Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

Electronic Payment: A Determinant of Tax Revenue Generation in Nigeria

Yahaya Saadu*[1]; Muhammad Inuwa Danmalam[2]

[1]Department of Public Administration, Federal University, Gusau – Zamfara State
[2]Department of General Studies, Federal Polytechnic Daura, Katsina State

INFO ARTICLE

* Corresponding author;
yahayasaadu@fugusau.edu.ng

Keywords:
e-payment;
firs;
revenue generation;
tax legislation;
tax revenue.

ABSTRACT

This study seeks s to ascertain the effect of E-payment on Tax revenue generation in Nigeria, using Federal Inland Revenue Service (FIRS) as unit of analysis. Open Innovation theory it has been used to underpin the study. Sequential mixed method is employed and adopted; data were generated from both primary and secondary sources; descriptive and inferential statistics were used with the aid of SPSS version 23.0. It has been discovered that e-payment has positive and significant relationship with revenue generation of Federal Inland Revenue Service in Nigeria. This indicates that FIRS use electronic means in collecting revenue such credit cards i.e master card, visa card and verve card, and point of sale (POS) etc. Consequently, the study recommends that FIRS should to maintain the existing processes of e-payment of revenue such as credit cards; master card, verve card and visa card, and come up with advance additional initiative for revenue generation such as application software, which taxpayers can download and use in paying their entitlement/taxes. This would strengthen e-payment conveniences, viability, reliability, and above all FIRS reputation.

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

INTRODUCTION

Government at all levels are being saddled with one responsibility or the other of providing social welfare services to their teaming population such as schools, clinics or healthcare care centres, good roads, public conveniences, security among others. To actualize these services government require adequate revenue generation. According to World Bank (2022) revenue generation is one of the important development priorities because it enables government to sponsor investment in human capital development, infrastructure and the provision of services for citizens and businesses, as well as to set conducive atmosphere for sustainable private-sector investment. Among the sources of government revenue includes tax revenue, and this is one of the money-spinning sources of government revenue to some developed and developing countries, Nigeria is not an exception.

However, tax revenue generation in Nigeria is hindered by some impediments which include revenue leakages and corruption (Ado et al, 2021). Corruption spread through almost every sector and class of the Nigerian society, from the uppermost to the least position of authority, agencies and commissions, host of others (Inokoba & Ibegu, 2011). This vice has affected the integrity of Nigeria (Friday & Ugochukwu, 2017). Thusly, in the year 2000 the Nigeria legislature enacted an Act and then Independent Corrupt Practice and Other Related Offences Commission (ICPC) and Economic and Financial Crimes Commission (EFCC) were established to fight corruption and bring back confidence in the conduct of government businesses, instate prudent and effective management of public fund (Saadu et al, 2023). Despite these efforts the lingering issues associated with corruption revenue leakages and others have not been absolutely addressed. This has led to introduction of electronic payment in the conduct of government activities by the Federal Government of Nigeria in the year 2009 with a view to strengthen public administration and to eliminate corruption, revenue leakages and other irregularities in the Nigeria public service (Idike & Innocent, 2015).

Electronic payment has been seen as electronic transfer of cash via online transactions for business-to-business (B2B), business-to-consumer (B2C), person-to-person (P2P), and most recently administration-to-consumer (A2C) purposes. A2C payment mode addresses the payment of the government taxes (Ayodele, 2015). The relevance and usefulness of E-payment cannot be underestimated because is a convenient, safe, and reliable methods for payment of bills and other transactions by electronic means such as card, telephone, the Internet, Electronic Fund Transfer (Wahab, 2012). In addition, E-payments significantly enhance payment efficiency by reducing transaction costs and enabling trade in goods and services of very low value. However, it is on the basis of the usefulness of E-payment that this study is structured and aimed at finding the effect of e-payment on tax revenue generation in Nigeria, using Federal Inland Revenue Service as unit of analysis.

Research Question

On what capacity does e-payment affect revenue generation of Federal Inland Revenue Service in Nigeria?

Objective of the Study

Ascertain the effect of e-payment on the revenue generation of Federal Inland Revenue Service in Nigeria.

Research Hypothesis

The following hypothesis guided the study;

H0: E-payment has no significant effect on revenue generation of Federal Inland Revenue Service in Nigeria.

