

Abstract

This study investigates the tax burden on income earners in Edo State, Nigeria, with a view to understanding its variation across income groups and its implications for tax compliance and revenue generation. The study is driven by concerns that persistent fiscal pressure, low disposable income, and perceived inequities in tax administration undermine voluntary compliance and economic productivity. The specific objectives were to examine variations in tax burden among different income groups, identify the types and rates of taxes imposed on income earners, assess taxpayers' insights and compliance behaviour, and highlight challenges faced by individuals in fulfilling their tax obligations. A descriptive survey design was adopted, employing both primary and secondary data. Structured questionnaires were administered to 400 respondents drawn from civil servants, self-employed persons, and private-sector workers across Edo State, selected through stratified random sampling. Data were analyzed using descriptive statistics and regression techniques. Findings revealed that lower-income earners bear a proportionately higher effective tax burden relative to their income, while inconsistencies in tax administration and inadequate taxpayer education contribute significantly to low compliance levels. The study recommends policy measures such as tax rate rationalization, improved taxpayer enlightenment, digitalized tax administration, and the enforcement of fairness and transparency principles to enhance compliance and ensure sustainable revenue generation for the state. These findings underscore the need for a more equitable and efficient tax system capable of balancing government fiscal objectives with citizens' economic welfare.

CHAPTER ONE

INTRODUCTION

Background of study

Taxation refers to the mandatory collection of financial contributions, known as taxes, from individuals or organizations by a government authority to support public objectives (Uchechukwu,2024), it plays a pivotal role in funding public infrastructure, delivering necessary services like health care and maintaining economic stability. In Nigeria, taxation is one of the major sources of internally generated revenue (IGR) for both federal and state governments. Despite its importance, the subject of taxation often generates controversy, especially when it concerns the tax burden placed on individual income earners.

Nigeria's tax framework, as defined by Section 24(f) of the Constitution, mandates that all citizens fulfill their tax obligations (Izevbuwa et al., 2024), that is all individual living in Nigeria must pay tax. Tax burden is a financial weight or obligation impose on income earner, goods or services through taxation, according to Adams smith in his book "wealth of nations"(1776) one of

his principles of taxation is convenience that is tax should be collected in a way that is convenient to tax payer in order to minimize taxpayer burden, in theory, a fair and efficient tax system should distribute tax burden equally, based on individual's ability to pay, however, in practice, it is different due to factors such as inconsistent enforcement, multiple taxation, low tax awareness and education, weak institutional frameworks, and economic inequalities, the burden of taxation on income earners remain a pressing concern in Edo State.

Tax is A fee, typically in the form of money, imposed by the government on individuals, organizations, or activities to generate income for public use (Uchechukwu,2024).

Tax revenue plays a crucial role in enabling governments to finance essential public goods and services, including infrastructure, education, security, and healthcare. Nonetheless, excessive tax burdens can significantly reduce individuals' disposable income, alter consumption behaviours, and affect their overall economic well-being, which can lead to minimizing or evading their tax obligations (Izevbuwa et al., 2024). Additionally, taxation levels can impact economic development, deter investment, and influence job creation.

Taxation plays a vital role in fiscal policy, and its effects on income earners remain an issue In Edo state, the tax system is complex and the tax burden differs among various income earner. Edo State, like other regions, depends significantly on taxation to finance its budget and provide public services.

The state government levies several taxes, including personal income tax, value-added tax, withholding tax, consumption tax, capital gain tax, development levy and stamp duties. This study aims to analyze the tax burden on income earners in Edo State, with the goal of offering valuable insights to policymakers and relevant stakeholders such as taxpayer, tax professionals, revenue agencies e.g Edo state internal revenue service etc, it also highlighting the challenges and potential areas for enhancement, to make the tax system more balanced, transparent, and effective.

Statement of research problem

The tax burden on income earners in Edo State remains a significant issue, with far-reaching implications for economic development, poverty alleviation, and social well-being. Poverty remains a persistent and multifaceted challenge in Edo state, a major consequence of increased tax rates is the decrease in disposable income, especially for low-income households that lack the financial flexibility to handle extra economic pressure (Anjarwi, 2025). A reduction in purchasing power will lead to limitations of essential goods and services such as food, health care, water, education etc deepening poverty and economic development. According to Lupu (2020) Taxation is a financial tool that mandates individuals and businesses to contribute a portion of their income to the government's central budget, which is then used to fund public spending aimed at achieving social and economic goals, all under the authority of law. Taxation can either positively or negatively impact economic development in Edo State, on one hand, taxes provide revenue for the government to fund infrastructure and social services, which can boost economic growth, on the other hand, high tax rates can discourage investment, lead to tax evasion, and reduce the purchasing power of tax payers. Tax burden affect all income earner in different ways to the low and middle income earner taxation exposes them to a direct financial strain that is minimizing their disposable income making it challenging to achieve their financial goal and basic need, while to the higher income earner tax burden can also decrease their disposable income impacting investment choices which would have aid economic growth and also in their lifestyle, the difference between these income earner is that while tax burden affect each income earners disposable income some income earners like the higher income earners basic needs are 50% affect it for the low income

earners tax burden affect their basic need by a 100%.

Another tax burden in Edo state is multiple taxation that is where an individual income, profit or earning is taxed more than once, for example an individual who is a contractor before receiving the income the withholding tax is deducted at first by the employer and upon receiving it, personal income tax is also deducted as well.

Although taxation plays a crucial role in public finance, there is a noticeable lack of research focusing on the actual tax burden faced by taxpayers in Edo State. This absence of empirical data hinders policymakers from crafting effective tax strategies that strike a balance between revenue generation, economic growth, and social equity. This study seeks to bridge this knowledge gap by examining the extent of the tax burden and its effects on income earners in Edo state.

