UNIVERSITY OF PORT HARCOURT JOURNAL OF ACCOUNTING AND BUSINESS
DEPARTMENT OF ACCOUNTING
UNIVERSITY OF PORT HARCOURT, CHOBA
PORT HARCOURT, RIVERS STATE
NIGERIA
VOL. 3 NO. 2 JUNE 2016

TAX TRANSPARENCY, ACCOUNTABILITY AND TAX COMPLIANCE AMONG SMALL AND MEDIUM ENTERPRISES

JOHN OBI AYANDUBA PhD.
Department of Accounting
University of Benin.
Tel: 2347011223611

And

OHONBA NOSA
Department of Accounting
University of Benin.
E-mail Ohonba4life@yahoo.com
Tel: 2348056504726

ABSTRACT

This study examined the extent to which tax transparency and accountability affected tax compliance among Small and Medium scale Enterprises in Edo State and Delta States. This study adopted a survey research design using a cross section of one hundred and twenty (120) Small and Medium Businesses (Operators) and was collected using a well-structured questionnaire. The Ordinary Least Square regression technique was employed for analyzing the data collected and it was discovered that there was a high correlation between tax accountability and tax compliance; that trust in government significantly impacted on tax compliance behaviour and that tax morale has a high correlation with tax compliance. This study however recommends that: government should make use of the electronic media in constituting an open forum for periodic interaction with and feedback to the citizens on how it has used its tax revenue as this would be good for the government to perform which would be consistent with the expectations of the citizens and thereby gain their trust.

INTRODUCTION

The issue of tax compliance has received considerable attention in the literature across the globe irrespective of disparities in levels of development. This is however not unconnected with the role which tax compliance plays in instituting an effective tax system. Moreover, the bane of low tax compliance especially among developing nations gives an insight into the reason why a beaucoup of scholars have attempted to proffer a working solution. Tax refers to

A sum of money demanded by government for its support or for specific facilities or services; levied upon income, property, sales and trusts (www.dictionary,reference.com). Nightingale (2001) is of the opinion that although taxpayers may not receive something personal in return for their contribution, they nonetheless "have the benefit of living in a relatively educated, health and safety society". Thus, taxation is part of the price to pay for an organized society.

Allignham and Sandmo (1972) considered total compliance behaviour to be a function of enforcement by government using probability of detection and penalty as factors in the model, The inadequacy of the model was discovered by subsequent researchers when they studied compliance behaviour and found out another aspect of compliance called "voluntary compliance" (that is, complying with tax laws without being compelled to do so). Voluntary compliance has been found to be a function of the intrinsic motivation to pay taxes which have sometimes been referred to as 'tax morale' (Feld & Frey, 2002).

It is worthy to note that under an otherwise efficient enforcement system, although compliance would raise sky- high the basic canon of efficiency/economy would have been compromised and the purpose of taxation (that is, revenue generation) defeated. This study aims to investigate the effect of tax transparency and accountability on tax compliance among Small and Medium Enterprises in order to verify if shortcomings on the part of government are a factor for low tax compliance in Nigeria.

The ability of any government to generate revenue is strongly based on its tax system. Taxation offers itself as not only one of the most effective but also the most certain means of mobilizing a nation's resources in order to make them available to government in carrying out its development tasks. Also, the strength of any tax system is measured by the extent of taxpayers' compliance with its provisions. Many developing countries, of which, Nigeria is part, are confronted with low tax compliance and this has serious implications by way of limiting the government's financial capacity. If a cause and effect relationship can be established perhaps the cause may be tackled and tax compliance would be encouraged. Although many factors have been highlighted as the causes of low tax compliance especially among SMEs, government accountability has emerged to be a crucial factor being a means for providing feedback to the providers of tax revenue who are otherwise seen as the principal in the agency relationship.

