FEDERAL INLAND REVENUE SERVICE (FIRS) TAXPRO MAX AND TAX REVENUE COLLECTION: PERCEPTION OF FIRS STAFF AND SMES IN AWKA, ANAMBRA STATE

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Abstract
The main objective of the study is to examine the use of FIRS TaxPro Max in tax revenue collection in Awka, Anambra State. The study specifically examined the implication of FIRS TaxPro Max in tax filing and tax payments. The study identifies the challenges experienced in using FIRS TaxPro Max for tax filing and payment. This study adopts a survey research design, and the population is comprised of FIRS staff and SMEs in the Awka metropolis. The final useable questionnaires were from 80 respondents, which comprised 22 FIRS staff and 58 SMEs operational in Awka. The primary data were analysed using the Pearson Correlation technique and the one-sample Kolmogorov-Smirnov test. The analysis revealed that FIRS TaxPro Max has a significant effect on tax filing among taxpayers in the Awka metropolis; and, FIRS TaxPro Max has a significant effect on tax payments among taxpayers in the Awka metropolis. The challenges experienced in using FIRS TaxPro Max were such as low level of technological infrastructure, public awareness and lack of enlightenment of the taxpayers, bribery and corruption, and collusion among staff and taxpayers. Based on these, the study recommends among others strengthening the adoption of technology for tax profiling, assessment and returns. However, there should be also modifications of the technology solutions to meet the needs of people living with disabilities. Encouraging tax return submission using technology can promote the development of a digital database of taxpayers which would be useful for the government in policy formulation, development planning and achieving a unified tax structure. However, addressing the challenges was still important to truly achieve the aim of tax revenue generation.

Key words: *TaxPro Max; Tax Filing; Tax Payment; FIRS.*

Introduction

Tax is widely regarded as a significant tool for fostering economic growth and development (Attamah, 2019). It serves as a primary source of government revenue, enabling the provision of essential goods and services, job creation, and economic stimulation through its influence on investment and capital formation (Hart, 2018). The

National Tax Policy defines tax as a mandatory payment imposed by law without a direct benefit or return of value or service to the payer. Tax represents a compulsory levy on individuals or their properties by the government to ensure security, provide social amenities, and promote the economic well-being of society (Appah & Oyadonghan, 2011). In Nigeria, the tax system operates as a tripartite structure encompassing tax policy, tax legislation, and tax administration. Tax policy underpins tax laws, while tax administration involves the enforcement and implementation of these laws (Hart, 2018; Sani & Sani, 2020). The Nigerian government in a bid to improve her non-oil revenue engaged in a series of tax reforms to expand the tax revenue net, enhance the process of tax collection and administration as well as meet the terms needed for the ease of doing business in Nigeria (Osemeke et al., 2020; Sani & Sani, 2020). The decline in oil revenue over the past few years has led to a significant decrease in the funds available for distribution to states and local governments (Alade, 2015).

The reforms were geared at increasing the tax base of the tripartite government in the country (Osemeke et al., 2020). This prompted the 'Enabling Business Environment Council' of the Nigerian government in 2016 to identify the importance of digitizing tax administration in the country (Lekki, 2021). The Council in close synergy with the Federal Inland Revenue Service (FIRS), introduced six key electronic solutions (Lekki, 2021). They are as follows: e-registration of new taxpayers, e-payment of federal taxes and stamp duties, e-filing of returns, e-receipting and the electronic issue of the tax clearance certificate, which is needed for many official processes. The solutions were aimed at simplifying and automating tax administration in the country, which would improve turnaround times for the registration, filing, payment and eventual receipt of the electronic tax certificate (Lekki, 2021). Similarly, at an event of the Nigeria Governors' Forum, organized by the ICTD in conjunction with the World Bank, the Executive Chairman of the Federal Inland Revenue Service (FIRS), noted that technology adoption is key to improving tax collection and blocking revenue leakages in Nigeria. Previously, Nigeria was ranked 159th out of 190 economies on PwC's ease of paying taxes index 2020. This shattering record has earmarked the need for revitalizing the tax payment system in a bid to ease tax payments across the country.

