E-taxation and government revenue performance: Evidence from local governments in Ogun State, Nigeria

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Abstract

The digitalization of tax administration has become an important strategy for improving public revenue mobilization, particularly in developing economies. This study examines the effect of electronic taxation (e-taxation) on government revenue performance in Ogun State, Nigeria, focusing on tax revenue (TRV) and non-tax revenue (NTR) generated by local governments. The study adopts an ex-post facto research design and utilizes secondary data obtained from the annual financial statements of the 20 Local Government Areas (LGAs) in Ogun State. A total enumeration sampling technique was employed to include all LGAs, covering a three-year period from 2021 to 2023, which corresponds with the introduction of the e-taxation system in the state. This resulted in 60 panel observations (20 LGAs × 3 years). Descriptive and inferential statistical techniques were used to analyze the data and evaluate the relationship between e-taxation and government revenue performance. The empirical findings reveal that the adoption of e-taxation has a statistically significant and positive effect on both tax revenue and non-tax revenue in Ogun State. The results suggest that digital tax administration enhances transparency, reduces revenue leakages, and improves efficiency in revenue collection processes. The study concludes that e-taxation represents an effective policy instrument for strengthening public revenue generation at the local government level. It therefore recommends that the Ogun State Government should further invest in digital tax infrastructure, expand electronic payment platforms, and strengthen institutional capacity to maximize the benefits of e-taxation.

Keywords: e-taxation, e-registration, e-payment, government revenue performance, tax revenue, non-tax revenue.

Introduction

Taxation remains one of the most reliable and sustainable sources of government revenue globally. Governments depend on tax revenues to finance public expenditure, deliver essential services, and promote economic development. In Nigeria, taxation plays a vital role in fiscal operations across the federal, state, and local government levels. The three tiers of government rely largely on internally generated revenue (IGR) and statutory allocations from the Federation Account to finance infrastructure development and socioeconomic programmes. However, Nigeria's revenue system has historically faced structural and administrative challenges such as tax evasion, weak tax administration, revenue leakages, and excessive dependence on oil revenue (Ajayi & Oyeniyi, 2021; Alade, 2018).

For many years, Nigeria depended heavily on crude oil exports as the primary source of government revenue. Fluctuations in global oil prices, geopolitical uncertainties, and variations in production levels have exposed the vulnerability of this revenue structure and contributed to fiscal instability (Babatunde & Akinsanmi, 2021). Consequently, governments at different levels have increasingly emphasized the need to strengthen non-oil revenue sources through improved tax administration and enhanced revenue mobilization strategies.

Despite the importance of taxation, tax administration in Nigeria continues to face several challenges. Traditional manual tax systems are often associated with inefficiencies, poor record keeping, corruption, and weak monitoring mechanisms, which contribute to low tax compliance and substantial revenue leakages (Nnubia et al., 2020). These limitations have reduced the ability of governments to mobilize sufficient revenue to meet growing public expenditure demands.

The rapid advancement of information and communication technologies (ICT) has transformed public financial administration globally. In response to the limitations of manual tax systems, many governments have introduced electronic taxation (e-taxation) systems to modernize tax administration and improve revenue collection efficiency. E-taxation involves the use of digital platforms for tax registration, filing, assessment, payment, and monitoring. Through automation of tax processes, e-taxation is expected to enhance tax compliance, reduce administrative costs, minimize human interference, and improve transparency in revenue management (Onuselogu & Onuora, 2021).

Globally, the adoption of digital tax administration has improved tax compliance and revenue mobilization. For instance, Pippin and Tosun (2022) examined electronic tax filing systems in the United States and found that digital tax platforms significantly improve administrative efficiency and tax compliance. Similar evidence has been reported in several developing economies where e-taxation has strengthened tax administration and enhanced government revenue generation.

In Nigeria, the adoption of e-taxation systems has gained increasing attention as governments seek to improve internally generated revenue and reduce dependence on oil revenue. Several states have implemented electronic tax systems that allow taxpayers to register, file returns, and make payments electronically, thereby improving transparency and monitoring efficiency in tax administration.