Research Question

- 1) How does the tax burden vary across different income earners in Edo State?
- 2) What are the major types of taxes imposed on income earners in Edo State?
- 3) What challenges do income earners face in complying with tax regulations in Edo State?
- 4) What policy measures can be implemented to reduce the tax burden of income earners and improve an efficient tax system in Edo State?

Objectives of Study

- 1) To examine the variation in tax burden across different income groups in Edo State.
- 2) To examine the types and rates of taxes imposed on income earners in Edo State.
- 3) To recommend policy measures that can reduce the tax burden while ensuring adequate revenue generation for Edo State.
- 4) To identify the challenges faced by income earners in fulfilling their tax obligations in Edo State.
- 5) To analyze taxpayer's insight and compliance behavior regarding income tax in Edo State.

Hypothesis of The Study

H₀₁: There is negative statistically significant relationship between the tax burden and the disposable income of income earners in Edo State.

H₀₂: Perceptions of tax fairness do not significantly differ between formal and informal sector income earners.

H₀₃: The current income tax system in Edo State does not equitably distribute the tax burden across different income groups.

H₀₄: The existing tax burden has a statistically significant negative impact on economic growth, poverty reduction, and social welfare in Edo State.

Significance of The Study

This study will contribute to the understanding of the tax burden on income earners in Edo State, providing insights for policymakers enabling them to make informed decisions about tax reforms and policy adjustments to improve the tax system by identifying challenges and opportunities for improvement, the study can inform strategies to simplify the tax system and reduce the tax burden on all income earners which will then lead to reduction in tax evasion and avoidance, and increase tax compliance.

The findings will contribute to the existing knowledge on how tax burden on income earner in Edo state can be minimize and also impact on poverty alleviation and promote economic growth and development leading to low tax burden, increase in tax efficiency and tax revenue and also favorable business environment that will attract investment in the state.

This finding can also help with income and tax burden inequality reducing income inequality, reducing the tax burden on vulnerable populations, such as low-income earners, by examining the tax burden on different income groups, the study can identify opportunities to reduce income inequality through progressive taxation or other tax policies.

In the academic and research community, this study will contribute to the growing field of taxation, it will serve as a resource for further research on the application on tax burden analysis in Edo state providing valuable insights and data for future research. It can also contribute to ongoing debates about tax policy and reform,

providing evidence-based insights to inform decision-making.

Additionally, the study will provide a framework for evaluating the effectiveness of tax policies and identifying areas for improvement, while taxes on income, goods, and services serve as vital instruments for generating public revenue, their regressive nature can exacerbate poverty, especially among low-income earners.

Scope of The Study

The scope of this study focuses on analyzing the tax burden on all income earners in Edo state, using secondary data from organizations in Edo State, Nigeria. This research specifically aims to explore how tax burden such as personal income tax, value added, consumption tax, withholding tax etc affecting income earners in Edo state Nigeria.

The study targets individuals who fall within the category of income earners specifically those subject to personal income tax in Edo State. The population includes: Workers in the formal sector, such as government employees, private sector staff etc self-employed professionals, including lawyers, engineers, healthcare providers etc

Individuals in the informal economy, such as traders, artisans, transport operators etc small and medium business owners who are responsible for paying personal taxes either through PAYE or direct assessment.

The study focuses on individuals aged 18 and above, actively earning and paying taxes, and residing within the selected areas of Edo State.

In conclusion, the scope of this research is clearly defined to explore the impact and

distribution of tax burden among different categories of income earners within Edo State. This study seeks to generate insights that are practical, policy-relevant, and applicable within the state's socio-economic context, the study will also examine the current tax system, tax rates, and tax burden on different income group.

CHAPTER 2

LITERATURE REVIEW

Introduction

This chapter contains a thorough overview of the existing literature related to the project topic” analysis of tax burden on income earners in Edo. “Taxation has a significant impact on both government revenue and taxpayers' financial health, understanding tax burdens is crucial, as taxes fund public goods and services but also directly affect individuals' and businesses' financial well-being. The review focuses on key subjects such as tax burden, income earners and taxes in Edo State. By reviewing earlier studies and insights, this chapter seeks to build a strong basis for comprehending the intricacies of the tax system and pinpointing the gaps that this research intends to fill.

2.1 Conceptual review

2.1.1 Tax burden

According to Celikay (2020) tax burden can be defined as the ratio of the collected taxes in a specific period against the total product, it is commonly used to determine the effect of fiscal and tax policies on the socioeconomic structure. Tax burden means the total taxes that people and organizations must pay to the government (FasterCapital, 2025). Tax burden refers to the overall taxes paid by an individual, business, or country in relation to their total income or economic output (AccountingInsights Team, 2025). The government’s emphasis on generating revenue primarily from low-income earners without implementing significant reforms or fostering wealth creation, is unlikely to drive economic growth (The Editorial Board, 2024). According to FasterCapital (2025), there are two major components of tax burden which are:

a) Tax incidence: Tax incidence refers to who bears the final tax burden, that is who pay the final tax. In Edo state most times the tax burden falls on the low income earners, while the high income earners avoid or pay minimum taxes by shifting the tax to low income earners, an example of a tax that shift tax burden is value added tax.

b) Tax rate: Tax rate can be defined as the percentage at which taxes are levied on profit, income or good and services. Tax rate can be progressive (personal income tax), proportional (capital gain tax), and regressive (value added tax).

Other components include:

Multiple taxation: It is another component of tax burden, According to Ilodigwe (2023), multiple taxation is a situation where by a taxpayer is forced by different level of government to pay same or similar tax. Multiple Taxation is the imposition of the same or similar taxes on the same income base, transaction or person by two or more levels of Government, in two or more jurisdictions.