The PwC MSME Survey (2020) identified the lack of technology platforms as a barrier to the ease of tax payments in the country. Previous studies have demonstrated the positive impact of online tax systems on revenue generation. Sani and Sani (2020) reported that online tax filing and registration significantly enhanced revenue collection efficiency in Kebbi State. The Federal Inland Revenue Service (FIRS), as part of its efforts at modernising tax administration in Nigeria, has introduced a Tax Administration Solution (TaxPro Max) for ease of Tax compliance. TaxPro Max serves as an online tax administration platform designed to manage tax processes. TaxPro Max

enables seamless registration, filing, payment of taxes and automatic credit of withholding tax as well as other credits to the Taxpayer's accounts among other features, TaxPro Max also provides a single-view to Taxpayers for all transactions with the Service. To this end, effective from 7th June 2021, the TaxPro Max becomes the channel for filing Naira-denominated tax returns. The Finance Act (FA) 2020 introduced an amendment to the Federal Inland Revenue Service (FIRS) Establishment Act. The amendment empowers the FIRS to deploy proprietary technology to automate tax administration in Nigeria. The FIRS to deploy proprietary technology in tax filing introduced the 'TaxPro Max' application (Asuquo, 2021).

Developed countries have recorded advancements in tax administration through the adoption of digital and technological solutions (Deloitte, 2015; Ogunbela et al., 2021). However, the Price Waterhouse Coopers [PwC] (2017) Report highlights that Africa faces challenges in tax payment, with the region having the second-highest total tax rate globally. PwC (2020) identified the lack of a centralized technology platform for easing tax payments as a major issue for MSMEs in Nigeria. This challenge has significantly impeded revenue generation and limited the provision of social services and infrastructure (Bank-Ola, 2021; Deloitte, 2015). Bank-Ola (2021) and Bako (2021) have emphasized the importance of improving transparency and accountability in Nigeria's tax revenue system. TaxPro Max, introduced by the FIRS, was designed as an online platform to enhance tax assessment and transparency. Studies across various states have underscored the growing support for increased technological integration in tax assessment, filing, and payments. These include findings by Adebayo, Olowookere, and Oyekanmi (2021) in Osun State and Sani and Sani (2020) in Kebbi State. Despite these advancements, numerous challenges persist. Low tax morale remains a major barrier, with many Nigerians unwilling or unable to file or pay taxes online (Lekki, 2021). Surveys revealed that only 17% of respondents believed non-payment of taxes was "wrong and punishable" (Lekki, 2021). Distrust in tax officials and a lack of perceived benefits from tax revenues have further undermined the system. Technologically, challenges such as low computer penetration, inadequate electricity supply, and limited network infrastructure contribute to inefficiencies in digitizing tax processes. Resistance to adopting technology is also heightened by increasing concerns over information security breaches and internet fraud crimes.

Lekki (2021) noted that the low tax base poses economic and administrative difficulties, with individuals earning less than N300,000 annually required to pay a 1% tax. This minimal tax obligation often discourages compliance due to insufficient income. Additionally, literacy issues remain a significant obstacle in Nigeria, as the United Nations Development Program (UNDP) reported an adult literacy rate of 69.1%, while 60 million Nigerians lack basic reading, writing, and modern living skills, according to the National Commission for Mass Literacy, Adult & Non-Formal Education.

Objectives

Against this backdrop, the present study explores the impact of TaxPro Max on tax filing and payment in Awka, Anambra State. The study specifically examines the following:

1. To ascertain the effect of FIRS TaxPro Max on tax filing among taxpayers in the Awka metropolis.

2. To determine the effect of FIRS TaxPro Max on tax payments among taxpayers in the Awka metropolis.

3. To identify the challenges experienced in using FIRS TaxPro Max for tax filing and payment.

Review of Related Literature

Conceptual Review

The Nigerian Tax System

According to Black's Law Dictionary "Tax is a monetary charge imposed by the government on persons, entities, transactions, or property to yield public revenue." According to Oseni, "Tax is a compulsory financial charge or a levy imposed upon a taxpayer by the government to fund various public expenditures for the benefit of the people" (Oseni, 2016, p. 49). A tax is a fee levied by the government on property, individuals, or transactions to raise funds for public purposes (Akinyomi & Tasie, 2011; Enahoro & Olabisi, 2012). The tax has remained a vital source of revenue for the government in developing and developed countries to meet the needs of its citizens (Abiola & Asiweh, 2012). According to Sani and Sani (2020, p.184), the tax system 'plays a critical role not only in shaping economic development but also in developing an effective state'.