Ogun State represents an emerging example of digital tax administration in Nigeria. As one of the economically active states in southwestern Nigeria, Ogun State has experienced rapid urbanization, industrial expansion, and increasing demand for public infrastructure and services. These developments have intensified the need for improved revenue mobilization and fiscal sustainability. In response, the Ogun State Government has implemented e-taxation initiatives aimed at modernizing tax administration, improving revenue collection efficiency, and enhancing transparency in the tax system (Oraekwuotu, 2021).

Despite the growing adoption of e-taxation systems, empirical evidence on their effectiveness in improving government revenue performance remains limited, particularly at the subnational level in Nigeria. Existing studies have largely focused on tax compliance and national tax administration. For example, Acheampong et al. (2020) examined e-taxation adoption in selected African countries, while Adegbola et al. (2021) assessed the effectiveness of e-tax systems in reducing tax evasion in Nigeria. Similarly, Owoeye (2024) analyzed the relationship between e-taxation, tax compliance, and revenue generation, and Pippin and Tosun (2022) investigated electronic tax filing systems in the United States. However, limited empirical attention has been given to the effect of e-taxation on government revenue performance at the state and local government levels, particularly in Ogun State.

Therefore, a clear empirical gap exists regarding the impact of e-taxation on government revenue performance in Ogun State. Addressing this gap is essential for understanding the effectiveness of digital tax administration reforms and

providing policy insights for strengthening revenue mobilization at the subnational level in Nigeria. Consequently, this study examines the effect of e-taxation on government revenue performance in Ogun State, Nigeria.

The main objective of the study is to examine the effect of e-taxation on government revenue performance in Ogun State, Nigeria. Specifically, the study seeks to:

1. Examine the effect of e-taxation on tax revenue in Ogun State, Nigeria.
2. Evaluate the effect of e-taxation on non-tax revenue in Ogun State, Nigeria.

The study addresses the following research questions:

1. What is the effect of e-taxation on tax revenue in Ogun State, Nigeria?
2. What is the effect of e-taxation on non-tax revenue in Ogun State, Nigeria?

The following hypotheses guide the study:

H01: E-taxation has no significant effect on tax revenue in Ogun State, Nigeria.

H02: E-taxation has no significant effect on non-tax revenue in Ogun State, Nigeria.

Literature Review

Conceptual Review

Government Revenue

Government revenue refers to funds generated by the government to finance both capital and recurrent expenditures. Samuel and Tyokoso (2022) define it as total income derived from taxes (direct and indirect), fees, fines, and other sources used to provide public goods and services. Similarly, Pippin and Tosun (2022) describe government revenue as tax and non-tax income used to address market inefficiencies and ensure equitable service delivery. Tanzi and Zee (2020) emphasize the diversity of revenue systems across countries, while Rosen (2022)

highlights the role of tax design in achieving efficiency, equity, and sufficient revenue generation.

Tax revenue (TRV) represents the primary component of government income and is derived from individuals, firms, and institutions. It is essential for financing infrastructure, redistributing income, and stabilizing the economy (Samuel & Tyokoso, 2022). Major sources include income tax, VAT, excise duties, customs duties, and corporate taxes (Salawu, 2023), with variations across countries depending on economic structure and tax policy. Efficient tax revenue management enhances fiscal stability and reduces budget deficits (Olaoye et al., 2022). Pippin and Tosun (2022) further classify tax revenue into income, consumption, property, and corporate taxes.

Non-tax revenue (NTR) refers to government income derived outside taxation. Samuel and Tyokoso (2022) identify it as income from licenses, fees, fines, dividends, grants, and state-owned enterprises. It enhances fiscal flexibility by supporting specific projects, reducing borrowing needs, and complementing tax revenue (Salawu, 2023; Olaoye et al., 2022). Pippin and Tosun (2022) note that NTR diversifies government income sources and reduces dependence on volatile tax revenue.

E-Taxation (ET)

E-taxation refers to the use of digital platforms for tax administration processes such as registration, filing, assessment, payment, and monitoring. It enhances efficiency, reduces paperwork, and improves compliance (Abdulrazaq et al., 2022). In Nigeria, systems such as FIRS PROMAX demonstrate its application, while globally, platforms like India's GST network have simplified tax compliance (Kumar, 2022).

