

MULTIPLE TAXATION, HIGH TAX RATE AND TAX COMPLIANCE: IMPLICATIONS FOR SMEs' GROWTH IN ZAMFARA STATE, NIGERIA

ABDULRAHMAN BALA SANI*

sonyaxle9@gmail.com

07033400623

AJAYI OLUWAFEMI EZEKIEL*

femiajayi57@gmail.com

09076324469

**Department of Accounting Faculty of Management Science
Usmanu Danfodiyo University, Sokoto*

ABSTRACT

The study examines if multiple taxation and high tax rate have significant influence on tax compliance among SMEs in Zamfara State. The study focused on Gusau, the state capital of Zamfara, with an estimated population of 682,700. Method of Sampling the Population is the Taro Yamane's sampling formula. The sample size of the study is 400 people who are small and medium business owners in Zamfara state, Nigeria. The study made use of multiple regression analysis, Anova, Coefficient, Collinearity Test in other to find the impact of high tax rate and multiple taxation among SMEs in Zamfara state. The study revealed that multiple tax system has significant influence on tax compliance. The study also revealed that high tax rate has negative significant influence on tax compliance among tax payers who are small business owners. The study therefore recommends that government should avoid high tax rate as this could have negative effect on tax compliance among SMEs in Zamfara State.

Keywords: High tax rate, multiple tax system, Tax compliance, Small and Medium scale Enterprise

1. INTRODUCTION

Small and medium-sized businesses (SMEs) have made a substantial contribution to the GDP of Nigeria, as seen in developed economies, and have played a critical role in employment creation and the reduction of poverty. The sector is the engine of any country, providing employment, innovation, and wealth creation, therefore the socioeconomic contributions of SMEs to the prosperity of any nation cannot be overemphasized (Faloyin, 2015). Every country in the world wants to encourage and promote the growth of private businesses so they may prosper in order to meet national demands, sub-Saharan African emerging countries like Nigeria must promote the expansion of SMEs (Okhankhuele, 2021). Therefore, taxation is a powerful instrument for regulating and increasing economic wellbeing via the management of economic conditions in every country (Timothy and Evelyn, 2022). Akinboade (2015) highlighted that the tax payments from SMEs are appallingly low, despite the fact that the development of SMEs in Nigeria is rather depressing since many of them do not survive more than two (2) or three (3) years after their existence. According to Momoh's (2017) research, over 75% of SMEs in Nigeria fail before their fourth anniversary as a result of the many difficulties that many operators in different SMEs sectors face and find difficult to overcome (Adenike, Tella and Awolaja, 2022)

.One of these significant issues was identified by Kaigama (2016), who found that various taxes levied on SMEs are one of the main causes of these companies abruptly closing their doors in Nigeria. These unlawful taxes continue to deplete a significant portion of their income (Kaigama, 2016). In a joint argument, Abiola (2012) claimed that multiple taxes are a significant factor in the problem faced by SMEs because different types of taxes are levied by all levels of government in Nigeria, which is a flagrant violation of tax laws in relation to the taxes that are supposed to be collected by each level of government. Omah (2016) said that generous tax policies are a practical instrument for fiscal policy utilized to promote entrepreneurship/private enterprise initiative and development. In addition to hindering the integration of internal markets and the creation of a fully integrated economic space within Nigeria, multiple taxes have a significant negative impact on competitiveness and, as a result. This has implications for a wide range of economic and social issues, including poverty levels (Sola, 2021). SMEs may also classify a scenario as multiple tax when tax collectors collect more money than the agreed-upon market taxes and levies (under various titles for the taxes and levies).

A smallholder farmer who must pay for a company license, a registration fee, a development levy, a market tax, and personal income tax is an excellent illustration of many taxes (Mark, 2021). Even so, the local government continues to impose a variety of taxes on the same income, including fees for shops and kiosks, on- and off-premises liquor licenses, slaughter slab fees, birth and death registration fees, and registration fees for naming streets, excluding any streets in the state capital. They also levy market taxes and levies, motor park levies, domestic animal licensing fees, right of occupation fees on property in rural regions, market taxes and levies (except where state financing is concerned), and fees for bicycles, trucks, canoes, wheelbarrows, and carts (other than a mechanically propelled truck). Other taxes include the cattle tax, which is only payable by cattle farmers, the merriment and road closure levy, the radio license fee, the wrong parking fee, the public convenience, the sewage and refuse disposal fee, the fee for establishing a customary burial ground, and the fee for signboards and advertisements (Adenike, Tella and Awolaja, 2022). As result the objective study are to examine if multiple taxation has significant influence on tax compliance among Smes in Zamfara State and to Investigate if high tax rate has significant influence on tax compliance among Smes in Zamfara state and also Investigate the relationship that exist between multiple taxation and tax compliance among Smes in Zamfara state and lastly Determine the relationship that exist between high tax rate and tax compliance among Smes in Zamfara state.