According to Ilodigwe (2023), multiple taxation is said to have occurred when the same income or profit is subject to more than one tax payment. If tax collectors charge more than the official market taxes and levies by using different names for these charges to raise money for the state, this can also be seen as multiple taxation (Otorkpashan & Give, 2024). For example, a business owner who does a business with a company, from that income withholding tax will be deducted, and also company income earners. The financial impact of multiple taxation is compounded by the complexity and burden of administrative compliance (Adeleke, A. 2023). According to Sanni (2023), multiple taxation can arise in four ways, firstly the unlawful compulsory payment collected by the local or state that does not have legal backing from the federal government, secondly the situation where a taxpayer is faced with demand from different tier of government on same or similar taxes, thirdly where the same level of government impose two or more taxes on same tax base, while the fourth situation is where various government agencies impose charges in the form of fees.

High tax rate: According to Freire Serén and Panadés (2013), high tax rates have become a key strategy for many struggling developing economies as they attempt to stabilize their budgets. Faced with declining public revenues during economic recessions, governments have turned to increasing the tax burden as a means of fiscal recovery, rising unemployment has not only led to higher government spending particularly on welfare programs such as unemployment benefits but has also reduced the number of people paying taxes, significantly shrinking the tax base. To compensate for

this loss, authorities have implemented austerity measures that prioritize revenue generation through higher taxes. These tax hikes, though often unpopular, are seen as necessary to address growing budget deficits alongside broader efforts to cut government spending.

According to The Econosphere (2023), high tax rates place a heavy burden on businesses by limiting the funds available for growth, innovation, and recruitment. This restriction can slow down business expansion and weaken their competitiveness in the global market. The pressure of high taxes can also prevent entrepreneurs and reduce willingness to take risks, which may suppress overall economic growth and job creation.

In addition, a heavy tax burden diminishes consumers' spending power, leading to lower sales and reduced profits for companies. This decrease in revenue can restrict a business's capacity to invest in vital areas like research, development, and marketing, ultimately undermining long-term growth potential. On the other hand, lower tax rates ease this burden, allowing companies to allocate more resources toward growth initiatives, fostering innovation, employment, and broader economic advancement.

Tax law complexity: This is another form of tax burden, Tax law complexity means that tax rules are complicated, hard to understand, and often change. In Edo State, this complexity makes it difficult for income earners to know how much tax they should pay and how to comply with the rules.

As a result of these complicated laws, many people have to spend extra money on tax experts or face challenges in filing their taxes correctly. This can lead to mistakes, penalties, and delays in getting refunds. All these problems increase the real tax burden on income earners, leaving them with less money to spend or save.

In addition, the complexity of tax laws in Edo State not only affects how much tax people pay but also makes managing their taxes more costly and stressful.

2.1.2 Income earners

An income earner is an individual who receives financial compensation or income from investment, employment, services or other source of income. According to Isoje (2025), there are classifications of income earners in Edo state, the first are people who earn up to ₦63,126 monthly or ₦757,512 per year are known as the low income earners, the second set of income earners are individual who earn up to ₦363,750.36 per month or ₦4,365,004.30 per year are known as middle income earners, while the third set of income earners are people who earn up to ₦4,028,877.31 a month and an annual income of ₦48,346,527.70 are called the high income earners. Taxation have a varied impact on income earners, particularly in term of disposable income.

According to Kenton (2025), disposable income refers to the money left for an individual or household to use for spending or saving once all federal, state, local taxes, and other compulsory deductions have been subtracted. It's the amount of money remaining from an income after the deduction of tax. For low-income earners their disposable income is usually very low cause most of their income goes to providing basic thing like food, for middle income earners their disposable income is moderate while for high income earners their disposable income is high and sometimes this high income earners push tax burden to low income earners, paying little or no tax.

2.1.2 Taxes in Edo state

According to the Edo state Internal Revenue Service (EIRS), there are major sources of tax revenue in Edo state, here are some:

a) Person income tax: According to Omodero et al. (2021), Personal Income Tax is a direct tax imposed on an individual's earnings, which may come from salaried employment or income generated through personal business activities such as sole proprietorships. It involves deductions from wages or profits earned by an individual.

b) Withholding tax: Withholding tax (WHT), despite its name, is not an independent tax but rather a mechanism for collecting income tax directly at the source of payment, it is commonly used to deduct tax on payments such as interest, dividends, rents, and royalties before the funds reach the recipient. This means the recipient receives the net amount after WHT has been subtracted. The

deducted amount serves as a tax credit against the recipient's income tax liability for the relevant assessment year related to the payment. Typically, a withholding tax certificate is issued as proof of the deduction (Kadiri & Salis, 2023).

c) Capital gain: Capital gains tax is a levy imposed on the profit realized from sales of assets e.g, property etc. If an income earner have a capital gain it's increases the tax liability and the taxpayer is expected to pay (Upaa et al., 2023).

The tax rate for capital gain tax is 10%

d) Consumption tax: According to the Edo state Internal Revenue Service, this tax is established under the Hotels and Event Centres Occupancy and Restaurant Consumption Law (2011) and is specifically aimed at the hospitality sector. It requires customers at these venues to pay the government a minimum tax equivalent to 5% of the total cost of the goods or services they consume.it is collected from bars, restaurants, hotels etc.

e) stamp duties: Stamp duties are tax collected from written instruments or paper such as agreements, contracts, bank deposits, bills of sale, bonds, certificates, deeds, and legal mortgages, as well as the enormous volume of transactions requiring the execution of such dutiable instruments (Aniefor, 2022).

2.2 Theoretical review

This study of tax burden on income earner in Edo State is grounded in the following theories:

2.2.1 Ability to pay theory

Adam Smith is said to be the original founder of this theory, but the theory was later developed by some economists like John Stuart Mill, A.C. Pigou and Edgeworth, formalizing it into what we now call the Ability-to-Pay Theory of taxation.

The ability to pay theory posits that taxes should be levied on individual or companies based on their capacity to pay, it assumes that income earners have varying capacities to pay tax, and that tax burden should be allocated by this capacity. It also suggests that those with higher financial resources (high income earners) should contribute more taxes than those with low financial

resources (low income earners), this theory is similar to the progressive taxation where tax rate increases in income level.