E-registration is the electronic process of registering taxpayers with tax authorities (Ajayi & Oyeniyi, 2021). It improves efficiency, transparency, and data accuracy while enabling issuance of Tax Identification Numbers (Ezeabasili et al., 2023). It expands the tax base and improves compliance (Awai & Oboh, 2020; Olaoye & Atilola, 2018).

E-filing allows electronic submission of tax returns, replacing paper-based systems (Ajayi & Oyeniyi, 2021). It reduces costs, improves accuracy, and enhances efficiency through automation (Kumar, 2022; Oketa et al., 2021). Its

effectiveness depends on ICT infrastructure, cybersecurity, and taxpayer education (Okoye & Olayinka, 2021).

E-payment refers to digital settlement of tax obligations through online platforms (Awai & Oboh, 2020; Olaoye & Atilola, 2018). It improves transparency, efficiency, and revenue collection while reducing errors and compliance costs (Okoye & Olayinka, 2021). Effective implementation requires ICT infrastructure and cybersecurity systems (Ajayi & Oyeniyi, 2021).

Theoretical Framework

This study is anchored on the **Benefit Received Theory of Taxation**, developed by Wicksell (1896) and Lindahl (1919). The theory posits that taxation should be based on the benefits individuals receive from government services, implying a reciprocal relationship between taxpayers and the state. The more benefits an individual receives, the higher their tax contribution should be (Onuselogu & Onuora, 2021). This theory is relevant to this study because e-taxation enhances transparency and accountability in revenue collection, strengthening the perceived link between taxes paid and public service delivery.

Empirical Review

Recent empirical studies have increasingly examined the relationship between e-taxation, tax compliance, and revenue performance.

Salawu (2023) found that effective tax administration significantly improves revenue generation and compliance in Nigeria. Okoye and Olayinka (2021) reported that electronic tax filing and payment systems significantly enhance revenue generation in Lagos State, though tax clearance systems were not significant.

Ajayi and Oyeniyi (2021) found that e-tax filing significantly affects oil tax revenue but not total or non-oil tax revenue in Nigeria. Alade (2018) concluded that e-payment systems improve revenue collection, influenced by ICT infrastructure, awareness, and security.

Owoeye (2024) established that e-taxation significantly reduces tax evasion and improves compliance in Nigeria. Henry and Edward (2024) found similar results in Enugu State, showing improved revenue performance through digital tax systems.

Dagunduro et al. (2025) reported that electronic tax systems significantly improve compliance among informal sector operators in Nigeria. Hudu (2025) found that digital taxation enhances SME financial performance and compliance, although constrained by infrastructure and cybersecurity challenges.

Omodero and Ekundayo (2025) observed that digital payment systems improve tax revenue efficiency by reducing leakages and improving transparency. Inegbedion (2025) further found that e-tax systems enhance SME tax compliance and improve accountability in Nigeria.

At the subnational level, Henry et al. (2024) reported that digital tax systems significantly reduce tax evasion and improve revenue mobilisation efficiency. Acheampong et al. (2020) found across African countries that e-taxation improves transparency, reduces corruption, and enhances revenue collection.

Pippin and Tosun (2022) found that electronic tax filing systems in the United States significantly improve tax compliance and administrative efficiency. Similarly, Omodero et al. (2025) reported that digital tax reforms positively influence tax-to-GDP ratios in emerging economies, depending on institutional quality and ICT infrastructure.

Li et al. (2026) further confirmed that digital monitoring systems significantly reduce tax evasion behaviour and strengthen enforcement mechanisms. A synthesis of these studies indicates that e-taxation generally improves tax compliance, enhances revenue generation, and reduces administrative inefficiencies. However, challenges such as weak ICT infrastructure, cybersecurity risks, and limited taxpayer awareness persist. Importantly, most studies focus on national-level analysis or compliance behaviour, with limited attention to subnational revenue performance, particularly in Ogun State. This creates a clear empirical gap that this study addresses.