Zamfara is a state in northern Nigeria. Zamfara's capital is Gusau, before 1996, this was Sokoto State. Hausa and Fulani peoples inhabit Zamfara. It's surrounded by Niger to the north, Kaduna to the south, Katsina to the east, and Sokoto, Kebbi, and Niger to the west. It has a 2006 census population of 9,278,873 and 14 local governments. The research focused on small and medium-sized businesses in Zamfara.

This study will assist SMB owners, policymakers, and students/researchers. SMB owners the research will show how high taxes affect small businesses in Zamfara state. It will also offer measures to lower excessive taxes, boosting SMB development. This study's results will be a reference for students/researchers and future research.

Small and medium-sized businesses (SMEs) face a number of challenges in the area of taxes, including but not limited to high tax rates, a plethora of taxing authorities, convoluted tax law, and an insufficient amount of enlightenment or education. This issue of multiple taxation is a worm eating deeply and the large chunk of revenues generated by these SMEs for their growth and survival in Nigeria, not to mention the other challenges that SMEs face in other developing

countries like Nigeria, such as a lack of capital, a lack of technical and managerial skills, the effects of the environment, and government regulations. Due to these causes, there has been a rise in the number of absentee small and medium-sized businesses (SMEs). The region up north where the terrorist group Boko Haram poses a risk to commercial enterprise. There won't be any backers if the money isn't guaranteed to stay there. Due to the "Boko Haram" scourge, several firms and businesses in the country's Northern region have ceased operations. There is no way to put a price on the human and material lives that have been lost due to instability in the nation during the last several years. The bombings in the north of the nation, which are being carried out by well-known religious fanatics, have become more concerning. From 2010 until the present, bombings are responsible for the deaths of an estimated 2,000 people (mamudi, 2021). Crime Guard, an organization that keeps tabs on national security, reports that between March and December of 2012, there were a total of 153 successful explosives across the country, which caused the loss of many lives and properties and the closure of numerous enterprises. Northern firms are shutting down in large numbers due to the unstable political climate, despite all this challenges in the north where the study is carried out the remaining small businesses still existing are charged high tax rate and multiple taxes in most cases instead of them to be granted some form of tax relief in other for them to survive.

Existing tax regulations don't benefit many enterprises, making tax a hardship for Start-Ups in Nigeria. Some enterprises are on the edge of failure, while others are battling to satisfy exorbitant tax rates. Bateman (2007) 91% of company owners say taxes have been a big burden on their firms, since high taxes prevent new enterprises from covering early costs.

2. LITERATURE REVIEW

2.1 Conceptual review

Concept of taxation

According to Eftekhari (2019), taxes has been a concern from the beginning of civilization. Taxation has always caused debate and political tension. Several economic theories have been presented to manage a successful system. Taxation is a necessary government payment, and although though taxpayers get nothing in return, they live in a generally educated, healthy, and safe society. The government should utilize this money to keep residents safe. Bird (1997). Taxation is a government charge on individual, partnership, and company income profits, Taxation is a legally enforced monetary payment, if there's no valid status, Taxes provide relief and social welfare.

Taxation's Goals

According to the definition, taxes are paid to the government for several reasons.

1. Revenue Generation: The main goal of taxes is to raise money so that the government can pay its bills, provide bare-minimum services to its residents, and support ever-rising public sector spending.
2. Provision of merit goods: Health and education are examples of merit goods. Despite the fact that encouraging private engagement, this cannot be left totally in private hands.
3. Control the degree of inflation: This role is carried out under circumstances when individuals are subject to high taxes, which will lower their disposable income and their buying power, lowering the inflation rate.
4. Income redistribution: The tax system works to ensure that income and wealth are distributed fairly in order to combat poverty and advance social welfare.