On the aspect of SMEs, Atawodi and Ojeka (2013) noted that "taxes provide revenue for government to create an environment that will ease the running of all businesses; also; if they (SMEs) perceive the government to be unaccountable for its tax revenue, they have the tendency to avoid paying taxes hence their chances of survival would be reduced due to a decline in the revenue that would otherwise have been used to create an environment within which they can thrive. It's on this note we sought to determine the impact of tax transparency, accountability and compliance on SMEs in Nigeria. This is the gap this study seeks to fill.

OBJECTIVES OF THE STUDY

The main objective of this study is to determine the extent to which tax transparency and accountability affect tax compliance among SMEs. In achieving this, the following specific objectives were developed to;

1. examine the relationship between tax accountability and tax compliance among SMEs;

3. evaluate the relationship between tax morale and tax compliance among SMEs and
4. Ascertain if trust in government affects tax compliance among SMEs.

HYPOTHESES

The following hypotheses have been formulated and all in a null form:

1. There is no significant relationship between tax accountability and tax compliance among SMEs.
2. There is no significant relationship between tax morale and tax compliance among SMEs.
3. Trust in government does not significantly affect tax compliance among SMEs.

LITERATURE REVIEW

Traditionally, there seems to have been an assumption that with a basic level of assistance to taxpayers coupled with an enforcement programme, tax compliance could be maintained at satisfactory levels. However, a shift in attitude towards taxpayers has emerged in contemporary times, which has replaced the treatment of the taxpayers as a passive donor who simply has to be billed for taxes due, to being recognized as a customer, sometimes requiring particular forms of assistance and benefits. The primary purpose of taxation is to benefit rather than punish citizens; this would seem to be an appropriate policy. No doubt, sanctions will always have to exist to support tax administration, but there are important questions as to the extent to which they are needed and the enthusiasm with which they should be applied

CONCEPT OF TAX COMPLIANCE

Tax compliance is often defined in terms of the degree to which taxpayers comply with the provisions of the tax administration and law which can be achieved without the actual application of enforcements (Andreoni, Erard & Feinstein, 1998). The conceptualization of tax compliance using 'tax gap', that is, the difference between actual revenue collected and the amount expected to be collected under a hundred percent compliance, has been the previous approach. It was Frey (1997) who demonstrated that intrinsic motivation is also relevant for explaining compliance behaviour. He opines that there is an unattended proportion of systematic compliance unexplained by the general deterrence theory and enforcement models and this provides a platform for examining voluntary compliance; this is made possible by a relationship of trust between the tax authority and the taxpayer which makes the taxpayer willing on his own to comply with the authority's directives and regulations.

TRUST IN GOVERNMENT

As noted by Frey (1997), a relationship of trust which exist between the taxpayer and the tax authority is the platform upon which voluntary compliance is evaluated. Trust has been defined as the expectation that other people's future actions will consider and safeguard our interests (Birskyte, 2014). According to him, taxpayers have the natural inclination to support a "trustworthy" government. Trust in government can therefore be defined in terms of the expectation that the government's actions are, and would continue to be in the interest of the citizenry. OECD (2015) stated that "trust is broadly understood as holding a positive perception about the actions of an individual or an organization. It defined trust in government as "the

Confidence of citizens and businesses in the actions of government to do what is right and perceived as fair".

Trust is both a relative and a relationship term: It is relative because it depends on the judgment of the individual issuing the trust and it is relational in terms of it involving someone else who is regarded as the 'trustee'. Birksyte (2014) therefore opined that a trustworthy government acts with the motive of protecting the interest of those they serve.

THE CONCEPT OF TRANSPARENCY

As a principle, public officials, civil servants, managers and directors or organizations and board of trustees have a duty to act visibly, predictably and understandably to encourage participation and probity. The International Institute for Sustainable Development conceptualized transparency in the context of information management as too much information in public domain may result in confusion and opacity. Transparency ensures that relevant and understandable information should be readily available to different stakeholders; it also recommends the timeliness of up-to-date and complete information as would be needed for accurate analysis.