Conceptual Model

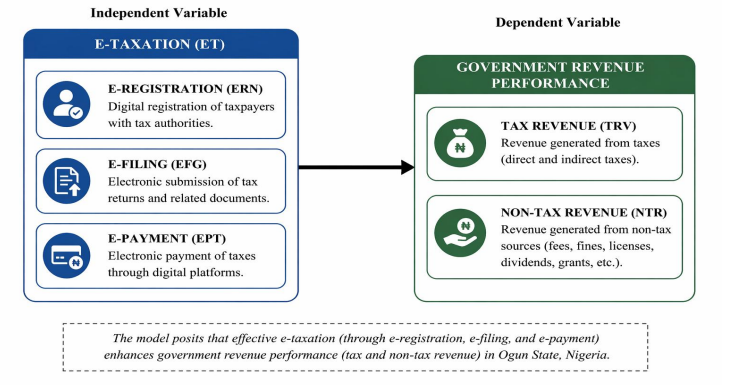

Figure 2.1: Conceptual Framework of the Study
Source: Researcher's Computation (2024)

Methodology

This study adopted an ex-post facto research design, as it relied on secondary data on e-taxation and government revenue. The secondary data were obtained from the Ogun State Internal Revenue Service and the audited financial statements of the twenty (20) Local Government Areas (LGAs) of Ogun State. The population of the study comprised all 20 LGAs in Ogun State.

Given the relatively small and manageable population size, a total enumeration sampling technique was employed. Consequently, all twenty (20) LGAs were included as the sample for the study. The study covered a three-year period (2021–2023), which corresponds to the inception and early implementation phase of digital tax administration in the Ogun State Internal Revenue Service. This produced a total of sixty (60) observations (20 LGAs × 3 years), which is adequate for panel data analysis.

The data used were considered reliable and valid because they were derived from audited financial statements and official revenue records. These records comply with statutory auditing requirements mandating Local Government Authorities (LGAs) to prepare and audit their annual financial statements before publication.

Method of Data Analysis

Both descriptive and inferential statistical techniques were employed in analyzing the data. Descriptive statistics such as mean, minimum, maximum,

standard deviation, and correlation analysis were used to examine the distribution, trends, and relationships among variables.

For inferential analysis, panel regression techniques were applied using the EViews statistical software package. This approach enabled the study to examine the effect of e-taxation components on government revenue across time and across local governments. The regression analysis was used to test the stated hypotheses based on the covariance structure between the dependent and independent variables.

Model Specification

The general functional relationship is expressed as:

$Y=f(X)$

$GOR=f(ET)$

Where:

Y (Dependent Variable) = Government Revenue (GOR)

X (Independent Variable) = E-Taxation (ET)

Further decomposition:

X_1 = E-Registration (ERN)

X_2 = E-Filing (EFG)

X_3 = E-Payment (EPT)

Y_1 = Tax Revenue (TRV)

Y_2 = Non-Tax Revenue (NTR)

Y_3 = Government Statutory Allocation (GSA)

Functional Specifications of the Model

TRV=f(ERN,EFG,EPT)…… (i)
NTR=f(ERN,EFG,EPT) …….. (ii)
GSA=f(ERN,EFG,EPT)…… (iii)
GOR=f(ERN,EFG,EPT) …… (iv)

Econometric Model Specification

$TRV_{it}=\beta 0+\beta 1ERN_{it}+\beta 2EFG_{it}+\beta 3EPT_{it}+\varepsilon it$
$NTR_{it}=\beta 0+\beta 1ERN_{it}+\beta 2EFG_{it}+\beta 3EPT_{it}+\varepsilon it$
$GSA_{it}=\beta 0+\beta 1ERN_{it}+\beta 2EFG_{it}+\beta 3EPT_{it}+\varepsilon it$

Where:

β_0 = Intercept
$\beta_1 – \beta_3$ = Coefficients of explanatory variables
ε_{it} = Error term
i = Cross-sectional dimension (LGAs)
t = Time dimension (years)

Table 1
A Priori Expectations

S/N	Variable	A Priori Expectation	Expected Sign
1	E-Registration (ERN)	Positive relationship with revenue	(+)
2	E-Filing (EFG)	Positive relationship with revenue	(+)
3	E-Payment (EPT)	Positive relationship with revenue	(+)

Source: Researcher's Computation (2024)

