DETERMINANTS OF TAX MORALE AND TAX COMPLIANCE: EVIDENCE FROM NIGERIA

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Abstract
This study examined the determinants of tax morale and tax compliance in Nigeria. The objective of the study are: trust in government, culture, age, religion, education, employment. The study adopted cross sectional research survey design as a method of investigation. Four (4) public limited companies listed under the Nigeria stock exchange formed the basis upon which investigation was carried and sample size obtained for the study. Questionnaire was used as a research instrument to elicit responses, a total of three hundred and eighty two (382) questionnaire copies were administered and all the three hundred and eighty two copies were retrieved. Multiple regression was used to analyse the data. The study revealed that trust in government, employment , religion, age have significant relationship with tax morale and tax compliance, while culture and education have insignificant relationship with tax morale and tax compliance in Nigeria. The study concludes that transparency, accountability, people oriented tax policies and using non-economic factor in explaining the concept tax of compliance were lagging on the part of the government and need to be addressed. The study recommends that, understanding the social psychological (demographic) of a taxpayer as its relate to tax morale would help in addressing the issue of tax compliance in Nigeria, and this would also help the government to formulate the better policies in tax related matters.
Keywords: Avoidance, Compliance, Demographic, Morale, Tax. Evasion

Introduction

Over the years, the subject taxation has received a considerable attention in the literature. Taxation is one of the most vital subject in governance both in developed and developing countries, taxes and other incomes are important source of revenue to the government (Teera & Hudson, 2004). Taxation consist of direct or indirect tax that can be paid in money or its equivalent, the first known history of taxation can be traced to the ancient Egypt around 3000 B.C (Artoni, 2015). The issue of tax compliance has been a big challenge for Nigeria government, the Nigeria government has not had a quiet time in dealing with the issue of tax compliance over the years, in bid to seeking adequate compliance from taxpayers , several reforms, measures and policies has been introduced by successive government to solve the issues of tax compliance in Nigeria and yet no avail, for example is the introduction of income tax in Nigeria, granting autonomy to Nigeria inland revenue, tax policy and administration reforms amendment, self-assessment scheme, tax exemption scheme, introduction of the tax policy document amongst other (Oriakhi & Rolle, 2014).

Currently the signing of finance act 2020 also took tax into consideration. Though several improvements have been made to reposition the Nigerian tax system, the system is still facing numerous challenges, complying to payment of taxes is one of the biggest challenge to the government. The amount of revenue to be generated from taxes by the government for its expenditure depends among other things the willingness of the taxpayers to comply with tax laws of the country (Eshag, 1983).The primary function of tax is to generate revenue for the running of the government at level (Appah, 2014).

The issue of tax compliance hasn't been an easy one for the relevant tax authority, the need to improve on relevant policies becomes imperative. One ideal the government have continued to portrayed and uphold in ensuring adequate tax compliance in the society is the use deterrence, force compliance methods and other measures and this hasn't yielded any positive result in terms of tax revenue drive (Daude & Melguizo, 2010). Government expenditure has doubled and debt servicing costs have grown, but tax revenues have missed their targets over the year since 2015 (Reality Check team BBC News, 2019).

Taxation have been in existence since history of which many could ascribe different definitions to: Stein (1991) defined tax as a means by which the government raises revenue to meet its expenditure. Tobansi-Ochiogu (1994) defined tax as levy imposed by the government against the income, profit, or wealth of the individual, partnership, corporate organisations. Appah and Oyandonghan (2011) describes tax as compulsory levy imposed on subject or upon property by the government to provide security, social amenities and create condition for the economic well-being of the society. Hart (2015) defined taxation as the price paid by a civilized society for the opportunities of remaining civilized but unfortunately the citizen don't see the reasons to pay tax if there is no development in the society regardless of the opportunity of remaining civilized, this gives them the more opportunity to evade and avoid tax.