Ernst and Young (2015) applied transparency in the taxation context as the way governments disclose the payments they receive in the form of taxes and how tax authorities in different countries cooperate to share information on the same taxpayer.

THE CONCEPT OF ACCOUNTABILITY

Accountability means ensuring that officials in private, public and voluntary organizations are answerable for their actions and that there is redress when duties and commitments are not met (Transparency Initiative, 2015). This implies that accountability is a systematic system which involves interplay between two parties. One set of people are set to hold and utilize resources (accountees) while the other set are expectant of results (accounters). Accountability involves setting a standard, investigating the extent of performance by the accountees, answerability (a defence of actions by the acountees) and sanction for falling below standards-although the process is oftentimes not as formal as it appears.

TAX MORAL AND TAX COMPLIANCE

Tax morale is described as the intrinsic motivation to pay taxes (Fagbemi & Agbogun, 2013). When non-economic factors are put into consideration, tax morale emerges in the forefront as an adequate proxy for measuring voluntary compliance (Torgler, 2002). This connotes that high tax morale has been predicted to imply proportionate voluntary tax compliance. When economic factors are therefore put into consideration, what portion of total compliance is accounted for by tax morale would be a question of specific response based on the prevalent factors that affect tax morale within a population. Among the factors that influence tax morale, public accountability has emerged to be a key factor alongside other factor such as cultural inclinations, ethics, moral and social norms, perception of power, trust and distribution of wealth, among others (Alm, McCelland & Schulze, 1999). However, Fagbemi

And Abogun (2013) in consonance with most extant literature discovered a significant relationship between tax morale and voluntary tax compliance.

THE NIGERIAN TAX SYSTEM AND THE SELF-ASSESSMENT SCHEME

The self-assessment tax regime is a system of tax administration whereby the taxpayer is granted the right by law, to compute his own tax liability, pay the tax due (at the designated bank) and procure evidence of tax paid at the time of filing his tax return at the tax office on the due date. On the other hand, the tax authority has the responsibility of enablement to, and checks on the taxpayers to ensure compliance with the tax process. The self-assessment scheme is thus characterized by shared roles and responsibilities in a partnership between the taxpayer and the tax authority (Appah & Ogbonna, 2014).

This scheme, which was introduced into Nigeria in 1992 following the enactment of the appropriate law in 1991, assumes that the taxpayer is a honest and knowledgeable stakeholder and partner who should be treated with courtesy (Malik, 2010). The goal of the self-assessment programme is to foster voluntary compliance using all possible means including awareness programmes, incentives and penalties. Some of the incentives in the Nigerian context are non-payment of provisional tax, payment of tax due in not more than six installments, one percent of tax payable as bonus amongst others (Anyaduba, 2015); and despite all these, (Appah & Ogbonna, 2014) noted that voluntary compliance is yet to take root in Nigeria.

TAX ACCOUNTABILITY AND VOLUNTARY TAX COMPLIANCE

From an underlying framework of social contract which defines the relationship between the government and the governed, Levi (1980) posits that if the taxpayers perceive that the rate of transformation from tax to public goods is low, they would feel that the government has not been faithful to its obligations of the contract and this would result in them also not fulfilling their parts of complying with tax payment requirements. Modugu, Eragbhe and Izedonmi (2012) discovered that voluntary tax compliance is a function of the citizen's evaluation and judgement that the government upholds and regards the fiscal contract with its citizens and meets current standard of procedural fairness in providing public goods and services.

Furthermore, Akpo (2009) stated that good governance entails the provision of quality public goods to the citizens including amenities, security and infrastructure in exchange for tax payment and a failure to do this may bring reluctance to pay taxes on the citizens' part; this is also reflected in Alm and Gomez (2008) and Fakile (2011).