In Nigeria, Tax is enforced by the 3 tiers of Government, i.e. Federal, State, and Local Government (Simeon et al., 2017). The three spheres have the duties and responsibilities spelt out in the Taxes and Levies (approved list for Collection) Decree, 1998 (Onuigbo, 2021). Therefore, the Nigerian tax system is a tripartite structure composed of Tax Policy, Tax Legislation and Tax Administration.

1. The tax policy sets broad parameters connected with taxation (a set of guidelines, rules and modus operandi that would regulate taxation in Nigeria).

2. Tax legislation refers to the whole body of enacted acts of legislation in the context of taxation, it is the codified system of order that describes the legal implications of taxation i.e. government levies on an economic transaction. This provides a well-defined legal backing to the administration.

3. Tax Administration: The administration of taxation in Nigeria is vested in the various tax authorities depending on the type of tax under consideration. Broadly there are 3 categories of tax authorities namely:

    a. Federal Inland Revenue Service

    b. State Inland Revenue Service, and

    c. Local Government Revenue Committee

At the Federal Government level, the responsibility of assessing and collecting taxes is the exclusive responsibility of the Federal Inland Revenue Services (FIRS), while at the State and Local Government levels, the various State Boards of Internal Revenue and revenue departments are responsible for tax assessment and collection respectively (Onuigbo, 2021). According to Aniago and Iwundu (2010), Act No. 21 of 1998 provides that anything contained in the constitution of the Federal Republic of Nigeria notwithstanding, the federal, state and local governments shall be responsible for collecting the taxes listed in parts I, II and III of the schedule of the Act respectively. The 1999 Constitution of the Federal Republic of Nigeria places the collection of taxes on the concurrent legislative list, enabling both the federal government and states to administer or collect taxes as they pertain to capital gains, incomes or profits of persons other than companies; and stamp duties on documents or transactions. The Constitution also places the responsibility for legislating on the collection of taxes, and fees that can be collected by the local governments on the state governments. Other than taxes specifically stated in the exclusive legislative list, activities that would ordinarily attract taxes, fees and levies are placed as part of the responsibilities of the local government council. To control the incidence of multiple taxations, the Constitution gives the responsibility to the Federal Government in the case of State Governments, and the State Government in the case of Local Governments (Oyedele, 2013). At present, there are 61 taxes, levies, fees and charges enclosed in the Schedule to the new Order (9 in Part I, 25 in Part II, 21 in Part III, and 6 in Part IV), resulting in an additional 22 taxes and levies from the earlier 39 in 2014 (Simeon et al., 2017).

Technology in the Nigerian Tax System

As stated by Adebayo et al. (2021), technology has remained an 'integral part of the core infrastructure of business and society'. Their growth has been partly driven by globalization and a wider availability of electronic communications networks and services (Adebayo et al., 2021). Tax authorities in the country have over the past few years taken steps aimed at automating the tax administrative process (Deloitte, 2015). Before the adoption of technology which culminated in electronic taxation in 2016 (Fowler, 2017; (Ogunbela et al., 2021). However, the manual tax system presented several challenges which include such as administrative challenges, corruption, and the non-availability of a database of all taxable individuals, amongst several others. Therefore the infusion of technology and automation was primarily aimed at; blocking tax revenue leakages and widening the tax net; reducing tax filling duration, encouraging self-assessment, and also attending to tax complaints (Oseni, 2016; Sabitova & Khafizova, 2015). According to Ogunbela et al. (2021), this is to deepen the principles of equity, simplicity, economy and certainty in the tax system. The technological innovations introduced include the following:

1. The Tax Identification Number: This is a project funded by Federal and State governments but overseen by the Joint Tax Board (JTB), the unique-TIN is an electronic system that is meant to store the information of taxpayers and is proposed to facilitate real information sharing and data exchange among tax authorities and stakeholders. TIN is a system developed with a relational database linked to all important stakeholders such as the Central Bank of Nigeria, Nigeria Customs Service, Corporate Affairs Commission, and Nigeria Bureau of Statistics amongst others.