Ngerebo and Masa (2012) explain that tax is compulsory payment made on different basis and rate by the citizens (corporate or individual) to government and it is not non-negotiable but obligatory. Tax is a powerful tool that have been used by successive government all over the world for the growth and development of the nation, it is a form of payment by the citizens to support and to augment the cost of governance (Adekoya; Oyebamiji, &Lawal, 2019). Nigeria as country has not has not had efficient and effective tax system over the years, this is evidence in Nzotta (2007) when asserted that despite the tax audit and investigation, Nigeria is still struggling with the issue of losses from tax revenue, this is also evidence when the then executive chairman Babatunde Fowler of federal internal revenue board in 2019 asserted that Nigeria has lost over 15 billion naira to tax evasion (Retrieved from https:// www.vanguardngr.com/ 2019/10/nigeria-loses-about-15bn-to-tax-evasion-annually-fowler/)

Tax is a social contract between the citizen and the government of a nation, both parties are expected to oblige to their responsibility, the citizen are expected to pay their taxes while the government is also expected to utilize these taxes for the welfare and benefits of the citizens (Alm, 2012). The trust relationship concept between the citizen and the government, shows that it is expected that this taxes been utilised for the benefits and purpose of the society, but over the years there have been gap in this contract of both parties not yielding and living up to expectations, this has resulted in low level of tax compliance, tax evasion, tax avoidance (Guyer, 1992) . In recent times, cases of low level of tax compliance, tax evasion and tax avoidance has affected the capacity of the government not being able to raise adequate revenue to finance its economic activities rather government had resorted to external borrowings for finances.

Statement of the Problem

The government have continued to lament on the inadequacies in funding the economic, when there are adequate avenue that can be properly harness to resolve economic financial issues, tax is one major source of revenue that the government have failed to harness ((Odusola, 2006). The issue of tax evasion, tax avoidance, low level of tax compliance over the years have continued to inhibit government potentials in realising the needed objective. In developing countries the inability of governments to generate adequate tax revenue has been linked to non-tax compliance (Kangave, Nakato,Waiswa & Zzimbe, 2018). The government on a daily basis had resorted to external borrowings for finances, understanding what motivate a taxpayers minds (tax morale) a is key to resolving tax compliance issues and this can lead to adequate revenue generation from taxes.

There have been numerous empirical studies published that have continued to encourage or uphold the idea of economic model concept, deterrent measures in explaining the nature of tax compliance behaviour and yet no positive result have been achieved. James; Zaimah and kamil (2011) examined the role of financial condition and risk preference as an important variables in determining the nature of tax compliance behaviour. Kennedy; Modugu and Anyaduba (2014) examined the impact of tax audit and other qualitative attributes on the tax compliance level in Nigeria, their result shows that there exists a positive relationship between tax audit and tax compliance.

Meda and Rahmiati (2020) examined the nexus between tax morale and compliance of individual taxpayer. Observing the issue of tax compliance registered around the world, few researchers have rarely linked using non economic factor to explain the concept of tax compliance such as tax morale. it is against this backdrop this study have singled out tax morale as a concept in understanding the nature of tax compliance in the society, hence understanding the determinants of tax morale would help resolve the issue of tax evasion , tax avoidance , low level of tax compliance and

ensure adequate tax compliance in the society. To best of my knowledge this research work has not been elsewhere, It is an attempt to bringing in sociology and psychology into tax compliance issues. This study intend to rectify the gap in knowledge and to further contribute to the frontier of knowledge.

Objectives of the Study

The main objective of this study is to determine the determinants of tax morale. The specific objectives are to:

1. find out if trust in government has any impact on tax morale,
2. investigate if culture has any impact on tax morale,
3. examine if age plays a significant role on tax morale,
4. investigate if religion has any effect on tax morale.,
5. determine if level of education affect tax morale, and
6. find out if nature of employment has any impact on tax morale.

Predicated on the above specific objectives, the researchers made the following hypotheses to guide the investigation:

Ho_1. Trust in government does not have significant relationship with tax morale,
HO_2. Culture of the people does not have significant relationship with tax morale,
HO_3. Age does not have significant relationship with tax morale,
HO_4. Religious belief of the people does not affect the level of tax morale,
HO_5. Level of education does not have significant relationship with tax morale, and
HO_6. Nature of employment does not have any significant effect on tax morale.

