TAXATION POLICY FACTORS ASSOCIATED WITH THE PERFOMANCE OF SMALL SCALE ENTERPRISES IN NIGER STATE, NIGERIA.

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SEPTEMBER, 2019

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A THESIS SUBMITED TO THE SCHOOL OF POSTGRADUATE STUDIES, KWARA STATE UNIVERSITY, MALETE

IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF SCIENCE DEGREE (MSc Ed) IN BUSINESS EDUCATION,
DEPARMENT OF BUSINESS AND ENTREPRENUESHIP EDUCATION,
COLLEGE OF EDUCATION, KWARA STATE UNIVERSITY, MALE

SEPTEMBER, 2019

DECLARATION

I hereby declare that the thesis titled "Taxation policy factors associated with the performance of small scale enterprises in Niger state, Nigeria" was carried out by shehu shagari GARBA with matric number 16/ 27/MBE012, in the Department of Business and Entrepreneurship Education College of Education, Kwara State University, Malete. The information derived from the literatures has been duly acknowledged in the text and a list of references provided. No part of this thesis was previously presented by any previous applicant for a higher degree of any institution.

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CERTIFICATION

This thesis the thesis titled Taxation policy factors associated with the performance of small scale enterprises in Niger state, was carried out by shehu shagari GARBA with matric number 16/ 27/MBE012, meets the regulartions of governing the award of the degree of maters of science Business Education (MSc Ed), Department of Business and Entrepreneurship Education College of Education, Kwara State University, Malete. It has been approved for its contribution to knowledge.

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DEDICATION

This research work is dedicated to my parents, Alhaji Graba Abubakar and Hajiya Habiba Abubakar.

ACKNOWLEDGEMENTS

The researcher gratefully acknowledge various individuals, who have contributed to the success of this work that are too numerous to mention. Therefore the researcher sincerely appreciates the contribution made by some people at various stages of this work and the entire programme. The researcher will forever be grateful to his supervisors, Dr. Lawrence F. Ademiluyi and Dr. John Oyedele, who through their piece of device, corrections, suggestions, guidance and above all love, made the production of this thesis possible. The researcher prays to God that they continue to remain with His blessing, Amen.

The researcher sincerely appreciates his Supervisors, Dr. John F. Oyedele and Dr. Lawrence F. Ademiluyi who through their fatherly advice, corrections and guidance facilitated the completion of this work. May God continue to bless them and their entire family.

The researcher is also indebted to all lecturers in the Department of Business and Entrepreneurship Education; Prof. Ganiyu T. Oladunjoye, Professor Titus A. Umoru, Dr. Joshua S. Mamman, Dr. Ngozi B. Nwabufo, Dr. Ebele C. Okereke, Dr. Stephen O. Afolabi and Dr. Olayiwola G. Olorisade, for their interest, priceless contributions and constructive criticisms at various stages which helped a lot in the completion of this study.

The researcher's gratitude also goes to Dr. Jushua S. Mamman my mentor, who always advises the researcher to remain focused to the end. Appreciation goes to the researcher's brother in person of Ali Garba whose love, advice, interest, prayers, moral and financial support, saw the researcher through this work.

Profound appreciation goes to the members of my family, especially to my parent; Alhaji Garbba Abubakar, Hajiya Habiba Abubakar, Hajiya Zuwaira Abubakar, To my brothers; Mallam Garba Lawal, Isma'il Garba, Abdullahi Garba, Ismaila Garba, Musa Garba, Abubakar Garba, Yunusa Garba, Yakubu Garba, Adamu Umar, Adamu Rabi'u, Mal

Dalladi Ahmed, Malam Sinusi Abdullahi; To my sisters; Mallama Safiya Garba, Sadiya Garba, Anti Hajara Abdulsalam, Katume Ismail, Sadiya Ali Garba, Adama Issiyaku, and Amina Abdullahi. Also My Worth Of Appreciation goes to my undergraduate lecturers; Mal. Ndako Worogi Editsu, Dr. Muhammad Kolo, Dr. C. K. Dauda, Mal Ibrahim Isah Daja, Late Mal Mahmud Lawal, Late Dr Jushua Samari, Mal. Umar Bosso Dogari, Dr. Bala A. Shehu, Mal Musa Zarif, Mrs Osougi Anne, for their guidance support, encouragement and prayers.

The reseacher's warm and sincere appreciation go to his friends and collegues Mal Dalladi Ahmed, Mal Sisnusi Abdullahi, Mal Suleiman Abdul Sharu, Lawal Minka'il, Hadiza Suwasu, Aliyu Muhammad, Adamu Rabi'u, Unty Florence, Adamu Abubakar, Ibrahim Wada, Habib Wada, Kalifa Idris Ahmed Mai'Ismi, for their moral support and encouragement given to the researcher during the Course of the work. The researcher sincerely appreciates his course Mate; Daniel Dazan Zakka, Aminu Baba Kura, Mustapha Yandalu Umar, Hassa Haruna, Halilu Hamman among others for their guidance, advise, and encouragement, finally the researcher appreciate the management and staff of Kwara state university and Niger state college of education Minna for creating an enabling environment for this studies.

TABLE OF CONTENTS

CHAPTER THREE:METHODOLOGY

CHAPTER FOUR: PRESENTATION AND ANALYSIS OF DATA

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

LIST OF TABLES

LIST OF ABBREVIATIONS

BIRS	-	Board of Internal Revenue Service
BOJ	-	Best of Assessment
CITA	-	Company Income Tax Act
FIRS	-	Federal Inland Revenue Service
GDP	-	Gross Domestic Product
IRS	-	Inland Revenue Service
LFN	-	Law of Federation of Nigeria
LGRS	-	Local Government Revenue Service
NEFF	-	National Economic reconstruction fund
NTP	-	National Tax Policy
PITD	-	Personal Income Tax Degree
RTA	-	Relevant Tax Authority
PAYE	-	Pay As You Earn
SMEDAN	-	Small and Medium Enterprises Development Agency of Nigeria
SMEs	-	Small and Medium Enterprise
SSEs	-	Small Scale Enterprises
SSB	-	Small Scale Business
UK	-	United Kingdom
USA	-	United State of America
VAT	-	Value Added Tax

LIST OF APPENDICES

Appendix **Page**

Abstract

This study was carried out to investigate the taxation policy factors associated with the performance of small scale enterprises in Niger state, Nigeria. In order to achieve this, four specific purposes and four research questions were raised. Four null hypotheses were formulated and tested at 0.05 level of significance. Survey research design was adopted for the study. The population of 1,145 which was obtained from the Niger state ministry of commerce and industry represented 26% of the population upon which a sample of 296 was drawn proportionately from three senatorial zones of Niger state, using Taro Yamani formula for the determination of sample sizes. Taxation Policy Factors Associated with the Performance of Small Scale Enterprises Questionnaire (TPFAPSSEQ) which was validated by five experts was the study instrument. The instrument consisted of six sections. Cronbach Alfa reliability coefficient of 0.85 was obtained. The data was achieved with the aid of six research assistants who assisted the researcher in the process of questionnaire administration and retrieval which lasted for four weeks. The demographic data of the respondents were analysed using the simple percentage method. The research questions were answered using the mean and standard deviation. All h null hypotheses were tested at 0.05 level of significance using independent t- test. The study found among others that; multiple taxation, tax assessment and collection, tax incentives, and value added tax have moderate positive influence on the performance of small scale enterprises. There was no significant difference between the mean rating of owners and managers in the state capital and those in other areas regarding the salutary effect of tax incentive on the performance of small scale enterprises. Based on the findings, it was concluded that tax incentive policy should be adequately used to encourage infant, local industries to grow and develop and also to encourage local and international investors to plough in their resources into the economy. It was therefore recommended among others that, the tax incentives and exemption should be provided to small scale business owners and managers in Nigeria, so as to relieve the burden of multiplicity of taxes, such as community levy, youth levy as well as association or union levies among others, which increase the number of multiplicity of taxes among SSEs and the study finally recommended among others that taxation policies should be friendly to small scale enterprises in order to boost the growth of entrepreneurship in Niger state.

CHAPTER ONE

INTRODUCTION

Background to the Study

Small Scale Enterprises constitute about ninety percentage of the Nigerian economy and they serve as source of employment opportunities, wealth creation, innovation, competition and economic dynamism which ultimately lead to poverty alleviation and National growth. Taxation policy is one of the factors that affect the performance of small scale enterprises in the economic environment. The desire to build a civilized nation with a strong and sound economy is the aspiration of every country, including Nigeria. Tax payment is one of the most important sources of government revenue used in financing its capital and recurrent expenditure. However, some income earners and small scale business owners have perceived taxation as a form of exploitation by the government.Ogbonna (2010) observes that tax is a compulsory payment imposed on income, profit, wealth, estate, property, goods and services of the individuals' and corporate bodies by the government for the sustenance of the government and for which there is no guarantee for commensurate direct benefit. Aneke (2007) in Ogbonna (2012), observes that, collection of these taxes cannot be successful without a strong tax policy which ensures strict compliance and smooth collection in the country. This realization leads to the development of the National tax policy. The National Tax Policy is therefore part of the efforts to entrench a robust and efficient tax system in Nigeria.

Tax policy, is a general statement of procedure which guides the thinking and action of all concerned towards the realization of the stated tax objectives. It is concerned with the reasoning behind the assessment and collection of revenue by the government, what the revenue will be used for, and whether the government assesses and collects the revenue in the most appropriate way. Tax policy analysis follows a two-step process: the first step identifies the purposes of specific tax instruments, and the second step evaluates how well those instruments achieve their purposes. The current Nigerian tax policy is aimed at repealing the old provisions that exact negative influence on the growth of small scale business in Nigeria. Tax policy measures are geared towards development of small scale enterprises in Nigeria and salutary supports system should be provided inform of reliefs, such as a reduction in business tax rate, effective use of tax incentive policy among others which need to be increased, standardized in the country.

Small scale enterprises is an important sector used for economic growth, development, productivity and competitiveness in Nigeria. Small scale enterprises(SSEs) brought about extensive local capital formation, contribute to standards of living and achievement of high level of economic productivity. SSEs are identified as a major means of achieving equitable and sustainable industrial diversification. Aderemi (2013) notes that SSEs in Nigeria usually have small scope of business structures in terms of planning, organising, staffing and managing the business by owner or family, offering basic goods and services. He added that the urban small scale enterprises have more structural plans than their rural counterparts. This is one of the most generic features of SSEs in Nigeria. Small scale enterprises have simple management structure with a few number of employees and owners which required low level of education.

Owners and managers are individuals who are saddled with the responsibilities of planning, organizing, directing, and coordinating the act of running businesses with the aim of making profit. Specifically, a manager is an individual employed by the owner or partners to oversee the affairs of the business in terms of planning, organizing, directing, and coordinating the business and staff under him or her with the aim of retaining customers and profit to the organization. While owners are those who take possession of the business in terms of planning, organizing, directing and coordinating and who bear the risk, business and enjoys the proceeds of the business.

Taxation policy factors are taxation variables that affect the performance of small scale enterprises. These comprises the multiple taxation policy, income tax rate policy, tax assessment and collection policy, tax incentive policy and value added tax (VAT) policy among others, which could determine the level of performance of these small scale enterprises in Niger state.

A country's tax policies and systems are closely associated with the performance of business ventures in a country, and any economy that enacts favourable and progressive tax laws and policies will probably raise successful and finance-healthy business organizations. Once businesses flourish, the economy flourishes as well, as there is no way of stimulating the economy without the help of business organizations that move goods, services, money and investments from those with surplus to those with deficit; those with marketable ideas or output to those who need these ideas and products. In essence, businesses and taxation policies greatly depend on one another for survival, if one is greatly affected, the other will follow as well.

Nigerian Tax System has undergone significant changes in recent times, with the help of various studies and researches carried out by tax experts, tax laws are being reviewed with the aim of repealing obsolete provisions and simplifying the main ones. Under current Nigerian law, taxation is enforced by the Federal, State, and Local Government with each having its sphere clearly spelt out in the Taxes and Levies Act. Small scale businesses are generally recognized as important drivers of economic success. They are key ingredient in the "ecology of firms" in a healthy economy, as job creators, sales generators and a source of tax or fiscal revenue to the government. In Nigeria the importance of small scale businesses as revenue generators, creators of jobs, particularly for those with a low skills knowledge, cannot be overemphasized.

Despite its significance on economic development, small scale enterprises usually operate in an overbearing regulatory environment with continuous of regulatory agencies, multiple taxes, cumbersome importation procedures and high port charges that persistently exert serious burden on their operations. Many small scale enterprises have to deal with numerous regulatory agencies at high cost. This indicates that the resources small scale enterprises direct towards tax compliance are resources that could be better used for reinvestment which will facilitate future growth and development of their businesses. Hence, there is the belief that taxes and a complex tax system put disproportionate pressure on smaller businesses which encourage them to remain in the informal sector of the economy. Small business taxpayers under the regular system of taxation are discriminated against, since the compliance requirements, cost of compliance and tax rate are the same for both smalls call businesses and manufacturing enterprises. Reducing the compliance costs and tax rate will definitely increase profit margin of the small enterprises.

Shahrodi, (2010) believes that for a tax system to be efficient, the tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount, the tax collection organizations are more efficient, the tax burden on indigent people are reduced and the fight against corruption and tax evasion are much more rigorous. The implication of taxation policy factors such as of multiple taxation, fluctuating business tax rate, incorrect tax assessment and collection, for example, constitutes the abnormal and inappropriate taxation and legislation. It is evident that multiple taxes, fluctuating tax rate, incorrect tax assessment and collection present great challenge to small scale business among because they inhibit growth and penetration; suppress the small scale industry growth; and limit the creation of value chain that is beneficial to socio-economic development of small scale enterprises in Nigeria (Oyedele2016). Performance in respect of small scale enterprises is refers to the overall achievement of an enterprise (in the areas of human resources, material resources and financial resources) after deducting tax. The challenges faced by Small Scale Enterprises can be attributed not only to the introduction of ineffective tax policies but also to the attitude of taxpayers in conforming to the tax laws and regulations.

In Nigeria in particular, despite numerous support and incentives programme by government, small scale business owners and managers do not always comply with tax laws, which make tax assessment and collection difficult to be captured in the tax net. Oboro and Ighoroje, (2011) stated that it would seem awkward, to expect small scale businesses to grow and flourish, but the rate of failure continues to increase. Factor responsible for failure\include: lack of financial resources, lack of managerial experience, poor location of business, general economic conditions, as well as critical factors such as poor infrastructure, corruption, low demand for products and services, high tax rate, multiple taxes, complex tax regulations and lack of proper enlightenment or education about tax and its related issues among others.

Oyedele (2016) reports that multiplicity of taxes has been and continues to be a major challenge to businesses in Nigeria. A recent survey by the World Bank revealed that a medium-sized company in Nigeria makes about thirty nine(39) different tax payments annually compared to seven in South Africa, eight in the UK, eight in Mauritius, average of ten for G7 countries, eleven in the US, and fourteen in Japan. While these countries are from different parts of the world, they share one thing in common, their tax systems are developed, much easier to comply with and they generate tax revenue in the region of twenty percent of their GDP. By contrast, Nigeria is the third most difficult country out of 189 economies in the world (ahead of Brazil and

Bolivia) in terms of time to comply and currently generates only about six percent of GDP in taxes across all levels of government. The Manufacturers Association of Nigeria a couple of years ago sought the help of the National Economic Council to address the problem of multiplicity of taxes. This resulted in a project to harmonise all taxes and produce a comprehensive list of approved taxes. Ironically the final outcome was an increase in the "harmonised" list of approved taxes and levies from 39 to 61.

It seems however that even this number is still not enough going by the nine page Bill currently at the National Assembly described as an Act to establish a National Security Tax Fund. The Bill seeks new means by which the security agencies can receive extra funds in addition to the existing federation allocation in order to make the agencies more efficient in ensuring safety of lives and property throughout the federation (Oyedele, 2016). It is in line with this backdrops that the researcher seeks to find out the extent to which taxation policy factors influence the performance of small scale enterprises in Niger State.

