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DIGITAL TAXATION AND TAX COMPLIANCE AMONG SMES IN EKITI STATE, NIGERIA

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Abstract

The study examined the digital taxation and tax compliance among SMEs in Ekiti State, Nigeria. The study used survey research design, in which data were sourced from primary data, 250 revenue officers of Ekiti state internal revenue service were sample base on level of qualification and years of experience in the service. The study adopted descriptive statistics and regression analysis method to analyse the data, the results of regression analysis is statistically significant, suggesting a positive baseline level of tax compliance regardless of value of other variable, while the positive and significant effect of electronic payment E-PAY) on tax compliance shown that a unit increase in E-PAY is directly associated with an increase in tax compliance. The positive and significant effect of electronic receipt (E-REPT) on tax showed that improved electronic receipt system significantly improves tax compliance levels. However, the positive but statistically insignificant effect of registration (E-REG) and the negative but statistically insignificant effect of electronic filing. Indicate that these variables are not significant predictors of tax compliance. The findings indicate that electronic payment and electronic receipts are significant determinants of tax compliance, whereas electronic registration and electronic filling do not have a statistically significant impact in this study. The study concluded that, there is a moderate and statistically positive relationship between electronic taxation and tax compliance, signifying that improvements in e-tax system positively affect the level of tax compliance, it recommended that tax authorities should focus on improving the electronic payment system and tax payers should be engaged with continuous education and support to fully leverage benefit of the e-taxation system,

Key words

Digital Taxation, E-Registration, E-Filing, E-Payment. E- Receipt.

1.1 INTRODUCTION

Tax is the significant source of government revenue particularly in emerging economies such as Nigeria, where public expenditures and growth in economy mostly depend on public fund and funded through internally generated revenue (Awotomilusi et al., 2023). An efficient tax system enhances fiscal sustainability and reduces excessive reliance on external borrowing. However, in many developing countries, traditional tax administration systems have been having a lot of challenges and problems historically such as smart practices, manual or paper recording, corruption, lack of data-base and weak enforcement which significantly constrain revenue generation and undermine tax compliance (Okoye & Akenabor, 2023).

The emergency of digital technologies has profoundly reshaped the global economic landscape, and improved the operations of private and public institutions (Falana et al., 2024). This development has brought about taxation, which gear-up governments to formulate tax policies and administrative frameworks to resolve the challenges of digital economy (Manabu & Audualem, 2023). In response, governments across the globe have increasingly adopted digital tax platforms to facilitate efficiency, transparency, and voluntary compliance in tax administration, (Dakhil et al., 2025).

Digital taxation can be defined as the using of information and communication technologies (ICT) in the administration taxes which involves registration, filing of returns, tax payment, receipt issuance, audit, and clearance certificate (Nnamani & Akintoye, 2024). The introduction of digital taxation is to streamline tax administration by simplifying tax procedures, improving record-keeping, reducing human interference, and enhancing overall revenue collection efficiency (Adekoya et al., 2019). Empirical evidence reflects that the application of ICT in the administration taxes will improve service delivery and positively influences taxpayers' compliance behavior (Mustapha, 2015; PwC & World Bank Group, 2018).

The adoption of digital tax administration in Nigeria has gained momentum in 2017, with the introduction of electronic tax systems by the Federal Inland Revenue Service (FIRS), now Nigeria revenue service and State Internal Revenue Service (SIRS). Digital tax system comprises of e-registration, e-filing, e-payment, e-receipt, and electronic tax certificates, which enable taxpayers to have access to the tax services remotely through internet-enabled platforms (Pemu, 2017). The primary objective of these initiatives is to simplify compliance procedures and reduce compliance costs, enhance transparency, and curb tax evasion (Lawal et al., 2024).

Tax compliance is the extent in which taxpayers abide by tax laws, regulations, administrative requirements, timely registration, filing, and payment of taxes (Ogunsola, 2023; Paojan et al., 2023). SMEs is one of the most important sector of Nigeria's economy, which has contributed to employment generation, job creation and improvement in economy. Despite their importance, historically, SMEs has exhibited the attitude of low response to tax compliance, which is as a result of inadequate tax knowledge, illiteracy, tax procedures, and high compliance costs (Bruce-Twum, 2023). The introduction of digital taxation is therefore considered as a significant tool to enhance tax compliance culture among SMEs, this can be done by simplifying tax processes and strengthening the relationship between tax authorities and taxpayers, among SMEs sector in Nigeria (Oladipo & Adekunle, 2021).