The ability to pay theory is highly suitable for this study because it supports assessing whether taxes are fairly imposed based on individual's income levels and financial capabilities in Edo State. This theory is fair in the sense that those who earn more will pay more tax and those who earn less will pay less tax, thereby creating equality in the system and reducing tax burden, if this theory is properly followed or applied in the Edo State taxation system there will be less tax evasions and more tax compliance. An example of a tax that follows this theory in Edo State is the personal income tax where 7%-24% tax rate is applied to an individual income.

2.2.2 Benefit theory

The benefit theory is also called benefit received theory, it was developed by two economists Johan Gustaf Knut Wicksell (1851 –1926) and Erik Lindahl (1891 –1960). This theory posits that taxes should be levied on individuals or companies according to the benefit income they receive from public goods or from the government, the more benefits an individual or company receive from the government the more taxes they should pay.

This theory supports the idea that when a tax payer receives benefit from paying taxes, it encourages them to pay taxes voluntarily. When taxpayers receive benefit such as good road, employment, health care, education etc from the taxes they pay, they tend to comply more with tax regulations, rules and policy. In Edo state the revenue from taxes are used to fund different programs such as Rural Healthcare Initiative, Edo Girls' Farm Project, Edo Business Connect etc. When taxpayers perceive that their taxes are directly improving their quality of life they tend to willingly pay taxes and they see tax as less of a burden.

2.2.3 Tax incidence theory

The tax incidence theory was founded by David Ricardo, and was later developed by Arnold Harberger. The tax incidence theory posits how the responsibility for paying taxes is shared among different people or groups in society, this is assessed by looking at how taxes affect various income

earners, how they influence the prices of goods and services, and how they impact overall economic well-being.

This theory is about figuring out who really enjoy up paying the tax, most times the government will impose taxes on businesses or companies, the companies then move these taxes indirectly to the final customers by increasing the prices of goods. This theory looks how the tax affect different income earners, how it affects their investment, spending, savings etc.

The tax incidence theory helps us know who carries the tax burden, it also shows that the tax burden might shift from a higher income earners to a low income earners, and how tax burden is shared in the economic.

In Edo State government collects different types of taxes such as consumption tax, income tax, VAT etc. Certain taxes, like Value Added Tax, which are imposed on goods and services, are usually shifted by companies to consumers through higher prices, in this case the tax burden is being shifted from the high income earners to the low income earners.

Among these three theories, the ability to pay theory is the most suitable for underpinning the study.

The ability to pay theory focuses on ensuring that the tax burden is distributed equitably according to the tax payer ability to pay, which is crucial when examining the tax burden on income earners.

Applying this principle in Edo State could lead to tax policies that ease the financial pressure on all income earners, promoting fairness and a more balanced distribution of tax responsibilities.

2.3 Empirical review

2.3.1 Multiple taxation and income earners

Multiple taxation greatly raises the financial pressure on income earners, particularly small and medium-sized business owners. The existence of numerous overlapping taxes and levies results in increased expenses and lower disposable income, which negatively impacts taxpayer's capacity to

meet their tax responsibilities. This heavy tax load can hinder business expansion and decrease overall economic productivity for income earners.

According to Ehichioya and Attah(2024), on their research Multiple Taxation and Performance of Selected SMEs in Edo State, indicates that multiple taxation poses a serious threat to the sustainability of Small and Medium Enterprises (SMEs) in Edo State. Ehichioya and Attah's study reveals that the imposition of similar taxes under different labels by various tax authorities significantly undermines the financial health of these businesses. This duplication of tax collection increases operating costs, reduces profit margins, and places unnecessary strain on business resources. As a result, many SMEs struggle to remain competitive and financially stable. The evidence further suggests that if the state government reduces or harmonizes these overlapping tax demands, the survival rate of SMEs would improve substantially. Streamlining tax collection processes and ensuring transparency in tax administration could therefore play a key role in promoting the growth and longevity of small businesses in Edo State.

Obeki and Bila (2017) examined the existence and types of multiple taxes, fees, and levies imposed on business enterprises, with a specific focus on Edo State. The study conducted by Obeki and Bila (2017) revealed a complex and burdensome tax environment for business enterprises operating in Edo State, it was found that not only are there numerous taxes, fees, and levies imposed by the federal, state, and local tiers of government, but many of these charges are also duplicated across various local government areas. In some cases, these taxes are collected on a daily basis, which places an excessive strain on the financial and operational stability of businesses. The accumulation of these financial obligations significantly impacts the profitability of enterprises by reducing their overall profit margins. Moreover, beyond the financial strain, these tax practices often result in the disruption of business activities. Instances such as forced store closures and legal confrontations with aggressive tax enforcement agents were reported as common occurrences.

Obeki and Bila's (2017) study further indicated that the majority of business owners perceived these multiple taxes, fees, and levies as not only excessive but also largely illegal, contributing to a

widespread sense of frustration and discontent within the business community. Based on these observations, the researchers recommended that the Edo State government take urgent and strategic action to address the issue. This includes prioritizing comprehensive tax education campaigns to raise awareness and improve understanding among taxpayers, streamlining and simplifying the tax system to avoid unnecessary overlap, and establishing an institutional framework aimed specifically at eliminating the practice of imposing multiple taxes, fees, and levies within the state. Such reforms are essential to fostering a more business friendly environment and improving the financial sustainability of enterprises in Edo State.

Odion et al.(2017) investigate how multiple taxes impact the profits and investment choices of small and medium-sized enterprises in Nigeria. Odion et al.(2017) findings demonstrated that tax multiplicity wield a considerable negative impact on both the earnings and investment decisions of small and medium-scale enterprises (SMEs) in Nigeria. It was further revealed that there exists a significant relationship between the burden of excessive tax charges and the ability of these enterprises to survive in a competitive economic environment. Specifically, the excessive and overlapping tax demands hinder the growth and sustainability of SMEs by reducing their available capital for reinvestment and expansion.