Rotberg and Gisselguist (2009) studied the perception of accountability in relation to income tax revenue performance of a cross section of countries in 2006 and they discovered a positive correlation in the trend of these two variables. For instance, Nigeria had 2.5% as income tax ratio and good governance score of 49.6%; Uganda had 3.8% and 57.9% while South Africa had 14.4% and 69.4% respectively. This is however an echo of Abati's (2006) view when he noted that the deplorable state of Nigeria's public infrastructure and economic activity are a reflection of poor governance quality and that the poor tax morale and low tax compliance level among most Nigerians may have been a resultant effect.

On the other hand, Abdul-Raxak and Adafula (2013) in their research carried out in Northern Region, Ghana, discovered that the "level of governmental accountability and transparency did not significantly impact taxpayers' attitude although the perceived level of benefits derived from the provision of public goods and services particularly infrastructure was high. This goes to portray that, tax accountability may be seen as both a hygiene factor in some countries and a motivator in other countries to maintain satisfactory levels of compliance behaviour.

METHODOLOGY

Research Design:

In order to provide answers to research questions and meeting desired objectives, this study made use of cross-sectional survey design. Under this research design, data relating to the variables were collated at about the same time to basically describe the relationship between the variable under study. The population comprised of small and medium business (and operators) in Edo State and Delta State ranging from sole-proprietors, registered business names, partnerships, and private limited companies whose annual turnover (according to CAMA, 2004) is not more than two million naira. 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, samples are drawn using cluster random sampling from Benin City, in Edo State and Asaba in Delta State Nigeria. The reason for choosing Benin City and Asaba was their proximity to the research and homogeneity of the respondents. A sample size of one hundred and twenty SMEs was randomly selected from the cluster (Benin City and Asaba) across all sectors including services, trade, manufacturing and distribution. Questionnaires are administered to the director(s) / managements of those one hundred and twenty SMEs. However, only a hundred (100) of them were duly completed and retrieved, which represents an eighty-three percent (83%) response rate. This study is thus based on a survey of 100 SMEs as respondents. The likest scale (0-5) was utilized to covert the questionnaire for analytical purposes.

VALIDITY AND RELIABILITY OF INSTRUMENT

In order to ascertain the validity of the instrument used for data collection in this study, the questionnaire underwent a blind review for useful criticism and correction. Moreover to ensure reliability of the instruments, the test-retest method was employed which yielded a correlation coefficient of 0.75. This reliability correlation coefficient shows that all the research questions in the questionnaire hang together and have interval consistence in solving distress problems.

METHODS OF DATA ANALYSIS

The dependent variable in this study is represented by tax compliance while the independent variable is tax accountability. Other control variables are tax morale and trust in government. The null hypothesis is usually stated in terms of the independent variables and it is used to analyze the objectives raised in this study through the primary data obtained from

Respondents by the use of questionnaire. Multiple regression analysis was conducted using the ordinary least square to assess the relative predictive power of the independent variables. The Econometric Views (E-views) and Statistical Package for Social Sciences (SPSS) was employed in the different analyses and tests conducted on the data.

The Regression Model

$TCOM = \alpha_0 + \beta_1 TAC + \beta_2 TMO + \beta_3 TRG + \varepsilon$

Where:

TCOM = Tax Compliance

TAC = Tax Accountability

TMO = Tax Morale

TRG = Trust in Government

ε = Error Term

TABLE 4.7: DESCRIPTION STATISTICS

	TCOM	TAC	TMO	TRG
Mean	18.91000	10,83000	9.140000	3.920.0000
Median	18.00000	10.00000	8.000000	4.000000
Maximum	35.00000	23.00000	23.00000	8.000000
Minimum	12.00000	6.000000	5.000000	3.000000
Std. Dev	5.236035	3.915922	3.676351	1.125283
Skewness	0.927834	0.793529	1.031730	1.397405
Kurtosis	3.525456	3.277597	3.985294	4,606682
Jarque-Bera	15.49837	10.81590	21.78613	43.30164
Probability	0.000431	0.004481	0.000019	0.000000
Sum	1891.000	1083.000	914.0000	392.0000
Sum Sq. Dev.	2714.190	1518.110	1338.040	125.3600
Observations	100	100	100	100