Although several studies have examined digital taxation and tax compliance in Nigeria, much of the existing literature has focused on the informal sector, large corporations, or revenue

generation at the federal level (Falana et al., 2024; Adefulu et al., 2023). Consequently, empirical evidence on the effectiveness of digital taxation in enhancing tax compliance among SMEs at the state level, particularly in Ekiti State, remains limited. This study seeks to examine the effect of digital taxation on tax compliance among SMEs in Ekiti State, Nigeria.

1.2 Statement of the Problem

Despite the critical role of taxation in financing government activities and promoting economic development, tax compliance among SMEs in Nigeria remains relatively low. Traditionally, tax administration in many Nigerian states relied heavily on manual, paper-based systems involving physical taxpayer registration, manual filing of returns, face-to-face payment procedures, issuance of paper receipts, and cumbersome record-keeping processes. These procedures were often time-consuming, costly, and prone to errors and manipulation, thereby creating opportunities for corruption and discouraging voluntary tax compliance (Okoye & Akenabor, 2023).

The inefficiencies associated with traditional tax administration systems have contributed significantly to tax evasion, under-reporting of income, and weak enforcement, particularly among SMEs that often lack the administrative capacity to navigate complex tax procedures (Ogunsola, 2023). In response to these challenges, the Nigerian government introduced digital tax systems to modernize tax administration, improve service delivery, and enhance compliance through electronic platforms (Pemu, 2017; Lawal et al., 2024).

While digital taxation is introduced to simplify tax processes, minimize human contact, and enhance transparency, its effectiveness to promote tax compliance among SMEs is not yet fully established. In practice, many SMEs continue to face challenges such as limited awareness of electronic tax services, inadequate digital literacy, infrastructural constraints, and resistance to technological change, which may limit the expected benefits of digital taxation (Bruce-Twum, 2023; Oladipo & Adekunle, 2021).

Empirical studies on digital taxation in Nigeria have largely focused on the informal sector, federal revenue generation, or technologically advanced states such as Lagos (Falana et al., 2024; Lanre et al., 2024). Only a limited number of studies have examined SMEs specifically, and even fewer have investigated the impact of individual components of digital taxation. Studies by Edori, Abdulkadi and Alade,Smith et al. Ahmed and Rahmon. Edori investigated the ease of tax compliance using electronic tax services such as e-registration, e-payment, e-filing, and e-receipt—on tax compliance in Nigeria', Abdulkadi & Alade. Edori carried out findings on the electronic tax administration on tax compliance in Taraba state, Smith et al analysed comprehensive understanding of the positive system on tax compliance in United state, Ahmed & Rahmon, examined the relationship of tax filing system and tax compliance in Nigeria. Electronic platforms simplify tax processes in real time for compliance purposes in Ekiti state, where

Existing studies on SMEs have predominantly emphasized revenue generation rather than compliance behavior.

This gap in the literature creates uncertainty regarding to digital taxation has facilitate tax compliance among SMEs in Ekiti State. Without empirical evidence specific to this context, policymakers and tax authorities may lack the information required to refine digital tax strategies and address compliance challenges faced by SMEs. It is against this backdrop that

this study would examine the effect of digital taxation on tax compliance among SMEs in Ekiti state, Nigeria.

1.3 Research Questions

The study would answer the following research questions:

I. What is the effect of electronic tax registration (e-registration) on tax compliance among SMEs in Ekiti State, Nigeria?
II. To what extent does electronic tax payment (e-payment) influence tax compliance among SMEs in Ekiti State, Nigeria?
III. How does electronic tax filing (e-filing) affect tax compliance among SMEs in Ekiti State, Nigeria?
IV. What is the effect of electronic tax receipt issuance (e-receipt) on tax compliance among SMEs in Ekiti State, Nigeria?