Literature Review and Theoretical Framework

Tax Morale and Tax Compliance

Tax is a form of payment by citizens to support and augment the cost of governance (Adekoya, Oyebamiji & Lawal, 2019). According to Keen (2012) tax revenue is used mostly for enhancing and financing social economic development and other government programmes and services as highlighted in the annual budget. Over the years government have always complained and lamented on the issue of funding the economy. The issue of tax evasion and tax avoidance doesn't seems to be abating, harnessing the concept of tax morale is step in the right direction as this can prove a soft landing for the government to achieve its aims, rather than using economic concept alone to explain the concept of tax compliance behaviour, non-economic concept can also be applied to explain tax compliance behaviour. If the concept of tax morale is properly harness which embraces non-economic factors, the government can realise its needed objective from the area of tax alone.

Given the officially published tax figures for Nigeria (Federal and States), total taxes collected in 2021 in the second quarter of the year is about N8, 883.5 billion, as a percentage of Gross Domestic Product (GDP), Nigeria taxes represents 6.1% one of

the lowest in the world.(nairametrics, 2020). According to data from Organisation for Economic Co-operation and Development OECD (a group of some of the most developed countries in the world) indicates their average tax to GDP ratio should be 32.9% of GDP on the average. France, one of the OECD countries has a tax to GDP ratio of over 46%. (nairametrics, 2020).

The issue of tax compliance in Nigeria can be traced to a broken social contract which has perpetuated a culture of tax evasion and avoidance among citizens, in other words, tax morale is low, and this has become a stem bearing fruits of tax evasion, involuntary tax compliance, tax fraud, apathy to tax matters and other issues hampering government efforts to ramp up tax revenue. Paying tax is not particularly easy anywhere in the world especially for anyone who have spend time, energy and other resources to earn income and there is no adequate benefits in returns. The issue of tax compliance in Nigeria is a complex one, understanding the determinants of tax morale can help resolve issues on tax compliance in the society to a greater extent. (Alm & Torgler, 2006).

Several studies have alluded to a combination of factors as obstacles to sustainable tax revenue collection in Nigeria. Efforts at researching tax compliance was traced by Franzoni (1999) to the work of Beccaria (1764) but the former credited the application of modern economic tools to Allingham and Sandmo (1972). Earlier studies on tax compliance were found to be more of the classical economic view focusing on identifying deterrence factors that could prevent people from evading taxes, factors identified by this classical theory includes audit probability, tax rate, penalty etc, these also established its inadequacy in explaining taxpayers compliance, as actual level of tax compliance significantly exceeded predictions of the classical theory, this experiences made the subject of tax compliance remain a puzzle (Devos, 2014).

Attentions thus started to expand focusing on incorporating behavioural issues like sociological and psychological factors into tax compliance model, the issue of tax compliance have remain a difficult puzzle for the government to solved. Alm and Torgler (2011), Palil, MdAkir and Wan Ahmad (2013) as well as Torgler and Schneider (2007) claim that, understanding the concept of tax morale could unravels this puzzle of tax compliance. Finding what motivate taxpayers mind in paying their taxes voluntarily without coercion is very paramount to this study. The use of deterrence measures, enforcement strategies and policies to ensure compliance has been the front model in ensuring adequate compliance in the society , this model was first advocated by Alligham and Sandmo in 1972, this model is still being advocated by our contemporary tax authority today and most authors and scholars today still advocated this concept as a way of ensuring tax compliance in the society, new concept on the ideas of tax compliance is gradually paving way in order to ensure adequate compliance in the society.

The term "tax morale" was first coined by Schmölders a Geramn scholar back in 1960 who defined it as "the attitude of a group or the whole population of taxpayers regarding the question of accomplishment or neglect of their tax duties; it is anchored on citizens tax mentality and in their consciousness of being a citizens, which is the base of their inner acceptance of tax duties and acknowledgement of the sovereignty of the state (Schmölders 1960). Despite the definition given by Schmölders, tax morale is still a debated notion with different meanings, Schmolders argued that, instead of looking for reasons why people evade taxes; focus should be on reasons why people decide to pay taxes, tax morale was therefore considered to be the appropriate answer.Tax morale is the internalized obligation, the willingness, and the intrinsic motivation to pay tax (Alm & Torgler 2006b).