2. Integrated Tax Administration System (ITAS): Implemented by the Federal Inland Revenue Service (FIRS) and billed to have been launched at pilot offices, this system aims to promote electronic filing and payment of federal taxes. This system is meant to reduce physical interaction between taxpayers and the FIRS.

3. Automated payment systems: The objective of this is to simplify the tax payment process, track payments made by taxpayers, issue electronic receipts and withhold tax credit notes where applicable. Umenweke and Ifediora (2016) identified the positive impact of automation on tax administration to include: accessibility, time-saving and convenience, early detection of errors, curbing corruption, and enhancing the enforcement of tax laws. Other identifiable benefits, according to Alibasha, Kumar, and Kumar (2016) include enhanced customer service, quick processing time, and accuracy in audit trail and reduction in processing cost.

The TaxPro Max System

The application portal was opened on the 7th of June 2021 for the filing of all naira-denominated taxes (CITN Website, 2021). In a circular dated June 4, 2021, the Federal Inland Revenue Service called on the taxpaying public to fulfil their tax obligations using this portal (CITN Website, 2021). Taxpayers access the portal by registering after which they must input their log-in details to file returns. Upon filing the returns, a Document Identity Number (DIN) will be generated. The DIN is mandatory to remit taxes via the portal. The portal can be used to file returns by taxpayers or their approved agents. TaxPro Max offers taxpayers the opportunity to (Asuquo, 2021):

1. Register, file returns, and remit taxes.
2. Carry out assessments and keep track of tax obligations.
3. Manage withholding tax deductions.
4. Manage capital allowance and loss.
5. Download the tax clearance certificate.
6. Communicate with the FIRS on tax issues, among other things.

Challenges of Tax Administration in Nigeria

Studies have identified several challenges in tax administration in the Nigerian context. In the study by Leyira et al. (2012), the authors identified the challenges of tax administration to include the unavailability of tax statistics; failure to prioritize tax efforts; tax administration is poor; tax multiplicity; regulatory challenges; structural problems in the economy; underground economy and complexity of the tax laws. Other authors have identified the following fundamental challenges hindering tax administration in the country, to include:

1. Identifying/capturing taxable persons: There is the challenge of lack of reliable, comprehensive and inter-related suite of data to increase the degree of the capture of potential taxpayers outside the tax net or track those within the tax net but who have defaulted significantly in complying (Deloitte, 2015).
2. Tracking hidden income: These are instances of unidentified income earned by taxable persons (Deloitte, 2015).
3. Lack of clarity of tax jurisdiction: This has given rise to instances of multiple

taxations (Onuigbo, 2021). This entails paying similar taxes on the same or almost similar tax base. Examples of multiple taxes are Company Income Tax, Education tax, etc. (which are based on income) and also Value Added Tax, sales tax, etc. (based on sales). As both the State and Local Governments tax agencies collect taxes on the same item separately making the cost of tax payment high.

4. Mismanagement of tax funds: The media has frequently documented evidence of mismanaged public funds. This is often witnessed in the gross wastage of public funds through inflated contracts, white elephant projects, and criminal diversion of funds by government employees and politicians (Attamah, 2019).

5. Tax refunds: The absence of specific provisions in the tax laws under the FIRS Establishment Act 2007 for tax refunds. The FIRS Act requires tax authorities to pay a taxpayer's refund claim within 90 days of the application subject to appropriate audit. However, the extent of compliance with the provision has remained low.

Theoretical Framework

The Theory of Public Expenditure

The study anchored on the theory of public expenditure as postulated by a German economist, Adolph Wagner in 1890. The theory identifies that there are inherent tendencies for the activities of government to grow both intensively and extensively. A functional relationship exists between the growth of an economy and the governmental sector growing faster than the economy, furthermore, all kinds of governments especially, State or Local Governments intentions have exhibited the same kind of tendencies of increased expenditure (Onuigbo, 2021). The production and services in the private sector of the economic system are rendered by enterprises, and in the public sector by administrative departments and public institutions (Colm, 1936).