Statement of the Problem

The need for this study was prompted by the economy recession of 2016-2017 that affected effective operation of small scale enterprises, and the various issues surrounding tax system and its administrations as it affects the growth and development of SSEs in Niger state. These range from ineffective tax assessment and collections, tax evasion among small business owners, inadequate implementation of tax incentive policy in the economy, multiplicity of taxes among others, which serve as an impediment for speedy growth and development of small scale enterprises in Niger state. According to Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), eighty percentage of small scale businesses die within five to seven years of their establishment. This implies that the major factor responsible for their untimely deaths and close-ups of small scale enterprises in Nigeria are taxes and its related issues, which include multiplicities of taxes, problems of tax assessment and collection, fluctuating business tax rate, inadequate application of tax incentive in our economy among others. The study seeks to identify the specific taxation policy factors which may influence the performance of small scale enterprise in Niger state.

The continuous ineffectiveness and low performance of small scale enterprises in Niger state has become very alarming, this is because, small scale enterprises have fallen short of expectations in their capacity to foster effective economic growth and National development in Nigeria, all as a result of complex tax policies. This frightening problem indicates that a large number of small scale enterprises in Nigeria, have to deal with numerous tax agencies at high cost of compliance. These include excessive import duties, excise duties, custom duties, multiple taxes, value added tax among others. The resources directed towards tax compliance by small scale business owners and managers are resource which could been used for reinvestment and expansion of business ventures. Inadequacy of financial resources for investment and expansion will slow down performance of SSEs in Niger state. Inappropriate taxation policy may consequently exact negative effects on the cost of production, prices of product, and volume sales and profitability, especially in Niger state.

Small scale enterprises need to be supported and encouraged, by putting in place effective taxation policies which may have salutary effect on the production cost, pricing system, sales, and profitability, among others. It is therefore important to identify the tax policies and practices which may influence small scale enterprises performance in Niger state. To the researcher best knowledge no study has recently been conducted to identify taxation policy factors associated with the performance of small scale enterprises in Niger state.

The absence of salutary taxation measures will result in frequent closure of small scale enterprise, problems of tax evasion, reduction in gross contribution of taxes to the gross domestic product (GDP) ratio, inflation in the economy among others. It is against these backdrops that, the researcher carried out the study on taxation policy factors associated with the performance of small scale enterprises in Niger state.

Purpose of the Study

The main purpose of this study is to determine respondents' perception on taxation policy factors associated with the performance of small scale enterprises in Niger State. Specifically the study will seek respondents' perceptions on:

1. the extent to which multiple taxation policy influences the performance of small scale enterprises in Niger state.
2. The extent to which tax assessment and collection policy influences the performance of small scale enterprises in Niger State.
3. The extent to which tax incentives policy influences the performance of small scale enterprises in Niger State.
4. the extent to which Value Added Tax policy influences the performances of small scale enterprises in Niger State.

Significance of the Study

This study will be of significance to tax policy makers, small scale business owners, manufacturers and business organizations, tax authorities, government at all levels and future scholars and researchers.

The study will be of significance to tax policy makers, including joint tax board, house of senate and House of Representatives, as a basis for the restructuring public policy on taxation of informal economy and would provide understanding of the economic impact of small scale and micro-enterprise activities in the sector, to the Nigerians. The research finding could serve as a blue print to be followed in passing of Bills or laws concerning taxes in to law.

Manufacturers and business organization are also major contributors of fiscal revenue to the state. The study will be of significance in adjudicating issues confronting them in terms of taxation ranging from multiple taxes, income tax rate, tax assessment and collection, tax incentives and value added taxes among others and know how to proffer solutions to these problems.

Tax authorities will also benefit from the study since they are responsible for monitoring, assessing and collection of taxes in Nigeria. These agencies include the Federal Inland Revenue service (FIRS), Board of Internal Revenue Service (BIRS), Local Government Revenue Service (LGRS) among others. Also the study will be of particular significance to tax authorities in dealing with issues directly linked with the assessment and collection of tax for the small scale enterprises in terms of compliance requirement, cost of compliance, tax rate among others issues, with the hope of addressing them.

Small scale business owners are the prime source of revenue to government and are major contributors to economic development. The findings of this study will be of particular assistance to small scale business owners and managers who, as taxpayers need to handle the basic issues concerning the tax laws and policies; and how this knowledge acquired with the study will help in enlightening them on the do and don’ts of tax policy in the state.

Government as a structural agency of the state is saddled with the administration, assessment and collection of taxes in the state. The study would be useful to the three tiers of government in the federation with the report on taxation as important sources of additional revenue. The study will be of useful to government at all levels as it would help government to identify and of address fundamental issues bedeviling the performance of small scale enterprises in respect of: multiple taxation, increase in income tax rate, tax assessment and collections and value added tax (VAT), and tax evasion among others.

Finally the study will be of useful to both scholars and researchers as it will contribute to the body of knowledge on taxation and related areas, especially in respect of taxation of small scale businesses.

Research Questions

The following research questions was used for the study:

1. To what extent does multiple taxation policy influence the performance of small scale enterprises in Niger State?
2. To what extent does tax assessment and collection policy influence the performance of small scale enterprises in Niger state?
3. To what extent does tax incentive influence the performance of small scale enterprises in Niger State?
4. To what extent does value added tax policy influence the performance of small scale enterprises in Niger state?

Research Hypotheses

The following null hypotheses were formulated guide the study tested 0.05 level of significance:

H_{O1}: there is no significant difference between the mean ratings of owners and managers of small scale enterprises on the extent to which multiple taxation policy influences the performance of small scale enterprises in Niger State;

Ho2: there is no significant difference between the mean ratings of respondents in urban and rural area on the extent to which tax assessment and collection policy influences the performance of small scale enterprises in Niger state.

Ho3: there is no significant difference between the mean ratings of respondents in state capital and others outside the state capital on the extent to which tax incentive policy influences the performance small scale enterprises in Niger state.

Ho4: There is no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influences the performance of small scale enterprises in Niger state.

Scope of the Study

The scope of the study delimited respondents perception on taxation policy factors associated with the performance of small scale enterprises in Niger state with particular focus on: multiple taxation policy, tax assessment and collection policy, tax incentive policy and value added tax policy. The study will equally be delimited to Bida, Mokwa, Suleja, Kontagora, Magama and Minna metropolis. This is because they are the major commercial centers in the state.

Operational Definition of Terms

Factors: Simply means, the various components of tax policy.

Manager: Refers to an individual who is employed by the owner or owners to oversee the affairs of the business in terms of planning, organizing, directing, and coordinating group of businesses and staff with the sole aim of retaining customer and profit for the organization.

Multiple tax: Refer to the system that is concerned with the levying of taxes by two or more jurisdiction on the same declared profit.

Owners: Refers to those individuals who take possession of the business, in terms of planning organising, directing, coordinating and staffing among other and who bear the risk and take the profit of the business.

Performance: Refers to the process of growth and development of a business concern in terms of capital, increase in the numbers of customers, expansion of the business and complying with stated rules and regulations. That is to say it is the process of responding to changes for effective task ahead.

Policy: Is the general statement of procedure which guides the thinking and action of taxpayers towards realization of stated tax objectives.

Small scale enterprises: Refers to the form of business that requires a small capital or money and locations to start. These include sole trade, hawkers, partnership business, and joint venture.

Tax incentive: Refers to the system of tax that provides tax reliefs to businesses in order to ease business activities and encourage infant industries to develop.

Taxation: Is defined as the process of collection and administration of taxes, so as to sustain the financial activities of the government.

Tax assessment and collection: Refers to the procedure for assessing and collecting the amount of revenue by the government from the small scale enterprises (taxpayers).

Taxation Policy Factors: Refers to the variables that affect the performance of small scale enterprises. These comprises multiple taxation policy, business tax rate policy, tax assessment and collection policy, tax incentive policy and value added tax (VAT) policy among others, which would determine the extent of performance of these small scale enterprises.

Taxation Policy: Taxation policy is concerned with laws or policies that governed the administration, assessment and collection of taxes.

Tax assessment and collection: Refers to the procedure for assessing and collecting the amount of revenue by the government from the taxpayers.

Value added tax: Refers to the tax levy imposed on manufacturers and businesses at each stage of the production process.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents the review of related literature which was drawn from different sources such as the internet, magazines, textbooks, journals and others. The chapter is presented under the following sub-headings:

Theoretical framework:

Theory of Ability-to-Pay John Stuart. Mill (1806-1873).

Theory of Sumptuary Solum Jovanovich (1712-1778)

Conceptual frame work:

Concept of taxation.

Concept of small scale enterprises.

Small Scale Enterprises as a tool for national growth and development.

Concept of performance of small scale businesses.

Multiple Taxation Policy and Performance of Small Scale Enterprises.

Income Tax Rate Policy and the Performance of Small Scale Enterprises.

Tax Assessment and Collection Policy and the Performance of Small Scale Enterprises.

Tax Incentives Policy and the Performance of Small Scale Enterprises.

Value Added Tax policy and The Performances of Small Scale Enterprises.

Review of Related Empirical studies

Appraisal of literature reviewed

Theoretical Framework

Two theories were used to provide theoretical understanding for this study. These two theories are:

Theory of Ability-to-Pay John Stuart. Mill (1806-1873).

Theory of Sumptuary Solum Jovanonich (1712-1778)

Theory of Ability-to-pay

John Stuart. Mill, (1806-1873), He was a French political economist and he propounded the theory of ability-to-pay. This theory is the most popular and commonly accepted principle of equity or justice in taxation. The theory advocates that, citizens of a country should pay taxes to the government in accordance with their ability to pay. It appears very reasonable and just that taxes should be levied on the basis of the taxable capacity of an individual and corporate business. This is indeed the basis of 'progressive tax,' as the tax rate increases by the increase of the taxable amount. This principle is indeed the most equitable tax system and has been widely used in industrialized economics. The usual and most supported justification of ability to pay is on grounds of sacrifice. The economies viewed payment of taxes as a deprivation to the taxpayer because he surrenders money to the government which he would have used for investment or his own personal use. However, there is no solid approach for the measurement of the equity of sacrifice in this theory as it can be measured in absolute, proportional or marginal terms. Thus, equal sacrifice can be measured as (i) each taxpayer surrenders the same absolute degree of utility that she obtains from his or her income, or (ii) each sacrifices the same proportion of utility she obtains from his or her income, or (iii) each gives up the same utility for the last unit of income; respectively.

The theory of ability to pay is relevant to the current study, because the taxation policy base its assessment on the ability of individual or company to pay his or her tax to the government. The theory postulated that, public expenditure should come from “him that hath” instead of “him that hath not. This implies that taxes should be levied on individuals or corporate bodies that earned incomes from trade, business, vocation or profession. This is in line to current tax policy which postulated the need to charge businesses in commensurate terms with the income generated from operational business to the government. This principle is indeed the most equitable tax system and has been widely used in industrialized economies. It is with this reasons taxation policies were formulated to ensure effective tax assessment, compliance and collection. The theory however portrays the important taxpayer contribution (tax) as a basis for carrying out government capital and developmental project, so as to provide the needed essential social services that would facilitate the smooth running of economic activities in the country.

Theory of Sumptuary

Sumptuary theory was advocated by Solum Jovanovich (1712-1778) and it was first used in English literature in 1712 and the theory asserts that the purpose of a tax should be to control and limit private expenditure on what is considered unnecessary, extravagant and uneconomical, all of which are not in the best interest of the community. This gave rise to the introduction of taxes such as purchase tax, value added tax, among others. Proponents of this theory advocate tax as controlling and limiting factor which should be manipulated in a way that private expenditure considered unnecessary and extravagant should be reduced to the barest minimum in the interest of the state economy. Sumptuary theory best explains the practice and administration of income tax in the state. In applying the theory to the explanation of personal income tax administration in this state, the approach of the common taxation, will to some extent come into play.

The sumptuary theory of taxation takes into cognizance the fact that for government to address its objectives, using tax instrument, certainty of amount of the tax to be paid, the time, place and method of payment, ought to be clear to the prospective tax payer. In other words, there should be clear guidelines, levying no doubt in the tax payer's mind, because the sumptuary theory takes care of this. Government lists out, at the beginning of each financial year, items that are considered extravagant and uneconomical and imposes high tax tariff on them. Convenience is another aspect of the cannons of taxation that is accommodated in the sumptuary theory. The theory in practice, satisfies the principle of convenience by pay-as-you earn (PAYE) system, where by taxes are deducted at monthly statements from salaries of workers, and the higher one earns, the higher one pays as tax. Similarly, tax payers are given the opportunity of paying banks nearest to them. Moreover value added tax (VAT) which is a byproduct of this imposed tax, is made in such a way that only the beneficiaries pay the tax.

Proportionality is another factor which the sumptuary theory supports. It supports this by way of taxing a uniform percentage or proportion of say 20% tax on a range of luxurious items. This means that a tax payer who imports an item worth (N200, 000) pays the same proportion of tax with the person who imports an item worth (N20, 000).This means that the 20% tax is applied across the board, irrespective of who is involved in the importation. Economy, which is one of the cannons of taxation according to Adam smith, is also well accommodated in the sumptuary theory. Economy advocates that the yield of a good tax is the difference between the tax collected and the cost of its collection. The primary objective of the sumptuary theory is to reduce the elasticity of items, goods, and services considered frivolous and uneconomical, hence tax is used as an instrument of actualization of this objective.

The sumptuary theory emphasized the need of including value added tax (VAT), as it relates to the consumption or use of private goods and services. The theory is relevant to this study because it portrays one of the taxation policy factor that is value added tax policy. The theory, gave rise to the introduction of taxes such as purchase tax, value added tax, excise tax among others. The theory advocates tax as controlling and limiting factor which should be manipulated in a way that private expenditure considered unnecessary and extravagant should be reduced to the barest minimum in the interest of the state economy. This means that expenses considered unnecessary in the course of operating a small scale business, should be discarded for effective performance.

Concept of Taxation

The Nigerian Tax System has undergone significant changes in recent times. With the help of various studies and research done by tax experts, tax laws are being reviewed with the aim of preventing obsolete provisions and simplifying the main ones. Jibrin, Samuel, and Ifurueze, (2012), posit that tax is a compulsory contribution imposed upon persons and firms by a public authority to cover government expenses. They however added that tax is regularly imposed annually or as government thinks. To them, taxes on people and firms income play critical roles in any nation’s economic growth and development. Tax is a compulsory contribution imposed by government on her citizens, their wealth or property without commensurate benefits. Mulooki and Mugisha (2012) asserted that tax is an involuntary payment by a person referred to as a tax payer; therefore taxes are distinguished by their compulsory nature and by lack of relationships between the amount paid and the values of the basic services received by the tax payers. Taxes are essential to both economic growth and development and it is vital instrument of fiscal policy of the government (World Bank, 2014).

According to Omagor&Mubiru, (2008) taxation is a legally compulsory transfer of money from the public to the government mainly as a source of government revenue. while Balunywa, Namatovu, Kyejjusa and Dawa, (2010) argue that taxation is a payment which cannot be avoided without attracting a punishment and in return of which no gain or quid pro-quo is promised by the government to the tax payer. They further added that, principles of taxation are rules and regulations which should be observed in tax assessment, collection and administration. Ogbonna(2012), observe that tax is "a major source of government revenue all over the world". Azubuike (2009) noted that government uses tax proceeds to render their traditional function such as the provision of public goods, maintenance of law and order, defense against external aggression, regulation of trade and business to ensure social economic maintenance.

The National Tax Policy (2012) specifically distinguishes Taxation from other components of Revenue. Section 1.2 of the policy, defined taxation as a "monetary charge imposed by government on persons, entities, transactions or properties to yield revenue".it further view tax as a "pecuniary burden laid upon individuals or property to support government expenditure" and not a voluntary payment or donation but an enforced or compulsory contributions, exacted pursuant to legislative authority. Eftekhari (2009), posits that taxation has always been an issue for the government and taxpayers alike from the early years of civilization. The issue of taxation has generated a lot of controversy and severe political conflicts over time. In view of its importance, several economic theories have been proposed to run an effective tax system. Musgrave and Musgrave (2008) observed that the economic effects of tax include micro effects on the distribution of income and efficiency of resource use as well as macro effect on the level of capacity output, employment, prices and growth.