Results and Discussion

Descriptive Statistics

Table 2
Descriptive Statistics of Study Variables

Statistic	TRV	NTR	ERN	EFG	EPT
Mean	31,395,359	55,728,527	298.7500	239.0000	191.2000
Median	20,940,842	42,272,977	138.5000	110.8000	88.6400
Maximum	4.15E+08	1.46E+08	1,175.000	940.0000	752.0000
Minimum	803,304.3	11,334,500	19.0000	15.2000	12.1600
Std. Dev.	58,363,137	35,269,146	346.2216	276.9773	221.5818
Skewness	5.467048	0.896463	1.316023	1.616023	0.716023
Kurtosis	34.36662	2.920786	4.255954	3.055954	3.020954
Jarque–Bera	2758.548	8.052148	17.48294	7.748294	11.82794
Probability	0.000000	0.017844	0.000160	0.000160	0.000160
Observations	60	60	60	60	60

Source: Researcher's Computation (2024)

Table 2 presents the descriptive statistics for the study variables, including Tax Revenue (TRV), Non-Tax Revenue (NTR), Electronic Registration (ERN), Electronic Filing (EFG), and Electronic Payment (EPT) across the twenty local governments in Ogun State. The results indicate substantial variation in government revenue and the adoption of digital tax administration mechanisms.

The mean tax revenue (TRV) of ₦31,395,359 is considerably lower than the mean non-tax revenue (NTR) of ₦55,728,527, suggesting that non-tax revenue sources constitute a significant portion of internally generated revenue in Ogun State. The relatively high standard deviations observed for TRV and NTR indicate substantial disparities in revenue performance among local governments, which may be attributed to differences in economic activities, tax compliance levels, and administrative efficiency.

The electronic taxation indicators (ERN, EFG, and EPT) exhibit moderate mean values, suggesting a gradual but uneven adoption of digital tax systems across the local governments. The positive skewness values across all variables indicate

right-skewed distributions, implying that a small number of local governments generate significantly higher revenue and adopt digital tax systems more extensively than others.

The kurtosis statistic for TRV (34.37) indicates a highly leptokurtic distribution characterized by extreme observations, while NTR shows a distribution closer to normality. The Jarque–Bera test results reveal that most variables deviate from normal distribution, which is common in fiscal datasets due to the presence of revenue outliers and uneven economic structures across administrative jurisdictions.

Overall, the descriptive statistics highlight the heterogeneous structure of revenue generation and digital tax adoption across the sampled local governments, thereby justifying the use of panel estimation techniques to account for cross-sectional variations.

Correlation Analysis

Table 3

Correlation Matrix of E-Taxation Variables

Variable	LERN	LEFG	LEPT
LERN	1.000		
LEFG	0.420	1.000	
LEPT	0.599	0.675	1.000

Source: Researcher's Computation (2024)

Table 3 reports the correlation matrix for the explanatory variables included in the regression models. The correlation analysis was conducted primarily to detect potential multicollinearity among the independent variables.

The results reveal a moderate positive relationship between electronic registration and electronic filing ($r = 0.420$). This relationship suggests that improvements in taxpayer digital registration systems are associated with increased use of electronic filing platforms. Similarly, the correlation between electronic registration and electronic payment ($r = 0.599$) indicates that expanded digital taxpayer databases facilitate the adoption of electronic payment systems.

The strongest relationship is observed between electronic filing and electronic payment ($r = 0.675$), which reflects the complementary nature of these digital tax administration components. Taxpayers who file their returns electronically are

more likely to complete their tax obligations through electronic payment platforms.

Importantly, all correlation coefficients fall below the 0.80 multicollinearity threshold recommended in econometric literature (Baltagi, 2015). This suggests that the explanatory variables are sufficiently independent and can be jointly included in the regression model without compromising parameter stability or causing estimation bias.

Panel Regression Results

Panel regression analysis was employed to estimate the effect of electronic taxation on government revenue in Ogun State. The panel data approach allows the study to control for unobserved heterogeneity across local governments, thereby improving the efficiency and reliability of the estimated parameters.

The appropriate estimation technique between fixed effects and random effects models was determined using the Hausman specification test.