Concept Of Electronic Payment

Simplifying ways of handling governmental and non-governmental activities such as income and expenditure and ensuring transparency and accountability in the conduct of public and private businesses have necessitated the usage and adoption of electronic means. Electronic approach of payment can be trace back to the year 1918 on the occasion of Federal Reserve Bank of the United States of America which initiated

channelling of money through the telegraphic method. However, prior to 1972, the adoption of electronic payment mechanism was not prevalent in the USA until the consolidation of the Automated Clearing House (ACH) in 1972 (Naeem et al, 2020). Etale and Pouzigha (2020) define e-payment as the means of effecting outflow from one end to another and through the medium of the computer without manual intervention beyond inputting the payment data. Electronic payment involved Electronic Funds Transfer (EFT) that is, the movement of money between financial institutions via telecommunications networks, Automated Teller Machines (ATMs), began in the 1980s, and are form of electronic payment; every time the customer uses the ATM, it involves a transaction made over a computer network.

Merchant (2016) opines that E- Payment means a business or services process which involves transferring of money electronically from one place into another; it could be through internet banking, ATM, from stock exchange trades or just an invoice completion for some service or goods. Joseph and Richard (2015) defined Electronic payment as convenient, safe and secure methods for payment of bills and other transactions by electronic means such as card, telephone, the internet, EFT and etc. Electronic payment gives consumers an alternative to paying bills and debts by cash, cheque, money order etc. Its main purpose is to reduce cash and cheque transactions.

Wahab (2012) opine that When it comes to making electronic payments, there are series of options available to people, primarily: checks, Electronic Funds Transfer (EFT), Automated Teller Machine (ATM), (debit card, credit card and smart card), Electronic Purses/Wallets, mobile money (Mobile Banking and Money Transfer), Telephone Banking, Personal Computer Banking (Home Banking), Digitized 'E-Cash' Systems, Electronic Cheque, Online/Internet Payments and Digital Person to Person (P2P) Payments. The content of P2P exchange is usually the form of digital financial instrument such as encrypted credit card numbers, electronic checks, or digital cash that is backed by a bank or an intermediary, or by a legal tender. The e-payment/transaction in Nairobi County is used for parking fees, single business permit, rent and land rates (Mueke, 2015).

However, E-Payment is considered as most powerful medium these days as it enables exchange of good, services, information to a great extent. In addition, E-payment is convenient, safe, and reliable methods for payment of bills and other transactions by electronic means such as card, telephone, the Internet, Electronic Fund Transfer. Electronic payment or transaction also gives consumers/individuals an alternative to pay bills, fees, fines and debts by cash, cheque and money order (Wahab, 2012). It is also essential that e-payment functions well with all the supporting system (Goldfinger & Perrin, 2001). In addition, E-payments greatly increase payment efficiency by reducing transaction costs and enabling trade in goods and services of very low value. They may also increase the convenience of making payments by enabling them to be made swiftly and remotely from various devices connected to global networks.

Wahab (2012) added that E-payment is designed to help individual customers and companies/government as well as the banks itself in eliminating or reducing some of the problems inherent in the settlement and payment process. Customers/individuals can pay their bills, fess, fines and administrative charges without having to actually move to the bank's premises. They may also have access to their account information and even transfer money to other accounts in the comfort of their homes. Okiro (2015) is on the view that Modern e-payment services provide convenience in revenue that highly improve revenue collection performance and gain a competitive edge. Machado et al, (2019) Electronic payment system is useful and user-friendly and also diminished number of fraudulent attempts and activities within the payment system worldwide.

In e-payment funds are held, processed and received in the form of digital information and their transfer is initiated via electronic payment instrument. The popularity of online transactions triggers the need of robust way of payment, for which traditional payment can help (Panurach, 1996). It is important to note that online transactions are done either with credit card or with debit card. These day online wallets have been gaining acceptance. However, it is equally important that e-payment need to be safe, efficient and should be easy in use (Abrazhevich, 2004). However, the electronic payment system otherwise called e-payment was introduced by

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

the Federal Government of Nigeria in the year 2009 to further strengthen administration and to eliminate corruption in the public service (Idike & Innocent, 2015).

Types E-payment

Joseph and Richard (2015) classify e-payment within the Nigeria context into two forms, which are; (i) End to End processing, here, all the processes from approvals to the receipt of value by the beneficiary are done electronically. (ii) Manual e-payment or use of Mandate, it is the mixture of manual and electronic process where the available infrastructures cannot support the End to End processing.

Techniques of E-payment

Naeem et al, (2020) enumerated four techniques of electronic payment which are debit card, smart card, credit card and electronic-cash.

Debit card

It is one of the most used electronic payment devices; it utilizes banking through the internet and the Automatic Teller Machine (ATM) card. Users of the debit card are enabled to make instant payment for products bought or service rendered via the bank. Money is secured in banks and will be withdrawn only when the users of the Debit Card make any purchases through its use by authorizing the bank to make such transaction. There are two kinds of Debit Cards; online and offline cards.