Palil.,MdAjir and Wan Ahmad (2013) see tax morale as a measure of attitude of taxpayers unlike tax evasion that measure their behaviour, it is related to civic duty and linked to ethics (Torgler& Murphy, 2005). Tax morale is the intrinsic motivation to comply, though not a legal but a moral obligation to contribute to the general welfare (Torgler& Schneider, 2009). Torgler and Schneider (2006) defined tax morale as the "moral obligation" or an "intrinsic motivation" to pay tax. Torgler (2002) and Frey (2003) stressed tax morale relevance to understanding the high level of tax compliance in the society. Luttmer and Singhal (2014) provide a survey and summarize the role of non-pecuniary motives and intrinsic motivations on actual compliance in details. Dwenger (2016) use the term intrinsic motivations for tax compliance while some other papers use tax ethics or tax honesty to describe what we label tax morale.

Tax morale encompasses an umbrella term capturing non pecuniary motivations, non economic motive for tax compliance as well as factors that fall outside of the standard of expected utility framework. It is now widely acknowledged that the decision to evade taxes is not only driven by extrinsic pecuniary factors such as economic gains, but also by intrinsic non-pecuniary motives. Following ,Luttmer and Singhal (2014), describe the term tax morale as an umbrella term for such intrinsic tax compliance motives. For example, individuals may have some intrinsic motivation to pay tax or feel guilt or shame for failure to comply. Organisation for Economic Co-operation and Development OECD (2013) examined the effects of socio-economic and institutional factors on tax morale, the socio-economic factors assessed include marital status, gender, economic status, employment status and economic problem, while the institutional factors were perception of how governments spend tax revenue, democracy, trust in government and preference for redistribution.

The works of Vythelingum, Soondram and Jugurnath (2017) found positive association between tax morale and each of fairness, trust (in government, tax authority and legal system), social norms, and fiscal exchange equity, their study however did not find significant relationship between tax morale and any of moral sentiment, civic duties, taxpayers' preference, complexity of tax system and respect for tax authority.

Preliminary research was conducted during the 1960s by the Cologne School of Psychology, they tried to narrow the bridge between economics and social psychology on tax compliance by emphasizes that tax compliance should not only be analyzed from the traditional neoclassical economic point of view, but also from social psychology perspective. They saw tax morale as a major determining factor that can leads to high level of tax compliance, this early work foreshadowed the emerging importance of behavioural economics as a concept in understanding individual and group behaviour, and it is reflected in a range of related approaches, which is roots in the psychology of taxation (Lewis, 1982 & Kirchler, 2007).

Trust in Government

Modugu, Eragbae, and Izedonmi (2012) stated that perception of government's accountability and transparency by the taxpayers enhances trust in government and this is instrumental factors to behavioural morals that lead to voluntary tax compliance. Torgler (2003b) opined that trust, perception of tax fairness and corruption have been seen as playing a vital role in tax compliance.

Kiow., Salleh, and Kassim (2017) reported that transparency in taxation is key to taxpayer's confidence, because, lack of confidence in the tax system and the government, might leads to tax evasion, dishonesty and fraud. Adekoya and Akintoye (2019) reported that trust in government has positive relationship with taxpayer's voluntary, tax behaviour and level of tax compliance. Trust in government is one of the key factors that influences tax compliance level of taxpayers (Siahaan, 2012).

Religion

Studies show that those who claim faith or religious identity have more positive attitudes towards paying taxes, because they believe so much that, it is a sin to their religion to evade tax. Empirical research on crime behaviour by Hull (2000) reveals that delinquent behaviour and religious beliefs are negatively correlated.

Torgler (2006) conducted an extensive investigation on this relationship and finds a strong causal relationship between different variables capturing religiosity and tax morale, the results are confirmed by Konrad and Qari (2009) for European countries and Torgler (2005) for Latin America. People who seem more religious in nature would always want to live a moral life to an extent, thereby seeing tax evasion would unethical against their religion and doctrine.

Education

Another factor spotted out on the issue of tax morale and tax compliance is education, which research have shown that, educated people tend to know better understand what the state provides and how it spends tax revenues collected, hence, tax morale amongst the educated is higher than the uneducated which can lead to high level of tax compliance.

Highly educated taxpayers are more aware and informed of possible government wastes and spending and besides they also understand of the opportunities of tax evasion and tax avoidance (Torgler and Schaltegger, 2005). Research done in Australia revealed that most educated taxpayers recorded high tax compliance that those with limited education. Education and tax compliance levels might positively correlate (Jackson &Milliron, 1986); (Dubin& Wilde, 1988), Richardson (2006) found a positive relationship between education and tax compliance levels.