1.4 Significance of the study

This study would be significant useful. Firstly, would provide valuable information to tax authorities for formulating policies for the improvement on digital tax administration in Nigeria. Secondly, it would enable relevant tax authorities to identify linkages in government revenue and develop strategies to block leakages in tax collections. Additionally, the study will assist revenue officers in leverage digital tools to increase revenue generation and efficiency of tax collection. Furthermore, it will inform government reviews of existing laws and ensure that new laws accommodate changes in digital taxation. Finally, this study would add to the existing research literature.

2.1 Literature Review

2.1.1 Conceptual Review

2.1.2 Digital Tax System

Digital tax systems have revolutionized tax administration, making it more efficient and effective (Hilton, 2008). “The Federal Inland Revenue Service (FIRS) now Nigeria revenue services has introduced e-tax system, which comprises six electronic tax services, including e-registration, e-stamp duty, e-tax filing, e-tax payment, e-receipt and e-tax clearance” (Awai & Oboh,2020).the e- tax payment system started operation in Nigeria in the year 2017, with diverse electronic part such as registration, filling tax clearance certificate, stamp duty, receipt and tax payment”(pemu,2017)

2.1.3 E- Registration

E. registration is a service developed by FIRS for new taxpayers to register for various taxes (Daniel, 2023). This process enables taxpayers to electronically file and pay their taxes (Jimoh et al., 2024). According to Alfauzan (2023) e-Registration is a platform that verifies and modifies taxpayer data online and is directly connected to the federal and state internal revenue service for tax related purposes .it is created to register new taxpayers with Nigeria revenue services and state revenue services for various taxes (Oladele et,al. 2020)

2.1.4 E-Tax Payment

E-Tax payment is a service designed for payment of all taxes and levies accruing to the government (Daniel, 2023). This service has simplified tax payment processes for taxpayers reducing time consumption and cost payment (Daniel, 2023). It gives room for payment of all taxes and levies through platforms such as Nigeria inter-Bank settlement system (NIBSS), remittal and interswith (Oladele et,al.2020)

2.1.5 E-Receipt

Electronic receipts are generated from electronic transactions, serving as evidence of payment, (Daniel, 2023).The e- receipt and payment can be verified through the same medium. This also fast- tracks the receipt and verification of e-receipt generated for payment of taxes (Oladele et al., 2020)

2.1.6 E- Filing

E-filing is a system of submitting return electronically, approved by tax authority (ITAS).This system provides direction for filing returns to taxpayers through integrated tax administration system.(Daniel, 2023). It is compulsory for taxpayers to file their returns through the FIRS Integrated tax Administration system (ITAS)",(Akpubi and Igbekoyi, 2019)

2.1.7 Tax Compliance

Tax compliance can be defined as the voluntary effort of taxpayers to abide by regulations and administrative procedure.(Lawal et al., (2023). "It involves the abide by tax laws regulations, and carry out of all necessary obligations of taxpayers that involves, the accurate reporting of income, expenses and other financial information that relevant to tax authorities (Paojan et al., 2023). Ogaluzer and Edori (2023) tax compliance is all about adherence with laws and regulations without tax authorities applying tax compliance measure. This is a situation whereby taxpayers fulfill all of their tax-related rights and obligations (Akinleye et al., 2019). It is used to explain the capacity of taxpayers and their readiness to comply with numerous tax laws in accordance to the demand of political, ethical and legal context

(Omosanya et al,. 2023).compliance involves accurate calculation of tax liability and payment of exact tax within the stipulated time, maintaining proper tax record and submitting tax return as specified by tax authorities (Mary et al,.2024) , it is important that taxpayers should conform with compliance metrics, such as registration, filing, reporting and payment (OECD, 2016) .

2.2 Theoretical Review

The study will review three theories, which comprises of Technology Acceptance Model (TAM), Diffusion of Innovation, and Final Cybernetics theory.

2.2.1 Technology Acceptance Model (TAM)

TAM, developed by fred Davis in 1989, emphasizes perceived usefulness and perceived ease of use as primary factors influencing technology adoption. Its strength lies in its predictive validity and application across various technology fields. TAM is relevant in evaluating the willingness of tax officers and businesses to adopt digital taxation in tax reporting, especially with digital literacy. Theory was later modified by venkatesh and Bala in 2008, the theory explains the beliefs of individual towards applying a new system are base on perceived usefulness and perceived ease of use. It refers to the extent to which users expects the target system to be free of effort and increase the degree of efficiency and effectiveness (Davies.,1989)

2.2.2 Diffusion of Innovation Theory

Theory propounded by Everett Rogers in 1962, explains the adoption of innovation and the way it communicated among members of social systems, its strength lies in its main view of adopter which include the factor that influence the adoption . The theory aid in understanding of how digital taxation adoption improved tax administration.