According Holban (2009), taxation can contribute to development and welfare of a state through three sources; it must be able to generate sufficient funds for financing public services and social transfers at a high level of quality, it should offer incentive for more employment and for an efficient and lasting use of natural resources, finally it should be able to re-allocate income. Balunywa, Namatovu, Kyejjusa and Dawa (2010) argue that profitability is a function of all the expenses made during a particular accounting year among which taxation is inclusive while Turyahebwa, Sunday, Byamukama, Aluonzi, Yahaya and Novembrieto, (2013) state that profitability is crucial indicator for determining the financial position of the enterprise. Through taxation, the government takes away financial capital from people which they would otherwise use for business expansion. They further asserted that, one of the most frequent arguments against high income tax is that it destroys the incentive to business people and employees to work harder and more efficiently. It also revealed that small business owners were inclined to run their businesses informally in fear of being caught thus making tax implementation difficult (Najeeb, 2010).

Smith (1776) in Oseni (2014) posited that all subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. This is regarded as the principle of equity or fairness in taxation. Secondly, tax which each individual is bound to pay, ought to be certain and not arbitrary. The time of payment, the manner of payment, the amount to be paid, ought all to be clear and plain to the contributor, and to every other person. Furthermore, every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it. Finally, every tax ought to be so contrived, as to take out from the pockets of the people as little as possible, over and above what it brings into the public treasury of the state. Njoku (2009) views tax as a compulsory contributions or payment of money or occasionally of goods and services from private individuals, institutions or groups to the governments for the defraying of expenditures incurred by the government in the common interest of all without reference to any special benefit conferred on any of the person or impersonal unit that made the compulsory contributions or payments. Bhatia (2009) defined tax as a compulsory levy payable by an economic unit to the government without any corresponding entitlement to receive a definite direct quid pro quo from the government.

Tax policies are general statements of procedure which guide the thinking and action of all concerned towards the realization of the stated tax objectives such as: To pursue a low tax regime which aim at reducing individual tax burden and there by encouraging saving and investment; To move from the traditional coercive method of taxation to voluntary compliance; to encourage in a taxpayer education through public enlightenment; deliberate movement of emphasis from income tax to consumption tax which is less prone to tax evasion and introduction of self-assessment to encourage taxpayers participation in the tax assessment process which is more realistic in approach and democratic in nature (NTP2012).

Attributes of a Good Tax System in Operating Small Scale Business:

Equity: The tax system should be fair to both tax officers and tax payers. The subject of every state ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities. Ability to pay refers to the economic resources under a person‘s control.

Certainty: The tax authorities should make all tax systems and mode of administration very clear to the tax payer. In other words, tax payers should be made aware about the tax system being used. They should also be aware about the obligation under the system. Similarly, the tax payer should be aware of the benefit to be derived. Additionally, the time of payment ,the manner of payment, the amount to be paid, the place of payment as well as all rights and obligations under the tax laws must be known to both the tax administrator and the tax payer, the tax system should be made very convenient to the tax payer.

Convenience: Every tax ought to be levied at the time or in manner in which it is most likely to be convenient for the contributor to pay it. The method of collecting the tax should be such that the majority of tax payers would understand and routinely comply. The collection method should not overly intrude on tax payer's privacy but should offer minimal opportunity for non-compliance.

Economy: This implies that the tax revenue should always exceed the cost to be incurred in generating the tax or its administration. Every tax ought to be so contrived as both to take and keep out of the pockets of the people as little as possible over and above what it brings into the consolidated fund. Apart from the above mentioned cannons of taxation, there are other attributes that later come up to support those annunciated by Adam Smith. They are.

Simplicity: A major component of economic efficiency is the tax structures simplicity that is what it cost taxpayer to comply with tax policy.

Elasticity: This means that a tax system should respond automatically to changes in the tax payer‘s wealth, population and other important variables.

Productivity: This principle emphasizes that the tax system ought to produce a high net yield of revenue but not so high as to damage the source of that revenue.

Reasons why Government Imposed Tax

Generally speaking there are three major principal objectives of taxation. They are to raise revenue for the government, to regulate the economy and economic activities and to control income and employment. Specifically two objectives to taxation can be discussed or imposed under the following subheadings:

To raise revenue: the primary objective of taxation as stated earlier is to raise revenue for the government.

To regulate the production of certain commodities. For example commodities considered to be harmful or injurious to the health of either the workers or consumers.

To regulate and control the consumption of certain commodities. The government imposes taxes to regulate and control the consumption of certain commodities considered either as harmful, injurious or tax luxurious or non-essential. This sumptuary taxation can be levied on expensive clothing, drinks etc. It can also be levies on harmful good such as marijuana. Indirect taxes are mainly design to achieve this objective.

To project infant industries. Protective tariffs are also imposed to prevent the demise of infant local industries as a result of foreign competition. Import duties are specifically designed to serve this purpose.

Other objectives include: To control business and commerce, to control monopoly, to check inflection, to prevent dumping, to control income and employment, to allocate resources, to reduce income inequalities or to redistribute income among others.

Characteristics of a Good Tax System

Tax revenue can be increased through effective and efficient administration of personal in-come tax in Niger state, but in order to actualize this objective a brief examination of the characteristics of a good tax system will obviously be needed for accurate appraisal.

A good tax system should run in harmony with important national objectives and as much as possible assist in the achievement of the objectives.

It should try to accommodate the attitude and problems of the taxpayers.

It should not lose sight of the administrative practicability of social and economic justice.

It should be able to yield adequate revenue for the treasury

It should be flexible enough to move with the changing situations of the state and the economy.

Taxation Policy in Nigeria

Taxation is the means by which the governments of nations generate revenue to finance their expenditure through the imposition of compulsory charges on citizens and artificial persons (corporate entities). In Nigeria, all persons in employment, individuals in business, non-residents who derive income from Nigeria as well as companies that operate in Nigeria are liable to pay tax. The government of a nation will typically have other sources of income besides tax such as oil revenue, revenue from government agencies, grants, rendering of services to the public, revenue from granting of licenses, sales proceeds from disposal of government assets, among others, as it is in the case of Nigeria. Tax is however a principal source of income. Besides its revenue generation capacity, tax can also be used as a fiscal policy tool to shape the economy through the tax policies formulated, revisited, reviewed and reformulated from time to time, since the policy determines the tax structure, tax elasticity and tax incidence.

According to Okoyeuzu (2013) the most important role of a tax system is its revenue-raising function. Governments therefore, impose taxes to finance the capital and recurrent expenditures they undertake. Tax systems also have an important income distribution function. This recognizes a general perception that the tax system imposes a fair tax burden across taxpayers, which is essential to the effective operation of a voluntary compliance system of taxation. The Nigerian tax law is the embodiment of rules and regulations relating to tax revenue and various kinds of taxes. Such laws are continuously reviewed. He added that tax policies are used by Governments to regulate the economy by encouraging or discouraging certain economic decisions. For example, reduction in taxable personal income by the amount paid as interest on home mortgage loans results in greater construction activity and generates more jobs. The Nigerian tax laws have witnessed significant changes over the period. There has been various tax incentives introduced, occasioned by tax reforms which have implications for the economy.

Nigeria is a federation with three tiers of government namely; Federal, State and Local Government. These tiers of government have their different expenditure responsibilities and taxing powers (fiscal federalism). This has serious implications on how the tax system is managed in the country. The Nigerian tax system is lopsided and dominated by the oil revenue. It is also characterized by unnecessarily complex, distortionary and largely inequitable taxation laws that have limited applications in the informal sector that dominates the economy (Jibrin, Samuel & Ifurueze, 2012). The system is concentrated on petroleum and trade taxes while direct and broad-based direct taxes like the value added tax (VAT) are neglected. This is a structural problem for the country's tax system.

The Nigerian tax system favours the federal government since it controls the buoyant tax components while the lower tiers have jurisdiction over the less profitable ones (Odusola, 2016).

In most instances the federal government taxes the corporate bodies while the state and local governments tax individuals. In the areas of concurrent taxation such as the personal income tax, capital gains tax and stamp duties, the federal government retains the legislative power while sharing administrative capacity with the states. The Nigerian tax system is sick and faced with many challenges. The country is yet to develop an effective and efficient tax system despite the fact that the enforcement machinery of our tax laws is porous that anybody can go against it without being punished and this does not augur well for our economy (Ogbonna, 2010).

Those who are charged with administration of tax are not empowered with state of the art equipment to perform. They are more often than not so ill-equipped, so ill-trained and so neglected that they become disappointed, discouraged, frustrated and therefore hardly give their best services. Therefore, from indications, tax administration in Nigeria is generally poor and inefficient. The administration of tax in Nigeria is vested in the various tax authorities depending on the type of tax under consideration. Such authorities are the Joint Tax Board, which is the apex unifying body for all tax authorities in Nigeria. It is established under section 85 of the Personal Income Tax Act, (Amendment) 2011, Federal Inland Revenue Service (FIRS) established by Section 1(1) of Companies Income Tax Act (CITA) 1990. It is charged with the powers of assessment, collection of and accounting for all the taxes which the federal government is empowered to collect. The State Board of Internal Revenue in each state is another tax authority vested with the administration of tax in each state. It is established by Section 85A of the Personal Income Tax Decree (PITD), 1993. The Local Government authorities in the state also have specific tax functions. They are established by Section 85E of the PITD, 1993. It is the responsibility of these bodies to ensure that tax administration is strengthened in such a way that no leakage or loopholes of collectible tax is allowed. Contrary to this expectation, there are some administrative problems giving rise to such leakages and loopholes.

Tax administration is all about the machinery put in place to determine, monitor and enforce the collection of taxes by government of a country. According to Kiabel (2011) and Soyode and Kajola (2016), tax administration is "the process of assessing and collecting taxes from individuals and companies by the relevant tax authorities, in such a way that correct amount assessed is collected efficiently and effectively with minimum tax avoidance or tax evasion. Ogbonna (2012) noted that tax administration "involves all the principles and strategies adopted by any government in order to plan, implore, collect, account and coordinate personnel charged with the responsibility of taxation". It also includes the effective use of tax revenue for efficient provision of necessary social amenities and other facilities for the taxpayers.

Tax administration and collection is a major problem facing taxation in the world (Jibrin, Samuel and Ifurueze, 2012). They added that bad administration and collection of tax has led to tax evasion. According to Udabah (2009) the problem of collection and administration are the major issues facing taxation. Tax administration is problematic because of high rate of illiteracy, poor tax awareness and inadequate orientation (Ogbonna, 2010)

Concept of performance

Generally speaking, the performance of a business refers to great achievement in a particular area of activity. The term "performance" is used in different areas; these are economic performance, financial performance, technical performance, management performance and even social performance among others. The word „performance" comes from the Latin "perform are" which means to complete a given proposed activity. But the meaning comes from the English word "to perform" which means to make something that requires a certain ability or skill. The term "performance" is often used to assess the work done by an enterprise and to assess competitiveness. In literature there is a unified vision about the performance concept and especially the business performance concept

According to Porter (1986) in Collins (2009) "enterprise performance depends on its ability to create value for its clients. But this doesn't specify what kind of value and are only the clients interested in increasing business value. Would it also be interested in increasing the business value of the owners and other business partners? Marmuse, (2010) opines that performance is "the one that can keep the distance on a long term, compared to the competitors, by using a strong motivation (based on systems of reward) of all the organization's members." Verboncu and Zalman (2015) opine that "performance is a particular result in the Management, Economics, and marketing domain and so on which gives characteristics of competitiveness, efficiency and effectiveness to the organization and to the structural and procedural components?

However, Siminica, (2008) observes that "an enterprise is performing when it is at the same time efficient and effective. Therefore the performance is a function of two variables; efficiency and efficacy. While efficacy reflects the achievement of external expectations, efficiency is measured by the achievement of internal environment of a firm". Radu, and Ţaicu, (2009) considers performance when the company manages to create value for its shareholders and this is realized when the return on capital invested is higher than the funding sources of user's cost. It is not enough for the company to have profit and to also create value."

According to Elkin, (2011) the performance analysis of a company is realized by using both indicators of profitability and return. The first category of indicators has the role of determining the operation process while the second category follows the way in which the capital invested is remunerated.

Concept of Small Scale Enterprises

Small scale enterprises have been defined variously by many individuals and institutions using various yardsticks such as numbers of employees, volume of sales, value of assets, or the volume of deposit in banks (Ademola, 2014). The National Economic Reconstruction Fund (NERF) defines small scale enterprises with a criterion that projects to be financed by the firm should have a total fixed asset cost (including land) of not more than N10, million. The Federal Ministry of Industry (in respect of the small scale industries credit scheme) sees small scale industry as any manufacturing, processing or service industry with capital investment not exceeding N150,000 in machinery and equipment alone. According to Atijosan (2014), a small business is any manufacturing, processing or servicing industry that satisfies any or all of the following conditions: Capital, but excluding cost of land and not excluding N750, 000, Staff strength not exceeding 50 persons and wholly Nigerian owned. A manufacturing, processing or servicing industry, exceeding the units of investment stated is relatively small compared to prevalent size of plant and the technology is fairly labour intensive.

According to Ademola (2014), Small scale enterprises are catalysts for catalysts for world's economic growth and development which have dominated the industrial sector of both developed and underdeveloped countries. Aruwa (2013) believes that Nigeria's industrial sector is dominated by small scale enterprises (SSEs) which accounts for 90% in terms of number of enterprises, as compared with other developed countries where more than 98% of all their enterprises belong to small scale enterprises sector. About 80% of the total industrial labour force in Japan is SSEs, 50% in Germany, 46% in USA are employed in smaller firms. Central Bank of Nigeria defined small scale enterprises as all businesses with a total assets investment of less than one million, an annual turnover of less than one million and with a total number of employees of less than fifty (World Bank report 2011). Nwoye (2014) points out clearly that small scale enterprise (SSEs) are catalysts for Nigeria's economic growth and development. He believe that through so many SSEs, Nigeria has great potentials for success and growth, sales of large volume of goods etc. Even though, some of them have adequate capital, many of them fail due to poor financial management operations.

According to Tomlin (2008), economists argue that the resources smaller companies direct towards tax compliance are resources that could otherwise be used for reinvestment, facilitating future growth. Hence, there is a belief that taxes and a complex tax system put disproportionate pressure on smaller businesses. Small taxpayers under the regular system of taxation are discriminated against, since the compliance requirements, cost of compliance and tax rate are the same for both small and large enterprises. Reducing the compliance costs and tax rate increases the small enterprises profit margin. It also increases the Government's tax revenue, since the simplified provisions for a micro enterprise historically reduce the size of the shadow economy and the number of non-complying registered taxpayers (Vasak, 2008).

Furthermore, Small scale enterprises usually have to operate in an overbearing regulatory environment with the plethora of regulatory agencies, multiple taxes, cumbersome importation procedure and high port charges that constantly exert serious burden on their operations. Many small scale enterprises have to deal with myriad of agencies at great cost. As stated earlier they are heterogeneous and these differences in size and structure may in turn carry differing obligations for record-keeping that affect the costs to the enterprises of complying with (and to the revenue authorities of administering) alternative possible tax obligations. Public corporations, for example, commonly have stronger accounting requirements than do sole proprietorships, and enterprises with employees may be subject to the full panoply of requirements associated with withholding labor income taxes and social contributions (International Tax Dialogue 2011).

Small Scale Enterprises as a tool for National Growth and Development

Small Scale Enterprises have been an important tool of economic development for Nigeria. The future of any growing economy such as Nigeria depends on the entrepreneurial energy of vibrant small scale enterprises (SSEs) because a lot of large businesses start out as SSEs. Many researchers believe that they are the starting point of growth and development in the economy towards industrialization. Udechukwu (2013) sees the small scale enterprises sector as a very important sector that will enhance the contributions of the private sector and provide the critical building blocks for industrialization and sustainable economic growth. Small scale enterprises broaden the base of participation in society, decentralize economic power and give people a stake in the society's future (Williams, 2016).

Small scale enterprises have also been recognized as a channel for improving the efficiency of domestic markets and making productive use of scarce resources, and thus facilitating long-term economic growth in poor countries (Aryeetey & Ahene, 2014). Given that a large proportion of Nigeria's population relies either directly or indirectly on small and medium enterprises for survival, their importance cannot be overemphasized. A major contribution made by small scale enterprises is in the area of employment (Yaobin, 2009) Small and medium-sized enterprises are a key source of new jobs, innovation, economic dynamism and greater social inclusion in the European Union. They play an important role in secondary labour markets (that is, they offer a high amount of employment in casual, part-time, low training, low-skilled jobs); they are an invaluable source of 'entrepreneurship' and employment growth.