Table 4.31 presents the description of the variables used in the estimation. Tax compliance has an average of 18.91, a standard deviation of 5.24, and a range of 12 to 35. Tax accountability has a mean value of 10.83, a standard deviation of 3.92 and it ranges from 6 to 23. Tax morale has an average of 9.14, a standard deviation of 3.68 and values ranging from 5 to 23. Trust in government has a mean of 3.92; standard deviation of 1.13 and values from 3 to 8 defines the range. The Jarque-Bera Histogram normality of the regressors and it has a null hypothesis of normality. The p-value being less than 5% indicates that the variables were normally distributed.

TABLE 4.8 ORDINARY LEAST SQUARES

Dependent Variable: TCOM

Method: Least Squares

Date: 10/12/15 Time: 20:08

Sample: 1:100

Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.681792	0.341924	10.76788	0.0000
TAC	1.056544	0.078019	13.54211	0.0000
TMO	0.041937	0.073362	0.571639	0.5689
TRG	0.867995	0.168641	5.146995	0.0000

R-Squared	0.970098	Mean dependent var	18,91000
Adjusted R-squared	0.969163	S.D. dependent var	5.236035
S.E. of regression	0.919468	Akaike info criterion	2.709135
Sum squared resid.	81.16047	Schwarz criterion	2.813342
Log likelihood	-131.4568	Hanna-Quinn criter.	2.751310
F-statistic	1038.153	Durbin-Watson stat.	1.646349
Prob. (F-statistic)	0.000000		

The ordinary least squares result is presented in table 4.2.3 above. The result shows that tax accountability has a positive impact on tax compliance. The result shows that an increase in tax accountability by one until will lead to an increase in tax compliance by about 1.06 units. The t-statistic of tax accountability indicates that the variable is statistically significant in explaining changes that occur in tax morale. Tax morale is also seen to have a positive relationship with tax compliance. The result shows that a unit increase in trust in government would lead to 0.86 increases in tax compliance. The test for significance also shows that trust in government is significant in explaining the behaviour of tax compliance.

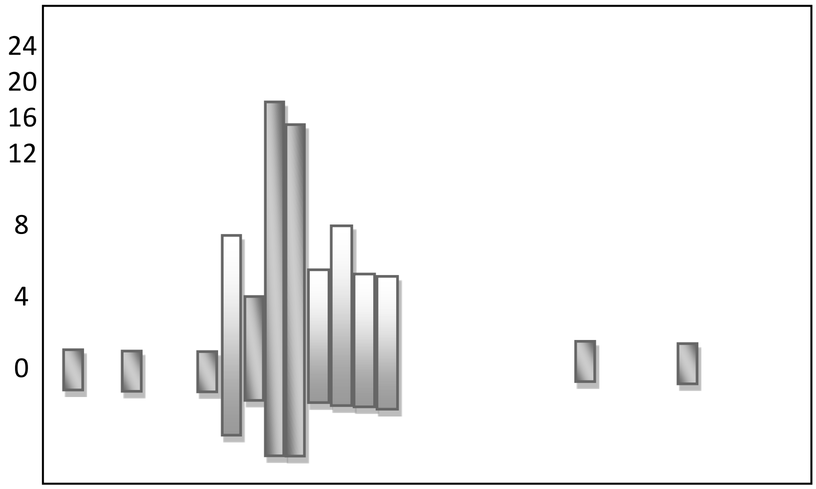
The diagnostic test reveals that the goodness of fit of the regression (R-squared) is about 97%. This means that public accountability, tax morale and trust in government explain 97% of the variations that occur in tax accountability. The F-statistic being less than 5% shows that there is overall significance of the model. This means that the regressors jointly explain changes that occur in the dependent variable.