2.2.3 The Final Cybernetic Theory

This theory was propounded by Norbert Wiener in 1948, it focuses on how information communication are being manage in a system that involves feedback-loops particularly useful for analyzing automated and intelligent system, its strength lies in providing a structured way to evaluate dynamic feedback and system responsiveness. Cybernetics is central to understanding how digital taxation creates real- time, self-correcting tax accounting system; however, it address the issue of non-compliance and anomalies in tax submissions

2.2.4 The theoretical Framework

The study is anchored on the final Cybernetic theory which explains how digital taxation involves control, communication and feedback in a real-time, regulating the digital tools to achieve and stabilize tax compliance.

2.3.1 Empirical Review

Edori (2023), investigated the ease of tax compliance with electronic tax services, which comprise of e-registration, e-tax payment and e. filling. Data from 106 participants were analyzed through Pearson product- moment correlation, the study revealed that e-tax service significantly improve the ease of tax compliance. Oyewobi and Ozovehe (2023), analyzed the relationship between tax automation and economic growth, the vector error correction model was adopted to analyze data from VAT and Stamp duty, the study showed a significant short-term impact of tax automation on GDP, it concluded that, use of ICT in tax assessment and collection positively influences economic growth in the short run, it recommended continued investment in technological advancement to maintain and potentially enhance these benefit over long term.

Abdulkadi and Alabede (2022), carried out study on the influence of electronic tax administration on taxpayers compliance attitudes in Taraba state, it exploited data from 312 individual taxpayers, the multiple regression analysis was employed to analyze data generated, the study revealed that electronic tax awareness and perceived ease of use positively affected compliance attitudes while the quality of electronic service had a negative impact, the study recommended the need for improvement in service quality to enhance taxpayer compliance. Mbise and Baseka (2022), analyzed digital tax reporting influence tax compliance of SMEs, the research design and regression analysis was employed to analysis the data generated, the study showed that there is significant positive effect of digital tax reporting on tax compliance; it concluded that there is efficiency and accuracy in digital tax reporting. The study recommended there should be adherence to digital tax reporting to enhance compliance and reducing error among small and medium sized enterprises.

Smith et al 2022, investigated comprehensive understanding of the positive electronic filing system on tax compliance .Ahmad and Rahmon (2021), examined the relationship between e-tax filling and tax compliance level in Nigeria, the finding showed that e tax filling has positive relationship with tax compliance Aditama et al., (2023) investigated the interrelationship between technological predictors in explaining tax compliance intention among certified tax professionals, the hierarchical multiple regression analysis was adopted, the study showed that e tax filling influences tax compliance level. Babatunde and Akinsami (2021), statistically established whether adoption of electronic tax system affects tax revenue, the regression analysis was employed to analyze data generated, the study revealed that electronic tax system has positive and substantial effects on tax revenue in the long run. Olusuyi and Yidiat (2021), investigated on how electronic tax filing system on tax revenue, one-way ANOVA was employed to analysis data collected., the finding showed data that electronic tax filing system has positive effect on revenue from oil while revenue from non –oil tax and total tax revenue are negligibly affected by electronic tax filing.

Nnamani and Akintoye (2024) investigate digital taxation and sustainable economic development in Nigeria for period of 2000 to 2022, digital taxation was proxies with CIT,VAT while HDI unemployment rate and moderating influence of tax reforms proxied the dependent variable, primary and secondary data were collected while correction and regression analysis were adopted to analysis the data generated . The findings revealed that real GDP has a positive moderator of the relationship between digital taxation revenue and sustainable economic development. Udo (2024), examined digital taxation and sustainable economic growth in Nigeria for the period 2017 to 2023, secondary data were generated from government agencies, T-test statistics and descriptive statistics were employed to analysis the secondary data, the study showed that e-tax payment and digital economy taxes significantly influence sustainable economic growth in Nigeria.