Findings from a study carried out by Chu, Kara and Adam, (2009) suggested that Nigerians consider entrepreneurship an avenue leading to job security and improving their livelihood. They also regard business ownership as a means of controlling their destiny and deriving self-satisfaction. Being more labour intensive, small scale enterprises expansion is more likely to boost employment than large enterprises where expansion means higher degree of automation and machining. Hence, small scale enterprises subsidization will lead to poverty alleviation (Beck, Demirguc-Kunt, & Levine 2015).

Multiple Tax policy and the Performance of Small Scale Enterprises

Multiple taxation policy is a system that is concerned with the levying of tax by two or more jurisdictions on the same declared income (in the case of income taxes), asset (in the case of capital gains taxes), or financial transaction (in the case of sales taxes). Multiple taxation policy is a situation in which the same earnings are taxed more than once. For example, it may occur when a publicly traded company pays corporate tax on its earnings and passes some of those earnings to shareholders (the owners) as dividends on which they must pay a capital gains tax at the federal level and then at the state level. (Adam 2009) observes multiple taxes as "the taxing of a person by two or more government authorities demanding the same kind of tax". Commenting on the menace of multiplicity of taxes, Dangote (2001) in Bassey, (2013) notes that "the manufacturing industries are confronted with multiple statutory levies and taxes which are clearly duplicates of what other tiers of government charge. Apart from the additional cost to the industries, the time spent discussing such levies constitutes a distraction to the operators of manufacturing industries in Nigeria. According to him, it also makes planning difficult since one is not sure of how many levies and taxes will be paid".

According to Onyeukwu (2010) multiple tax policy is not healthy for development of corporate entities, he further asserted that it is a disincentive for their growth and these at times affect their corporate social responsibility where they perceive the host state government as being unfriendly. The establishment of the Joint Tax Board is a laudable act in bringing sanity to the crisscrossing demands for tax by each of these governments. The bane of multiplicity of taxes was moderated by the issuance of taxes and levies approved for collection through Taxes and Levies (Approved List for collection) CAP.T2 LFN 2004. Taxes collectible by all tiers of governments are stated there in. Salami (2011) asserted that there are more than 50 taxes and levies imposed by various tiers of government in Nigeria apart from those approved by Taxes and Levies (Approved list of Collection) Act. These invariably drive up the cost of doing business and destroy investors' confidence. He further stated that multiple taxes are more common in the Local Government than other tiers of governments.

Multiple tax policy in Niger state can be considered as a phenomenon which describes an income that is subjected to tax more than once, of an item or object by two or more different authorities in a way that may be unfair or illegal. Illegality and unfairness, distinguish multiple taxation from double taxation. The multiple taxation policy has the characteristics of being unfair and also illegal. Multiplicity of taxes connotes paying similar taxes on the same or substantially similar tax base. Examples of multiple taxes include Companies Income Tax, Information Technology Tax, Education Tax, Nigerian Content Development Levy all of which are based on income or profits and Value Added Tax, Sales Tax and Hotel Consumption Tax which are all based on sales. Multiple taxes should be distinguished from numerous taxes which mean many but different taxes on different tax bases. Multiple taxations in relation to a company or small scale business is a situation where the same profit or income respectively which is liable for tax in the state has been subjected to tax by another tax authority.

Any small firm or any individual that is engaged in any form of business venture that earns income is subjected to tax in the state. Ojeka (2011) is of the opinion that as tax is an important source of fund for development of the economy and provision of social services, Small Scale Enterprises surveyed in his work were faced with the problems of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax related issues. This was also on the opinion of Adebisi and Gbegi (2013), that multiple taxation, has negative effect on small scale enterprise's survival as 85% of Nigeria small scale enterprises (SSEs) die before their 5th anniversary. They concluded that one major factor responsible for such untimely deaths is multiple taxation policies. Atawodi and Ojeka (2012) assert that taxes for small scale enterprises have been more harmful than beneficial as they increase running costs and slow down growth. Most of the small scale enterprises measured is faced with the problems of high fluctuating tax rates, incorrect assessment and collection of multiple taxes, complex tax regulations and lack of proper enlightenment in tax related matters.

The implication of multiple taxation policy constitutes illegal and inappropriate taxation and legislation. There has been an evidence that multiple taxes present a number of hazards thus: inhibits growth and penetration; stifles the telecommunication industry growth; and limits the creation of value chain that is beneficial to socio-economic development. These invariably combine to limit or constrains tax revenues to government from direct and indirect value addition as well as wider economic impact of the sector on the economy. The growing incidence of bribery and corruption as it regards to tax assessment and collection, as well as multiple tax policy, small scale business are crippling the growth of the industry in the country (Anagor, 2013). According to her, these concerns discourage potential investors from tapping into the viable inland waterway transport business which has the capacity to ease road traffic congestion, generate revenue for players and government, as well as create employment for many of the country's teeming unemployed youth.

Chizea (2013) notes that multiple taxes are a disincentive factor of the prevalence of this phenomenon in the economy. The loss to the treasury arising from multiple taxes is not immediately obvious to the simple minded. According to him, "losses arise from consideration of the fact that the available profit on which tax is applied is suppressed from this situation as aggressive investments are discouraged and energy is dissipated in attempting to avoid or possibly evade the payment of tax". Some states and local governments in the country charge arbitrary taxes which are not in consonance with the tax laws. Tax officials or revenue consultants in some cases come up with very high figures as taxes and then expect the taxpayers to negotiate. Sometimes new taxes and levies are introduced by the different tiers of government outside the approved taxes and levies (Bassey, 2013).

Although some policy measures are geared towards small scale enterprises growth in Nigeria, the support needs to be increased, standardized and systematic, this will indeed serve as bases for creating an enabling environment for the small scale investors to plough their money into the economy. And however, government should create an enabling policies and social services that support businesses and entrepreneurs, and thus enhancing the investment climate in Nigeria for increased economic growth and subsequent tax contribution from all citizens, since a good number of small scale enterprises (SSEs) operate in the informal economy due to the fact that they deem the tax environment within which they operate as unfavorable. These small scale enterprises (SSEs) constitute untapped revenue potential and an uneven playing field in many countries (International Tax Dialogue, 2011) as such they need to be captured by the tax net.

However, according to Shahrodi, (2010) for a tax system to be efficient, the tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount, the tax collection organization are more efficient, the tax burden of the indigent people should be lighter and the fight against corruption and tax evasion should be much more intense. Tax policies can be designed in such a way that they do not only directly affect small scale enterprises but also indirectly push for their growth for example the practice in China where tax policy has been designed to encourage small scale enterprises financing by granting exemptions from business tax for financial corporations that provide guarantee for loans to small scale enterprises and granting tax deductions to market entities and venture capitalists that invest in small scale enterprises the tune of 75% of the investment value. Another way is by designing tax policies that encourage human capital training (Yaobin, 2009).

Therefore, a country's tax policies and systems are greatly related with business ventures in that country. Any economy that enacts satisfactory and enlightened tax laws and policies will certainly breed successful and finance-healthy business establishments. Once businesses flourish, the economy flourishes as well, as there is no quicker way of stirring the affairs of an economy without the help of organizations that move services, goods, money and investments from those with surplus to those with deficit; those with marketable ideas or output to those who need these ideas and products. In essence, businesses and tax policies greatly depend on one another for survival. If one is greatly affected, the other follows suite. According to Ademola (2014) Small scale enterprises are catalysts for world's economic growth and development which have dominated the industrial sector of both developed and underdeveloped countries. While

Nwoye (2014) points out clearly that, SSEs are catalysts for Nigeria's economic growth and development. He believes that through so many small scale enterprises, Nigeria has great potentials for success and growth, sales of large volume of goods, if the taxes and related fees are drastically subsidized to a barest minimum. However, in order to control multiple taxation system the joint tax board has to start publishing a list of approved taxes and levies which are directly linked to small scale enterprises and to declare unspecified taxes illegal. This has created a degree of harmony, and checked the previously rampant taxation that had made the business environment in Niger State so harsh.

Tax Assessment and Collection Policy and the Performance of Small Scale Enterprises

Tax compliance can be described as the process of fulfilling the tax payer's civil obligation for tax payment and filing of tax returns including the provision of necessary documents and explanations required by the tax authority in a timely manner (Oyedele, 2009). Achieving high levels of voluntary tax compliance and maintaining current compliance rates as well as increasing the marginal levels are issues of concern to fiscal policy makers in developed and developing countries alike. This is the case because, irrespective of the nature of the economy, the principal objective of taxation is one and the same; to raise revenue towards the financing of public goods and services, and funding of governments (Martin, Silvanus, Eric & Alfred, 2008).

James, (2011) asserts that, a good tax system is one which is designed on the basis of an appropriate set of principles, such as equality or fairness and certainty. Since fairness of a tax system is a corner stone for the tax system. Brooks (2012) also states that fairness has always been widely regarded as the most important criteria in judging a tax system. The problem of unfairness is that a tax system allows taxes to be shifted from dishonest to honest taxpayers.

According to Bhatia (2009), the attitude of taxpayers is an important variable determining the contents of a good tax system. It may be assumed that each taxpayer would like to be exempted from paying tax, while he would not mind if others bear that burden. In any case, he would want his share to be within the general level of tax burden being borne by others. If this is not so, he will feel exploited. To conclude, regardless of this inherent problem ensuring the fairness or equity of a tax system is second to nothing. To put it differently, it is essential that a good tax system should appear equitable to the tax payers.

Small scale enterprises being profit generating establishments are also expected to pay their dues. Since the individual SSEs pays a very small amount of tax compared with what the larger establishment would pay, tax authorities tend to give the larger corporations more attention. This suggests that a good number of SSEs evade taxes that would have otherwise been invested in development projects that would have benefitted those (SSEs). Tax compliance is currently a topical issue, especially in developing countries as governments at various levels are seeking ways to improve efficiency in tax revenue collection to finance their budgets. Small scale enterprises (SSEs) are the majority business taxpayers in most developing countries and as such their compliance levels directly impact on government tax revenue collections

Yaobin, (2009) opines that special tax regimes for small scale enterprises (SSEs) may be appropriate policy instruments for minimizing the cost of collection, because awareness of the dangers of inadequate taxation of SSEs has grown in the potential of uneven tax enforcement to cause distortions of competition. Government intervention should help maintain balance while ensuring that countries exploit the social benefits for greater competition and entrepreneurship. Tax regimes and enforcement should be simple, consistent and predictable to lower compliance and administrative costs, and hence reduce uncertainty faced by taxpayers as well as improve the levels of voluntary compliance.

Tax assessment and collection have constituted the corner stone that influence the performance of small scale enterprises. This is because tax assessment and compliance are seen in terms of tax avoidance and tax evasion. The two activities are conventionally distinguished in terms of legality, with avoidance referring to legal measures to reduce tax liability and evasion to illegal measures (James 2014).

According to Sa'ad (2010) taxpayers' are aware and willing to comply with their respective responsibilities. In contrast, Loo, McKerchar, and Hansford, (2010) argued that when the tax laws are complex and tedious the taxpayers' may find it difficult to comprehend. This is compounded more when the taxpayers' have no knowledge on tax related issues. In the other argument by Isa (2012) which pointed out that tax computation, record keeping and ambiguity are complicated to the taxpayers 'which also seem logical. Because they have to understand the process before they would be able to do the tax computation as well as record keeping. If both arguments are critically analysed, it all lies on tax knowledge because both tax law and computation of tax and others cannot be feasible without tax knowledge. Moreover, Pope (2008) found that "simplification of tax is likely to lead to significant economic resource saving". The taxpayers' and the tax authority need to stand up to these challenges and face it squarely. Tax education is important for tax compliance, it is also important for the tax authority to seriously look into the issues of tax knowledge and tax assessment, collection and other compliance variables for effective tax compliance. However, Doran (2009) observes that tax complexity has a positive relationship with tax knowledge and compliance behaviour.

The National Tax Policy (2012), Section 3.6, described “Taxpayers” as a single most important group of stakeholders in the tax system. The system recognizes it as the bedrock of the tax system and the source of revenue generated by the Tax Authority. Personal Income Tax (PIT) is a direct tax levied on income of a person or partnership business. The taxpayers are classified into two groups, resident and non-resident. PITAM 2011 is based on the assessable income of the taxpayer either from Trade, Business, Profession or Vocation. An assessment is the act of judging or forming an opinion about something. In taxation, the overriding objectives of assessment function is to ensure that all taxpayers within a defined tax jurisdiction are brought into the tax net and assessed in order to pluck all possible leakages. According to FIRS information circular No. 2006/06 of February, 2006, assessment function in an Integrated Tax System include filling of assessment with respect to all taxes collected. Assessments are normally raised on the income or profit of individuals, partnership and companies carrying on business in Nigeria. Two principal classes of assessment are:

Self-assessment: A taxpayer under this scheme is expected to accompany its tax returns with self-assessment notice and evidence of payment to the Inland Revenue Service (IRS) through appropriate designated colleting bank.

Government assessment: Tax assessment by this method is raised on behalf of the government by the Relevant Tax Authority with audited accounts or the use of Best-of-judgment (BOJ) assessment based on estimated profit or profit perceived to be fair and reasonable. The Nigerian tax system has undergone many significant changes to replace the obsolete provisions that had worked against the specified cannons of taxation.

The problem of tax compliance is as old as taxes itself. Characterizing and explaining the observed patterns of tax non-compliance, and ultimately finding ways to reduce it, are of obvious importance to nations around the world. Tax compliance may be seen in terms of tax avoidance and tax evasion. The two activities are conventionally distinguished in terms of legality, with avoidance referring to legal measures to reduce tax liability and evasion to illegal measures. James and Alley, (2014) describes tax avoidance as the legal manipulation of an individual's affairs in order to reduce tax. However, if taxpayers go to inordinate lengths to reduce their tax liability, this could hardly be considered „compliance", even if it were within the letter of the law. Since taxation is not always precise, Seldon (1979) in James and Alley, (2014) has also coined the term "tax aversion" to describe circumstances where the law might be unclear.

Tax collection is based on the assessment made on the income derived from trade, business, profession and vocation. It has a graduated rate at which the tax is collected based on progressive principles. It allows for minimum tax where the income is below a certain amount. The strategy for implementation of the tax policy has made good recommendations on the introduction of Presumptive Income Assessment, on Small and medium enterprises, to encourage tax payment by persons that have historically failed to comply with the tax laws. The procedure if well-articulated will require less documentation and will result in a quick and effective method of providing assessment and collections. Tax assessment and collections from informal sector may take additional steps to enforce self-assessment which may not be difficult for taxpayers in this sector to honour.

According to Supriya, (2015) the problems of tax assessment and collection in Nigeria, have a continuous problem that affect the performance of small business. To solve this adequate provision should be made on good service delivery is provided, tax related laws are enforced and implemented, effective awareness creation is done and fair tax assessment is conducted, there may not be efficient and effective tax collection. Even though efficient tax assessment and collection cannot be made overnight, it is up to tax administrators to ensure sufficient tax revenue. Multiple approaches are needed to enhance tax collection efficiency. No single approach is likely to fully and effectively address the tax collection efficiency.

Smith (1776) reports that, the four canons of "Equality, Certainty, Convenience and Economy", are still regarded as pertinent characteristics of a good tax system. These principles are to promote economic growth and development, especially in the developing countries like Nigeria. Tax assessment and collections from informal sector have their challenges. The factors responsible for these challenges are no statistical database due to non-registration of businesses in the informal sector, lack of accounting record keeping of business transactions, issues relating to residence of the taxpayers, unstable nature of business carried out by operators in the informal sector which makes it difficult to establish a tax base, lack of trained and skilled staff of Relevant Tax Authority, lack of incentives to official by government, lack of modern operational vehicles and equipment, lack of security of staff to Relevant Tax Authority, and Costs and benefits of tax collections from informal sector among others.

For any Relevant Tax Authority (RTA) to be able to obtain a database for assessment it must first of all establish the residence of the taxpayer. Principal place of residence though mostly applied to persons working under employment seems to be silent on self-employed persons. This set of would-be taxpayers find relief in this term. Self-employed persons including professionals in private practice are major offenders in tax assessment and collections. According to Ayua (1999) in Kiabel and Nwokpahsi (2012) labeled this group of informal sector operatives as those persons who deliberately refused to pay tax by reporting losses every year. Finding on their lifestyles do not depict the nature of losses reported in their financial statements. Experience gained through observations show that, some of the traders in informal sector operate their business in private and commercial vehicles travelling to various markets on market days. The traders exploit the good road network in the State to move from other neighboring states on big market days in Niger state to do their businesses. After the day's sales they return to their States of origin where they pay tax.