This may be done by making higher earners pay a greater tax rate than lower earners.

5. To address difficulties with the balance of payments, when imports exceed exports, the government may increase taxes to cover the resulting imbalance.

6. To discourage companies and consumption of "hazardous Products:" By placing high taxes on items like cigarettes and alcohol, taxes may be used to deter firms that are detrimental to the nation's economic development as well as consumption of harmful goods.

Classification of taxes

Taxes can be classified in any of the following:

A. Classification by Tax Burden and Method: Three different tax types are classified into this class. Which are: Tax by Proportion: it has a set rate that is used to calculate the tax due by applying it to the assessable income of the taxpayer. The amount of tax due is based on the taxpayers' income.

Progressive Tax: With this tax, the rate of taxation rises as income does. Redistributing revenue across the economy is the only goal of it. Another name for it is "Pay as you earn." The idea behind regressive tax, which was once used in Britain, is that your tax burden decreases as your income increases.

B. Incidence/Tax Subject Classification: This is further broken down into two categories.

Which are: - **Direct Tax:** This is a tax that is directly assessed on the taxpayer who must pay tax on their assets, income, or profits. Personal income tax, corporate income tax, capital gains tax, petroleum profit tax, and education tax are examples of direct taxes.

Indirect tax: Indirect taxes are levied on goods before they are used, and the people who eventually bear the cost of these taxes pay them. They get payment as a percentage of the commodity's selling price. Examples include Value Added Tax, Stamp Duties, Import and Export Duties, Customs and Excise Duties, and others.

C. Classification by Viewpoint of Tax Base: Taxes may also be categorized based on the subject matter of the tax.

The bases listed below are in use in Nigeria: Capital gains tax is included in the capital basis.

On the selling of capital items, specifically (non-current asset).

Revenue base: Under Personal Income Tax, Petroleum Income Tax, and Company Income Tax, which is what it sounds like, the government's income is subject to taxation. Value added tax, stamp charges, and excise taxes are a few examples of the consumption base.

Multiple Taxes

Multiple Taxes, often known as Multiplicity of Taxes (MT), are illegal and mandatory payments demanded mostly by municipal and state governments without being supported by the law (Abiola, 2012). Multiple taxes are instances in which the same level of government levies two or more taxes on the same base, according to Abiola (2016). Further supporting this, Folayin (2015) defines MT as an instance in which a taxpaying citizen is required to pay levies on the same or comparable taxes by two (2) or more tiers of government in an effort to broaden their tax base.

Adum (2018) defines MT as a situation in which a person or corporate entity is subjected to multiple taxes on their income or wealth. With the sole purpose of optimally allocating these resources or dispersing the cash to the neglected regions, tax policies in Nigeria have been implemented to earn the most revenue for the government.

The primary goal of tax policy, in both industrialized and developing nations, has been to maximize government revenue; as a consequence, it is seldom employed for the best distribution

of resources or income. Anyanwu (1997) observed that Nigeria's tax authorities have focused on manipulating tax rates and tax bases to produce adequate income for the government.

According to this perspective, Utomi (2000) highlighted that Nigeria has a murky taxation philosophy. As a consequence, there are more taxes and tax rules, which leads to tax multiplicity. In some Asian countries, local officials impose dozens of illegal fees, from fees for growing bananas to taxes on slaughtering pigs, either to top off (increase) the local finances or pad their own pockets, according to Awake's 2003 observation that tax payers in some African countries pay more than 300 different taxes.

High tax rate

In Zamfara, tax policy has mostly been utilized to raise as much money as possible for the government, hence it is seldom used for resource allocation or income redistribution. Anyanwu (1997) pointed out that Zamfara's tax authority focused on manipulating tax rates and tax bases in order to increase government income. As a result, tax officials have imposed substantial taxes and levies. These taxes, which ordinarily regulate their rate in accordance with an individual's income, are now imposed on all businesses regardless of their revenues, and are thus referred to be "heavy taxes" from a biased viewpoint. Ndekwu (1988) noted that several taxes are levied at various or supplemental rates, including various tax bases and payment schedules. Planning for tax policy in Zamfara is not clearly delegated to a particular entity. Any adjustment to tax legislation is often created on-the-fly and based more on expediency than on extensive research (Anyanwu 1997). According to "this opinion," Utomi (2000) pointed out that Zamfara has a murky taxation policy. This leads to an increase in taxes and tax legislation, which raises taxation. According to Ogunleye (2000), SME owners struggle with high production costs as a consequence of the many high taxes and levies that are imposed on them by several agencies and levels of government.