TABLE 4.9 CORRELATION MATRIXES

	TCOM	TAC	TMO	TRG
TCOM	1			
TAC	0.980582	1		
TMO	0.92683	0.93906	1	
TRG	0.900516	0.872536	0.832901	1

The Result of the correlation matrix presented in table 4.3.3 show that compliance has a strong positive relationship with the three independent variables: tax accountability, tax moral and trust in government. By positive, it is implied that the variables move together in the same direction.

FIGURE 4.3.1



Series:	Residuals
Sample 1 100	
Observation	100
Mean	208e-15
Median	-0.092431
Maximum	4.806976
Minimum	-3.159499
Std. Dev.	0.905430
Skewness	1.981916
Kutosis 14.98824	
Jarque-Bera	664.2912
Probability	0.000000

The result of the test for normality using the Histogram Normality Test is presented in Figure 4.3.3 the Jacque-Bera and its probability being less than 5% (hat is, 0.00) indicates that the residual is normally distributed. This implies that the regression meets the requirement of normal distribution of residuals for a best regression model.

TABLE 4.10 BREUSCH-GODFREY SERIAL CORRELATION LM TEST

Breusch-Godfrey Serial Correlation LM Test

F-statistic	1.000642	Prob. F (2, 94)	0.3715
Obs*R-squared	2.084642	Prob. Chi-Square(2)	0.3526

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 10/12/15 Time: 20:11
Sample: 1 100
Included observations: 100
Pre-sample missing value lagged residuals set to zero

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.074570	0.348353	-0.214063	0.8310
TAC	-0.006497	0.078191	-0.083089	0.9340
TMO	0.000395	0.073879	0.005340	0.9958
TRG	0.036058	0.171371	0.210409	0.8338
RESID(-1)	0.077945	0.105442	0.739219	0.4616

RESID(-2)	-0.129601	0.104856	-1.235990	0.2195

R-squared	0.020846	Mean dependent var	2.08E-15
Adjusted R-Squared	-0.031236	S.D. dependent var	0.905430
S.E. of regression	0.919462	Akaike info criterion	2.728068
Sum squared resid	79.46856	Schwarz criterion	2.8844379
Log likelihood	-130.4034	Hannan-Quinn criter.	2.761330
F-statistic	0.400257	Durbin-Watson stat	1.778166
Prob (R-statistic)	0.847534		

The test for autocorrelation is conducted using the Breusch-Pagan-Godfrey test. The Breusch-Pagan-Godfrey test is a Lagrange Multiplier Test of the null hypothesis of no serial correlation. Therefore, if the p-value of the observed R^2 is significant at the five percent level (i.e. is less than 0.05), we reject the null hypothesis. The observed R^2 of the test is 0.35 i.e. above 0.05; we thus accept the null hypothesis which connotes that the residual is free from serial correlation.

TABLE 4.11 TEST FOR HETEROSKEDASTICITY

F-statistic	14.04536	Prob. F (3, 96)	0.0000
Obs*R-squared	30.50331	Prob. Chi-Square(3)	0.0000
Scaled explained SS	196.61777	Prob. Chi-Square(3)	0.0000

Test Equation:

Dependent Variable: RESID^2

Method: Least Squares

Date: 10/12/15 Time: 20:12

Sample: 1 100

Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.065180	0.960428	-3.191471	0.0019
TAC	-0.897838	0.219148	-4.09652	0.001
TMO	0.211153	0.206066	1.024688	0.3081
TRG	2.977150	0.473696	6.284940	0.0000

R-squared	0.305033	Mean dependent var	0.811605
Adjusted R-Squared	0.283315	S.D. dependent var	3.050763