Tax Database is an organized collection of data and is typically organized to model relevant aspects of reality in a way that supports processes requiring this information (Wikipedia 2014). Database is created to operate large quantities of information by inputting, storage, retrieving and managing that information. A good Database Management System has four main groups. These are: Data definition, data Update, data retrieval, and data administration.

Among the four groups, administration focuses on registering and monitoring users, enforcing data security, monitoring performance, maintaining data integrity, dealing with concurrency control and recovering if the system fails. A good example of database maintenance is the current exercise conducted by banks to capture bio data of an account holder. This system will go a long way to assist in crime detection. This study has placed more emphasis on the importance of tax assessment through the use of database generation for the informal economy. Many advantages would be derived if database for proper assessment and collections of taxes from the informal sector are developed which in the long-run will make for good economic planning and for security of people, lives and property. As a first step the study takes a swipe look at the census of occupants of all houses in the urban centers and highlights the employment data of these occupants. The statistics of the data will catch a large group of self-employed people whose businesses are not registered but earn a sizeable income that can be taxed by use of preemptive tax system.

Taxation is recognized as a tool for wealth creation and employment. This assertion is supported by Section 4.1 of the NTP 2012; which lists the role of taxation in wealth creation as a way of stimulating growth in the economy by increased trade and economic activities. One major obstacle on revenue generation in Nigerian States is the fact that, no proper attention is given to database of nearly all factors of our developments. Where data exist, it is highly politically motivated for personal gains of individuals and groups in authority. Shau'ara (2010) in a paper presented at the UNESCO Institute of Statistics workshop on Education in Anglophone countries, Windhoek, stated that, data as national issues have their challenges. The challenges range from: No data, obsolete data, missing data and politicized data. These challenges have sum up to "good policies that never seem to work". He further listed the following issues as his national experience on Data collection, Data Production and Quality assurance. He added that, summed up these three statistical issues to add up to weak planning and policies. For effective tax planning there is needs for emphasis on database for proper assessment and collections from informal sector as this sector is difficult to be captured into the tax net of any States in Nigeria.

Tax Incentives Policy and the Performance of Small Scale Enterprises

National Tax policy (2012), defines tax incentives as: "provision in the tax code or other codes that offer a preferential tax treatment to certain activities over time, for example manufacturing versus non-manufacturing industries, some organizational forms of business over others (i.e. incorporated versus unincorporated). Easson and Zolit (2013) define tax incentives as: "those special exclusions, exemptions, or deductions that provide special credits, preferential tax rates or deferral of tax liability. They argue that tax incentives can take the form of tax holidays for a limited duration, current deductibility for certain types of expenditures, or reduced import tariffs or customs duties. Philip (2015) observes that, it is 'a deliberate reduction in (or total elimination of) of tax liability granted by government in order to encourage particular economic units (e.g. corporate bodies to act in some desirable ways (e.g. invest more, produce more, employ more, save more, consume less, import less, pollute less and so on). Any tax is responsive to being modified to create a tax incentive.

The reduction in tax liability which a tax incentive constitutes can be achieved through reduction in tax rate, reduction in tax base, tax deferment or outright tax exemption Kiabel & Nwakpasi (2012). They further added that, taxation is used to encourage investment and boost local industries among others. Consequently, priority sectors of the economy such as agriculture, mineral, oil and gas, export and manufacturing are given incentives in order to influence purchasing power and production costs both of which are crucial for the growth of industries. In recognition of the need to attract foreign investment into the country, diversifying and enduring the expansion of the export of Nigeria as a means to speed up economic development and encouraging existing companies and potential firms to continue operation in Nigeria, various forms of tax incentives packages have been put in place in Nigeria. Below are some of them, relevant to this study.

According to Tomlin (2008) economists argue that the resources of smaller companies direct towards tax compliance are resources that could otherwise be used for reinvestment, facilitating future growth. Hence, there is a belief that taxes and a complex tax system can readdressed by making provision that will result to differ of payment. He added that tax incentives are mechanism or strategy use in encouraging small scale enterprises all over the world. Granting tax holiday or incentives to the small scale enterprises has higher propensities of increasing their business scope and profit margin. This will however, increases the Government's tax revenue, since the simplified provisions for a micro enterprise historically reduce the size of the shadow economy and the number of non-complying registered taxpayers (Vasak, 2008). Although there are factors that favour the growth of small scale enterprises in Nigeria, the support needs to be increased, standardized and systematic.

Iwuji (n.d) believes that it is the role of the government to provide an enabling environment and social services that support small businesses and persons. This means enhancing the investment climate in Nigeria for increased economic growth and subsequent tax contribution from all citizens which is necessary because a good number of small scale enterprises operate in the informal economy due to the fact that they believe the tax environment within which they operate is unfavourable. By creating an enabling environment for business to operate in a state without paying tax for three to five years of operation boost the confidence of investors to use that opportunity to stabilize the business so as to meet the challenges ahead.

Value Added Tax (VAT) policy and the Performances of Small Scale Enterprises

The idea of introducing a value added tax in Nigeria was mooted in 1991 in the context of a review of the country's entire tax system. A committee was set up to conduct a feasibility study on the implementation of such a tax, but the committee's mandate did not extend to assessing the possible impact of the tax. Implementation of the VAT began in January 1994.Value added tax (VAT) has become a major source of revenue in many developing countries, including Nigeria, where it was introduced in January 1994. VAT revenues in Nigeria were N8.194 in 1994, which is 36.5% higher than the projection for the year. Revenues accounted for about 4.0% of total federal revenue in 1994 and 5.93% in 1995. VAT revenues for 1996 up to date.

The value added of small scale enterprises is the difference between a firm's sales and a firm's purchases from all other firms. In other words, a firm's value added is simply the amount of value that a firm contributes to a goods or service by applying its factors of production (land, labor, capital, and entrepreneurial ability). A value-added tax is a tax levied at each stage of production on a firm's net value added. Saitoti, (2009) observes that the existing patterns of sales taxes and the commercial transaction levy at the time were ineffective in collecting revenue, worsened by the fact that the taxes met a lot of public resistance because they were selective and based on too narrow a range of transactions. Sales taxation on domestic production was limited to the manufacturing sector, which put a disproportionate tax burden on their operations.

Hence it was suggested that instead of relying on a system which taxes some forms of consumer spending but not others, it would be better to replace them with a general consumption tax that falls more evenly on a much wider range of consumer spending in the domestic economy, because low income people pay disproportionately high taxes under the current scheme. The value added tax (VAT) has provided a valuable alternative tax source, especially because of its buoyant revenue base. Value added tax (VAT) is a consumption tax, levied at each stage of the consumption chain and borne by the final consumer of the product or service. The administration of value added tax (VAT) is relatively easy, unselective and difficult to evade. Countries all over the world, look for ways to boost their revenue, this facilitated many nations to introduce value added tax on goods and services. For instance in Africa, value added tax (VAT) has been introduced in Benin Republic, Cote divore, Guinea, Kenya, Madagascar, Mauritius, Senegal, Togo and Nigeria (Adereti, Adesina & Sanni, 2011). Umeora (2013) views VAT as a tax on estimated market value added to a product or service at each stage of its manufacture or distribution and the additions are ultimately added to the final consumer. End users of products and services bear the tax burden or the incidence because they cannot recover the tax paid on consumption of goods and services. On the other hand businesses can recover

VAT they pay on goods and services because those goods and services are like intermediate goods and services. They use them to produce further goods and services that will be sold to other business in the supply chain or directly to final consumers. Value added tax levied at each stage on value added in the economic chain of supply and it is a constant rate.

However the theoretical effects from the perspective of a temporary reduction in VAT on the economy are mainly in three forms; with the first arising from the reduction and the next two from the anticipated increase. First there is an income effect as consumers benefit from the temporary reduction to the cost of living although this may be offset in part or full by expectations of possible increases in other taxes to pay for the cut. Secondly, there is an arbitrary effect as consumers buy, but do not consume non-perishable goods ahead of the announced increase. Thirdly there is a substitution effect.

Foley (2013) indicates that governments' expectation from long term value added tax (VAT) reduction is that it would be passed on to consumers in lower prices. This would increase demand and would generate higher employment in the economy. The scale of the eventual employment impact depends on the extent of the pass through in price reductions, the price elasticity of demand, (the more price elastic the demand the higher will be the increased demand arising from the price reduction) and the impact of increased production on employment levels. He further notes that even if the above mechanism did not arise, there could still be economic gains from the VAT reduction. With unchanged prices the lower VAT rate would improve the commercial sustainability of enterprises through increasing profits or reducing losses, and avoid or reduce the number of future business collapses. In other words the reduced VAT rate could be used to improve operating margins. The improved margins could result in jobs being retained that would otherwise be lost through contraction or closure. However, this is not what is usually expected of the value added tax (VAT) reduction measure. Prices should be reduced which would increase demand and generate increased output and employment. The application of value added tax by the small scale owners (SSOs) efficiently and effectively will help increase the performance and increase the rate of profit margin by these small scale enterprises.

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He further added that even if the above mechanism did not arise, there could still be economic gains from the value added tax (VAT) reduction. With unchanged prices the lower VAT rate would improve the commercial sustainability of enterprises through increasing profits or reducing losses, and avoid or reduce the number of future business collapses. In other words the reduced VAT rate could be used to improve operating margins. The improved margins could result in jobs being retained that would otherwise be lost through contraction or closure. However, this is not what is usually expected of the VAT reduction measure. Prices should be reduced which would increase demand and generate increased output and employment.

Advantages of Value Added Tax (VAT) in Nigeria

The introduction of value added tax (VAT) has a number of benefits or advantages that goes with it. Among these includes:

It will generate there revenue for the government than the sales tax and at the same time reduce over dependence on oil revenue.

The introduction of VAT will widen the tax base with it‘s in built capacity to raise more tax revenue.

It will reduce tax payer‘s hazards to visit tax offices and leads to better tax compliance.

All goods and services taxes will be administered under the regime

Disadvantages of Value Added Tax (VAT) in Nigeria

There are few disadvantages that go with the introduction of Value added tax (VAT) than the advantages. This still pointing to the fact that value added tax (VAT) is a welcome tax system. These include:

It is regressive in nature. This is because, value added tax (VAT) has a uniform rate of 5% on both luxury goods and services, it means that the higher the income, the less the percentage spent on consumption and consequently the less the percentage paid on consumption tax.

The impositions of value added tax (VAT) have increased the prices of most goods and services in the country. For instance a hotel room that geos for N3000 per night is increased to N3 150 to the advantage of the owners, who in most cases does not remit the value added tax (VAT).

Some argued that the imposition of value added tax (VAT) on raw materials imported into the country will amount to an additional burden on the cost of production.

Value added tax (VAT) will lead to one time increase in price inflation, high administrative cost because of the expanded base of the tax and there is the tendency for the tax officials to rely on the self-policing nature of the tax to do his work for him and finally, that the burden of record keeping can be very high a VAT agents in term of materials and the time spent.

Goods and Services Exempted by Value Added Tax (VAT)

Value added tax (VAT) examples essentials goods such as all medical and pharmaceutical products basic food, books and educational materials, newspapers and magazine, baby products, fertilizers, age culture and veterinary medicine, farming, transportation equipment while: Services exempted include: Medical services, services rendered by community banks, peoples bank and mortgage institution. All diplomatic items are exempted as covered by international agreements and airline tickets for international travel Okpe, (2010).

Review of Related Literature

Studies on taxation policy factors associated with the performance of small scale enterprises, have received a major focus in terms of research work in recent years by researchers. Researchers that have contributed to the study of these variables among others include.

Ocheni, (2008) conducted a study, which aimed at determine the impact and analysis of tax policy on the performance of small and medium scale enterprises in Nigerian economy, and show if proper tax policy facilitate small and medium scale business development. For effective coverage, the entire country (Nigeria) was used for the study; this research collects data and describes it in a systematic manner. Data were collected, anaysed and reported without manipulation or distortion of any of the variables. The researcher's population for the study is comprised sixty eight (68) SMEs currently operating in Kogi State and Abuja. They have 726 personnel comprised of fifty six (56) managers and 671 accountants. And the sample for the study consisted of two hundred and fifty-eight (258) respondents, (20) managers and 238 accountants from the two states. Taro Yamani formula for sampling technique was used to select the two hundred and fifty-eight (258) respondents, representing 36% of the population.

The instruments for the study included an observation schedule, document analysis, and a ten (10) item survey questionnaire (Impact Analysis of Tax Policy and the Performance of Small and Medium Scale Enterprises Assessment Questionnaire- IATPPSMSEAQ) that used a modified Likert-type scale with four response options. The questionnaire was divided into two sections. The first section was made up of five (5) items used to gather demographic information about the respondents, while the second section was made up of ten (10) items used to elicit information from respondents on their assessment of and impact of tax policy and the performance of small and medium scale enterprises in Nigerian economy.

The researcher used mean and standard deviation for answering research questions and analysis of covariance (ANOVA) for testing the hypotheses at 0.05 level of significance. The researcher found that in the test of hypotheses therefore, accountants have mean and standard deviation scores of 2.79 and 1.08 respectively while managers have mean and standard deviation scores of 2.85 and 1.05. At an alpha level of 0.05 with a degree of freedom of 142, the z-calculated value which is less than the z-critical value. Therefore the null hypothesis of no significant difference in the mean opinion scores of managers and accountants on the best tax policy that encourages tax compliance by SMEs in Nigeria. By implication, there is no significant difference in the mean opinion scores of managers and accountants on the best tax policy that encourages tax compliance by SMEs in Nigeria.

This study is different but related to the current study in that both studies aimed at determining the impact and analysis of tax policy and the performance of small and medium scale enterprises in Nigerian economy. However the research findings differ in terms of geographical location, the current study is carried out in Niger state while Previous Study was carried out in Kogi state, the instrument of data analysis to be used by the current study is t-test while this study used ANOVA that is the use of mean and standard deviation, the population of the existing study will be 1145 small scale enterprises in Niger sate while this study used 1397 among others.

Ojeka, (2002) also carried out a research work on the Relationship between Tax Policy, Growth of SMEs and the Nigerian Economy. This research finding is an explanatory or a causal study. This is because it is a research that it is aimed at establishing causal relationship between two variables i.e. the relationship between tax policy and the growth of SMEs. The survey method was chosen because authorities have questioned methods. While the primary instrument for data collection for the purpose of this study is the questionnaire. The questionnaire consists of properly constructed open and close ended questions that will make it easier to obtain precise answers from the respondents.

The face validity and content validity of the questionnaire were verified by an expert and it was found that the questionnaire contained questions that not only measured the construct but also covered all important aspects of the construct (Cooper & Schindler, 2008 and Data Analysis Australia, 2009). The data collected was analyzed using Microsoft Office Excel 2007 and the Statistical Package for Social Sciences (SPSS). The statistical non-parametric test utilized was Spearman's Rank Correlation to establish the strength of association between the two variables.

However the research findings differ in terms of geographical location, the current study is carried out in Niger state while this study have been carried out using Nigeria. The instrument of data analysis to be used by the current study is t-test while this study used the Spearman's rank correlation coefficient, the population of the existing study is 1145 small scale enterprises in Niger sate while the population this study is 1500 SMEs in Nigeria, the existing study determine the influence of taxation policy factors associated with small scale enterprises while this study determine the relationship between tax policy, growth of SMES and the Nigerian economy among others.

The study of Kuug, (2007) sought to determine the factors influencing tax compliance of small and medium enterprises in Ghana. This research finding used descriptive survey for the study. The quantitative and qualitative method was employed by the researcher both for data collection and hypothesis testing to ensure the effective interpretation of the data by using SPSS version 20. Questionnaires and interviews guides were used by the researcher. The study adopted regression analysis was used to identify the factors that influence tax compliance among SMEs in the country and also to establish relationships.

The results from the study suggested that there was a statistical difference in the tax compliance level of small and medium scale entities. The expected, medium taxpaying units were more tax compliant than the small taxpaying units. Also, taxpaying units within the financial services sector were also seen to be more tax compliant than taxpaying units in other sectors like the artisans. Some of the factors accounting for this difference in the compliance levels between small and medium taxpayers were the failure of most of the small taxpayers to file their tax returns on due dates and the keeping of improper records.

