An Assessment of Revenue Generation Benefits: Perception of Street Hawkers in Damaturu Metropolis, Nigeria

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Abstract- The research was conducted using descriptive and inferential statistics, which supported the research in generalizing and generating conclusions. The study is focused on the benefits that the street vendor receives from the government-generated tax. The distribution of questionnaires, interviews, and focus group discussions (FGD) to respondents from the sampled study region inside the city served as the data collection tool for this particular research. The collected data was then analyzed in a statistical package for social sciences (SPSS). Hawkers within the streets of the city were the research's target population and the information gathered were analyzed using a tool. The study found that raising money and putting it to use had a significant emotional impact on how the average person lives. It is advised that the government clearly identify the core objectives of its tax system and how those objectives connect to one another in order to decrease the prevalence of tax evasion and avoidance. This will provide tax administrators a sense of direction and educate taxpayers about the significance of paying their taxes on time, especially those who are ignorant of how much tax they are liable for. Additionally, those who fail to pay their taxes on time should face harsh penalties.

Indexed Terms- Assessment, Benefits, Hawkers, Metropolis, Revenue, Street.

I. INTRODUCTION

Tax revenue refers to the money received as a result of tax laws. Oil income (which includes revenue from royalties, petroleum profit tax (PPT), and gas tax) and non-oil revenue are the two main categories into which revenues coming to an economy, such as Nigeria's, can be split (includes trade, loans, direct and indirect taxes paid by other sectors of the economy, aids, agriculture etc). In spite of national disparities, the requirement for tax payments has been a phenomena of worldwide relevance (Oboh & Isa, 2012). A tax is a charge or levy imposed by the government on a good, an earnings, or an activity. Taxation is primarily used to fund government spending and wealth redistribution, which translates to funding national development (Ola, 2001, Jhingan, 2004, Musgrave & Musgrave, 2004, Bhartia, 2009). The point made by Kiabel & Nwokah (2009) is that all levels of government in Nigeria must now develop measures to broaden the income base. This is a result of both decreased revenue and growing operating costs for the government. Tax is a compulsory levy imposed by a public body on the income and properties of persons and organizations as stated by governmental Decrees, Acts, or Laws, regardless of the specific amount of service provided by the payer in return (Omotoso, 2001). Tax payments are made in place of a direct exchange of products and/or services in order to meet some of the economic and social aims of the nation. They represent a shift of funds and resources from the private to the public sectors (Okpe, 2000). Regardless of the dominant ideology or political system of a country, government collects taxes in order to provide effective and steadily expanding non-revenue producing services, such as infrastructure education, health, communications system, employment opportunities and essential public services. (2012) Tax Justice Network (TJN).

But in Nigeria, businesses must pay a variety of taxes to all levels of government (Chartered Institute of Taxation of Nigeria, 2002). One of the most effective tools at the disposal of every government for promoting and directing its economic and social development is the tax system. The Federal Inland Revenue Services are responsible for managing the corporations' income tax (CIT) in Nigeria (FIRS). All businesses are required to pay the tax at the rate specified by the Companies Income Tax Act (CITA). The money generated by this tax system has decreased over time as businesses circumvent the procedure because they believe the tax is unfair (Onaolapo 2013). The fundamental purpose of taxation is to raise enough money to improve the standard of living for the populace. Nigeria's economy has remained in a terrible situation despite the fact that the opposite has been true; macroeconomic statistics reveal that the country's economy is severely lacking in resurrection, reformation, and rejuvenation (Olashore, 1999).

Taxpayers frequently evade and avoid paying taxes in Nigeria, which lowers government revenue and, in turn, increases government spending. This results in lower income savings and spending among families and businesses, which lowers economic activity and economic growth. Even though the governments of Nigeria get money through PPT, customs and excise fees (CED), CIT, and other sources, they continue to lament having insufficient finances to cover costs for things like housing, transportation, agriculture, health, power, road development, national defense, etc. The relationship between taxation (PPT, CIT, and CED) components and economic growth in Nigeria is a crucial question that is raised by the current situation. In an effort to respond to the points raised above, some researchers claim that taxation has considerably aided Nigeria's economic development while others disagree. According to these views, it is vital to look into how CIT affects FIRS's overall revenue production in order to understand how the Nigerian economy can flourish despite widespread tax fraud and avoidance. The main thrust or objective of the study was to examine the benefits of compulsory levy generation the economic growth of street hawkers in Damaturu, Nigeria.