Tax Compliance

Taxpayer behavior has to do with whether they pay their taxes freely or are forced to (Fagbemi&Abogun, 2015). The degree of tax compliance is significantly influenced by the amount of confidence in the government. Compliance increases in direct proportion to confidence levels, and vice versa (Fagbemi&Abogun, 2015). Tax compliance is the extent to which taxpayers voluntarily agree to meet their tax responsibilities to the government without resorting to coercion (Andreoni, Erard& Feinstein, 1998). According to Abiola and Asiweh (2012), the amount of taxpayer compliance is significantly impacted by how the government uses the money it raises for services, the degree of fraud and corruption among government personnel, and the government's attempts to combat these issues. The amount of compliance by tax payers in every nation depends on their perception of the problem of responsibility, tax administration systems, and taxpayer knowledge (Fagbemi, Ajibolade, Arowomole and Ajadi, 2011). Transparency level has an impact on tax compliance as well (Fagbemi et al., 2011). SMEs are among a country's taxpaying citizens (Artur Swistak, 2015). Low tax compliance rates are typical among SMEs, particularly for lone owners (Engelshalk, 2004; OECD, 2009; 2014). Tax compliance, according to Marti (2010), is the free and full performance of all legal tax responsibilities. High compliance costs may lead to tax evasion, fraud, and avoidance (Atawodi&Ojeka, 2012). Tax avoidance is a common practice (Kasipillar, 2005). The profit realized by SMEs will rise as a result of the decrease in tax rates, default interest, and compliance costs. This attitude should increase adherence to tax regulations (Vasak, 2008). Due to the little amount of taxes paid, the Nigerian government placed greater emphasis on compliance with regulations on large corporations than SMEs. Due to this, many

SMEs, especially small businesses and single proprietorships, avoid paying taxes and incurring financial losses to the government (Atawodi&Ojeka, 2012).

The government must carefully examine ways to increase the level of tax compliance among SMEs in order to widen the tax base and boost tax revenue. To increase SMEs' compliance with tax laws, many strategies may be implemented. These steps include using information technology, reducing the frequency of filing, improving contact with taxpayers, and using information from third parties (OECD, 2009; 2010). Many SMEs, in particular single proprietors and owner-operated corporations, do not have the necessary tax literacy to manage tax filing and payments (Evans et al., 2005; Engstrom et al.; 2006). Additionally, many SMEs may not be able to afford to hire a tax specialist to take care of their taxes (Swistak, 2015;). Regarding taxes, the tax payer's attitude may be favorable or negative, but it is crucial for tax compliance. Tax compliance is shown by a good attitude, whereas non-compliance is reflected by a negative attitude (Nkwe, 2013).

Many factors have been attributed to influencing tax compliance. James and Alley (2004) defined tax compliance as the willingness of individual and other taxable entities to act in accordance within the spirit as well as the letter of tax law administration without the application of enforcement activity.

Concept of Small and Medium Scale Enterprises

Depending on the jurisdiction and the defining entity, the phrase "Small and Medium Sized Entities" (SMEs) may have many distinct definitions. SMEs are defined as "companies that do not have public responsibility and publish general purpose financial statements or follow generally accepted accounting standards (GAAP)" in the context of the International Financial Reporting Standards (IFRS) for SMEs. There is no standard definition of SMEs in Nigeria. For instance, the Central Bank of Nigeria classified small-scale firms as "having an annual turnover not exceeding 500,000 naira" in its monetary policy circular no. 22 of 1988. The Nigerian federal government defined small-scale enterprises in one of its budget speeches as "enterprises with capital investments not exceeding 2 million naira (excluding cost of land) or up to 5 million naira, and for purposes of commercial bank loans, those enterprises with an annual turnover not exceeding 500,000 naira." The definitions above make it clear that over 90% of businesses in Nigeria are small and medium-sized enterprises (SMEs), which account for the majority of the country's GDP and employ more than 70% of the workforce, making them not only the largest employers of labor but also significant stakeholders for the growth of the Nigerian economy.