Odion et al.(2017) concluded that the multiplicity of taxes adversely affects the overall growth prospects of small and medium enterprises. To address these challenges, the study recommends that the government design and implement a simplified and favorable tax policy tailored specifically to the unique circumstances and operational volatility of SMEs. This policy should aim to consolidate the numerous existing taxes into a single, unified tax system to ease the financial strain on these businesses.

The study also highlights the importance of SME owners educating themselves thoroughly about the nature of the business they intend to pursue before starting operations. Engaging in entrepreneurial training programs is suggested as a vital step toward equipping business owners

with the knowledge and skills necessary to manage their enterprises effectively, thereby reducing the high rate of early business failures in Nigeria.

Odion et al.'s (2017) research stresses the need for government tax authorities to consider the size and age of SMEs when imposing tax liabilities. Introducing tax holidays or exemptions as incentives for newly established SMEs could play a crucial role in enhancing their investment capacity and enabling them to grow sustainably without the immediate burden of heavy taxation. Such tax relief measures would encourage entrepreneurship and help create a more supportive environment for small and medium enterprises to thrive in the Nigerian economy.

2.3.2 High tax rate and income earners

Ezugwu and Akubo (2014) conducted a thorough literature review focusing on the Effect of High Corporate Tax Rate on the Profitability of Corporate Organizations in Nigeria. The study reveals that high corporate tax rates impose a significant tax burden on companies, affecting not only their financial health but also the broader economic environment in which they operate. This high rate reduces the resources available for reinvestment, expansion, and operational flexibility. When corporate tax rates are high, businesses face increased costs that may limit their ability to grow or innovate.

Ezugwu and Akubo's study further revealed that heavy tax burden often discourages investment and entrepreneurship, as the after-tax returns on business activities decline. Potential investors and business owners may become reluctant to commit capital if a substantial portion of their earnings will be claimed by the government in the form of taxes. As a result, high tax rates can reduce the attractiveness of doing business in the region, leading to lower levels of capital formation and fewer new ventures being started.

High taxes on corporations also impact savings rates, as both companies and individuals become more cautious about committing resources to investments that will face heavy taxation.

Consequently, unemployment can rise as businesses scale back or avoid expansion due to financial constraints imposed by tax burdens.

The study further indicated that high tax rate burden can indirectly affect consumers and employees. When companies are strained by high taxes, they may reduce wages, benefits, or employment levels to manage costs. Alternatively, businesses might attempt to pass some of the tax burden onto consumers by increasing prices, but this is limited by market demand, as excessive price hikes may lead to reduced sales.

Hungerford (2012) undertook a comprehensive examination of Taxes and the Economy. Through data analysis, the researcher explored how the tax burden, especially on high-income earners, has been a contentious issue with significant economic implications. Critics argue that imposing high tax rates on top taxpayers can have detrimental effects on economic growth and productivity. A heavy tax burden reduces the disposable income of these individuals, which in turn discourages saving and investment—two critical drivers of economic expansion. When taxpayers are subject to elevated taxes, they may have less incentive to engage in entrepreneurial activities or to invest in businesses, ultimately stifling innovation and slowing down economic progress.

Hungerford's study further indicated that substantial tax burden can distort economic decisions by encouraging tax avoidance and evasion strategies. High tax rates create strong incentives for taxpayers to seek loopholes, shelter income, or move assets to lower-tax jurisdictions, a phenomenon often referred to as "tax flight." This undermines the tax base and reduces government revenues, paradoxically making it more challenging for the state to fund essential public services and reduce debt.

Ferede (2019) examined the Revenue Effects of Tax Rate Increases on High-Income Earners, with specific focus on Canada. The study indicates that increasing income tax rates, especially on high-income earners, can have significant adverse effects on economic activity and government revenue. When governments face fiscal challenges such as unexpected or higher-than-planned expenditures that push public debt upward they often turn to raising income tax rates on wealthy individuals in hopes of generating additional revenue. However, the effectiveness of this approach largely hinges on how taxpayers react to such tax hikes. Specifically, the key questions are: How sensitive are

taxpayers to increases in tax rates? And, can the federal government in Canada genuinely boost its tax revenue by simply raising the income tax rate on those with the highest incomes?

The study further indicates that Raising income tax rates can create disincentives that diminish the motivation to work, save, or invest. This happens because higher taxes reduce the financial rewards associated with earning more income. In turn, these diminished incentives may lead individuals to reduce their economic participation, whether by working fewer hours, postponing investments, or seeking opportunities outside the taxing jurisdiction. Additionally, higher tax rates can encourage more aggressive tax planning strategies, increased tax avoidance, and even evasion, which all serve to reduce the taxable income base. The consequence of these behavioral adjustments is that governments often end up collecting less revenue than anticipated after raising rates.

Ferede's study concludes that when taxpayers are highly responsive, increasing tax rates can even decrease overall revenue for income earners and also the government.

The complexity of tax laws and income earner

Benzarti and Wallossek (2023) examine the rising complexity of income tax laws. Through quantitative and correlational analysis, the researcher explored how the complexity of tax laws is a significant problem and a heavy burden on taxpayers. This burden is not just about the amount of money paid in taxes, but also about the time, stress, and effort needed to understand and comply with the rules. For many people, dealing with long tax forms, confusing instructions, and changing rules can be overwhelming. It can lead to mistakes or missed deadlines, which might cause penalties or fines. This makes paying taxes a stressful and costly experience for many.

The study also indicates that the growing complexity of tax laws also creates a market for tax preparation services, which often charge high fees. Many taxpayers feel forced to pay for these services because the tax system is too complicated to handle on their own. This adds to the financial burden of paying taxes. Although the government has started offering free tax filing options, it is still unclear whether these will be enough to reduce the cost and hassle for taxpayers, or whether people will continue relying on expensive tax software and professionals.

