations to ensure the information supplies by tax payers or corporate bodies are complete. This can be done by asking for further returns from the payers. The further returns must include an audited account of the period in questions, in a case of corporate bodies.

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RESEARCH QUESTIONNAIRE

COMPANY INCOME TAX ADMINSTRATION IN NIGERIA

(PROBLEM AND PROSPECTS)

Department of Accounting

Caritas University

Amorji- Nike

Enugu

Dear Respondent,

This research/ thesis is designed to improve the efficiency of administration of company income tax in Nigeria

Your prompt response will be highly appreciated and shall be used exclusively for academic purpose. Any information given will be treated in strict confidence

Thanks in anticipation

Yours Faithfully

Siokwu Christopher .N.

(Researcher).

INSTRUCTIONS

Please answer the question objectively by ticking the appropriate box [√] and filling the gap provided against each question and leave the alternative box blank. You may as well express your opinion in response to each question as deemed fit.

SECTION A: BIODATA

1. Sex: Male [ ] Female [ ]
2. Age: 25-30yrs [ ] 31-35yrs [ ] 36-40yrs[ ] 41yrs and above [ ]
3. Marital status: Single [ ] Married [ ]

SECTION B: GENERAL

1. Years of working experience: 1-5yrs [ ] 6-10yrs [ ] 11-15yrs[ ] 16yrs and above [ ]
2. Have you received any organised training on taxation? Yes [ ] No [ ]
3. Can tax evasion be reduced through relevant tax laws? Agreed [ ] strongly agreed[ ] disagreed [ ] strongly disagreed[ ]

4. Does the board have adequate infrastructure and manpower to effectively administer relevant tax laws? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
5. Revenue generation can be enhanced by efficient companies income tax administration? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
6. To what extent has sharp practices in administration between the staff of the FBIR and assess company contributed to tax evasion? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
7. To what extent has there been variation between financial statement used for AGM and that sent to FBIR for tax administration? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
8. Has loss of confidence in government officials contributed to tax evasion? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
9. Are the existing tax laws adequate for efficient company income tax administration? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
10. Do some companies falsify their accounts and under-declare their income to incur less tax liability? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]

11. Should the currently existing tax laws be reviewed? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
12. Is the current punishment for tax evaders appropriate? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]
13. Has the federal board of inland Revenue achieved objective of the company income tax act 1979 as the government expected from them? Agreed [ ] Strongly agreed [ ] disagreed [ ] strongly disagreed [ ]

Thanks for your corporation

Yours faithfully

Siokwu Christopher .N.

(Researcher)