Tenets of the Theory

According to Onuigbo (2021), the following are tenets of the theory

1. Public expenditure should be planned in such a way as to yield maximum social advantage and social welfare to the community as a whole and not to a particular group of the community.

2. Duplication of expenditure and overlapping of authorities should be avoided. The interests of the taxpayer should also be protected.

3. There should be systematic auditing and inspection procedures at the end of financial

years to ensure accountability on the part of government officials vested with the power to expense.

4. The government should not overspend and run into huge debts. It also clearly indicates that deficit spending should be avoided as far as possible.

Empirical Review

Adebayo et al. (2021) conducted a study titled 'Influence of technology adoption on tax audit in Osun State, Nigeria'. The authors employed the survey research design and a final sample of 75 questionnaires was fully completed and returned. The data were analysed using the Ordinary Least Square technique and the results showed a positive influence of technology adoption on tax compliance and revenue increase. The authors recommended that the government should invest heavily in technology, review tax law and tax authorities should ensure the completion of every tax audit.

Onuigbo (2021) conducted a study titled 'Addressing the challenges of tax administration in Nigeria: A overview'. She used content analysis to analyse secondary information from published texts, journals, government documents, magazines and newspapers and the Enugu offices of the Federal Internal Revenue Service, State Board of Internal Revenue (SBIR) and Local Government Revenue Committee (LGRC). The following were identified as challenges in tax administration: lack of clarity in tax jurisdictions and seizure of local government funds by the state governments. She recommended that there is a need to clarify the tax jurisdiction of the tiers of government to minimize cases of multiple taxation and conflicts among revenue-generating agencies.

Bako (2021) conducted a study on the 'Factors influencing tax avoidance and tax evasion in Nigeria: A case study of Wukari, Taraba State'. The study adopted the survey research design and a final sample of 230 questionnaires was retrieved for analysis. The data were analysed using the multiple linear regression technique. The author found that corruption, lack of transparency and accountability, tax system injustice and complexity have an impact on tax avoidance and evasion in Nigeria. The study, therefore, recommended that tax authorities take urgent measures to improve transparency and accountability. This should be complemented with a zero-tolerance for corruption within and outside the tax system.

Bank-Ola (2021) conducted a study titled 'Value added tax administration and economic growth in Nigeria'. The author utilized the Auto-Regressive Distributed Lag (ARDL) model to analyse the time-series data from 1999 to 2019. The results show that VAT has a negative and significant effect on economic growth in the short run, whereas,

in the long run, the effect was positive but insignificant on economic growth. The study recommends that the government should implement policies geared towards ensuring a stable and sustainable value-added tax rate and administration through accountability, transparency and blockages of leakages in the system to thrive the nation's economy and bring about improvement in government revenue.

Yusuf and Mohd (2021) conducted a study titled 'Asymmetric impact of fiscal policy variables on economic growth in Nigeria'. The authors used time-series data from 1980 to 2018. The secondary data were analysed using the Nonlinear ARDL approach. The bounds test found that economic growth reacted symmetrically and significantly to changes in petroleum profit tax, customs and excise levies, in the long and short run. The authors recommend that the government should improve its fiscal policy to broaden the revenue base through efficient tax administration and collection systems, enhance expenditure on vital infrastructure, and eliminate unnecessary deficit financing, among others.

Osemeke et al. (2020) conducted a study titled 'The challenges affecting tax collection in Nigerian informal economy: Case study of Anambra State'. The study adopted the survey research design and a sample of 35 respondents selected from different firms in Anambra State. They used documentary analysis and semi-structured interviews to gather the data for the study. They found that the lack of provision of amenities and infrastructural development were among the reasons why many respondents do not pay tax in Anambra State, Nigeria. Other lack of accountability, embezzlement, poor accounting records, the deficit of empowerment programs and absence of awareness were also among the reasons why the respondents did not pay taxes. They recommend that the government should strive to ensure that tax payment is linked to the development of social amenities. In addition, the process must be fair and transparent.