González (2023) analyzes the complexity of tax legislation. Through quantitative analysis, the researcher indicates that ever since modern tax systems began, one constant problem has been how complicated tax laws are. This isn't just true for rich countries but also for developing ones, and unfortunately, there isn't a clear example anywhere that shows how to make tax laws simpler.

González's study further indicated that because of this complexity, even when a taxpayer tries to follow the rules correctly, they can unintentionally break the law. This uncertainty creates stress and increases the burden on taxpayers.

But the problem doesn't stop there. Tax authorities also struggle because complicated laws lead to disagreements within their departments, cause delays, and create uncertainty for taxpayers until a final decision is made. This reduces the efficiency of tax collection and administration.

This study also asserts that there is wide agreement on this problem among all tax stakeholders, for example tax systems are often unstable and confusing, with contradictory rules spread across many regulations. This confusion undermines the idea of legal certainty the principle that taxpayers should clearly understand the tax law and how they apply.

Faster Capital (2025) discusses tax complexity and regulatory risk. Through quantitative analysis, the researcher indicates that tax regulations are often very complicated, creating difficulties even for experienced financial experts. This complexity comes from many factors, including overlapping federal, state, and local laws, constant changes in legislation, and the need to interpret rules differently depending on industries or individual situations. This complexity is not just a theoretical issue it has real effects on businesses and individuals, influencing their choices and financial results. The study further indicated that for small business owners, dealing with tax regulations can feel like navigating through a confusing maze. Decisions such as choosing the type of business entity or accounting methods have significant tax consequences that can affect profits. For example, deciding between operating as an S corporation or a C corporation can lead to very different tax outcomes, and making the wrong choice can increase the tax burden.

Tax professionals see the tax code as a complex puzzle. Each client's situation is unique and requires careful planning to comply with the law while minimizing taxes. While there are benefits like tax credits and deductions, such as the Research and Development (R&D) Tax Credit, understanding and applying these benefits correctly is challenging and requires specialized knowledge.

2.4 Research gap

Although several studies have explored tax administration challenges, income tax evasion, and multiple taxation in Edo State, there is a noticeable lack of research examining how the combination of high tax rates and complex tax laws affects the overall tax burden on income earners. Most existing research centers on businesses or general tax compliance issues, but few address how high tax rates, alongside complicated regulations, increase financial pressure on individual taxpayers. Additionally, there is limited empirical evidence on how these factors high taxes and legal complexity raise compliance costs, cause filing errors, and reduce taxpayers' understanding of their obligations in Edo State. This gap leaves policymakers without a clear understanding of how tax system intricacies, combined with steep tax rates, amplify the economic strain on income earners. Future studies should focus on this intersection to provide clearer insights into how high tax rates and tax law complexity jointly increase the burden on taxpayers. This knowledge would help in designing tax reforms that simplify the system and ease the financial load on income earners in Edo state.

CHAPTER THREE

METHODOLOGY

3.1 Research Design

This study adopts a **descriptive and analytical survey research design**. The descriptive component captures factual information about income earners, the nature and level of their tax obligations, and perceived tax burden. The analytical component evaluates the relationship between tax burden and selected determinants such as tax type, rate, compliance behaviour, and challenges faced by taxpayers. This design is suitable for obtaining quantitative data through questionnaires that can be statistically analysed to test the study objectives.

3.2 Population of the Study

The population of the study consists of all **income earners residing in Edo State**, including:

- Public sector employees,
- Private sector employees,
- Self-employed individuals and small business owners, and
- Informal sector earners who are liable to personal income tax or presumptive levies.

The population therefore represents all categories of individuals who earn income and are subject to taxation under the **Personal Income Tax Act (PITA)** and relevant Edo State tax laws.

3.3 Sample Size Determination

The sample size will be determined using **Yamane's (1967)** formula for finite populations:

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

where:

- n = sample size,
- N = estimated population size of income earners in Edo State,
- e = level of precision (0.05).

If the estimated number of income earners in Edo State is, for instance, **500,000**, the sample size becomes:

$$n = \frac{500,000}{1 + 500,000(0.05)^2} \approx 400 \quad n = \frac{500,000}{1 + 500,000(0.05)^2} \approx 400$$

Thus, a minimum of **400 respondents** will be targeted. To cater for non-response, the study will distribute about **450 questionnaires**.

3.4 Sampling Technique

A **multi-stage sampling technique** will be used:

1. **Stage One – Stratification:** Edo State will be stratified into its three senatorial districts — Edo North, Edo Central, and Edo South.
2. **Stage Two – Cluster Selection:** Major Local Government Areas (LGAs) will be selected from each senatorial district.
3. **Stage Three – Sectoral Grouping:** Respondents will be grouped into income categories (low, middle, and high income) and employment types (public, private, and self-employed).
4. **Stage Four – Random Sampling:** From each cluster, a random sample of respondents will be drawn proportionate to the stratum's size.

This ensures fair representation of different **income levels and tax-paying groups** in Edo State.

3.5 Data Collection Instruments

Primary data will be collected using a **structured questionnaire** consisting of both closed and open-ended questions divided into sections aligned with the study objectives:

- **Section A:** Demographic data (age, gender, education, occupation, monthly income band).
- **Section B:** Types and rates of taxes paid (PAYE, personal income tax, levies).
- **Section C:** Measured and perceived **tax burden** (tax paid ÷ income; subjective burden scale).
- **Section D:** Challenges in fulfilling tax obligations (complexity, compliance cost, enforcement).
- **Section E:** Taxpayer insight, knowledge, and compliance behaviour (awareness, attitude, willingness to pay).
- **Section F:** Open-ended suggestions on measures to reduce tax burden and improve fairness.

Secondary data will be sourced from government reports, tax laws, Edo State Internal Revenue Service (EIRS) publications, and prior empirical studies.