SMEs are widely considered as crucial engines and mechanisms for the expansion and development of the global economy, and they have dominated the industrial sectors of both developed and developing nations. Prior research backed up that claim, claiming that SMEs provide around 80% of the global population's source of income and act as catalysts for job creation, national growth, poverty reduction, and economic development (Kadiri, 2012; Kamunge, Njeru, & Tirimba, 2014). According to Ogechukwu (2011), SMEs significantly advance the nation by creating new jobs, which have a solid track record of employment and are recognized as major drivers of Gross Domestic Product (GDP) development in most nations.

According to the 2013 Enterprise Baseline Survey, there are 37,067,416 MSMEs, including 36,994,578 micro, 68,168 small, and 4,670 medium-sized businesses. As of December 2013, 59,741,211 people were employed by Micro, Small, and Medium-Sized Enterprises (MSMEs) in Nigeria, making up 84.02% of the overall labor force (Small and Medium Enterprises Development Agency of Nigeria [SMEDAN], 2013). more focus must be placed on small and medium-sized businesses. In Benue state, Ogenyi (2020) examined SMEs and internal income

generating. Secondary DTA were obtained for 12 years from the National Bureau of Statistics using an ex-post facto research approach. The outcome shows that SMEs have a favorable influence on the development of jobs and internally produced income.

2.2 Empirical Review

Segun and Osazee (2018) studied the influence of tax regimes on small-business sustainable growth in Lagos, Nigeria. The research aimed to determine how tax burdens affect small enterprises, particularly on Lagos Island. Primary sources acquired data from Lagos Island small business owners. Data analysis employed simple inferential statistics.

MT burden and small-business success are correlated. According to the research, Nigeria should construct an MT facility. Ocheni and Gemade (2015) studied the effect of taxes on SMEs in Benue. The research aimed to assess how taxes impact SMEs' survival. 74 small and medium-sized company owners in Benue were surveyed using a questionnaire. Responses were analyzed using nonparametric percentages. Various taxes hurt SMEs' capacity to survive, according to research.

According to the paper, Nigeria should develop consistent tax policies to encourage SMEs.

Oseni (2014) examined how taxes hinder Nigerian firm development. The research aimed to determine whether different taxes are appropriate in developing nations like Nigeria, where a confusing legislation stipulates the fees and levies that all levels of government must collect. The study used text analysis to uncover problems with a country introducing taxes without legal backing. The analysis proposed utilizing police to detain anybody illegally collecting taxes in Nigeria. Ebere, Eunice, and Chimaobi studied the effect of numerous taxes on SMEs in Enugu State in 2016. The research examined how taxes effect SME investments. Questionnaires were sent to 80 respondents to obtain primary data. Analyses used percentages. Multiple taxes hurt SME investments. The government should adopt a tax plan to support SME investment, says the research. Chukwuemeka (2017). The research examined how taxes influence Aba firms. Structured questionnaires were used to interview private company owners in Aba. Using percentages, data was analyzed. Multiple taxes have hindered new company in Aba, according to the research. Sani, Sunday, and Godwin (2019) evaluated the effect of taxes on SMEs in Nigeria. The goal is to evaluate how different taxes affect SMEs using their expansionary rate as a proxy for growth. Data was collected using a five-point Likert scale questionnaire. 68% of the 193 questionnaires distributed in Lokoja, Kogi State, were returned. Responses were empirically analyzed using non-parametric statistics including mean score, standard deviation, and z-test. The results suggest that numerous taxes have impeded the growth of SMEs in Nigeria, as many owners exhibited hesitation to start new operations or enlarge their present ones due to the multiple taxes that continue to gobble up a considerable portion of their revenues. The paper advises that the country's government, at all levels, address the issue of different taxes on SMEs by restricting tax collection to their tax authority.

3. METHODOLOGY

3.1 Research Design

The research used a descriptive survey approach. A survey is descriptive research that aims to record or characterize what is already existent, its current state of existence, or its absence. In order to get respondents' opinions on how high taxes affect small businesses in Zamfara state, a particular survey design was utilized. It had the objective of gathering information to help the researcher test the study hypotheses.