Adefulu et, al. (2023), analyzed tax digitalization and revenue tax compliance of the federal inland revenue services (FIRS) Abuja, data was collected through the use of cross sectional survey from 603 employee of FIRS Abuja, the study employed multiple regression analysis to analysis data generated, the findings revealed that digitalization had a positive and significant effect on revenue tax compliance in Nigeria. Olasunkanmi and Adejuwon (2024), analyzed the effect of digitalization of the tax system on revenue generation in Nigeria, the descriptive research design was adopted to analysis the primary data collected from sample size of 352 officers of FIRS in the south western states of Nigeria, the findings showed that tax digitalization has a significant relationship with both tax revenue and tax evasion , the study concluded that the implementation of e-tax policies with qualify IT personnel can reduce tax evasion and risk to a minimum . Ogunsuji et al., (2026) investigated the effect of digital technology on tax administration performance in Nigeria, using Ogun State as a case study. The study revealed that digital technology had a significant effect on the performance of Ogun State in tax administration

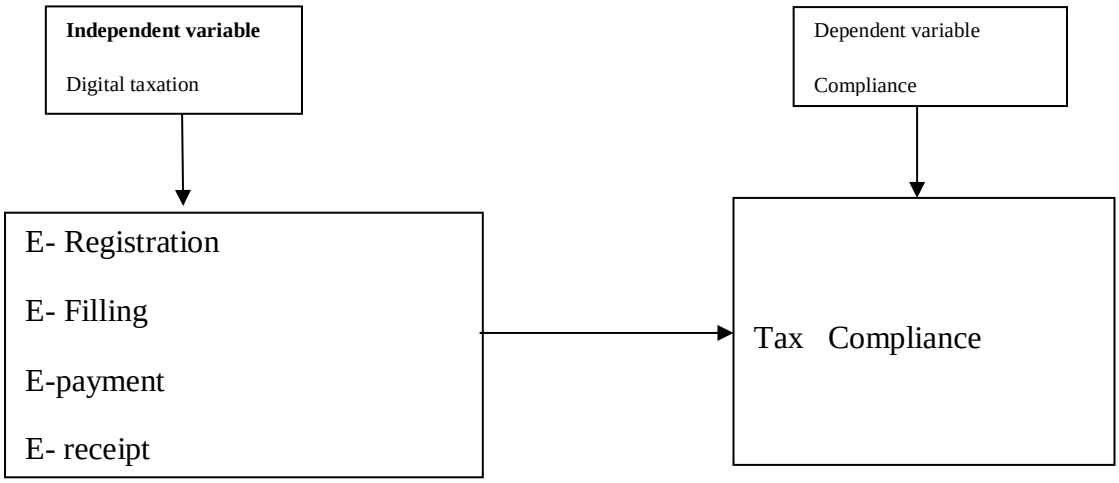
Opeyemi et al., (2021), investigated effect of tax reform and digitalization on government in Nigeria, secondary data was obtained and analysed with the use auto-regressive, the study revealed that company income tax reforms increased federal government revenue but reduced state government revenue in Nigeria. Ashatoke and Obaretin (2023), analysed the effect of digital channels on revenue generation in Nigeria, the study adopted exploratory research design and primary data was generated from 200 FIRS staff including Big 4 Auditing firms in Nigeria , the study showed a positive and significant relationship between revenue generation and tax e-commerce. Ogbada,Onyedika and Modebelu (2023), examined the effect of digitalization and effective tax administration in Nigeria for period of 2010-2021, the study employed the quantitative research method and ex-post facto research design to analysis the effect of digitalization. Proxied with ICT on tax revenue and tax evasion, the findings revealed that ICT has no significant low adverse effect on tax revenue while the second hypothesis showed that ICT has no significant low-level effect on the level of tax evasion in Nigeria. Nwankwo et al. (2026), which examined the effect of e-payment systems on revenue generation in public universities, using the selected state universities in southeast Nigeria. The study's

findings showed that the use of e-payment systems had a significant effect on improving fee payment

2.3.2 Conceptual Framework.

This study examined the relationship between these digital taxation (independent variables) which will proxies with E- registration, E- filing, E- payment, E- receipt and the dependent variable which will be tax compliance among SMEs in Ekiti state Nigeria.