Age

Studies have shown that elderly people are more conscious and more civil in their attitude when it come to social responsibility as a citizen. Older people seems more justified in the area of tax compliance than the younger ones, they seems more acquainted with the social and economic norms and sanctions of not paying their taxes on regular basis. Walerud (1982) and Wahlund (1992) postulate negative association between taxpayer compliance and age; indicating that older people are less compliant.

In contrast, Dubin, Graetz, and Wilde, (1987) argued that age was positively related with taxpayer compliance. Some studies however, have found no relationship between age and taxpayer compliance. Preager., Torgler (2007) and Mohani (2001) found that older people are more compliant than young people. Tittle (1980), for example, provides reasons for this, by arguing that old people are more experienced and thus more sensitive to societal sanction and pressure.

Employment

Part-time workers and the self-employed have lower tax morale than full-time employees. Full-time employees are more likely to have income tax deducted by their employer and this somehow have influence on their tax morale and tax compliance. When it comes to the occupational status, almost all findings indicate that the self-employed have lower tax morale than other full time occupational groups (Alm & Torgler 2006, Frey &Torgler 2007).

Culture

Culture refers to broad social norms that persist over long periods of time across generations. Such persistence is one of the primary characteristics that distinguishes culture from contemporaneous peer effects, though the two are obviously related. In many advanced countries, it is the culture of most countries for examples like the united kingdom citizens see tax as part of their culture, this tend to motivate the level of tax moralethey have towards paying their taxes.

Leading researchers have attributed part of the blame to a culture of noncompliance among citizens in developing countries (Bahl & Bird, 2008; Besley & Persson, 2014; Burgess & Stern, 1993). Culture influences or improves the level of tax morale and tax compliance as it is seen as a tradition or as a way of life of the people and this affect the behaviour of the people (Torgler& Schneider, 2007).

Theoretical Framework

The theoretical framework of this study is anchored on social-psychology theory of human behaviour. In the field of psychology, social psychology is the scientific study of how the thoughts, feelings, behaviours of individuals are influenced by the actual, imagined, and implied presence of others (Allport,1985). The terms thoughts, feelings, and behaviours refer to the psychological variables that can be measured in humans. Moreover, the notion that the presence of others may be imagined or implied suggests that humans are malleable to social influences even when alone, Social psychologists typically explain human behaviour as a result of the relation between mental state and social situation,

Social psychology theory explains the factors conditions under which certain behaviour, actions, and feelings occur. Traditionally, the emergence of this discipline bridged the gap between psychology and sociology. During the years immediately following World War II, there was frequent collaboration between psychologists and sociologists (Sewell, 1989). In tax related context it look at the mental state of the taxpayers, the feelings, the thought, imagination towards a sovereign authority and the system. Social psychology theory in relation to tax itprovide details of how individual or the citizen feelings , thinking about the government and what they see or feel influences their morale .

Methodology

This study used cross-sectional research survey design. The targeted population for this study comprises of a total numbers of 8690 core employees of the following listed companies under Nigeria stock exchange: Guinness Nigeria plc (780), Nigeria breweries plc (2983), Coca Cola Plc(2700), 7up Bottling companies (2227) as at December 2020.

In view of the researcher's inability to reach out to the entire population, and in order to gain the advantage of an in-depth study and effective coverage of the population under study, samples were drawn using random sampling techniques .Taro Yamani formula was used to determine the sample size as follows:

According to Yamani, (1964) $n = N/ [1 + (Ne^2)]$
Where n = is the sample size
N = is the population
e = is the error limit (0.05 on the basis of 95% confidence level)
Therefore, n = 8690/1 + 8690 (0.05)2
n = 8690/1+8690 (0.0025)
=8690/1+21.725
=8690/22.725
n = 382.398 , approximately 382 sample size

Using a population of approximately 8690 employees of the four listed firms (Coca-cola, 7UP, Guinness and Nigerian Breweries) quoted in Nigerian Stock market) with an error limit of 5%, a sample size of approximately 382 (three hundred and eighty two) was considered adequate as computed above. The survey of 382 (three hundred and eighty two) respondents where drawn as a sample size from the entire employees.