3.2 Area of study

Zamfara is a state in northern Nigeria. Zamfara's capital is Gusau, and Bello Matawalle is governor. Before 1996, this was Sokoto State. Hausa and Fulani peoples inhabit Zamfara. Zamfarawa live in Anka, Gummi, Bukkuyum, and TalataMafara. Shinkafi was inhabited by Gobirawa. Bakura, whereas Fulani populate Bungudu, Maradun, and Gusau. Most Katsinawa, Garewatawa, and Hadejawa live in Chafe, Bungudu, and Maru. Alawan Shehu Usman Fulanis live in Birninmagaji, whereas Alibawa live in KauraNamoda and Zurmi. It's surrounded by Niger to the north, Kaduna to the south, Katsina to the east, and Sokoto, Kebbi, and Niger to the west. It has a 2006 census population of 5,833,500 and 14 local governments Area.

3.3 Population of the study

The research includes all small and medium-sized enterprises in Zamfara, whose overall number is unknown, but the population is predicted to reach 5,833,500 in 2022. This statistic could not be depended upon owing to the high incidence of insecurity and murdering of men, women, and children in the state. As a consequence, the study population that would be investigated and sampled is Gusau, the local state capital of Zamfara, with an estimated population of 682,700 according to census 2022.

3.4 Sample Size/ Sample Techniques

Methods of Sampling and the Sample Population Taro Yamane's sampling formula will be used to choose a suitable sample size for the investigation. These are the components of the formula;

$$n = \frac{N}{1 + N(e)^2}$$

In where n is the predicted size of the sample N is the total number of people in a given population. Error Margin = 1 + Constant Taking into account a 5% margin of error (95% confidence level). The following criteria were used to choose a representative sample:

$$n = \frac{682,700}{1 + 682,700(0.05)^2}$$

$$n = \frac{682,700}{1 + 682,700(0.0025)}$$

$$n = \frac{682,700}{1,706.7525}$$

$$n = 400$$

The sample size of the study is therefore 400 people who are small and medium business owners in Zamfara state, Nigeria.

4. RESULT

Table 4.1 Model Summary on Multiple Tax and High Tax Rate on Tax Compliance

Model Summary ^b			
Model	R	R Square	Adjusted R Square
1	.677 ^a	.458	.455

SOURCE: SPSS 26

From the above model summary, the analysis revealed that the R² has a mean of about 0.46 which means that a change in the independent variable which is multiple taxation and high tax rate will result to equal amount of change in the dependent variable which is tax compliance with about 0.46 also.

Table 4.2 Regression analysis on the impact of high tax rate and multiple tax among SMEs

Change Statistics			
F Change	df1	df2	Sig. F Change
152.857	2	362	.000

SOURCE: SPSS 26

a. Predictors: (Constant), MRT, TAR

b. Dependent Variable: TAC

From the above table it could be seen that the regression model could account for 67% of changes that occur which has a good fitness of fit the remaining 33% could be explained by other factors known as the error term. The study also revealed that multiple tax and high tax rate causes significant change on tax compliance with a p. value of 0.000 which is less than the 5% level of significance

Table 4.3 Descriptive statistics on the significance of high tax rate, multiple tax system and tax compliance among SMEs

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4094.100	2	2047.050	152.857	.000 ^b
	Residual	4847.883	362	13.392		
	Total	8941.984	364			

SOURCE: SPSS 26

The study revealed that multiple taxation and high tax rate has significant relationship with tax compliance among SMEs in Zamfara State with an F-statistics of 152.857 and a p. value of 0.000 which is statistically significant at 5% level of significance.

Table 4.4 Test for relationship among high tax rate and multiple tax system and tax compliance among SMEs

Coefficients			
Unstandardized Coefficients			Standardized Coefficients
Model	B	Std. Error	Beta
1	(Constant)	17.721	.663
	TAR	-.436	.051
	MRT	.863	.051

SOURCE: SPSS 26

The result from the above table revealed that the unstandardized coefficient **B** constant has a std. error of 17.721 and a standardized coefficient **Beta** 0.663 high tax rate also has a std. Error of -0.436 and a standardized coefficient of 0.51, multiple tax system has a std. Error of .863 and a standardized coefficient of .051 also.