Relationship between Digital taxation and tax compliance.



Source: Researcher

3.1 METHODOLOGY

3.1.1 Research Design

The study used a survey research design to collect data on digital taxation and tax compliance among SMEs in Ekiti State, Nigeria. The method is appropriate because it relies on primary data to achieve the research objectives. However, a structured survey was purposively distributed to the intended tax officials to gather data from primary sources.

3.1.2 Population of the study

The population of the study consisted of 484 tax officers who are in full employment of Ekiti State Internal Revenue Service (Staff Register, 2025).The data collected, which were mainly from a Likert scale.

3.1.3 Sampling technique and Sample Size

The sampling method adopted was purposive, targeting high-ranking revenue officers (personnel). The study sampled 250 revenue officers across the whole 16 local governments, who possessed degree certificate and relevant experience in revenue collection.

3.1.4 Method of Data collection

Data necessary for the study were gathered from primary sources. Primary data covering information on e-registration, e-payment, e-filing and e-receipt and tax compliance in which data were gathered from revenue officers of Ekiti state internal revenue service through structured questionnaire

3.1.5 Method of Data Analysis

Table 3.1.6 Descriptive Statistics

Variables	Minimum Statistic	Maximu Statistic	Mean Statistic	Skewness Statistic	Kurtosis Statistic
TAX_COM	2.30	4.20	3.2243	-.032	.204
E_REG	2.40	4.00	3.1361	.173	-.405
E_PAY	2.30	4.20	3.1654	.174	-.412
E_FIL	2.20	4.00	3.1581	.124	-.063
E_REPT	2.40	4.00	3.1350	.202	-.372

Source: Authors Computation (2026)

The descriptive statistics for the variables are shown in Table 4.1. The mean scores for the variables vary from 3.1350 to 3.2243, reflecting moderate to relatively high levels of the variables. Among the variables, Tax Compliance (TAX_COM) has the highest mean score of 3.2243, which reflects a relatively high level of tax compliance among the respondents. The e-tax payment service variables, namely electronic registration (E-REG = 3.1361), electronic payment (E-PAY = 3.1654, electronic filing (E-FIL = (3.1581, and electronic receipts (E-REPT = 3.1350, reflect moderate levels of positive perceptions, with electronic payment reflecting a slightly higher mean score than the other e-tax service variables. The minimum and maximum values reflect a reasonable spread of responses, with values ranging from 2.20 to 4.20 for the variables. This reflects variability in the perceptions of the respondents while staying within the expected scale range.

Table 3.1.7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.412[a]	.169	.157	.34290

a. Predictors: (Constant), E-REPT, E-REG, E-PAY, E-FIL

Source: Authors Computation (2026)

The correlation coefficient between e-taxation and tax compliance is 0.412, which is a moderate positive relationship. Tax compliance accounts for 16.9% of the variance (R^2 = 0.169), with an adjusted value of 15.7%. The standard error of 0.34290 indicates a good level of accuracy in the prediction. The findings reveal a moderate but significant contribution of the electronic taxation to tax compliance.

Table 3.1.7 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	P-Value
	Regression	6.568	4	1.642	13.964	.000[b]
	Residual	32.217	274	.118		
	Total	38.785	278			

a. Dependent Variable: TAX_COM

b. Predictors: (Constant), E-REPT, E-REG, E-PAY, E-FIL

Source: Authors Computation (2026)

The ANOVA table shows the results of the ANOVA test on the regression model with TAX_COM as the dependent variable and the E-taxation dimensions as predictors. The results indicate that the regression model is statistically significant (F = 13.964, p = .000). This means that the effect of the independent variables on tax compliance is significant. Since the significance probability is less than 0.05, the regression model fits the data better than a model with no predictors. The ANOVA test results, therefore, confirm that the regression model is valid and that the e-tax service dimensions have a significant combined effect on explaining tax compliance.