The study made use of primary source of data, collected through standardized questionnaire administered to respondents. The dependent variable in this study is represented by tax compliance while the independent variables are represented by determinants of tax morale which are measured by trust in government, age, religion, culture, education and nature of employment. Multiple regression analysis was conducted to assess the relative predictive power of the independent variables on the dependent variable. The Regression Model:

$$TC = \beta_O + \beta_1 TIG + \beta_2 EDU + \beta_3 CUL + \beta_4 REL + \beta_5 AGE + \beta_6 EMP + ut$$

Where: TC = Tax Compliance; TIG =Trust in Government; REL= Religion of the People; EDU= Level of Education; AGE = Age Group; CUL = Culture of the People; EMP = Nature of Employment; ut = Is the error term; a priori expectation : $\beta_1 - \beta_6 > 0$

Results and Discussions

Table 1: Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.716247	0.559334	3.068375	0.0025
TIG	0.199	0.4100	4.849	0.000
EDU	0.025611	0.012317	2.079340	0.0597
CUL	126501.3	213899.1	0.591407	0.5652
REL	13395373	5999331.	2.232811	0.0454
AGE	3051399.	1372685.	2.222942	0.0462
EMP	-16.61110	-16.61110	-2.498989	0.0280
R-squared	0.673638	Mean dependent var		2.336396
Adjusted R-squared	0.639126	S.D. dependent var		0.253620
S.E. of regression	0.248609	Akaike info criterion		0.084113
Sum squared resid	11.80504	Schwarz criterion		0.184109
Log likelihood	-2.285150	F-statistic		2.596185
Durbin-Watson stat	1.895293	Prob(F-statistic)		0.026818

Source: Researchers Computation, 2020

With the coefficient of the constant of 1.716247, it implies that when the independent variables Education, culture, religion, age and nature of employment are held constant, the tax compliance of Nigerians (TC) will be at a minimum level of 1.716247. The coefficient of trust in government (TIG) shows a positive value of 0.199, implying that one unit positive improvement in trust in government in Nigeria will bring about positive increase in tax compliance of Nigerians by 0.199 units and significant

The coefficient of education (EDU) shows a positive value of 0.026, implying that one unit positive improvement in education in Nigeria will bring about positive increase in tax compliance of Nigerians by 0.026 units and insignificant. Culture of the people (CUL) shows a positive value of 126501.3, implying that one unit improvement in Culture of the people towards paying tax in Nigeria will bring about positive tax compliance among Nigerians by 126501.3 and insignificant

The coefficient of religion (REL), shows a positive value of 13395373, implying that one unit improvement in religion will bring about a positive tax compliance by 13395373 and significant The coefficient of Age (AGE), shows a positive value of 3051399, implying that one unit change in Age in Nigeria will bring about a positive tax compliance by 3051399 units and significant in Nigeria. The coefficient of nature of employment (EMP) shows a negative value of 16.611, implying that one unit positive improvement in employment to public sector in Nigeria will bring about decrease in tax compliance of Nigerians by 16.611 units and significant in Nigeria.
Using the rule of thumb, which specifies that if the value of Durbin Watson (DW) is "2" it means that there is no positive autocorrelation in the residuals. This means that the model is not bias. With the DW statistic of '1.90', approximately '*2*', means that the equation has no autocorrelation, which means that equation is not biased.

This test was conducted to ascertain the individual significant status of each of the parameters or variables. In doing this, the researcher employed the rule of thumb which specifies that if the calculated *t-statistic* in absolute term is less than two (2) reject that alternative hypotheses, otherwise accept the alternative hypotheses.

Hypothesis
H_o: Bs = 0 (Individual parameter estimates are not significant) H_1: Bs ≠ 0 (Individual parameter estimates are significant)

Decision Rule: The researcher employed the rule of thumb which specifies that if the calculated (absolute) t- *statistic* in absolute term is less than two reject the alternative hypotheses, otherwise accept the alternative hypotheses

Table 2: t- statistic summary test

Variable	t – value calculated	Rule of thumb	Remark
TIG	4.894	2	Individually statistically significant (null hypothesis rejected)
EDU	2.079340	2	Individually statistically significant (null hypothesis rejected)
CUL	0.591407	2	Individually not statistically significant (Alternative hypothesis rejected)
REL	2.232811	2	Individually statistically significant (Alternative hypothesis accepted)
AGE	2.222942	2	Individually statistically significant (Alternative hypothesis accepted)
EMP	-2.498989	2	Individually statistically significant (Alternative hypothesis accepted)

From the result of the t- statistic,(table eleven) it is clear that all of the independent variables except culture (CUL) significantly determine tax morale in Nigerian. It means that the major determinants of tax morale in Nigeria are: Trust in government (TIG), age (AGE), religion (REL), education (EDU) and nature of employment (EMP).