Table 4.5 Collinearity Diagnostic Test among Variables

	Collinearity Statistics			
	t	Sig.	Tolerance	VIF
(Constant)	26.734	.000		
TAR	-8.597	.000	.522	1.915
MRT	16.945	.000	.522	1.915

SOURCE: SPSS 26

The tolerance and VIF are within the acceptable range which means there is no issue of collinearity among variable, this is also significant at a 0.005 level of significance with a p- value of 0.000. The study therefore revealed that high tax rate has negative relationship with tax compliance among tax payer (SMEs) in Zamfara State.

Discussion of Result

Objectives One: examine if multiple taxation has significant influence on tax compliance among Smes in Zamfara State.

From the analysis above the study revealed that multiple taxation has significance influence on tax compliance with a t- statistics of 16.945 and a p-value of 0.000 which is statistically significant at 5% level of significance.

Objectives Two: Investigate if high tax rate has significant influence on tax compliance among Smes in Zamfara state.

The result of the study revealed that high tax rate has negative significant influence on tax compliance among tax payers who are small business owner, with an t-statistics of -8.597 and a p-value 0.000 which significant at a 5% level of significance.

Objectives Three

Investigate the relationship that exist between multiple taxation and tax compliance among Smes in Zamfara state.

The above result revealed that multiple tax system has significant relationship on tax compliance among SMEs owners in Zamfara State. With an F- statistics of 152.857, a beta coefficient 0.907 and a p-value of 0.000 which is statistically significant at 5% level of significance

Objectives Four

Determine the relationship that exists between high tax rate and tax compliance among Smes in Zamfara state.

The result of the study revealed that high tax rate has negative relationship on tax compliance among tax payers who are small business owner, with an F- statistics of 152.857, a beta coefficient -0.460 and a p- value 0.000 which significant at a 5% level of significance.

CONCLUSION

The study therefore concluded that the regression model could account for 67% of changes that occur which has a goodness of fit the remaining 33% could be explained by other factors known as the error term. The study also revealed that multiple tax and high tax rate causes significant change on tax compliance with a p. value of 0.000 which is less than the 5% level of significance

Recommendation

The study further recommend that government should avoid high tax rate as this could have negative effect on tax compliance among SMEs in Zamfara State.

Multiple tax rates also have damaging effect on tax compliance but it won't hinder tax payers from complying as long as the rates that were charged are not too high.

And lastly the study recommend that government should give special consideration to tax payers Among small business owners in Zamfara state due the current economic and security challenges faced in the state.

REFERENCES

- Abiola, S. (2012) Multiplicity of taxes in Nigeria: Issues problems and solutions. *International Journal of Business and Social Sciences*, 3(17), 229.
- Abiola and Asiweh (2012). Corporate tax incidence: review of general equilibrium estimates and analysis. *National Tax Journal* 66(1),7-69.
- Adenike.O., Tella . A ., and Awolaja .G, (2022) tax revenue and welfare of nigerians. *Journal of Economics and Allied Research* Vol. 7, Issue 2 (June, 2022)
- Adum, S. O (2018) Burning issues in Nigeria tax system and tax reforms on revenue generation: Evidence from Rivers state. *International Journal of Finance and Accounting*, 7(2), 36-48.