Table 3:1.8 Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	T	P-Value.
(Constant)	1.623	.230		7.056	.000
E_REG	.110	.073	.112	1.508	.133
E_PAY	.219	.059	.242	3.727	.000
E_FIL	-.041	.073	-.043	-.564	.573
E_REPT	.220	.060	.221	3.685	.000

a. Dependent Variable: TAX_COM

Source: Authors Computation (2026)

The results of regression analysis are shown in Table 4.5. The constant (B = 1.623, p = 0.000) is statistically significant, suggesting a positive baseline level of tax compliance regardless of the value of other variables, while the positive and significant effect of electronic payment (E_PAY) on tax compliance (B = 0.219, β = 0.242, p = 0.000) suggests that a unit increase in E_PAY is directly associated with an increase in tax compliance by 0.219 units. With the highest standardized beta coefficient (β = 0.242), E_PAY is the best predictor of tax

compliance. Likewise, the positive and significant effect of electronic receipts (E_REPT) on tax compliance (B = 0.220, β = 0.221, p = 0.000) means that improved electronic receipt systems significantly improve tax compliance levels. However, the positive but statistically insignificant effect of electronic registration (E_REG) (B = 0.110, p = 0.133) and the negative but statistically insignificant effect of electronic filing (E_FIL) (B = -0.041, p = 0.573). Indicates that these variables are not significant predictors of tax compliance, in this model, the findings indicate that electronic payment and electronic receipts are significant determinants of tax compliance, whereas electronic registration and electronic filing do not have a statistically significant impact in this study.

3.1.9 Discussions

The results show that there is a moderate positive and significant relationship between electronic taxation and tax compliance. The model explains a significant proportion of the variation in tax compliance, indicating that e-taxation significantly influences compliance outcomes. The ANOVA analysis also supports that the regression model is significant, indicating that the various dimensions of e-taxation are significant predictors of tax compliance. At the individual level, the findings indicate that electronic payment and electronic receipts are significant positive predictors, indicating that effective payment and receipt systems are important in enhancing compliance. However, electronic registration and electronic filing were not statistically significant predictors in the model. The findings indicate that certain dimensions of e-taxation, namely payment and receipt systems, are more important in enhancing tax compliance. Therefore, the findings here correspond to the findings in the study by Ogunsuji et al., (2026) investigated the effect of digital technology on tax administration performance in Nigeria, using Ogun State as a case study. The study revealed that digital technology had a significant effect on the performance of Ogun State in tax administration. Electronic filing systems increased efficiency, accuracy, and transparency, while electronic payment systems had the most significant effect on tax compliance as they encouraged consistent tax payment.

Furthermore, the study's findings supported the findings of the study of Nwankwo et al. (2026), which examined the effect of e-payment systems on revenue generation in public universities, using the selected state universities in southeast Nigeria. The study's findings showed that the use of e-payment systems had a significant effect on improving fee payment

Processes, increasing the accountability of internally generated funds, and ensuring timely and efficient financial transaction. The justification for the findings is that electronic payment is the most significant predictor of tax compliance, thus reiterating that electronic payment platforms improve financial accountability, transparency, and compliance. Thus, the consistency in these studies provides empirical evidence that electronic payment platforms are essential tools in improving financial compliance.

4.1 Conclusions

The study concluded that, there is a moderate and statistically significant positive relationship between electronic taxation and tax compliance, signifying that improvements in e-tax systems positively affect the level of tax compliance. The findings showed that the combined dimensions of e-taxation are significant predictors of tax compliance. Also, the most significant determinant of tax compliance is electronic payment and electronic receipts, which are the strongest drivers of the e-taxation system; and Electronic registration and electronic filing are not significant determinants of tax compliance, suggesting that the current system may not be effective in promote tax compliance behavior.

4.1.1 Recommendations

The following recommendations should be considered and strictly complied with as follows;

Tax authorities should focus on improving the electronic payment system, which has the strongest positive effect on tax compliance. Effort should be made to improve the electronic receipt system to make it more transparent, trustworthy, and compliant should be put in place. Policymakers should examine and improve the electronic registration and filing system to remove any inefficiency that would hinder its effectiveness on tax compliance. Taxpayers should receive continuous education and enjoy the benefits of the e-taxation system.

5.1.2 Policy Implication

The implication of these results is that the government policy should focus on improving the electronic payment and electronic receipt system, as this aspect has the most influence on enhancing tax compliance and aim to improve and redesigning the electronic registration and filing system to ensure that it plays its part in improving tax compliance.

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