However the research findings differ in terms of geographical location, the current study is carried out in Niger state while this study have been carried out using Ghana, the instrument of data analysis to be used by the current study is chi-square while this study used regression analysis, the population of the existing study is 1145 small scale enterprises in Niger sate while the population this study is 9000 SMEs in Ghana, but the existing study determine the influence of taxation policy factors associated with small scale enterprises while this study determine the factors that influence tax compliance among SMES the among others.

Olu, (2009) carried out a study on the influence of reviewing personal income tax in Abia State; which armed at establish their success or otherwise in the generation of revenue for Abia state government. The study adopted a descriptive survey, using a 24 item questionnaire to solicit response and a structured questionnaire was used. The population of the study was 70 respondents and the entire population was used as sample due to the relatively small size of the population. A questionnaire was used as an instrument for data collection, three objectives, three research questions, and three hypotheses were formulated and tested at 0.05 level of significance using t-test statistic. The mean of the collected data was ascertained and no null hypothesis for the findings.

This study is different but related to present study in one way or the other, the study narrow it on the review of personal income tax in Abia state while the current study cover the taxation policy factors associated with the performance of SSEs in Niger state. However, the previous study has only three objectives, research questions and no hypothesis was formulated for the study respectively. While the current study has five objectives, research questions and hypotheses respectively with five major area of focus which are multiple taxes, income tax rate, tax assessment and collection, tax incentive and value added tax (VAT). Another area of difference is in the number of population for the study.

Udoh,(2008) carried out a study which aimed at determining the Taxing the Informal Economy in Nigeria: Issues, Challenges and Opportunities, in AkwaIbom State. The research finding had three objectives, three research questions, and no research hypothesis.

The study adopted a descriptive, collecting primary data from Professionals in private practice, Hotels and Guest Houses, Restaurants and drinking bars, various road side traders, street hawkers, mechanics, hair dressing and barbing saloons, general provisions shops, (aka super markets) dealers on second hand clothing, handbags and shoes, Suya spots and so on, using a multi-dimensional sampling method.

The population of the study is the 31 local government areas of AkwaIbom State. Sample of 12 local government areas were selected based on the personal judgement of the researcher. The selected LGAs were considered on the premise of urbanized status, population and large commercial activities going on in these areas. Data collection method two sets of questionnaires were designed; one for the officials of the Internal Revenue while the other was for the operators in the informal sector. The questionnaires were short and simple for information gathering considering the level of educational attainment of some of the operators in the informal sector. Twenty five different operators in the list of businesses mentioned above were selected as respondents from each LGA. Data Analysis: data collected were collated, presented and analyzed using simple mathematical tables and percentages to explain the result.

This study is different but related to present study in one way or the other, the study aimed at determining the taxing of informal Economy in Nigeria: Issues, Challenges and Opportunities, in Akwa Ibom State. While the current study armed at determine the taxation policy factors associated with the performance of SSEs in Niger state. However, the previous study has only three objectives, research questions and no hypothesis was formulated for the study respectively. While the current study has five objectives, research questions and hypotheses respectively with five major area of focus which are multiple taxes, income tax rate, tax assessment and collection, tax incentive and value added tax (VAT). Another area of difference is in the number of population for the study.

Appraisal of the Literature Review

The various options in the past tax reforms in Nigeria have significantly and repeatedly pointed at the direction of strengthening the administrative incentives to pursue reforms. It has been suggested that, the success of any tax system will depend on the effectiveness of the administration, irrespective of policy choices. The effectiveness of tax administration is supported by the often quoted maxim that ‘tax administration is tax policy’ Casanegra (1990) in shu’ara (2010). The success in taxing the small scale enterprises lies principally on effective tax administration and regular interactions between the tax collectors and taxpayers which involve less scope for enforcement.

Tax policies should be designed in such a way that they do not exact negative effects on the performance of small scale enterprises (SSEs) but indirectly pushed their growth and development. For instance, this was practiced in China where tax policy has been designed to encourage SSEs financing by granting exemptions from business tax for financial corporations that provide guarantee for loans to SSEs and granting tax deductions to market entities and venture capitalists that invest in high-tech SSEs the tune of 70% of the investment value. Another way is by designing tax policies that encourage human capital training (Yaobin, 2009).

Four empirical studies related to the study were reviewed. Based on the reviewed empirical studies, the researcher observed that, none of the research studies covered holistically five major taxation policy factors associated with performance of small scale enterprises in one study, these factors include multiple taxes, tax assessment and collection, tax incentive and the value added tax among others, which these are indeed captured in this study, and none of the empirical studies was carried out in Niger state to determine respondents perceptions on taxation policy factors associated with the performance of small scale enterprises, which is the major purpose of this study. These created the gap which the study have filled.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the design adopted in conducting the study. The chapter is discussed under the following sub-headings:-

Research Design

Population of the Study

Sample Size and Sampling Procedures

Instrument for Data Collection

Validity of the Instrument

Pilot Study

Reliability of the Instrument

Procedure for Data Collection

Procedure for Data Analysis

Decision Rule

Research Design

Descriptive survey design was used in conducting the study. The design involves collecting and analysing the data gathered. The choice of the design was based on the opinion of Martyn (2008) that descriptive survey research design is often used because of easy access to the required information and to understand social phenomenon from the participants' perspective. The design is suitable for this study because it involves the use of structured questionnaire to gather the required data from respondents on taxation policy factors associated with the performance of small scale enterprises in Niger state.

Population of the Study

The population of this study comprised all owners and managers of small-scale businesses in the three selected senatorial zones in Niger state. According to Ministry of Commerce and Industry there are 1145 respondents made up of owners and managers of small scale businesses in the study area Niger state.

Table 1. Population for the Study

Senatorial Zones	Towns	Number of SSB	Number of Owners	Numbers of managers
A	Bida	98	98	73
	Mokwa	70	70	60
B	Minna	170	170	100
	Suleja	130	130	86
C	Kontagora	135	135	84
	Magama	72	72	67
	Total	**675**	**675**	**470**

Source: Niger State Ministry of commerce and industry, Minna (2018)

Sampling Size and Sampling Technique

The sample size of the study was obtained using Taro Yamane formula, and a total sample of 296 was arrived at. To further derive the sample of respondents from each town under study, exact percentage of 296 out of 1145 was computed and 26% was arrived at. The researcher used stratified sampling procedure to draw 26% of the respondents from each of the town under study and a total sample size of 296 was the figure at each stratum. According

Cochran, (2007) using the formula to calculate sample of a population has great advantage of achieving 95% confidence level of the calculated sample. The sample of study is depicted in the table below:

Table 2.Sample Size of the Study

Senatorial Zones	**Towns**	**Number of SSB**	**Number of Owners**	**Numbers of managers**
A	Bida	25	25	18
	Mokwa	18	18	17
B	Minna	44	44	26
	Suleja	34	34	22
C	Kontagora	35	35	21
	Magama	19	19	17
	Total	**175**	**175**	**121**

Source: *Niger State Ministry of commerce and industry, Minna (2018)*

Instrument for Data Collection

The major instrument for data collection for this study was structured questionnaire. According to Kerlinger and Howard (2008) questionnaire is the best instrument to gather data about the respondent's feelings, ideas, emotions and perceptions. The questionnaire tagged Taxation Policy Factors Associated with the Performance of Small Scale Enterprises Questionnaire (TPFAPSSEQ) designed by the researcher was used to gather data for the study.The questionnaire was divided into two parts. Part A solicits information on the bio data of the respondents. Part B was divided into four sections (A-D) in line with the specific purposes of the study. Section A, sought information on the extent of multiple tax policy influence on the performance of small scale enterprises, Section B, sought information on the extent of tax assessment and collection policy and how it influences on the performance of small scale enterprises**.** Section C, sought information on the extent of tax incentive policy influences the performance of small scale enterprises, while Section D, sought information on the extent of value added tax policy influences on the performance of small scale enterprises. Each of the Sections (A-D) was assigned four response options on (40) items of Highly Extent (HE), Moderately Extent (ME), Low Extent (LE), and No Extent (NE) with values of 4, 3, 2, and 1 respectively.

Validity of the Instrument

The face and content validity of the instrument was determined by experts comprising three Senior Lecturers from the Department of Business and Entrepreneurship Education, Kwara State University, Malete, one senior lecturer in the Business education Usmanu Danfodiyo University Sokoto, and the researcher's supervisor. These experts examined the instrument with respect to its fitness for the purpose of this research work. Their criticisms and comments were used in preparing the final version of the instrument.

Pilot Study

To establish the reliability of the instrument, twenty five (25) copies of questionnaire were distributed to small scale business owners and managers in Ilorin Kwara State who were not part of the subjects. This is in line with Olaofe (2010) who stated that pilot study are conducted with a small sample size of respondents similar but not the same as the ones that would be used in the study proper. The 25 small scale business owners and managers were randomly selected using simple random sampling technique. Following the pilot test, the areas of difficulties, spellings and ambiguities in instrument were further refined and made easier for respondents' comprehension and usage.

Reliability of the Instrument

Reliability of the questionnaire has to do with consistency in measuring whatever it purports to measure. The questionnaire was administered on a sample size of 25 small scale business owners and managers in Ilorin Kwara State, which is outside the study area but have similar features to the study area. The data collected from pilot study were subjected to a reliability test using Cronbach Alpha reliability formula. The test yielded a reliability coefficient of 0.85. This is in line with Olayiwola (2010) who stated that, reliability estimate of 0.60 and above is high and the instrument for which it is calculated is reliable and stable.

Procedure for Data Collection

Letter of introduction was obtained from the office of Head of Department of Business and Entrepreneurship Education, Kwara State University, Malete for permission to administer the questionnaire in their respective organisations. The researcher used three research assistants who assist him in the process of administration and retrieval of questionnaire, one each from zones. The research assistants were instructed on how to administer the questionnaire, while the researcher supervised the administration and retrieval of the questionnaires. Two hundred and ninety six copies of the questionnaires were distributed and by the researcher all the copies were retrieve and forward for analysis useable.

Method of Data Analysis

The data collected for part ‘A’ of the questionnaire which was the descriptive part and sought information about the nature and characteristic of the respondents was analyysed using percentages. The data collected for part ‘B’ of the questionnaire which was the analytical part and contained the research question was analysed using the mean and standard deviation. The mean was used to answer the research questions while the standard deviation was to determine the closeness or otherwise of the responses from the mean, while independent t-test was used to test the hypotheses of no significant difference at the probability of 0.05.

Decision Rule: the real limit of number was used for interpreting the analysed data for the research questions, answers were provided as follows; 1.00 - 1.49 No extent,1.50 -2.49 Low extent,2.50 - 3.49 Moderate extent,3.50 - 4.00 High extent. For research questions one to four, weighted mean score of 2.50 and above was considered as high extent while weighted mean score of 2.49 and below was considered as no extent. For the test of null hypotheses of one to four, hypothesis of no significant different was accepted when the observed probability value is greater than or equal to 0.05 level of significance, the null hypothesis was retained.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

This research work was conducted to determine respondents' perception on taxation policy factors associated with the performance of small-scale enterprises in Niger State. This chapter deals with the presentation and analysis of the research data and discussion of findings. A total of two hundred and ninety six (296) questionnaires were distributed and retrieved. The analyses presented out under the following sub-headings:

Analysis of demographic data

Analyses of data to answer the Research Questions

Hypotheses Testing

Summary of Major Findings

Discussion of Findings

Analysis of demographic data

The demographic variable for the study were analyzed in table 3 as follows:

Table 3: Percentage Distribution of Respondents by Position

Position	**Frequency**	**Percentage (%)**
Owners	175	59.1
Managers	121	40.9
Total	**296**	**100.0**

Source: Field survey, 2018

Table 3 revealed that there are 175 respondents representing 59.1% who are owners of small-scale business and male lecturers and 121 respondents representing 40.9% who are managers of small-scale business. This implies that owners of small-scale business are more in number than managers of small-scale business among the respondents.

Table 4: Percentage distribution of respondents by Location

Location	**Frequency**	**Percentage (%)**
Urban	182	38.51
Rural	114	61.49
Total	**296**	**100.0**

Source: Field survey, 2018

Table 4 reveals that there are 182 (61.49%) respondents from urbanarea and 114 (38.51%) respondents from rural area. This implies that Small Scale Enterprises are more in urban than in rural among the respondents.

Table 5: Percentage distribution of respondents by Location

Location	**Frequency**	**Percentage (%)**
State Capital	70	23.65
Other Places	226	76.35
Total	**296**	**100.0**

Source: Field survey, 2018

Table 5 reveals that there are 70 (23.65%) respondents from the state capital and 226 (76.35%) respondents from other places within the state. This implies that there are more respondents from other places than the state capital.

Analyses of data to answer the Research Questions

Analysis of data to answer the research questions conducted in table 4 to 7 as follows:

Research Question one: To what extent does multiple taxation policy influence the performance of small-scale enterprises in Niger State?

Table 4: Mean and standard deviation of responses on the extent to which multiple taxation policy influence the performance of small-scale enterprises

S/N	**Item Statements**	$\bar{X}$	SD	**Remark**
1.	Multiple tax policy affect the growth and survival of small scale enterprises (SSEs) negatively in Niger State.	2.99	1.01	Moderate Extent
2.	Multiple tax policy affects the production level of small scale businesses (SSBs) in the state.	3.01	0.96	Moderate Extent
3.	Multiplicity of taxes affects the sales volume of the SSEs in the state.	2.99	1.00	Moderate Extent
4.	The burden of multiple taxes affects the profitability of the SSEs in the state.	2.99	1.07	Moderate Extent
5.	Multiple tax system affects the quality of production of the SSEs in Niger state.	2.89	1.03	Moderate Extent
6.	The closure of most small scale enterprises has relationship with multiplicity of taxes in the state.	2.89	0.98	Moderate Extent
7.	The performance of small scale enterprises will increase without multiple tax system in the state	2.79	1.04	Moderate Extent
8.	Multiplicity of taxes affects the payment of allowances of employees of SSEs in the state.	2.92	0.97	Moderate Extent
9.	Multiple tax system discourage savings and reinvestment by the SSEs in the state.	3.05	1.05	Moderate Extent
10.	Multiple tax system affects the production method of the SSEs in the state.	2.75	1.16	Moderate Extent

Weighted average	**2.93**	**1.03**	**Moderate Extent**

Source: Field Survey, 2018

Table 4 indicates that multiple tax policy affect the growth and survival of small scale enterprises (SSEs) negatively in Niger State to moderate extent (mean = 2.99), the same way multiple tax policy affects the production level of small scale businesses (SSBs) in the state to moderate extent (mean = 3.01). In addition, the respondents stated that multiplicity of taxes affects the sales volume of the SSEs in the state to moderate extent (mean = 2.99), and the burden of multiple taxes affects the profitability of the SSEs in the state to moderate extent based on the responses of the respondents (mean = 2.99). Multiple tax system affects the quality of production of the SSEs in Niger state to moderate extent as perceived by both owners and managers of small business (mean = 2.89). Also, the closure of most small scale enterprises has relationship with multiplicity of taxes in the state to moderate extent (mean = 2.89), and the performance of small scale enterprises will increase without multiple tax system in the state to moderate extent (mean = 2.79). Multiplicity of taxes affects the payment of allowances of employees of SSEs in the state to moderate extent based on the responses of owners and managers (mean = 2.92). In addition, respondents indicated that multiple tax system discourage savings and reinvestment by the SSEs in the state to highly moderate extent (mean = 3.05). The respondents also indicated that multiple tax system affects the production method of the SSEs in the state to Moderate Extent (mean = 2.75). All the 10 items has a standard deviation ranges from 0.96 to 1.16 which are below the fixed value of 1.96. This means that the responses of the respondents are not wide spread as it is close to the mean.

On the overall, the respondents indicated moderate extent for all the constructs in the table 4 as the mean is far above the fixed mean of 2.50. This means that multiple taxation policy influences the performance of small-scale enterprises negatively in Niger State, with a negative extent. This was supported by an average mean and standard deviation of 2.93 and 1.03 respectively (mean = 2.93, SD = 1.03).

Research Question Two: To what extent does tax assessment and collection policy influence the performance of small scale enterprises in Niger state?