S.E. of regression	2.582692	Akaike info criterion	4.774719
Sum squared resid	640.3484	Schwarz criterion	4.878926
Log likelihood	-234.7360	Hannan-Quinn criter.	4.816894
F-statistic	14.04536	Durbin-Watson stat	1.737697
Prob (R-statistic)	0. 000000		

The test for heteroscedasticity is conducted using the Breusch-Pagan-Godfrey test. The Breusch-Pagan-Godfrey test is a Lagrange Multiplier Test of the null hypothesis of no heteroscedasticity. Therefore, if the probability of the F-statistics is seen to be significant at the five percent level of significance (probability less than 0.05), we would reject the null hypothesis that there is no heteroscedasticity. The F-statistic of the result (14.05) shows that the variable is free from heteroscedasticity.

FIGURE 4.12 PARAMETER STABILITY TEST

The parameter stability properties of the short-term model of tax morale was tested for using the cumulative sum of the residuals (CUSUM) and the cumulative sum of squares (CUSUM of squares). The results from the two tests are provide in figure 4.3.2a and 4.3.2b. The existence of parameter instability is established if the CUSUM of the residuals and the CUSUM of squares of the residuals go outside the bands represented by the two critical lines (dotted lines).

From the graph presented in figure 4.3.2 above, the CUSUM remained within the 5 percent critical line throughout the whole period thus indicating parameter stability throughout the number of observations while the CUSUM of squares in figure 4.3.2b veered off the critical lines within the 39th and 76th observation indicating parameter instability within those observations.

HYPOTHESES TESTING

The null hypothesis states that there is no significant relationship between tax accountability and tax compliance among SMEs. The t statistic of tax accountability is greater than 2 and the corresponding p-value is less than 0.05. This indicates that tax accountability has a positive and significant impact on tax compliance among SMEs. We therefore reject the null hypothesis.

HYPOTHESIS 2

The null hypothesis states that there is no significant relationship tax morale and tax compliance among SMEs. The t statistic of tax morale is less than 2 and the p-value is greater than 5%. This indicates that although tax morale has a positive relationship with tax compliance among SMEs, this relationship is not significant. Thus, we do not reject the null hypothesis.

HYPOTHESIS 3

The null hypothesis states that trust in government does not significantly affect tax compliance among SMEs. The t statistic of trust in government is greater than 2 and its p-value

Less than 0.05. This indicates that trust in government has a positive and significant effect on tax compliance among SMEs. We therefore reject the null hypothesis.

CONCLUSION AND RECOMMENDATIONS

The issue of tax compliance is one that has attracted the interest of tax pundits and governments in almost every economy of the world and this is not unconnected with the fact that they (governments) are battled with the quandary low tax compliance. Hence a quest to provide a panacea to this malady has led to a couple of breakthroughs in discovering the determinants of tax compliance behaviour. This study has revealed that the variables investigated (tax accountability, tax morale and trust in government and tax compliance) have a positive relationship. Most extant empirical findings (such as Appah & Ogbonna, 2014 and Atawodi & Ojeka, 2013) also indicted a positive relationship among these variables at various degrees.

Since tax compliance behaviour has been seen to be predicted by the variables used in this study, we therefore conclude owing to our findings that tax compliance has the tendency to rise/increase, if government becomes more transparent and accountable to the citizens/taxpayers as to the manner and objects of spending its tax revenue.

Sequel to this study, the following recommendations are put forward:

Government should make use of the electronic media in constituting an open forum for periodic interaction with the feedback to the citizens on how it has used its tax revenue. An example is the Open Forum of Osun State Government. This would stimulate the government to perform in consistence with the expectations of the citizens and thereby gain their trust.

The government should enhance the provision of basic amenities and infrastructure in order to create an environment conducive for businesses (especially SMEs) to thrive.

Anti-corruption campaigns and policies which are carried out to instill transparency and accountability must be vigorous and not apprehensive. As a matter of necessity, such policies and campaigns must be consistent in the way they are applied and should not be selective or discriminatory if they are to retain credibility.