Sani and Sani (2020) conducted a study titled 'Effect of electronic tax system on revenue collection efficiency in Kebbi State'. The study used the survey research design and a sample of 312 tax officials selected. The primary data was generated from a structured questionnaire which was further analysed using the multiple regression technique. The results indicated that online tax registration, filing and remittance have a significant positive effect on revenue collection efficiency in Kebbi State. However, online tax payment was positive but non-significant. The authors further recommended the full adoption of the electronic tax system in Kebbi State as it is more efficient than the manual tax system.

Attamah (2019) undertook a study titled 'Determinants of non-tax compliance in Nigeria: A study of Enugu metropolis'. The study adopts the survey research design and a sample of 162 respondents drawn from the Enugu metropolis. The study relied on primary data from a structured questionnaire. The frequency and percentage calculations showed that factors that affect tax compliance include poor tax awareness,

ineffective tax collection system, lack of accountability by the government, and high rate of taxes imposed on taxpayers, among others. He recommended improved tax awareness and greater responsibility by the government, among others.

Methodology

The study employs a descriptive survey research design, considered suitable for survey-based investigations (McMeekin et al., 2020). Descriptive research involves "describing the state of affairs as it is at present" (Pillai & Kaushal, 2020). This design was chosen because the study required distributing questionnaires to random samples of respondents from FIRS and taxpayers. Since the COVID-19 pandemic, several authors have advocated for the increased use of online surveys, which have become widely adopted in recent times (Majewska, 2020). The sample for the study comprised staff of the Federal Inland Revenue Service (Awka) and registered SMEs in Anambra State. The use of respondents who are knowledgeable and understand the subject matter provides a level of confidence in the information gathered (Bryman & Bell, 2011). The study employed purposive sampling, meaning respondents were selected based on their relevance to the research topic. This method ensures that the selected individuals have the necessary knowledge and experience in taxation and SME operations. The sample size of 80 respondents suggests a balance between statistical adequacy and feasibility. A total of 80 questionnaires were distributed, all of which were fully completed and returned by the respondents in the study. The study relies on primary data, collected through the administration of questionnaires. Rezvani and Khosravi (2019) highlighted that the use of questionnaires facilitates the participation of a larger number of research experts. The questionnaire consisted of close-ended questions formatted on a 5-point Likert scale. The instrument was a structured questionnaire, incorporating both nominal and interval scales, while interval scales focused on the study's objectives. Responses were measured using the 5-point Likert scale, a widely employed psychometric tool in survey research (Sani & Sani, 2020). The scale's weighting options included: 1 - Strongly Disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, and 5 - Strongly Agree. The researcher, therefore, employs the codification of all information obtained in a bid to provide the confidentiality of all respondents. The reliability of the instrument is evaluated using the Cronbach Alpha coefficient (α), which is a measure of the internal consistency of an instrument (Tavakol & Dennick, 2011). Several authors have suggested a minimum benchmark for this statistic (the reliability measure) to be in the range of 0.60 – 0.90, above 0.70 is deemed acceptable (Hair *et al.*, 2017).

Data Analysis

The analysis was performed on a total of 80 valid questionnaires which were fully completed and returned by the respondents. The analysis was performed with the aid of the IBM SPSS version 25.

Table 1: Reliability statistics of the questionnaire

Reliability Statistics

	Cronbach's Alpha	N of Items
TaxPro Max Technological Adoption	.746	4
Tax Filing	.855	4
Tax Payment	.765	4
Challenges of TaxPro Max	.888	4

Source: SPSS *ver.* 25

The first scale consisted of four items [Questions B.1-B.4], and the computed Cronbach Alpha value was .746; which according to the 'Rule of Thumb' is a 'Good' fit of the strength of association. The second scale consisted of four items [Questions C.1-C.4], and the computed Cronbach Alpha value was .855; which according to the 'Rule of Thumb' is a 'Good' fit of the strength of association. The third scale consisted of four items [Questions D.1-D.4], and Cronbach's Alpha value was .765; which according to the 'Rule of Thumb' is a 'Very Good' fit of the strength of association. The last scale consisted of four items [Questions E.1-E.4], with a Cronbach Alpha value of.888; which according to the 'Rule of Thumb' is a 'Very Good' fit of the strength of association (Hair *et al.*, 2007).