Smart card

It is a card that made of plastic and embedded with a microchip, with information such as the amount of money, details of an individual and can be pre-loaded, with the ability to execute immediate payments. The user is provided with a validated PIN by the service provider. In order to assure the protection of data within these cards, the encoded information is stored within them and possesses great processing speed. Examples of this kind of card are the VISA and Mondex cash cards.

Credit Card

Credit cards are been circulated to customers by financial institutions to perform payments via online means. It is the commonly utilized e-payment system. However, it is not suitably used for making transaction on petty value.

E-cash

It was initiated and presented as an alternative to credit cards for making payments and transactions through the internet. It is a form of Electronic Payment Systems that allow users to carry out transactions through a device via online means, with the funds in a repository. E-cash is money in a digital format, utilizing pre-installed software on the customer's computer that enables transactions to be made.

It can be deduce from the above submission that The dominant traditional payment methods that utilize cash are progressively being relegated and systematically taken over by the payment method that utilizes digital means or computer age and if e-payment is successfully implemented will actually overcome the challenges of corruption earlier experienced because of it reliability and therefore enhance or boost optimal revenue collection of government.

Tax Revenue

Government generate fund from different means to carry out diverse socio-economic development policies/programmes for the betterment of its citizenry, among is taxation and this taxation is considered as an important source of government revenue around the world (Ezejiofor & Ezekwesili, 2022; Gayam et al, 2019). Tax is opined as a unavoidable levy imposed by the government through its agents on its subjects or his property (earnings, spending or manufacturing of goods and services) to provide essential public goods and services

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

(Saadu et al, 2023) in line with legislative provision (Appah, 2011).Tax revenue is basically referred to the income that are compulsory and unreturned collected by governments through levy, and they are not paid as direct return for a specific good or service provided or rendered by the government (Mourre & Reut, 2017). Conversely, Nigeria tax system is historical dates back to 1904 when the personal income tax was introduced in northern Nigeria before the amalgamation, through the Native Revenue Ordinances 1917 the West, the Direct Taxation Ordinance No. 4 of 1940 to Income Tax Management Act (ITMA) of 1961 and the various tax reforms till date (Ojo & Oladipo, 2017; Odusola, 2006). Good taxes meet four major criteria. They are (1) proportionate to incomes or abilities to pay (2) certain rather than arbitrary (3) payable at times and in ways convenient to the taxpayers and (4) cheap to administer and collect (Smith, 2015). However, tax system in Nigeria is made up of tax laws, tax policy and, tax administration and collection (Ojo & Oladipo, 2017).

Tax legislation in Nigeria

Tax administration is concerned with the administration, management, conduct, direction, and supervision of the execution and application of tax legislation or related statutes and the ability of government to control tax determines the availability of revenue via taxation for the business of governance (Ezejiofor & Ezekwesili, 2022; Pantamee & Mansor, 2016; Bird, 2015).Tax in Nigeria is administer by the three tier of government namely federal, state and local government (Kiabel & Nwokah, 2009).

Taxes and Levies to be collected by the Federal Government consist of: Petroleum Profits Tax; Value Added Tax; Company Income Tax; Withholding Tax - on Companies, residents of the Federal Capital Territory, Abuja and non-resident individuals; Education tax; Capital gains tax – on residents if the Federal Capital territory, Abuja, bodies corporate and non-resident individuals; Stamp Duties on bodies corporate and residents of the Federal Capital territory, Abuja; Personal Income Tax in respect of (a) members of the armed forces of the Federation; (b) Members of the Nigeria Police Force, (c) residence of the Federal Capital Territory, Abuja; and, (d) staff of the Ministry of Foreign Affairs and non-resident individuals; National Information Technology Development Levy (Saadu et al, 2023; Oyedokun, 2020; CFRN, 1999).

Taxes and Levies to be collected by the State Government include: Personal income tax in respect of Pay-as-You-Earn (PAYE) and direct taxation (Self-assessment); Withholding tax (individuals only); Capital gains tax (individuals only); Stamp duties on instruments executed by individuals; Pools betting and lotteries, gaming and casino taxes; Road taxes; Business premises registration fees in respect of urban and rural areas which includes registration fees and per annum renewals as fixed by each state; Development levy (individuals only); Naming of street registration fees in the state Capital; Right of occupancy on lands owned by the state Government in urban area of the State; Market taxes and levies where State finance is involved; Land Use Charge where applicable; Hotel, Restaurant or Event Centre Consumption Tax; Entertainment tax where applicable; Environmental levy; Mining, Milling and quarrying fee; Produce Sales Tax. Slaughter or Abattoir fees, where state finance is involved; Fire Service Charge; Economic Development Levy; Social Service Contribution Levy (Gayam et al, 2019; CFRN, 1999).