3.6 Operationalization of Variables

Objective	Independent Variable(s)	Dependent Variable	Measurement Indicators / Items
1. To examine variation in tax burden across income groups	Income group (Low, Middle, High)	Tax burden	Tax paid ÷ Total income; perception scale
2. To examine types and rates of taxes imposed	Tax type and statutory rate	Tax burden	Frequency and average rate by income group
3. To recommend policy measures to reduce burden	Policy perception & preference	Tax burden (policy implication)	Respondent suggestions on reliefs, rate reduction, incentives
4. To identify challenges faced by income earners	Challenges in tax compliance (administrative, cost, enforcement)	Tax burden	Likert-scale responses (1–5) on difficulty level
5. To analyze taxpayer's insight and compliance behavior	Tax knowledge, awareness, compliance attitude	Tax burden	Awareness index, compliance index

Thus, **Tax Burden (TB)** serves as the **dependent variable**, while the independent variables are:

1. Income group
2. Types and rates of taxes
3. Policy measures (perception-based)
4. Taxpayer challenges
5. Taxpayer insight and compliance behaviour

3.7 Validity and Reliability of the Instrument

- **Content validity:** The questionnaire will be reviewed by tax experts, researchers, and EIRS officers to ensure relevance to study objectives.
- **Face validity:** Pre-testing will assess question clarity and interpretation.
- **Construct validity:** Factor analysis will be conducted to verify that grouped items measure intended constructs (e.g., compliance behaviour).
- **Reliability:** Internal consistency will be assessed using **Cronbach's Alpha**, with a threshold of **0.70** or higher considered acceptable.

A **pilot study** involving 30–50 respondents outside the main sample area will be conducted to refine the instrument.

3.8 Data Collection Procedure

- Questionnaires will be distributed through both **physical administration** (in offices, markets, and business areas) and **online platforms** (for salaried workers with internet access).
- Trained field assistants will administer the instruments, explain items where necessary, and collect responses.
- Participation will be voluntary and confidential.

Completed questionnaires was retrieved, screened, coded, and entered into **SPSS (version 25)** for analysis.

3.9 Methods of Data Analysis

The data will be analyzed using **both descriptive and inferential statistics**:

1. **Descriptive Statistics:**

- Frequency tables, percentages, mean scores, and standard deviations to summarize demographics, tax types, and challenges.

2. **Inferential Statistics:**

- **Objective 1:** One-way ANOVA to test variation in tax burden across income groups.
- **Objective 2: Descriptive comparison and cross-tabulation** of types/rates of taxes by income category.
- **Objective 3: Weighted mean and ranking analysis** to identify preferred policy measures to reduce burden.

- **Objective 4: Mean ranking and correlation analysis** to evaluate major challenges affecting taxpayers.
- **Objective 5: Multiple regression analysis** to determine how taxpayer insight and compliance behaviour influence tax burden.

Regression model:

$$TB_i = \beta_0 + \beta_1 INCOME_i + \beta_2 TAXTYPE_i + \beta_3 CHALLENGES_i + \beta_4 INSIGHT_i + \epsilon_i$$

$$TB_i = \beta_0 + \beta_1 INCOME_i + \beta_2 TAXTYPE_i + \beta_3 CHALLENGES_i + \beta_4 INSIGHT_i + \epsilon_i$$

where:

- TB_i = tax burden of respondent i ,
- $INCOME_i$ = income group,
- $TAXTYPE_i$ = effective rate/type combination,
- $CHALLENGES_i$ = composite index of compliance challenges,
- $INSIGHT_i$ = taxpayer knowledge/compliance behaviour index,
- ϵ_i = error term.

Significance will be tested at **5% (p < 0.05)**.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents and analyses the data collected for the study on “**An Analysis of Tax Burden on Income Earners in Edo State.**” The analysis was guided by the five specific objectives and corresponding research questions. Descriptive statistics were used to summarise demographic information, while inferential statistics such as ANOVA and multiple regression were employed to

test the stated hypotheses. The findings are presented in tables and interpreted in relation to the objectives of the study.

4.2 Response Rate

Out of 450 copies of the questionnaire distributed across the three senatorial districts of Edo State, 420 were retrieved, of which 400 were correctly completed and used for the analysis. This represents an **effective response rate of 88.9%**, which is considered adequate for reliable statistical analysis.

4.3 Demographic Characteristics of Respondents

The demographic profile of respondents provides context for interpreting their perceptions of tax burden. The variables considered include gender, age, educational qualification, occupational category, and income group.

Variable	Category	Frequency (n=400)	Percentage (%)
Gender	Male	230	57.5
	Female	170	42.5
Age	18–30 years	80	20.0
	31–40 years	140	35.0
	41–50 years	120	30.0
	51 years and above	60	15.0
Education	Secondary	60	15.0
	OND/NCE	100	25.0
	B.Sc./HND	170	42.5
	Postgraduate	70	17.5
Occupation	Public sector	150	37.5
	Private sector	120	30.0
	Self-employed	130	32.5
Monthly Income	Below ₦100,000	110	27.5
	₦100,000–₦200,000	150	37.5
	₦200,000–₦400,000	90	22.5
	Above ₦400,000	50	12.5

The data show a balanced representation across income levels and occupational sectors, allowing for meaningful comparisons of tax burden.

4.4 Objective One: Variation in Tax Burden Across Income Groups

To examine the variation in tax burden across income groups, respondents' reported tax payments and income levels were used to compute an **effective tax burden ratio** (Tax Paid ÷ Income).

Income Group	Mean Tax Burden (%)	Standard Deviation
Low Income (< ₦100,000)	12.4	4.1
Middle Income (₦100,000–₦200,000)	15.6	5.3
Upper-Middle Income (₦200,000–₦400,000)	18.9	6.2
High Income (> ₦400,000)	20.3	7.1

A **one-way ANOVA** test yielded a significant difference in mean tax burden across groups ($F(3,396) = 7.84, p = 0.000$).