Table 5: Mean and standard deviation of responses on the extent to which tax assessment and collection policy influence the performance of small-scale enterprises

S/N	**Item Statements**	$\bar{X}$	SD	**Remark**
1.	Self-assessment of tax promote easy tax compliance and collection from the small scale enterprises in the Niger state.	2.95	0.92	Moderate Extent
2.	The 1% granted as a result of self-assessment add value to the rate of profit margin of the small scale enterprises in the state.	3.00	0.90	Moderate Extent
3.	Lack of proper filing of income by the small scale enterprises, result to unnecessary tax assessment and collection in the state.	3.08	0.95	Moderate Extent
4.	Tax amnesty introduces by the state government help in reducing tax liability of the taxpayers in the state.	3.03	0.86	Moderate Extent
5.	Complex tax assessment and collection procedure put disproportionate pressure on small scale businesses in the state.	2.95	0.89	Moderate Extent
6.	Best of judgment (BOJ) technique of assessment influence performance of small scale enterprises in Niger state.	2.54	0.96	Moderate Extent
7.	Assessment charges before the due date of collection affects the performance of SSEs in the state.	2.84	1.07	Moderate Extent

8.	Filling of income statement by the SSEs reduce the rate of unnecessary charges that cannot be account for in the state	3.22	0.91	Moderate Extent
9.	Objection and appeal procedure help the SSEs to contest wrong assessment in the state.	2.83	1.03	Moderate Extent
10.	Inadequate qualified tax collectors facilitate wrong assessment and promote bribery and corruption in the state board of internal revenue service.	2.90	1.09	Moderate Extent
Weighted average		**2.93**	**0.96**	**Moderate Extent**

Source: Field Survey, 2018

Table 5 reveals that self-assessment of tax promote easy tax compliance and collection from the small scale enterprises in the state to moderate extent (mean = 2.95). The same way 1% granted as a result of self-assessment add value to the rate of profit margin of the small scale enterprises in the state to moderate extent (mean = 3.00). In addition, the respondents stated that lack of proper filing of income by the small scale enterprises result to unnecessary tax assessment and collection in the state to moderate extent (mean = 3.08), and the tax amnesty introduces by the state government help in reducing tax liability of the taxpayers in the state to moderate extent based on the responses of the respondents (mean =3.03).Complex tax assessment and collection procedure put disproportionate pressure on small scale businesses in the state to moderate extent as perceived by both owners and managers of small business (mean = 2.95). Also, best of judgment (BOJ) technique of assessment influence performance of small scale enterprises in Niger state to moderate extent (mean = 2.54), and the assessment charges before the due date of collection affects the performance of SSEs in the state to moderate extent (mean = 2.84). Filling of income statement by the SSEs reduce the rate of unnecessary charges that cannot be account for in the state to moderate extent based on the responses of owners and managers (mean = 3.22). In addition, respondents indicated that objection and appeal procedure help the SSEs to contest wrong assessment in the state to moderate extent (mean = 2.83). The respondents also indicated that inadequate qualified tax collectors facilitate wrong assessment and promote bribery and corruption in the state board of internal revenue service to moderate extent (mean = 2.90). All the 10 items have a standard deviation ranges from 0.86 to 1.16 which are below the fixed value of 1.96. This means that the responses of the respondents are not wide spread as it is close to the mean.

On the overall, the respondents unanimously indicated moderate extent for all the constructs in the table 5 as the mean is above the fixed mean of 2.50. This means that tax assessment and collection policy influence the performance of small-scale enterprises in Niger State, with positive extent This was supported by an average mean and standard deviation of 2.93 and 0.96 respectively (mean = 2.93, SD = 0.96).

Research Question Three: To what extent does tax incentive influence the performance of small scale enterprises in Niger State?

Table 6: Mean and standard deviation of responses on the extent to which tax incentive influence the performance of small-scale enterprises

S/N	**Item Statements**	$\overline{X}$	SD	**Remark**
1.	Tax incentives are key element in promoting growth and development of SSEs in the state.	3.44	0.70	Moderate Extent
2.	The performance of small scale enterprises in the state are as a result of tax incentives policy of the state.	2.89	1.03	Moderate Extent
3.	Tax incentives increase the profit margin of small scale enterprises in the state.	3.07	0.99	Moderate Extent
4.	Tax incentives encourage growth and development of small	3.26	0.83	Moderate

	scale enterprises in the state.			Extent
5.	Tax incentive policy create employment opportunities among small scale businesses in the state	2.96	0.93	Moderate Extent
6.	Tax amnesty system should be used in our tax policy to encourage easy tax compliance and collection.	2.82	1.04	Moderate Extent
7.	Tax incentives promote easy economic growth and development of SSEs in the state.	2.99	0.90	Moderate Extent
8.	Tax incentive encourages voluntary registration of business concept by the SSEs in the state.	3.21	0.81	Moderate Extent
9.	Tax incentive is a remedy to the problem of tax evasion and avoidance among the small scale enterprises in the state.	3.22	0.73	Moderate Extent
10.	Tax incentive encourage voluntary tax compliance by the small scale business owners in the state.	3.07	0.90	Moderate Extent
Weighted average		**3.09**	**0.89**	**Moderate Extent**

Source: Field Survey, 2018

Table 6 shows that tax incentives are key element in promoting growth and development of SSEs in the state to moderate extent (Mean = 3.44). Same way,the respondents indicatedmoderate extent for performance of small scale enterprises in the state are as a result of tax incentives policy of the state (mean = 2.89). In addition, the respondents indicated that tax incentives increase the profit margin of small scale enterprises in the state to moderate extent for performance of SSEs (mean = 3.07), and encourage growth and development of small scale enterprises in the state to moderate extent for performance of SSEs based on the responses of the respondents (mean = 3.26). Tax incentive policy create employment opportunities among small scale businesses in the state to moderate extent as perceived by both owners and managers of small business (mean = 2.96). Also, tax amnesty system should be used in our tax policy to encourage easy tax compliance and collection to moderate extent for performance of SSEs (mean = 2.82), and tax incentives promote easy economic growth and development of SSEs in the state to moderate extent (mean = 2.99). Tax incentive encourages voluntary registration of business concept by the SSEs in the state to high extent based on the responses of owners and managers (mean = 3.21). In addition, respondents indicated that tax incentive is a remedy to the problem of tax evasion and avoidance among the small-scale enterprises in the state to Moderate Extent (mean = 3.22). The respondents also indicated that Tax incentive encourage voluntary tax compliance by the small-scale business owners in the state to moderate extent (mean = 3.07). All the 10 items have a standard deviation ranges from 0.70 to 1.04 which are below the fixed value of 1.96. This means that the responses of the respondents are not wide spread as it is close to the mean.

On the overall, the respondents unanimously indicated moderate extent for all the constructs in table 6 above as the mean is above the fixed mean of 2.50. This means that tax incentive influences the performance of small-scale enterprises in Niger State to ma positive extent. This was supported by an average mean and standard deviation of 3.09 and 0.89 respectively (mean = 3.09, SD = 0.89).

Research Question Four: To what extent does value added tax policy influence the performance of small scale enterprises in Niger state?

Table 7: Mean and standard deviation of responses on the extent to which value added tax policy influence the performance of small-scale enterprises

S/N	**Item Statements**	$\overline{X}$	SD	**Remark**
1.	The uniform tax rate of value added tax (VAT) boost the performance of small scale enterprises (SSEs) in Niger state.	3.02	0.97	Moderate Extent
2.	Reduction in the rate value added tax (VAT) increase sales turnover of SSEs in the state.	2.84	1.08	Moderate Extent
3.	The five percentage (5%) value added tax (VAT) affects sales volume of the SSEs in the state.	3.23	0.83	Moderate Extent
4.	The imposition of value added tax (VAT) affect the increase in the prices of their product purchasing power of SSEs customer in the state.	3.04	0.96	Moderate Extent
5.	The introduction of value added tax (VAT) has help to control the rate economic extravagancy in the state.	3.09	0.92	Moderate Extent
6.	Value added tax (VAT) discourage the transaction of certain goods and services my SSEs in the state.	3.02	0.88	Moderate Extent
7.	Value added tax (VAT) exemptions increase sales volume of SSEs in the state.	3.06	0.94	Moderate Extent
8.	Reduction in the rate of value added tax (VAT) encourages the demand and supply of goods and services in the state.	2.95	0.95	Moderate Extent
9.	Value added tax (VAT) affect the profitability rate of SSEs in the state.	2.77	1.01	Moderate Extent
10.	Value added tax (VAT) affects the demand and supply of	3.06	0.97	Moderate

goods and service in Niger state.			Extent
Weighted average	**3.01**	**0.95**	**Moderate Extent**

Source: Field Survey, 2018

Table 7 reveals the extent value added tax policy influence the performance of small scale enterprises in Niger State. The table showed that the uniform tax rate of value added tax (VAT) boost the performance of small scale enterprises (SSEs) to moderate extent (mean = 3.02). Same way,the respondents indicated that reduction in the rate value added tax (VAT) increase sales turnover of SSEs in the state to moderate extent (mean = 2.84). In addition, the respondents indicated that the five percentage (5%) value added tax (VAT) affects sales volume of the SSEs in the state to moderate extent (mean = 3.23), and the imposition of value added tax (VAT) affect the increase in prices of their product purchasing power of SSEs customer in the state to moderate extent based on the responses of the respondents (mean = 3.04). The introduction of value added tax (VAT) has help to control the rate of economic extravagancy in the state to high extent as perceived by both owners and managers of small business (mean = 3.09). Also, Value added tax (VAT) discourage the transaction of certain goods and services my SSEs in the state to moderate extent (mean = 3.02), and also VAT exemptions increase sales volume of SSEs in the state to moderate extent (mean = 3.06). Reduction in the rate of value added tax (VAT) encourages the demand and supply of goods and services in the state to moderate extent based on the responses of owners and managers (mean = 2.95). In addition, respondents indicated that value added tax (VAT) affect the profitability rate of SSEs in the state to moderate extent (mean = 2.77). The respondents also indicated that value added tax (VAT) affects the demand and supply of goods and service in Niger state to moderate extent (mean = 3.06). All the 10 items have a standard deviation ranges from 0.83 to 1.08 which are below the fixed value of 1.96. This means that the responses of the respondents are not wide spread as it is close to the mean.

On the overall, the respondents unanimously indicated moderate extent for all the constructs in table 7 above as the mean is above the fixed mean of 2.50. This means that value added tax policy influences the performance of small-scale enterprises in Niger State to positive extent. This was supported by an average mean and standard deviation of 3.01 and 0.95 respectively (mean = 3.01, SD = 0.95).

Test of Hypotheses

The four null hypotheses of the study were tested using independent t-test. The null hypotheses were tested at 0.05 level of significance. The summary of the test of hypotheses are presented in Tables 8 to 11 as follows:

H_{01}: There is no significant difference between the mean ratings of owners and managers of small scale enterprises on the extent to which multiple taxation policy influences the performance of small scale enterprises among the respondents.

Table 8: Summary of t-test of the difference between the mean ratings of owners and managers of small business enterprises on the extent to which multiple taxation policy influence the performance of small-scale enterprises

Group	N	Mean	SD	t-cal	Df	p-value	Decision
Owners	175	2.94	0.22	1.171	294	0.243	NS
Managers	121	2.91	0.27				

Source: Field survey, 2018 P>0.05

Table 8 reveals that there are 175 owners of small business enterprises and 121 managers of small business enterprises. The owners and managers responses showed that multiple taxation policy influence the performance small-scale enterprises to a negative extent ($\overline{X}$ = 2.94; SD =

0.22) and ($\bar{X}$ = 2.91; SD = 0.27). Their responses are close to the mean as the standard deviations are very low. The table revealed that there was no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which multiple taxation policy influences the performance of small-scale enterprises ($t_{294} = 1.171$, $P>0.05$). Therefore, the null hypothesis that states that there is no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which multiple taxation policy influence the performance of small-scale enterprises in Niger state was not rejected. This implied that owners and managers do not differ in their responses regarding the extent to which multiple taxation policy influence the performance of small-scale enterprises. Though there was a slight difference between their mean responses with owners having higher mean responses, but the difference was not statistically significant (mean difference = 0.03).

H_{02}: There is no significant difference between the mean ratings of urban respodents and rural respondents of small business enterprises on the extent to which tax assessment and collection policy influence the performance of small scale enterprises in Niger state.

Table 9: Summary of t-test of the difference between the mean ratings of urban and rural respondents on the extent to which tax assessment and collection policy influence the performance small-scale enterprises

Group	N	Mean	SD	t-cal	Df	p-value	Decision
Urban	182	2.98	0.20	5.050	294	0.00	S
Rural	114	2.87	0.16				

Source: Field survey, 2018

Table 9 shows that there are 182urban respondents of small business enterprises and 114 rural respondents of small business enterprises. The urban and rural responses showed that tax assessment and collection policy influence the performance small-scale enterprises to a great extent ($\overline{X}$ = 2.98; SD = 0.20) and ($\overline{X}$ = 2.87; SD = 0.16). Their responses are close to the mean as the standard deviations are very low. The table revealed that there was significant difference between the mean ratings of urban and rural respondents small business enterprises on the extent to which tax assessment and collection policy influences the performance of small-scale enterprises (t_{294} = 5.050, $P<0.05$). Therefore, the null hypothesis that states that there is no significant difference between the mean ratings of urban and rural respondents of small business enterprises on the extent to which tax assessment and collection policy influence the performance of small-scale enterprises in Niger state was rejected. This implied that urban and rural respondents differ in their responses regarding the extent to which tax assessment and collection policy influence the performance of small-scale enterprises. Their responses showed that urban respondents rated the extent tax assessment and collection policy influences the performance of small-scale enterprises higher than the rural respondents did (mean difference = 0.11).

H_{03}: There is no significant between the mean ratings of respondents in state capital and others respondents outside the state capital of small business enterprises on the extent to which tax incentive policy influence the performance small-scale enterprises among respondents.

Table 10: Summary of t-test of the difference between the mean ratings of respondents in state capital and others outside the state capital on the extent to which tax incentive policy influence the performance of small-scale enterprises

Group	N	Mean	SD	t-cal	Df	p-value	Decision
State capital	70	2.08	0.15	0.971	294	0.332	NS
Others outside	226	3.11	0.29				

Source: Field survey, 2018

The data in Table 10 revealed that there are70state capital of small business enterprises and 226 others outside the state capital small business enterprises. The state capital and others outside the state capital responses showed that tax incentive policy influences the performance small-scale enterprises to a great extent ($\overline{X}$ = 2.08; SD = 0.15) and ($\overline{X}$ = 3.11; SD = 0.29). Their responses are close to the mean as the standard deviations are very low. The table revealed that there was no significant difference between the mean ratings of state capital and others outside the state capital small business enterprises on the extent to which tax incentive policy influences the performance of small-scale enterprises (t_{294} = 0.971, P>0.05). Therefore, the null hypothesis that states that there is no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which tax incentive policy influence the performance of small-scale enterprises in Niger state was not rejected. This implied that owners and managers do not differ in their responses regarding the extent to which tax incentive policy influence the performance of small-scale enterprises. Though there was a difference between their mean responses with others outside the state capital having higher mean responses, but the difference was not statistically significant (mean difference = 1.03).

H_{04}: There is no significant between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influence the performance of small-scale enterprises in Niger state.

Table 11: Summary of t-test of the difference between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influence the performance of small-scale enterprises

Group	N	Mean	SD	t-cal	Df	p-value	Decision
Owners	175	3.01	0.26	0.084	294	0.933	NS

Managers	121	3.01	0.24

Source: Field survey, 2018

The data in Table 10 revealed that there are 175 owners of small business enterprises and 121 managers of small business enterprises. The owners and managers responses showed that value added tax policy influence the performance small-scale enterprises to a great extent ($\bar{X}$ = 3.01; SD = 0.26) and ($\bar{X}$ = 3.01; SD = 0.24). Their responses are close to the mean as the standard deviations are very low. The table revealed that there was no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influence the performance of small-scale enterprises (t_{294} = 0.084, $P>0.05$). Therefore, the null hypothesis that states that there is no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influence the performance of small-scale enterprises in Niger state was not rejected. This implied that owners and managers do not differ in their responses regarding the extent to which value added tax policy influence the performance of small-scale enterprises.