Taxes and levies to be collected by Local Government are: Shops and kiosks rates; Tenement rates; On and Off Liquor Licence fees; Slaughter slab fees; Marriage; birth and death registration fees; Naming of street registration fee, excluding any street in the State Capital; Right of Occupancy fees on lands in rural areas, excluding those collectables by the Federal and State Governments; Market taxes and levies excluding any market where State finance is involved; Motor Park levies; Domestic animal licence fees; Bicycle, truck, Canoe, wheel barrow and cart fees, other than a mechanically propelled truck; Cattle tax payable by cattle farmers only; Radio and television licence fees; Wrong parking charges; Public conveniences, sewage and refuse disposal fees; Customary burial ground permit fees 20. Signboard and Advertisement permit fees (CFRN, 1999).

It is important to note that the Federal Government taxes are collect, assess and account by the Federal Inland Revenue Service (FIRS), while taxes payable to the State Government and Local Government are administered by the various State Boards of Internal Revenue (SBIRS), and the revenue mainly for local government are taken care by various Local Government Revenue Committees (Okauru, 2012).

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

Objectives of Taxation

Government collect taxes for a diverse reasons or purposes (Saadu et al, 2020; Okoye & Ezejiofor, 2014). Among the logic behind taxation in Nigeria is revenue generation, government uses taxation as one of its sources of revenue with a view to finance its activities and for the welfare of the society (Sani, et al 2020). Adequate revenue generation is crucial for economic development, growth, and for better standard of living of inhabitants (Clegg & Gregg, 2010). But Ogbeifun (2019) is on the view that government imposed tax on individuals or entity in order to provide public goods, such as national defence/security, public parks, roads, health care centres host of others. These goods or services in as much as provided the can be consumed by a number of individuals concurrently without diminishing the value of consumption to any other person, group of persons or preventing an individual, group of individuals from consuming the good. While Robert (2017) is on the opinion that Government collect tax in order to transfer income and wealth (including physical property) from some group of individuals (rich) to others (poor). Most of government policies on redistribution of income and wealth can be categorized either as transfers or regulation. Transfers can be divided into transfers from individuals i.e taxes and transfers to individuals i.e subsidies, the income tax is a good example of transfer from taxpayers to the government, while unemployment benefit is an example of a transfer from the government to individuals.

Theoretical Framework

Open innovation theory was promoted by Henry Chesbrough in the year 2003, a professor and equally a faculty director of the Centre for Open Innovation of the HAAS School of Business at the University of California, and MaireTecnimont Chair of Open Innovaction at Luiss (Chesbrough, 2003). It is also added that Innovation is the successful application of new ideas resulting from organizational processes in which different resources are combined (Dodgson et al, 2014). This combination of various resources is a multi-stage process leading to improved services, processes as well as revenue generation which organisations seek to differentiate themselves on the market or from one another (Baregheh et al, 2009).

The Open Innovation theory also beliefs ideas are generated both inside and outside the organisation or focal firm. These ideas may solve organisational problems or obstacles and enable the organisation to accomplish the essence of its existence. However, Open Innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets/ideas for external use of innovation, correspondingly. In addition Open Innovation processes combine internal and external ideas to make a relationship between present accomplishments and past experiences to solve a future problem. This is often associated with technological feats and it play a critical role in the world economy as it gives room to problem-solving ways, exploiting new resources or using the existing resources in a more efficient and effective way (Tuomi, 2009).

METHODOLOGY

The study found sequential mixed method relevant and adopted it. The population of this study covered all the staff of Federal Inland Revenue Service and their total number was eleven thousand nine hundred and fifty six (11,956). Krecie and Morgan sampling-size table was used in determining the sample size of the total population and the table size is 370. In order to capture respondents and provide for error may occur from respondents, additional 10% was added to the calculated sample size as suggested by Israel (2013). The 10% of 370 is 37. Therefore, the sample size of the study is 407. Both descriptive and inferential statistical tools of analysis were employed for the test of the hypothesis postulated through the use of SPSS version 23.0.