Table 4
Panel Regression Results for the Effect of E-Taxation on Government Revenue
Model 1: Dependent Variable – Tax Revenue (TRV)

Variables	Coefficient	t-Statistic	p-Value
EFG	0.3982	7.5610	0.0000
ERN	0.7928	3.7851	0.0005
EPT	0.0480	2.0114	0.0507

Model Statistics

Statistic	Value
F-Statistic	12.8851
Prob (F-Statistic)	0.0000
R^2	0.3823
Adjusted R^2	0.3293
Durbin–Watson	1.5159
Hausman Test (χ^2)	23.3087
Prob (Hausman)	0.0000
Estimator	Fixed Effects

Model 2: Dependent Variable – Non-Tax Revenue (NTR)

Variables	Coefficient	t-Statistic	p-Value
EFG	0.8276	0.6998	0.4876
ERN	1.9060	0.8190	0.2320
EPT	1.1815	2.1996	0.0329

Model Statistics

Statistic	Value
F-Statistic	3.4927
Prob (F-Statistic)	0.0229
R^2	0.3855
Adjusted R^2	0.3132
Durbin–Watson	1.8090
Hausman Test (χ^2)	0.0776
Prob (Hausman)	0.8551
Estimator	Random Effects

Source: Researcher's Computation (2024)

Discussion of Findings

The empirical findings of this study reveal that electronic taxation significantly enhances government revenue mobilization in Ogun State, Nigeria. The results demonstrate that the adoption of digital tax administration tools—namely electronic registration, electronic filing, and electronic payment—improves revenue generation through enhanced taxpayer compliance, reduced administrative inefficiencies, and improved transparency in the tax collection process.

The first hypothesis examined the relationship between e-taxation and tax revenue (TRV). The Hausman test result ($\chi^2 = 23.3087$, $p < 0.05$) indicates that the fixed effects model is the appropriate estimator for the analysis. This implies that unobserved characteristics unique to each local government significantly influence tax revenue performance. The regression results show that electronic registration (ERN), electronic filing (EFG), and electronic payment (EPT) all exert positive and statistically significant effects on tax revenue.

Given that the variables were estimated in logarithmic form, the coefficients can be interpreted as elasticities. Specifically, the coefficient of 0.7928 for ERN

implies that a 1% increase in electronic taxpayer registration leads to approximately a 0.79% increase in tax revenue, holding other factors constant. Similarly, the coefficient of 0.3982 for electronic filing suggests that a 1% increase in e-filing adoption increases tax revenue by about 0.40%, while electronic payment contributes a smaller but still significant elasticity effect.

These results highlight the importance of digital taxpayer databases and automated filing platforms in strengthening tax administration efficiency.

The findings are consistent with recent empirical studies that emphasize the positive impact of digital tax systems on revenue performance. For example, Etale et al. (2021) and Ajayi and Oyeniyi (2021) reported that the adoption of electronic taxation significantly improves tax revenue generation in Nigeria. Similarly, Adebayo and Adebisi (2022) found that electronic tax administration systems enhance tax compliance and reduce tax evasion among corporate taxpayers. Recent international studies by Night and Bananuka (2020) and Obert et al. (2021) also demonstrate that digital tax platforms significantly improve tax collection efficiency in developing economies.

However, the findings contradict the results of Okoye and Olayinka (2021), who reported that electronic tax filing had no significant impact on tax revenue in Nigeria. This divergence may be attributed to variations in institutional capacity, technological infrastructure, and taxpayer awareness across different jurisdictions. In Ogun State, the gradual integration of electronic tax administration platforms may have improved compliance monitoring and reduced revenue leakages, thereby strengthening tax revenue performance.

The second hypothesis examined the effect of e-taxation on non-tax revenue (NTR). The Hausman test result ($\chi^2 = 0.0776$, $p > 0.05$) indicates that the random effects model is the appropriate estimator for this model, suggesting that variations across local governments are largely random rather than driven by fixed individual characteristics.

The regression results show that electronic payment (EPT) has a statistically significant positive effect on non-tax revenue, whereas electronic registration and electronic filing exhibit positive but statistically insignificant effects. The significant coefficient for electronic payment suggests that digital payment platforms play a crucial role in facilitating the collection of government fees, levies, and service charges.