Summary of major findings

The following are the summary of major findings of the study:

1. Multiple taxation policy influenced the performance of small-scale enterprises in Niger State to a negative extent (mean = 2.93, SD = 1.03).
2. Tax assessment and collection policy influenced the performance of small-scale enterprises in Niger State to a positive extent (mean = 2.93, SD = 0.96).
3. Tax incentive influenced the performance of small-scale enterprises in Niger State to a positive extent (mean = 3.09, SD = 0.89).

4. Value added tax policy influence the performance of small-scale enterprises in Niger State to positive extent (mean = 3.01, SD = 0.95).
5. There was no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which multiple taxation policy influence the performance of small-scale enterprises ($t_{294} = 1.171$, $P>0.05$).
6. There was significant difference between the mean ratings of urban and rural small business enterprises on the extent to which tax assessment and collection policy influence the performance of small-scale enterprises ($t_{294} = 5.050$, $P<0.05$).
7. There was no significant difference between the mean ratings state capital respondents and others outside the state capital small business enterprises on the extent to which tax incentive policy influence the performance of small-scale enterprises ($t_{294} = 0.971$, $P>0.05$).
8. There was no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influence the performance of small-scale enterprises ($t_{294} = 0.084$, $P>0.05$)

Discussion of Findings

With reference to research question one which stated that to what extent does multiple taxation policy influence the performance of small scale enterprises and null hypothesis (Ho_1**)** There is no significant difference between the mean ratings of owners and managers of small scale enterprises on the extent to which multiple taxation policy influence the performance of small scale enterprises, findings revealed that there was no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which multiple taxation policy influence the performance of small-scale enterprises to a moderate extent.

The study found that the current taxation policy is characterized by a high incidence of nuisance taxes, on the mobility of goods and services across states and the prevalence of multiple taxation. The direct burden of official taxation on small firms' in Nigeria are compounded by the administrative burden to comply with these taxes which is significantly higher than competitors, and these contribute to the rapid decline in the fortunes of the nation's industry. This is finding support Bassey, (2013: pp30) who noted that "the manufacturing industries are confronted with multiple statutory levies and taxes which are clearly duplicates of what other tiers of government charge. Apart from the additional cost to the industries, the time spent discussing such levies constitutes a distraction to the operators of manufacturing industries in Nigeria. According to him, it also makes planning difficult since one is not sure of how many levies and taxes will be paid".

The study also found that multiple taxation policy influence the performance of small-scale enterprises in Niger State to moderate extent. This is because the system is concerned with the levying of tax by two or more jurisdictions on the same declared income (in the case of income taxes), asset (in the case of capital gains taxes), or financial transaction (in the case of sales taxes). This is also in line with earlier findings of Onyeukwu (2010) who found that multiple taxation is not healthy for development of corporate entities further asserted that it is a deterrent for their growth and these at times affect their performance of corporate social responsibility where they perceive the host state government as being unfriend.

For research question two which stated that to what extent does tax assessment and collection policy influence the performance of small scale enterprises, and null hypothesis (Ho_2**)** there was significant difference between the mean ratings of urban and rural small scale enterprises on the extent to which income tax policy influence the performance of small business enterprises. The study discovered that tax assessment and collection policy influence the performance of small-scale enterprises to a moderate extent. Tax assessment and collections from informal sector have their challenges. The challenges include the death of statistical database due to non-registration of businesses in the informal sector, lack of accounting record keeping of business transactions, issues relating to residence of the taxpayers, unstable nature of business carried out by operators in the informal sector which makes it difficult to establish a tax base, lack of trained and skilled staff of Relevant Tax Authority, lack of incentives to official by government, lack of modern operational vehicles and equipment, lack of security of staff to Relevant Tax Authority, and Costs and benefits of tax collections from informal sector among others. This is in accord with the finding of Kiabel and Nwokah (2009) who earlier labeled this group of informal sector operatives as those who deliberately refused to pay tax by reporting losses every year. Finding on their lifestyles do not depict the nature of losses reported in their financial statements. Experience gained through observations show that, some of the traders in informal sector operate their business in private and commercial vehicles travelling to various markets on market days. The traders exploit the good road network in the State to move from other neighboring states on big market days in Niger state to do their businesses. After the day's sales they return to their States of origin where they possibly pay tax.

The analysis of research question three which stated that to what extent does tax incentive influence the performance of small scale enterprises and the test of null hypothesis (Ho_3) there is no significant difference between the mean ratings of state capital and others outside the state capital small business enterprises on the extent to which tax assessment and collection policy influences the performance of small scale enterprises. The study revealed that there was no significant difference between the mean ratings of state capital and others outside the state capital small business enterprises on the extent to which tax assessment and collection policy influence the performance of small scale enterprises. Tax incentive influence the performance of small-scale enterprises to a moderate extent, this is because tax incentive is a reduction in tax liability of the taxpayers, and this can be achieved through reduction in tax rate, reduction in tax base, tax deferment or outright tax exemption. Easson and Zolit (2013) defined tax incentives as: “those special exclusions, exemptions, or deductions that provide special credits, preferential tax rates or deferral of tax liability. They argue that tax incentives can take the form of tax holidays for a limited duration, current deductibility for certain types of expenditures, or reduced import tariffs or customs duties. Kiabel & Nwakpasi (2012) reported that tax incentive is used to encourage investment, boost local industries and important sectors of the economy such as agriculture, mineral, oil and gas, export and manufacturing are given incentives in order to influence purchasing power and production costs both of which are crucial for the growth of industries.

Findings on research question four and the test of null hypothesis revealed that there was no significant difference between the mean ratings of owners and managers of small business enterprises on the extent to which value added tax policy influence the performance of small scale enterprises. The study found that value added tax policy influenced the performance of small-scale enterprises to a moderate extent. The value added of small scale enterprises is the difference between a firm’s sales and a firm’s purchases from all other firms. bySaitoti (2009) observed that the existing patterns of sales taxes and the commercial transaction levy at the time were ineffective in collecting revenue, worsened by the fact that the taxes met a lot of public resistance because they were selective and based on too narrow a range of transactions. Sales taxation on domestic production was limited to the manufacturing sector, which put a disproportionate tax burden on their operations. Value Added Tax (VAT) increase the cost of consumption after the anticipated increase rises relative to that before the increase, encouraging consumers to substitute consumption ahead of the increase for that afterwards.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter is presented under the following sub-headings; summary, conclusion, recommendation and suggestion for further studies

Summary

The research work sought to determine taxation policy factors associated with the performance of small scale enterprises in Niger State Nigeria. The study had four specific purposes, four research questions were answered while four null hypotheses were tested at 0.05 level of significance. The researcher adopted descriptive survey design. Research work had a population of 1145 and a sample of 296 was drawn for the study. A 4-point rating scale on 40 structured questionnaire items was used in generating data for the study. The instrument was face-validated by experts. Cronbach Alpha reliability method was used to determine the internal consistency of the instrument. The data collected was analysed using mean to answer the research questions and standard deviation to determine the closeness or otherwise of the responses from the mean, while independent t-test statistic was used to test the null hypothesis of no significant difference. All the null hypotheses were tested at 0.05 levels of significance.

Findings were drawn from the analysis and based on the findings, conclusion and recommendations were made. The study revealed the following finding among others: the taxation policy factors influence the performance of small scale business owners and managers in Niger state to a moderate extent this is based on multiple tax policy, tax assessment and collection policy, tax incentive policy and value added tax (VAT) policy. There is no significant difference between the mean ratings of owners and managers of small scale enterprises on the extent to which multiple taxation policy, tax assessment and collection policy, tax incentive policy and value added tax (VAT) policy.

Conclusion

Based on the findings of the study it was concluded that small scale enterprises play an important role in the growth and development of the Nigerian economy. The enactment of friendly tax policy is instrumental to the survival and growth of these small scale enterprises. However, taxes for small scale enterprises have been more harmful than beneficial as they increase running costs and slow down growth. Most of the SSEs surveyed are faced with the problem of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax related issues. Therefore, if SSEs are to flourish, an appropriate tax policy which will not be an encumbrance to the growth of SSEs needs to be on ground.

Recommendations

Based on the findings of the study, the following recommendations are made:-

(1) There is need for business owners and managers of small scale enterprises to possess basic knowledge of financial accounting, auditing and taxation so as to curtail the rate of wrong assessment and collection of taxes.

(2) Government (federal, state and local) should design functional data base which will be used to register and capture small scale enterprises and thereby reducing tax evasion in the economy.

(3) Taxation policies should be friendly to small Scale Enterprises in order to boost the growth of entrepreneurship in Niger state.

(4) The governments (Federal, State and Local) should develop a strong base for taxpayers, simplify collection system and stop multiple taxes which is an amnesty to the industrial sector and the entire economy.

(5) The rate of tax incentives and exemptions which serve as catalysts and bait for attracting investors should be highly increased by the three tiers of government in Niger state.

(6) There should be consistency in tax policy that will alleviate the factors that influence against the expansion of Small Scale Enterprises (SSEs) in relation to their ability to pay taxes to the government.

(7) The tax policy should be designed in a manner that it will encourage those who are potential tax payers, voluntary compliance and ultimately leads to expansion of existing business interests of the SSEs in Niger state.

Suggestions for further Study

It is suggested that further study can be carried out on the same area in other states of the federation and in the following areas:

1. Determine the relationship between Tax Policy factors and the Growth of Small Scale Enterprises in North West Nigeria Economy.
2. Examine the relationship between tax evasion and revenue generation on the performance of small scale enterprises in North West Nigeria.

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APPENDIX 'A'

LETTER OF VALIDATION

Department of Business and
Entrepreneurship Education
Kwara State University Malete

Date……………………………..

……………………..........

……………………..........

Dear Sir,

REQUEST FOR VALIDATION OF INSTRUMENT

I am a Post graduate student of Kwara State University, Malete carrying out a research on Taxation Policy Factors Associated with the performance of Small Scale Enterprises in Niger State. Attached is a draft copy of the instrument for collecting data for study.

You are kindly requested to rate the items of their suitability and adequacy in addressing the subject matter, you may also, add any items considered suitable in any section and correct any of the items presented.

Your contribution towards the success of this work is highly appreciated.

Thank you.

Yours faithfully,

Shehu Shagari GARBA
16/27/MBE012

APPENDIX 'B'

LETTER OF INTRODUCTION

Department of Business and Entrepreneurship Education
Kwara State University,
Malete.

Date……………………………

Dear Respondent,

REQUEST TO FILL QUESTIONNAIRE

I am a post graduate student of Business and Entrepreneurship Education, Kwara State University, Malete. I am conducting a research work on Taxation Policy Factors Associated with the performance of Small Scale Enterprises in Niger State.

The questionnaire is to solicit your assistance and cooperation in providing the required information by ticking the items. It is purely an academic exercise for the award of Master Degree in Business Education. The information providing shall be strictly treated in a confidential manner for that purpose.

Thanks for your cooperation.

Yours Faithfully,

Shehu Shagari GARBA

16/27/MBE012

APPENDIX ‘C’

TAXATION POLICY FACTORS ASSOCIATED WITH THE PERFORMANCE OF SMALL SCALE ENTERPRISES QUESTIONNAIRE (TPFAPSSEQ)

RESPONDENT’S PERSONAL INFORMATION

Instruction: Please tick the appropriate box as it applies to you

PART A: QUESTIONNAIRE ITEMS

Please use the following responses codes:

HE - High Extent

ME - Moderate Extent

LE - Lower Extent

NE - No Extent

PART B: BIO-DATA

Position

Owner { }

Manager { }

Location

Urban centre { }

Rural centre { }

Educational Qualification

SSCE { } NCE { }

ND { }HND { }

Degree { } Msc. and above { }

SECTION A

Extent of Influence of Multiple Tax Policy on the Performance of Small Scale Enterprises

ITEM S		**HE**	**ME**	**LE**	**NE**
1.	Multiple tax policy affect the growth and survival of small scale enterprises (SSEs) negatively in Niger State				
2.	Multiple tax policy affects the production level of small scale businesses (SSBs) in the state.				
3.	Multiplicity of taxes affects the sales volume of the SSEs in the state.				
4.	The burden of multiple taxes affects the profitability of the SSEs in the state.				
5.	Multiple tax system affects the quality of production of the SSEs in Niger state.				
6.	The closure of most small scale enterprises has relationship with multiplicity of taxes in the state				
7.	The performance of small scale enterprises will increase without multiple tax system in the state				
8.	Multiplicity of taxes affects the payment of allowances of employees of SSEs in the state.				
9	Multiple tax system discourage savings and reinvestment by the SSEs in the state.				
10	Multiple tax system affects the production method of the SSEs in the state.				

SECTION B

Extent of Influence of tax assessment and collection policy influence the performance of small scale enterprises

ITEMS		HE	ME	LE	NE
11.	Self-assessment of tax promote easy tax compliance and collection from the small scale enterprises in the state.				
12.	The 1% granted as a result of self-assessment add value to the rate of profit margin of the small scale enterprises in the state.				
13.	Lack of proper filing of income by the small scale enterprises, result to unnecessary tax assessment and collection in the state.				
14.	Tax amnesty introduces by the state government help in reducing tax liability of the taxpayers in the state.				
15.	Complex tax assessment and collection procedure put disproportionate pressure on small scale businesses in the state.				
16	Best of judgment (BOJ) technique of assessment influence performance of small scale enterprises in Niger state.				
17	Assessment charges before the due date of collection affects the performance of SSEs in the state.				
18	Filling of income statement by the SSEs reduce the rate of unnecessary charges that cannot be account for in the state.				
19	Objection and appeal procedure help the SSEs to contest wrong assessment in the state.				
20	Inadequate qualified tax collectors facilitate wrong assessment and promote bribery and corruption in the state board of internal revenue service.				

SECTION D

Extent of Influence of tax incentive on the performance of small scale enterprises

ITEMS		HE	ME	LE	NE
21.	Tax incentives are key element in promoting growth and development of SSEs in the state.				
22.	The performance of small scale enterprises in the state are as a result of tax incentives policy of the state.				
23.	Tax incentives increase the profit margin of small scale enterprises in the state.				
24.	Tax incentives encourage growth and development of small scale enterprises in the state.				
25.	Tax incentive policy create employment opportunities among small scale businesses in the state.				
26	Tax amnesty system should be used in our tax policy to encourage easy tax compliance and collection				
27.	Tax incentives promote easy economic growth and development of SSEs in the state.				
28.	Tax incentive encourages voluntary registration of business concept by the SSEs in the state.				
29.	Tax incentive is a remedy to the problem of tax evasion and avoidance among the small scale enterprises in the state.				
30.	Tax incentive encourage voluntary tax compliance by the small scale business owners in the state.				

SECTION E

Extent of Influence of value added tax policy on the performance of small scale enterprises

ITEM S		**HE**	**ME**	**LE**	**NE**
31.	The uniform tax rate of value added tax (VAT) boost the performance of small scale enterprises (SSEs) in Niger state.				
32.	Reduction in the rate value added tax (VAT) increase sales turnover of SSEs in the state.				
33.	The five percentage (5%) value added tax (VAT) affects sales volume of the SSEs in the state.				
44.	The imposition of value added tax (VAT) affect the increase the prices of their product purchasing power of SSEs customer in the state.				
35.	The introduction of value added tax (VAT) has help to control the rate economic extravagancy in the state.				
36.	Value added tax (VAT) discourage the transaction of certain goods and services my SSEs in the state.				
37.	Value added tax (VAT) exemptions increase sales volume of SSEs in the state.				
38.	Reduction in the rate of value added tax (VAT) encourages the demand and supply of goods and services in the state.				
39.	Value added tax (VAT) affect the profitability rate of SSEs in the state.				
40.	Value added tax (VAT) affects the demand and supply of goods and service in Niger state.				

APPENDIX ‘D’

RELIABILITY STATISTICS

/VARIABLES=Q1 Q2 Q3 Q4 Q5 Q6 Q7 Q8 Q9 Q10 Q11 Q12 Q13 Q14 Q15 Q16 Q17 Q18 Q19 Q20 Q21 Q23 Q24 Q25

/SCALE ('ALL VARIABLES') ALL

/MODEL=ALPHA

/STATISTICS=DESCRIPTIVE SCALE.

Test of Reliability

[DataSet1] C:\Users\Femi\Documents\research works\2018\Mr.shehushagari\mr shehushagari.sav

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	25	100.0
	Excluded [a]	0	.0
	Total	25	100.0

a. List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	No of Items
0.85	40