Demographic Information

The goal of this section is to present demographic information on the study respondents:

Table 2: Demographic profile of respondents

Category	Sub-Category	Frequency	Percent (%)	Cumulative Percent (%)
Gender	Male	47	58.8	58.8
	Female	33	41.3	100.0
Age	36–45	26	32.5	32.5
	46–55	22	27.5	60.0
	⩾ 56	32	40.0	100.0
Work Experience (Years)	1–5	42	52.5	52.5
	6–10	35	43.8	96.3
	11–15	3	3.8	100.0
Managerial Position	Top Executive	33	41.3	41.3
	Senior Executive	30	37.5	78.8
	Manager	17	21.3	100.0
Academic Qualification	Bachelor's (BSc, BA, etc.)	18	22.5	22.5
	Master's (MSc, MA, etc.)	36	45.0	67.5
	PhD	26	32.5	100.0

Source: Field Survey (2024).

Test of Hypotheses

H_{o1}: FIRS TaxPro Max has no significant effect on tax filing among taxpayers in the Awka metropolis.

H_{o2}: FIRS TaxPro Max has no significant effect on tax payments among taxpayers in the Awka metropolis.

Table 3: Pearson correlation analysis of main variables

Correlations

		Technological Adoption	Tax filing	Tax payment
Technological Adoption	Pearson Correlation	1	.428**	.415**
	Sig. (2-tailed)		.000	.000
	N	80	80	80
Tax filing	Pearson Correlation	.428**	1	.443**
	Sig. (2-tailed)	.000		.000
	N	80	80	80
Tax payment	Pearson Correlation	.415**	.443**	1
	Sig. (2-tailed)	.000	.000	
	N	80	80	80

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS *ver.* 25

Table 3 assesses the degree of relationship between the variables utilised in the test of hypotheses. The test was conducted using the Pearson correlation coefficient with the aid of IBM SPSS *ver.* 25. The results showed that technology adoption had a positive significant relationship with tax filing and payment. The r = .428 for technology adoption and tax filing (p<.05). The first null hypothesis is therefore rejected and the alternate accepted. FIRS TaxPro Max has a significant effect on tax filing among taxpayers in the Awka metropolis. The r = .415 for technology adoption and tax payment (p<.05). The second null hypothesis is also rejected and the alternate is accepted. FIRS TaxPro Max has a significant effect on tax payments among taxpayers in the Awka metropolis.

H_{o3}: Challenges associated with using FIRS TaxPro Max have no significant impact on tax filing and payment in the Awka metropolis.

Table 4: Kolmogorov Smirnov test output for hypothesis three

	Total N	80
	Absolute	.247
Most Extreme Differences	Positive	.200
	Negative	-.247
	Test Statistic	.247
	Asymptotic Sig. (2-sided test)	0[1]

[1]Lilliefors Corrected

The Kolmogorov Smirnov *test statistic* is .247, *Asymptotic Sig.* (2-sided test)=0, the third null hypothesis is therefore rejected and the alternate accepted; thus, it is concluded that challenges associated with using FIRS TaxPro Max have hindered tax filing and payment in the Awka metropolis.

Discussion of Findings

The first hypothesis confirmed that FIRS TaxPro Max has a significant effect on tax filing among taxpayers in the Awka metropolis. The result align with the findings of previous studies regarding the influence of technology adoption on tax compliance. Specifically, Adebayo et al. (2021) demonstrated a positive relationship between the adoption of technology and increased tax compliance in Osun State, Nigeria. The use

of advanced technological tools like FIRS TaxPro Max has been found to significantly impact the efficiency of tax filing. In this study, the significant effect of FIRS TaxPro Max on tax filing suggests that when technology is utilized effectively, it streamlines tax processes, reduces human error, and simplifies compliance for taxpayers. The findings resonate with Sani and Sani (2020), who showed that electronic tax systems, including online registration and filing, improve revenue collection efficiency in Kebbi State. The results here further emphasize that FIRS TaxPro Max has facilitated a more accessible and efficient tax filing system in the Awka metropolis, thus enhancing taxpayer participation.