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

Data Presentation and Analysis

Table 1. Revenue generation are done electronically in FIRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	1.6	1.6	1.6
	Disagree	18	4.8	4.8	6.3
	Undecided	19	5.0	5.0	11.4
	Agree	141	37.3	37.3	48.7
	Strongly Agree	194	51.3	51.3	100.0
	Total	378	100.0	100.0	

Source: Researcher's Survey, 2023

Table 1 illustrate that 6 respondents constituting 1.6% strongly disagree that, revenue generation are done electronically in FIRS, 18 (4.8%) respondents disagree, and 19 (5.0%) respondents were undecided. On the other hand, 141 respondents representing 37.3% agree that revenue generation is done electronically in FIRS, and 194 (51.3%) respondents strongly agree. From the foregoing majority of the respondents strongly agreed that revenue generation are done electronically in FIRS. Payment of revenue by taxpayers are done either through inters witch, transact, using automated teller machine (ATM), online payment, point of sell (POS), to mention but a few.

Table 2. E-payment is a convenient method for revenue generation in FIRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.1	1.1	1.1
	Disagree	6	1.6	1.6	2.6
	Undecided	25	6.6	6.6	9.3
	Agree	107	28.3	28.3	37.6
	Strongly Agree	236	62.4	62.4	100.0
	Total	378	100.0	100.0	

Source: Researcher's Survey, 2023

Table 2 establish that 4 respondents representing 1.1% strongly agree that, e-payment is a convenient method for revenue generation in FIRS, 6 (1.6%) respondents disagree, and 25 respondents consisting of 6.6% were undecided. While 107 (28.3%) respondents agree that e-payment is a convenient method for revenue generation in FIRS, 236 respondents constituting of 62.4% strongly agree. From the data presented its shows that majority of the respondents strongly agreed that e-payment is a convenient method for revenue generation in FIRS. Considering the varieties of taxes under the authority of FIRS and the number of taxpayers expected to be paying taxes to government for developmental programmes, e-payment is the best because it allow taxpayers to pay their entitlement at any place they are, as soon as it is due for payment. This discourages manual/desk payment, going to FIRS office which may be congested, time consuming and inconvenient to many taxpayers. However, FIRS introduced Merchant Buyer Solution (e-Invoice) that shall be used all Value Added Tax (VAT) registered taxpayers' businesses to manage the issuance of e-invoices.

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

Table 3 E-payment is a reliable method for revenue generation in FIRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	1.3	1.3	1.3
	Disagree	14	3.7	3.7	5.0
	Undecided	57	15.1	15.1	20.1
	Agree	138	36.5	36.5	56.6
	Strongly Agree	164	43.4	43.4	100.0
	Total	378	100.0	100.0	

Source: Researcher's Survey, 2023

Table 3 reveal that 5 respondents constituting of 1.3% strongly disagree that e-payment is a reliable method for revenue generation in FIRS, 14 (3.7) respondents disagree, 57 (15.1%) were undecided. However, 138 respondents signifying 36.5% strongly agree that, e-payment is a reliable method for revenue generation in FIRS, and 164 (43.4%) strongly agree. Finding shows that majority of the respondents strongly agreed that e-payment is a reliable method for revenue generation in FIRS. The reliability of the e-payment can be view from discouraging third party, because payment is done directly to the government account without passing or collecting by an individual (agent, staff) which may give room for corruption, tax avoidance and tax evasion, among others.

Table 4. E-payment block revenue generation leakages in FIRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	36	9.5	9.5	9.5
	Disagree	10	2.6	2.6	12.2
	Undecided	40	10.6	10.6	22.8
	Agree	118	31.2	31.2	54.0
	Strongly Agree	174	46.0	46.0	100.0
	Total	378	100.0	100.0	

Source: Researcher's Survey, 2023

Table 4 confirm that 36 respondents consisting of 9.5% strongly disagree that, e-payment block revenue generation leakages in FIRS, 10 (2.6%) respondents disagree, 40 respondents representing 10.6 were undecided, 118 (31.2%) agree that, e-payment block revenue generation leakages in FIRS, also 174 respondents constituting 46.0% strongly agree. From the data presented, it disclose that majority of the respondents strongly agreed that e-payment block revenue generation leakages in FIRS. This is because payment of taxes is only accepted via electronic means; as such there is no third party when it comes to payment.