The study's objective is to offer empirical support and add to the body of literature already in existence in Nigeria and around the globe. Given Nigeria's declining oil revenues, the report will be helpful to the federal government of Nigeria. The results of this study will help the government develop effective policy frameworks that would ensure high-quality tax collection from businesses, stop revenue leakages, and boost the country's Gross Domestic Product (GDP). Additionally, the study will help the authorihies understand the current trend of tax money going into the state's coffers and how such performance may be further enhanced to promote both economic and social development. It will also evaluate whether or not government monetary and fiscal policies have an impact on how well the enterprises function. Finally, the results will contribute to ongoing research.

II. REVIEW OF RELATED LITERETURE

2.0 Conceptual Issues

2.1 Concept of Revenue

Taxes are a non-punitive but necessary transfer of resources from the public to the private sectors that are levied against individuals' personal income, corporations, and institutions without the promise of immediate returns on the money spent on taxes (Ofishe, 2015). The idea is sometimes known as a forced transfer of resources from other systems to the government (World Bank, 2000). According to Adeyeye (2004), taxes are a taxpayer's responsibility since they represent a fair contribution to the available funds that the government must spend to build the infrastructure that its citizens need. Tax was defined by Miller and Oats (2006) as the statutorily determinable amount that was required from productive activities of an individual or corporate body by a legal authority for the provision of public goods and services.

2.2 concept of Economic Growth and Development

Economic growth is characterized by a long-term, steady increase in the net national product or per capita national product (Dwivedi, 2004). This implies that the rate of growth of the overall output must be larger than the rate of growth of the population. According to Igbasan (2017), another metric of economic growth is the proportion of the nation's gross domestic product that is made up of goods and services that a respectable number of people urgently require. The four key indicators of national resources, human resources, technological advancement, and capital formation, according to him, may all be used to measure economic progress. Economic growth is the increase in a country's production of goods and services, often known as the growth of the Gross National Product (GNP). Economic growth has been defined as the progressive process through which the economy's productive capacity is increased through time in order to raise the production and income of a country (Todaro & Smith, 2006). Macroeconomic policies, such as those relating to taxation, investment, government spending, currency rates, interest rates, and consumption, have a significant impact on the rate of growth as well as changes in the economic growth of any country. Economic development is the development of economic wealth of countries or regions for the well-being of their inhabitants. From a policy perspective, economic development can be defined vices as efforts that seek to improve the economic wellbeing and quality of life for a community by creating jobs and supporting or growing incomes and the tax base. Economic development implies improvements in a variety of indicators such as literacy rates, life expectancy, and poverty rates. GDP is a specific measure of economic welfare. Economic development encompasses policies that governments undertake to meet broad economic objectives such as price stability, high employment, expanded tax base, and sustainable growth.

2.3 Nigerian Tax System and administration

The tax system is the process of collecting taxes that combines a number of laws, rules, and regulations with the administration's administrative organs to generate revenue for the government (Abegunde, 2010). The tax system in use in Nigeria entails a number of tasks, including implementing tax legislation, tax administration, and tax policy (Adesola, 2004). According to current Nigerian legislation, the federal, state, and local governments, each of which has specific authority outlined in the taxes and levies Act of 1998, are responsible for enforcing taxation (Abubakar, 2008). According to Bariyiman & Gladson (2009), the various tax authorities in Nigeria carry out tax administration in accordance with the appropriate tax laws. Section 100 of the Personal Income Tax Decree, 1993, as revised by Finance Decree No. 18 defines "tax authority" as (Miscellaneous Taxation Provisions) Governments use a three-tiered tax system for their budgetary policies, with the federal, state, and local governments each having their own tax jurisdiction (Enahoro & Olabisi, 2012). The distortions, needless complexity, and nearly endless number of unfair tax regulations that only partially apply to the economy's dominant informal sector characterize the Nigerian tax system (Odusola, 2006).