The second hypothesis proved that FIRS TaxPro Max has a significant effect on tax payments among taxpayers in the Awka metropolis. The findings of this study, align with the results from Sani and Sani (2020), which highlighted the positive influence of electronic tax systems on revenue collection in Kebbi State. The introduction of FIRS TaxPro Max likely makes the tax payment process more convenient, transparent, and less prone to human errors, thereby encouraging taxpayers to pay their dues in a timely manner. Similarly, technology-driven tax systems have been shown to improve revenue collection efficiency in other regions, as indicated by Yusuf and Mohd (2021), who noted the significant impact of fiscal policy changes on economic growth through efficient tax collection systems. Thus, the ability of FIRS TaxPro Max to simplify payment procedures fosters greater compliance and a more robust revenue stream, reinforcing the importance of digital tax systems in modernizing tax administration.

The third hypothesis showed that Challenges associated with using FIRS TaxPro Max have a significant effect on tax filing and payment in the Awka metropolis. The rejection of the null hypothesis indicates that challenges related to the use of FIRS TaxPro Max have hindered tax filing and payment in the Awka metropolis. This finding resonates with the broader challenges identified in tax administration studies. For instance, Onuigbo (2021) highlighted various operational challenges within Nigeria's tax system, such as lack of clarity in tax jurisdictions and the lack of transparency in revenue collection. Similarly, Bako (2021) pointed out issues like corruption and inefficiency in the tax system, which can undermine the potential benefits of technological innovations. The obstacles identified in this study such as technical difficulties, lack of user-friendly interfaces, and limited access to the necessary infrastructure are consistent with Osemeke et al. (2020), who noted that poor infrastructural development and lack of awareness were barriers to tax compliance in the informal sector. In addition, the research by Adebayo et al. (2021) revealed that despite technological advancements, the effectiveness of these systems can be limited if not adequately supported by proper infrastructure, user education, and government commitment. Thus, while FIRS TaxPro Max holds significant promise for improving tax administration, the challenges highlighted in this study indicate that without

addressing these systemic barriers, its full potential cannot be realized in the Awka metropolis.

Conclusion and Recommendations

This study concludes that FIRS TaxPro Max has significantly improved tax filing and tax payments in the Awka metropolis. The TaxPro Max portal which was launched 7th of June 2021, is an online technological solution which enables taxpayers to register, file returns, and remit taxes. More so it can assist taxpayers to carry out assessments and keep track of tax obligations, among others. The study relied on a survey of FIRS staff and SMEs in the Awka metropolis. These findings contribute to the understanding of how technological innovations like FIRS TaxPro Max can enhance tax administration, while also underscoring the importance of overcoming challenges that can hinder their effective implementation. However, the adoption of this technological solution is not without attendant challenges such as the low level of technological infrastructure, lack of public awareness and enlightenment among the taxpayers. The study recommends for the following for implementation by tax authorities across various states:

1. The adoption of technology for tax profiling, assessment and returns. However, there should be also modifications of the technology solutions to meet the needs of people living with disabilities. Taxpayers with visual impairments, for instance, may not be able to digitally engage until certain modifications are made for utilization (Deloitte, 2015). Additionally, technological solutions should also meet the different language needs across the geo-political zones as many Nigerians even among those who are literate are more comfortable transacting business in their first languages. The FIRS should endeavour to lower the barrier as it currently provides paper tax forms and other literature in the three major Nigerian languages, but not in a digital format.

2. Digital Database Creation: Encouraging tax return submission using technology can promote the development of a digital database of taxpayers which would be useful for the government in policy formulation, development planning and achieving a unified tax structure. This would also promote a sustainable approach towards taxiing the black or informal economy.

3. The following challenges should be addressed by the government to promote the technological adoption of tax payment in the country:

a. Boosting technological infrastructure;

b. Improving public awareness and enlightenment of technological use;

c. Ensuring anti-corruption agencies tackle incidences of bribery and corruption would also reduce collusion among staff and taxpayers.

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