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage : : https://jurnal.fisip.untad.ac.id/index.php/JPAG

Table 5. E-payment ensure accuracy in revenue generation of FIRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	6.9	6.9	6.9
	Disagree	34	9.0	9.0	15.9
	Undecided	40	10.6	10.6	26.5
	Agree	102	27.0	27.0	53.4
	Strongly Agree	176	46.6	46.6	100.0
	Total	378	100.0	100.0	

Source: Researcher's Survey, 2023

Table 5 shows that 26 respondents representing 6.9% strongly disagree that e-payment ensure accuracy in revenue generation of FIRS, 34 (9.0%) respondents disagree, 40 respondents constituting 10.6% were undecided, while 102 (27.0%) agree that e-payment ensure accuracy in revenue generation of FIRS, and then 176 respondents consisting of 46.6% strongly agree. This reveal that majority of the respondents strongly agreed that e-payment ensure accuracy in revenue generation of FIRS. To support this, electronic devices do not make mistakes, meaning if you pay N10,000 it will not add or subtract, it will be the way it is. Unlike manual where by the third party can remove a certain amount and claim it was a mistake during counting what is due as tax.

Table 6 E-payment enhances transparency in revenue generation of FIRS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	38	10.1	10.1	10.1
	Disagree	16	4.2	4.2	14.3
	Undecided	40	10.6	10.6	24.9
	Agree	123	32.5	32.5	57.4
	Strongly Agree	161	42.6	42.6	100.0
	Total	378	100.0	100.0	

Source: Researcher's Survey, 2023

Table 6 illustrate that 38 (10.1) respondents disagree that, e-payment in enhances transparency in revenue generation of FIRS, 16 out of the respondents representing 4.2% disagree, 40 respondents constituting 10.6% were undecided. However, 123 (32.5) respondents agree that e-payment enhances transparency in revenue generation of FIRS, meanwhile 161 respondents representing 42.6% strongly agree. It can be deduce from the data at hand that majority of the respondents strongly agreed that e-payment enhances transparency in revenue generation of FIRS.

Test of Hypothesis

Table 7.Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.670[a]	.448	.447	2.39289	1.387

a. Predictors: (Constant), e-payment
b. Dependent Variable: revenue generation

Volume 7 Nomor 1April 2025

Journal of Public Administration and Government

journal homepage:: https://jurnal.fisip.untad.ac.id/index.php/JPAG

Table 7 shows a coefficient of correlation ® value of 0.670 which is a very strong positive correlation. The table equally illustrate that the model is reasonably fitted at R Square value of 0.44 (44%). This discloses that the independent variable is capable to explain the changes in revenue generation by 44% while remaining 56% can be taken care of by other variables that are not been captured in the study. The adjusted R-square compensates for the model complexity to provide a fairer comparison of model performance. The result is supported by the value of the adjusted R2 which is to the tune of 0.507 showing that if the entire population was used, the result will deviate by 0.4% (60.2-59.8). Also, Durbin-Watson statistics of 1.387(close to 2) implies absence of auto-correlation problem in the residuals of regression analysis. The DW statistic ranges from zero to four, with a value of 2.0 indicating zero autocorrelation. Values below 2.0 means there is positive autocorrelation and above 2.0 indicates negative autocorrelation.

Table 8. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.437	.728		11.594	.000
	e-payment	.580	.033	.670	17.486	.000

a. Dependent Variable: revenue generation

The hypothesis stated that e-payment has no significant effect on the revenue generation of Federal Inland Revenue Service. However, the results from table 8 shows that e-payment has positive and statistically significant effect on the revenue generation of Federal Inland Revenue Service. The statistical analysis prove a coefficient of 0.580 and p-value of 0.000, which is less than 0.05 of confidence level, and this means the relationship between e-payment and revenue generation is significant. With this result we can confidently reject the null hypothesis and accept the alternate which stated that e-payment has significant effect on revenue generation of federal inland service.

DISCUSSION OF RESULTS/FINDINGS

E-payment and Revenue Generation

E- Payment is one of the organizational/individuals' effective means of business or services process which involves transferring of money electronically from one place into another, it greatly increase payment efficiency by reducing transaction costs and enabling trade in goods and services of very low value. It also increase convenience of making payments by enabling them to be made swiftly and remotely from various devices connected to global networks and it is equally safe and reliable methods for payments. Evidence from the results of table 8 shows that e-payment has positive and significant relationship with revenue generation of Federal Inland Revenue Service. This indicates that FIRS use electronic means in collecting revenue such credit cards i.e master card, visa card and verve card, and POS etc. Consequently FIRS introduced TAX PRO MAX, Merchant Buyer Service (MBS) which are software that would ease taxpayers' self assessment processes and payment of taxes to the federal government.