2.4 The Connection between Taxation and Economic Growth

Every country's tax structure significantly affects other macroeconomic indicators. Between industrialized and emerging nations, this truth is often more obvious. The literature demonstrates that the level of economic development has a discernible impact on a country's tax base and that the goals of tax policy change as the level of development changes (Kiabel & Nwokah, 2009). Economic policymakers need a crucial stability tool because tax policies have a big impact on economic capabilities at both the micro and macro levels. People's economic behavior, such as their decisions to save, work, and invest, is greatly influenced by the amount of tax revenue in any country. This has a significant impact on how the economy of the nation is positioned (Ola, 2001). Adereti (2011) claimed that while there is much budgetary arm-twisting caused by the rising need for government spending, there is less scope for boosting tax collection in many developing countries. The government has access to a number of tax measures that can be used to generate sufficient tax income, including corporate and personal taxes, value added taxes, custom and excise duties, capital gain taxes, withholding taxes, etc. Despite the repeated setbacks the economy has had, the Federal Government's current emancipation strategy for the Nigerian economy shows that the nation is evolving into a secure location for investment (Unegbu & Irefin, 2011).

III. METHODOLOGY

The purpose of this study is to ascertain the connection between the advantages street sellers in Damaturu receive and the money they bring in for the city. Using a longitudinal research methodology, a sample of six hundred and sixty three (663) vendors was randomly chosen from the study's overall population in order to achieve this purpose. Data were gathered from the sampled population through primary sources, such as interview schedule techniques, in order to get their original viewpoints and information. The numbers obtained are regarded as accurate because they were validated by professionals and other regulatory bodies before being published. As a result, this information is quite reliable and ought to achieve the objectives of the study. The information acquired was provided in the order that it was listed in the research questions, which included everything from demographics to thematic parts from the respondents at the analysis and decision rule.

3.1 Population and sample frame Table

S/No.	*Location(s)*	*Female Hawkers*	*Male Hawkers*	*Total*
1	Nayinawa	19	11	30
2	Tashan Maduri	21	9	30
3	Waziri Ibrahim	19	13	32
4	Commissioner Quarters	11	9	20
5	Malari	14	13	27
6	Abba Ibrahim	29	21	50
7	Abbari	21	18	39
8	Five thirty	18	13	31
9	Bayan tasha	25	16	41
10	Family support	19	11	30
11	Ajari	22	10	32
12	Bakin cross	27	20	47
13	Jerusalem	23	18	41
14	Nasarawa	26	19	45
15	Gwange	22	18	40
16	Sabon fegi	22	21	43
17	pompomari	18	16	34
18	Ali marami	22	8	30
19	Duriya	11	10	21
	Grant Total	389	274	663

Assessing Benefits Derived By Street Hawkers in Damaturu Metropolis From Generated Revenue

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	1.162	.291	-.492	26	.627	-.080	.163	-.414	.254
Equal variances not assumed			-1.445	24.000	.161	-.080	.055	-.194	.034

Source: SPSS Version 23

From the above table shows that the calculated significance value is 0.291 while the tabulated value is 2.41 under 0.05 level of significance, this implies that tabulated value is greater than calculated value. Therefore, the null hypothesis formulated saying there is no significant effect of benefits derived on revenue generated should be rejected and conclude that there is significance effect of benefits on the revenue generation.

CONCLUSION

This study has examined the contribution of revenue generation on the economic growth bebenfits and revenue derived by street hawkers within the city of Damaturu, Nigeria. Yobe has the potential to build a prosperous economy, reduce poverty significantly, and provide the health, employment generation, education, and infrastructure services to its population needs. Considering the positive and significant relationship between the need to collect tax and the services to render to populace with the collected fund. The study further carried by considering the need for the citizens to comply with relevant tax requirement for the welfare of the common. Data were gathered from the sampled population through primary sources, such as interview schedule techniques, in order to get their original viewpoints and information. The numbers obtained are regarded as accurate because they were validated by professionals and other regulatory bodies before being published. As a result, this information is quite reliable and ought to achieve the objectives of the study. Data collected were analysed by use of both the inferential and descriptive aspect of statistical aspects.

Based on the research findings, the following recommendations were made: There is need for government to clearly state the basic objectives of its tax system and the relationship between these objectives, that will give the tax administrators a sense of direction and educate the tax payers specifically those without knowledge of revenue on the reasons to pay tax as at when due, strict penalties should be given to people who avoid and evade tax payments in order to minimize the incidence of tax evasion and tax avoidance, there is also need for government to organize intensive training for all tax officials' so as to identify the loopholes in tax payment system and ensure effective utilization of the income accrued to encourage continuity in tax payment by the tax payers.

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