Lastly, the tax authorities should conduct and sponsor research that would enable them understand what causes voluntary compliance among businesses and other taxpayers. This would be of immense benefit because it would enable revenue bodies understand and develop strategies that would have a sustainable impact on tax compliance behaviour.

REFERENCES

Abdul-Razak, A. & Adafula, C.J. (2013). Evaluating taxpayers' attitude and its influence on tax compliance decisions in Tamale, Ghana, Journal of Accounting and Taxation 5(3), 48-57.

Akpo, U. (2009). The people as government: imperatives of tax payment. Being a paper presented at the 1st Akwa Ibom State revenue summit.

Allingham, M.G. & Sandmo, A. (1972). Income tax evasion: A theoretical analysis. Journal of Public Economics, 1, 323-338.

Alm, J. & Gomex, J.L. (2008). Social capital and tax morale in Spain. Economic Analysis and Policy, 38(1), 73-87.

Alm, J. & Torgler,, B. (2004). Culture differences and tax morale in the United States and in Europe, Centre for Research in Economics, Management and the Arts (CREMA), online, http://www/crema.research.ch.

Andreoni, J., Erard, B. & Feinstein, J. (1998). Tax Compliance. Journal of Economic Literature, 36, 818-860.

Anyaduba, J.O. (2015). Companies Income Taxation. Class Lecture, 22nd June, Department of Accounting, University of Benin, Benin City.

Appah, E. & Ogbonna, G.N, (2014). Self-assessment scheme and revenue generation in Nigeria. Developing Country Studies, 4(10), 102-111.

Asika, N. (2000). Research Methodology in the Behavioural Sciences. Lagos: Longman.

Atawodi, O.W. & Ojeka, S.A. (2012). Factors that affect tax compliance among small and medium enterprises (SMEs) in North-Central Nigeria. International Journal of Business and Management, 7(12), 87-97.

Birskyte, L. (2014). The impact of trust in government on taxpaying behaviour of non-farm sole proprietors. Scientific Annals of the "Allexandru Ioan Cuz" University of Iasi Economic Sciences, 61(1), 1-15.

Ernst & Young, (2015). Tax transparency: Seizing the initiative. 7.

Fagbemi, O.T. & Abogun, S. (2013). Factors influencing voluntary tax compliance of small and medium scale enterprises in Kwara State, Nigeria. Department of Accounting, University of Ilorin: Kwara State.

Fakile, A.S. (2011). Analysis of tax morale and tax compliance in Nigeria. Doctoral Dissertation, Covenant University, Ogun State: Ota.

Feld, L.P. & Frey, B.S. (2002). Deterrence and tax morale: How administration and taxpayers interact. OECD Papers, 3(10), 1-19.

Frey, B.S. (1997). A constitution for knaves crowds out civic virtues. Economic Journal, 107, 1043-53.

IISD, (2015). Transparency and accountability. Retrieved from http://www. iisd.org/trade/policy/transparency.asp. On the 2nd of August, 2015

Levi, F. (1980). Tax evasion and tax compliance. In B. Boukaert, & G. DeGeest. Encyclopedia of law and Economics. Cheltenham: Edward Elgar.

Levi, M. & Stoker, (2000). Political trust and trustworthiness. Annual Review of Political Science, 3, 475-507.

Malik, T. (2010). Achieving voluntary compliance through self-assessment tax regime. Self-assessment project of the Federal Inland Revenue Service: Nigeria.

Modugu, P.K., Eragbhe, E. & Izedonmi, F.O. (2012). Government accountability and voluntary tax compliance in Nigeria. Research Journal of Finance and Accounting, 3(5), 69-77.

Nightingale, K. (2001). Taxation: Theory and Practice, London, Prentice Hall.

Transparency and Accountability Initiative (2015). Definitions. Retrieved from http://www.trasnaprency-initiative.org/about/definitions, on the 14th of July, 2015.