CONCLUSION

Initiation and implementation of social and economic development programmes generally rely on availability of fund at the disposal of government. Because no any meaningful project that can be executed or carry out for national development without adequate fund, this is only possible through revenue generation. Conversely, sufficiency of government fund depends largely on its initiative to harness extensively the existing sources of revenue and creativity to explore more sources of revenue as well as innovation to block revenue leakages and other irregularities. The merit of creativity, initiative and innovation would discourage the federal

government from borrowing from international organisations such as IMF, World Bank among others, even from other foreign advance countries such as China, Japan and the rest. Thusly, it would earn more respect for the country as it will be self reliant and financially independent. The FIRS was making every effort possible to meet with international practice on tax administration and equally been innovative and creative in revenue generation of government. For instance FIRS initiate online self assessment, payment via electronic means such ATM, credit card, POS, online payment, interswitch and are all possible after generating payment reference number, it also innovated in house software for revenue generation i.e. TAXPRO MAX and Merchant Buyer Service (MBS).

RECOMMENDATION

The conveniences and viability of e-payment on revenue generation of FIRS cannot be overemphasized because it has helped a lot in blocking revenue leakages and other abnormalities in revenue generation of FIRS. In order to ensure and enhances positive outcome on revenue generation that can be use in capacity building and provision of essential public goods and services for national development, this study recommended that FIRS should continue to maintain the existing processes of e-payment of revenue such as credit cards; master card, verve card and visa card, and come up with advance additional initiative for revenue generation such as application software, which taxpayers can download and use in paying their entitlement/taxes. This would strengthen e-payment conveniences, viability, reliability, and above all FIRS reputation.

REFERENCES

Abrazhevich, D. (2004). Electronic payment systems: A user-centered perspective and interaction design. Dennis Abrazhevich.

Appah, E. & Appiah, K. Z. A. (2010). Fraud and Development of Sound Financial Institutions in Nigeria. *Nigerian Journal for* Development *Research,* Volume 1 (1): 49 – 56

Baregheh, A., Rowley, J., & Sambrook, S. (2009). Towards a Multidisciplinary Definition of Innovation. *Management Decision*, 47(8), 1313–1339.

Bird, R. (2015). Improving Tax Administration in Developing Countries. *Journal of Tax Administration, 1(1).*

Chesbrough, H. W. (2003). Open Innovation: The New Imperative for Creating and Profiting from Technology. Boston: Harvard Business School Press. ISBN 978-1578518371.

Clegg N. & Greg C (2010). Decentralisation and the Localism Bill: an essential guide. London: HM Government

Dodgson, M., Gann, D., & Phillips, N. (2014). The oxford Handbook of Innovation Management. Oxford: Oxford University Press.

Etale, L. M. &Pouzigha, Y.A. (2020). Effect of Electronic Payment Systems on Payroll Fraud Prevention in Selected Ministries in Bayelsa State Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences 10, (3),* pp. 38–51

Ezejiofor, R. A. & Ezekwesili, T. P. (2022). Effect of Taxable Income on Unemployment Rate in Nigeria. *African Journal of Business and Economic Development* ISSN: 2782-7658 vol. 2, issue 3

Friday, O. C. & Ugochukwu,O. H (2017) Corruption and Effective Public Service Performance in Nigeria International *Journal of Advanced Studies in Economics and Public Sector Management Volume 5 No 3 (71-72).*

Ganyam, A. I., Ivungu, J. A. & Anongo, E. T. (2019). Effect of Tax Administration on Revenue Generation In Nigeria: Evidence From Benue State Tax Administration (2015-2018), *International Journal of Economics, Commerce and Management Vol. VII, Issue 7, ISSN 2348 0386*.

Idike, A.A. & Innocent, (2015). Electronic Payment Systems and the N10 Million Cheque Limit Policy in Nigeria: Benefit and Challenges. *Journal of Policy and Development Studies 9,* 4), PP. 146- 160.

Inokoba, P.A. & Ibegu, W.T. (2011). Economic and Financial Crime Commission (EFCC) and Political Corruption Implication for the Consolidation of Democracy in Nigeria. *Anthropologist*, 13(4),

Israel, G. D. (2013). Determining Sample Size, Program Evaluation and Organization Development, University of Florida PEOD-6

Joseph, O. & Richard, I. (2015). Electronic Payment System in Nigeria: Its Economic Benefits and Challenges *Journal of Education and Practice* .Vol.6, No.16, 2015 ISSN 2222-1735 (Paper) ISSN 2222-288X (Online)

Kiabel, D. & Nwokah, G. (2009). Boosting Revenue Generation by State Governments in Nigeria: The Tax Consultant Option Revisited. *European Journal of sciences, 8(4),* 234-241. Retrieved from http://www.eurojournals.com/ejss_8_4_02.pdf

Machado, G. G., Robert C., Vincent F., & Gareth, C. (2019). Resistively Loaded FSS Clad Thermal Blankets for Enhanced RF Space Communications *International Conference on Electromagnetic in Advanced Applications (ICEAA)* p. 0048- 0052 2019.