This finding aligns with the study of Sani and Usman (2019), who reported that electronic taxation systems significantly improved revenue from Companies Income Tax and Value Added Tax due to improved compliance monitoring. More recent studies such as Musa et al. (2022) and Adeyemi and Olowookere (2024) also highlight the importance of digital payment systems in enhancing government revenue mobilization.

Overall, the findings support the growing consensus in public finance literature that digital tax administration reforms are essential for improving revenue performance in developing economies. Electronic taxation systems reduce opportunities for corruption, enhance transparency in tax administration, and simplify the tax compliance process for taxpayers. Consequently, governments that invest in robust digital tax infrastructures are more likely to experience improvements in revenue generation and fiscal sustainability.

Conclusion, Policy Implications, and Recommendations

Conclusion

This study examined the effect of e-taxation on government revenue generation in Ogun State, Nigeria. Using inferential statistical techniques, the study evaluated the extent to which electronic taxation mechanisms influence government revenue performance. The empirical findings reveal that e-taxation has a significant positive effect on government revenue in Ogun State.

The results indicate that the adoption of electronic tax administration systems has significantly improved the state's ability to mobilize revenue. The transition from manual tax administration to digital platforms has enhanced taxpayer compliance, reduced opportunities for tax evasion and avoidance, and accelerated the tax collection process. In addition, the integration of information and communication technologies into the tax administration system has strengthened transparency, accountability, and operational efficiency in revenue management.

Overall, the findings demonstrate that the implementation of e-taxation represents an important institutional reform capable of modernizing public financial management. Through the use of digital technologies, Ogun State has improved the effectiveness of revenue mobilization while aligning its fiscal management practices with global trends in digital governance and tax administration. Consequently, the continued development of e-taxation systems

can contribute significantly to sustainable revenue generation and improved fiscal capacity.

Policy Implications

The findings of this study have important implications for fiscal policy and tax administration in Nigeria and other developing economies. The significant relationship between e-taxation and government revenue highlights the importance of digital transformation in strengthening public sector revenue systems. Governments therefore need to prioritize the deployment of technology-driven tax administration frameworks in order to enhance efficiency, transparency, and accountability in revenue generation.

Furthermore, the effectiveness of e-taxation systems depends largely on the availability of adequate institutional support, including reliable digital infrastructure, supportive regulatory frameworks, and well-trained tax administrators. Strengthening these institutional structures will enhance the operational efficiency of electronic tax systems and improve their overall effectiveness in revenue mobilization. Equally important is the need to improve taxpayer awareness and digital literacy, as greater familiarity with electronic tax platforms can increase voluntary compliance and strengthen public confidence in the tax administration system.

Recommendations

In light of the findings of this study, it is recommended that the Ogun State Government continue to strengthen and expand its digital tax infrastructure in order to enhance the reliability and efficiency of the e-taxation system. Sustained investment in digital platforms will improve the overall performance of the tax administration system and encourage broader taxpayer participation. In addition, the scope of the existing e-taxation framework should be expanded to include other forms of government revenue while ensuring effective integration with relevant government agencies and digital platforms. Such integration will improve coordination, enhance transparency, and reduce administrative inefficiencies in revenue collection.

It is also important for the government to intensify public awareness campaigns and taxpayer education programs aimed at promoting acceptance and proper utilization of electronic taxation systems. Improving digital literacy among taxpayers will strengthen voluntary compliance and maximize the benefits

associated with technology-driven tax administration. Continuous monitoring and periodic upgrading of the e-taxation system should also be undertaken to address emerging technical challenges, strengthen cybersecurity, and ensure that the platform remains accessible and user-friendly.

Suggestions for Future Research

Future research could extend this study by examining the effectiveness of e-taxation systems across multiple states in Nigeria in order to provide comparative insights into the impact of digital tax reforms on revenue generation. Further empirical investigations may also explore the moderating role of factors such as digital literacy, taxpayer perception, and institutional capacity in shaping the effectiveness of e-taxation systems. Longitudinal studies examining the long-term effects of digital tax administration on fiscal sustainability and economic development may also provide deeper insights into the broader implications of electronic taxation reforms.

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