- Akinboade. I. E, (2015) Burning issues in Nigeria tax system and tax reforms on revenue generation: Evidence from Rivers state. *International Journal of Finance and Accounting*, 7(2), 36-48.
- Artur Swistak, (2015). Empirical examination of value added tax to the development of the Nigeria economy .Retrieved from www.iiste.org.
- Bateman . L. E, (2007). Analysis of Tax Formation and Impact on Economic Growth in Nigeria. *International Journal of Accounting and Financial Reporting*
- Bird . D. A, (1997) Growth matrix of an economy. *Journal of Entrepreneurship Development* 5(4), 10-16
- Chukwuemeka (2017). Multiple Taxation and the Operations of Business Enterprises in Aba Metropolis. *Pyrex Journal of Business and Finance Management Research*. 3 (6) pp. 132-138.
- Daniel, C.O. (2019). Effect Of Multiple Taxation On Small/Medium Enterprises In Nigeria. *International Journal of Advanced Research and Publications*. 3(4). Pp. 26-31
- Eftekhari .O.C, (2019) Unveiling the potentials of entrepreneurship Contemporary studies 68(6), 273-284
- Fagbemi I.S., and Abogun.S.A, (2015). The impact of the corporate income tax: evidence from state organizational form data. *Journal of Public Economics* 88(11):2283-2299.
- Faloyin. N. A, (2015) Multiplicity of taxes in Nigeria: Issues problems and solutions. *International Journal of Business and Social Sciences*, 3(17), 229.
- Kaigama .W, (2016) Taxation and State-Building in Developing Countries: Capacity and Consent. Cambridge: Cambridge University Press. *CBN Annual accounts and reports: Various issues*
- Kasipillar .E. F, (2005). ‘Tax Compliance, Self-Assessment and Tax Administration.’ *Journal of Finance and Management in Public Services* 2 (2), 27–42.
- Mamudi . I.O, (2021) Effect of multiple taxation on investment in small and medium enterprises in Enugu State, Nigeria. *International Journal Economics and Management Engineering* 10(1), 378-385
- Mark. O, (2021) Commercial Bank Credit To Micro, Small, And Medium Enterprises (Msmes) And Economic Growth In Nigeria Adejoh. *Journal of Economics and Allied Research Vol. 6, Issue 4, (December, 2021) ISSN: 2536-7447*
- Momoh's .U.R, (2017) Informal sector tax compliance issues and the causality nexus between taxation and economic growth: Empirical evidence from Ghana. *Modern Economy*, 7(12), 1478-1497
- Nkwe .W. O, (2013). Taxation and development: Critical issues in taxation and development. Cambridge: *MIT Press*. 6(9), 6-17
- Ogechukwu. L.V, (2011) Strategies for wooing investors in Nigeria. *Paper Presented at entrepreneurship conference Federal Polytechnic Idah, May 8th – 10th*.
- Obongo M. B., Memba, F.S. & Oluoch O.(2018) Influence of Tax Knowledge and Awareness on Tax Compliance Among Investors in the Export Processing Zones in Kenya. *International Journal of scientific research and management*. 6(10), 728-733
- Ocheni and Gemade (2015). Examining the factors of tax non-compliance: a case study of small and medium enterprises in metro area. *SHS Web of Conferences* 36, DOI: 10.1051/shsconf/2017360001 ICGA

- Ogenyi . S. A, (2020). Impact of Financial Record Keeping on the Growth and Survival of Small and Medium Enterprises (SMEs) in Zaria. Umaru Musa Yar'Adua University, Kastina *Journal of Economics and Development (UJED)*. 1(2). Pp. 293-301
- Okhankhuele. O. P, (2021) Microfinance Credit And Asset Acquisition By Women Traders In Akure Metropolis, Ondo State *Journal of Economics and Allied Research* Vol. 6, Issue 4, (December, 2021) ISSN: 2536-7447
- Ojo. S. (2009). Fundamental principles of Nigeria taxation (2nd edition): Sagriba Tax Publication: Lagos
- Omah . S.C, (2016) Educational research : planning, conducting, and evaluating quantitative and qualitative research Upper Saddle River, N.J. : Pearson/Merrill Prentice Hall,
- Oseni . I. A, (2014). 'Final Report to the Ministerial Panel on Business Compliance Costs: Review of Responses from Business.' New Zealand Centre for sme Research, Palmerston North. *International Journal of Social Sciences and Humanities Reviews* Vol.11 No.1, January 2021; p. 246 – 257 (ISSN: 2276-8645) 257
- Sani. E, Sunday. O. and Godwin. K, (2019). Multiple Tax Practices and Taxpayers' Non-compliance Attitude in Nigeria. *International Research Journal of Finance and Economics*. 13(103). Pp. 151-161.
- Segun .N. E, and Osazee, B.C, (2018). "Does Enforcement Reduce Voluntary Tax Compliance?" *International Journal of Social Sciences*. 623-694
- Sola .O, (2021) Energy Consumption and Manufacturingoutput In Nigeria *Journal of Economics and Allied Research* Vol. 6, Issue 4, (December, 2021)
- Timothy. I. A, and Evelyn .N. O, (2022) Migration And Remittance: Implication For Economic Development In Africa *Journal of Economics and Allied Research* Vol. 7, Issue 2 (June, 2022) ISSN: 2536-7447
- Utomi .O, (2000). 'Detection Probability and Tax Compliance: A Review of the Literature.' *Journal of Accounting Literature* 11 (2), 1–46.