F-test:

The F-test, which follows an F-distribution, measures the overall significance of the model.

Decision Rule

Reject Ho if f-cal> f-tab and accept Ho if f-cal< f-tab.

Table 3: F-test summary

Fcal	F_{tab}at 0.05 significant level	f-stat (prob) *p-value*	Decision
2.596	1.43	0.03	Reject H_0 and accept H_1

p-value< 0.05

From the f-test summary, the researcher tabulated f statistic is 1.43 which is less than f-cal of 2.596 ,and the f-statistic probability (0.03) is less than 0.05, the researcher reject H_o and accepts H_1 and conclude that the model is statistically significant and has a goodness of fit. This means that all the explanatory or at-least one of the explanatory variables explain good of the explained variable. This means that independent variables of, Trust in government (TIG), age (AGE), religion (REL), culture (CUL), education (EDU) and nature of employment (EMP) are all good instruments to

measure tax morale in Nigeria.

Using the rule of thumb, which specifies that if the value of Durbin Watson (DW) is "2" it means that there is no positive autocorrelation in the residuals. This means that the model is not bias. With the DW statistic of '1.90', approximately '*2*', means that the equation has no auto correlation, which means that equation is not biased.

The essence of paying tax is to enable the government raise adequate revenue to finance its economic activities, provide social economic services, roads, water, infrastructures, electricity etc, the problem that often occurs in Nigeria is that the government have been finding it difficult to realise the full potentials of tax. Related studies have shown that average Nigeria taxpayers feel reluctant in paying their taxes, questions that have been asked over time . Over the years the methods, strategies , models the relevant tax authorities have adopted in dealing with the issue of tax compliance in Nigeria hasn't really yielded much as expected in terms of tax revenue drive, hence this has created gap in Nigeria tax system with the issues persistence tax evasion, tax avoidance, low level of tax compliance.

From the study, the following were found as determinants of tax morale and good instruments to measure tax morale in Nigeria: trust in government, age, religion, nature of employment, education, culture. Trust in government (TIG), age (AGE), religion (REL), nature of employment (EMP), show a significant relationship of tax morale while education (EDU), culture (CUL) variables shows insignificant relationship of tax morale.

Conclusion and Recommendations

The study concludes that the economic model that have formed the basis for understanding the concept of tax compliance behaviour by relevant tax authority over the years have not yielded any positive results in tax related matters. Understanding the social psychology perspective of a taxpayer by looking at social demographic factors would help in ameliorating the issue of tax compliance in the society, strengthen government commitment towards economic development and ensure a better society.

The study therefore recommend base on the findings from the studies:

1. The government should ensure transparency and accountability in utilisation of taxpayers money,
2. The government should ensure better tax policy formulation and modernise tax administration procedures, as this would help reducing the issue of corrupt practises and improve the taxpayer ideology,
3. The taxpayers should try as much as possible to see the immediate society as their own by paying their taxes voluntarily without coercion,

4. The government is no doubt the sole administrator of taxes, they should ensure, they judiciously utilise generated tax revenue for the benefits of its people, so that the citizen can have more confidence in them and support their administration,
5. The tax authorities should try as much as possible to sought for cooperation between them and the taxpayers as this can reduce the cost of tax administration.
6. Solely relying on economic model to determine tax compliance matters should be limited in nature as it possess some element of threat and deterrence, understanding the social psychology of a taxpayers by looking at their social demographic factors will help in ameliorate the issue of tax compliance in the Nigeria, and
7. Human being are rational being and difficult to deal with in reality, the traditional neoclassic economic model that stresses deterrence factors, tax audit, reward, penalties and fines should not completely be eroded because tax compliance needs some element of enforcement, the economic model should be complemented with the idea of social psychological perspective for adequate tax compliance.

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