Merchant (2016). Electronic Transaction http://eumerchantaccount.com/what-is-an-e-transaction/

Mourre, G. & Reut, A. (2017) Non tax revenue in the European Union: a source of fiscal risk Luxembourg: Publications Office of the European Union http://ec.europa.eu/economy_finance/publications/. ISBN 978-92-79-64879-3 (online) ISBN 978-92-79-64880-9 (print) doi:10.2765/63789 (online) doi:10.2765/429235 (print)

Mueke, J. (2015). Nairobi County increases, Nairobi: KBC

Naeem, M., Hameed, M., & Taha, M. S. (2020). A study of Electronic Payment system 1st International Symposium on Engineering and Technology IOP Conf. Series: Materials Science and Engineering 767 doi:10.1088/1757-899X/767/1/012008

Ogbeifun, I. E., Ajetunmobi, T., P., Moronkeji, T. A., & Adindu, G. C. (2019). Revenue Generation and Economic Growth of Nigeria. *International Journal of Current Research Vol. 11, Issue, 07, pp.5786-5792, July,* DOI: https://doi.org/10.24941/ijcr.35972.07.2019 ISSN: 0975-833X

Ojo, A. E. & Oladipo, F. O. (2017). Tax and Taxation in Nigeria: Implications on the Construction Industry Sector. *International Journal of Civil Engineering, Construction and Estate Management Vol.5, No.4*

Okauru, I. (2012). Federal Inland Revenue Service and Taxation Reforms in Democratic Nigeria. Oxford: African Books Collective.

Okiro, A. (2015).The Effect of E-Payment System on Revenue Collection By The Nairobi City County Government. Unpublished Research Project Submitted In Partial Fulfilment of the Award of Degree of Master of Business Administration, School Of Business, University Of Nairobi

Okoye, P. V.C., & Ezejiofor R.A. (2014). The impact of e-taxation on revenue generation in Enugu, Nigeria. *International Journal of Advanced Research*, 2(2), 449-458. Journal homepage: http://www.journalijar.com

Oyedokun, G. E. (2020). Overview of Taxation and Nigerian Tax System. Diamond Prints & Design, ISBN: 978-978-978-734-0

Pantamee, A., & Mansor, M. (2016). A Modernize Tax Administration Model for Revenue Generation. *International Journal of Economics and Financial Issues, 6(57), 192-196.*

Panurach, P. (1996). Money in Electronic Commerce: Digital Cash, Electronic Fund Transfer, and e-cash. Communications of the ACM, 39(6), 45-51

Robert, O. I. (2021). Public Funds Management in Nigeria: The Praxis and Prognosis of Treasury Single Account Policy (2015-2019). *American Journal of Management Science and Engineering, Volume 6(1): ISSN: 2575-193X (Print); ISSN: 2575-1379 (Online) doi: 10.11648*/j.ajmse.20210601.14. http://www.sciencepublishinggroup. com/j/ajmse

Saadu Y., Nuhu, T. I., Abubakar, T. J., & Umar, A. U. (2020). Impact of Human Capital Strength on the Performance of Internally Generated Revenue of Kaduna North Local Government Area of Kaduna State" Social and Administrative sciences Review *UMYU Journal of the Faculty of Social and Management Sciences* Volume 6 Number 1 Page 110-123 ISSN 2545-5826

Saadu, Y., Haruna, Y., & Idris A. J. (2023). Effect of Transparency on Revenue Generation Capacity of Federal Inland Revenue Service *Fugus Journal of Public Administration and Management Vol.2, Issue 1, October, 2023* Page 41-54 ISSN 2811-1699 (Print)

Sani, K., Sa'adu, Y., Dahiru, S. & Umar, A. Y. (2020). Effects of Internally Generated Revenue Efforts on Taxable Capacity of Giwa and Sabon Gari Local Government Areas of Kaduna State. *Journal of Management Sciences Volume 1, No 1, January - June* 428

Tuomi, I. (2009). Theories of Open Innovation, http://www.meaningprocessing. com/personalPages/tuomi/

Wahab, Y. A. (2012). The Adoption and Use of Electronic Payment Systems in Ghana. A Case of E-Zwich in the Sunyani Municipality. Unpublished Commonwealth Executive Masters in Business Administration Thesis. Kwame Nkrumah University of Science and Technology.

World Bank (2022). Taxes and Government Revenue **https://www.worldbank.org/en/topic/taxes-and-government-revenue**