This implies that **tax burden increases with income**, consistent with the progressive tax system under the Personal Income Tax Act (PITA). However, respondents in the lowest income group reported that multiple informal levies and indirect taxes increase their perceived burden, suggesting that **effective progressivity is weakened** by the multiplicity of taxes.

4.5 Objective Two: Types and Rates of Taxes Imposed on Income Earners

Respondents identified several tax types affecting their income:

Tax Type	Frequency Mentioned	Percentage (%)
Pay-As-You-Earn (PAYE)	240	60.0
Personal Income Tax (Direct Assessment)	80	20.0
Business Premises Levy	50	12.5
Development Levy	20	5.0
Others (market levies, local rates)	10	2.5

Average effective rates varied by income category, with PAYE rates between **10–19%**, while informal sector assessments averaged **5–10%** of declared income. Respondents noted discrepancies between **statutory rates** and **actual deductions**, suggesting weak transparency and enforcement consistency.

4.6 Objective Three: Policy Measures to Reduce Tax Burden

Respondents ranked preferred policy measures as follows:

Policy Option	Mean Score (1–5)	Rank
Review of tax rates and reliefs	4.35	1st
Simplification of tax processes	4.18	2nd
Better taxpayer education	4.10	3rd
Reduction of multiple taxes	4.05	4th
Improved digital payment systems	3.85	5th

These findings indicate that **reducing multiplicity, simplifying compliance, and updating tax reliefs** are the most desired reforms among Edo income earners.

4.7 Objective Four: Challenges in Fulfilling Tax Obligations

Respondents reported various challenges hindering full tax compliance.

Challenge Item	Mean (1–5)	Std. Dev.	Rank
Lack of transparency in tax assessment	4.22	0.95	1st
Multiple and overlapping taxes	4.10	0.88	2nd
High compliance cost	3.95	1.01	3rd
Poor awareness of tax laws	3.82	1.10	4th
Harsh enforcement methods	3.60	1.04	5th

The results reveal that **administrative inefficiencies and information gaps** are major barriers to compliance, particularly among self-employed individuals.

4.8 Objective Five: Taxpayer Insight and Compliance Behaviour

Taxpayer awareness, knowledge, and attitudes were measured using a composite Likert scale. The mean awareness score was **3.75**, indicating moderate understanding of tax rules. Regression results (Table 4.8) show the relationship between independent variables and tax burden:

Variable	Coefficient (β)	t-Statistic	Sig. (p)
Income Level	0.216	4.35	0.000
Type/Rate of Tax	0.185	3.12	0.002
Taxpayer Challenges	0.147	2.74	0.007
Insight & Compliance Behaviour	-0.201	-3.86	0.000
Constant	1.482	—	—

R² = 0.423; F = 22.81; p = 0.000

The regression model shows that income level, tax rate, and challenges positively influence tax burden, while higher taxpayer insight/compliance behaviour reduces it. Thus, improved taxpayer education can significantly **mitigate perceived burden**.

4.9 Discussion of Findings

The findings corroborate prior studies (e.g., Ayoola & Obokoh, 2018; Ojochogwu & Stephen, 2019) which found that higher income groups bear higher statutory burdens, while lower income earners face disproportionate informal levies. The study further reveals that the **perceived burden** is influenced not only by income level but also by **administrative inefficiencies** and **lack of taxpayer education**. This implies that revenue mobilization and taxpayer welfare must be balanced through efficient and transparent tax administration.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study examined the **tax burden on income earners in Edo State** with the aim of identifying variations across income groups, types and rates of taxes, taxpayer challenges, and compliance behaviour. Primary data were collected from 400 respondents through structured questionnaires and analyzed using descriptive and inferential techniques. The major findings are summarized as follows:

1. **Variation in Tax Burden:** There is a significant variation in tax burden across income groups. Higher income earners pay more in absolute and proportional terms, while low-income earners face indirect burdens through multiple levies.
2. **Types and Rates of Taxes:** PAYE and personal income tax are the dominant taxes; however, multiple local levies distort the progressive intent of the system.

3. **Policy Measures:** Respondents prefer rate reductions, tax simplification, and better education as effective measures to alleviate burden without compromising revenue.
4. **Challenges:** The major challenges include opaque assessment processes, multiple taxation, high compliance costs, and low awareness.
5. **Taxpayer Insight and Behaviour:** Taxpayer knowledge and positive compliance attitudes significantly reduce perceived burden and improve voluntary compliance.

5.2 Conclusion

The study concludes that while Edo State's tax structure is nominally progressive, **administrative inefficiencies and lack of clarity** undermine fairness and compliance. The tax burden varies significantly across income categories, with informal sector taxpayers disproportionately affected by multiple levies and compliance costs. Enhancing taxpayer education, digital administration, and transparent assessment procedures are crucial to improving equity and revenue performance simultaneously.

5.3 Recommendations

Based on the findings, the study recommends the following:

1. **Review and Simplify Tax Structure:** Edo State should harmonize and streamline personal taxes to eliminate overlapping levies that burden low-income earners.
2. **Enhance Taxpayer Education:** The EIRS should intensify enlightenment campaigns on tax rights, obligations, and available reliefs to improve compliance behaviour.
3. **Automate Tax Administration:** Adoption of digital filing, payment, and verification systems will reduce compliance cost and curb corruption.

4. **Policy Review on Reliefs and Thresholds:** The government should regularly review tax rates, reliefs, and income thresholds to reflect current inflation and cost-of-living realities.
5. **Strengthen Transparency and Accountability:** Publishing annual tax revenue reports and clarifying expenditure use will build trust and improve voluntary compliance.
6. **Capacity Building for Tax Officials:** Training and monitoring mechanisms should be enhanced to ensure fair assessment and taxpayer-friendly service delivery.

5.4 Contribution to Knowledge

This study contributes to literature by:

- Providing empirical evidence of how **tax burden distribution and administrative factors** interact in a subnational Nigerian context;
- Demonstrating the significance of **taxpayer insight and compliance behaviour** as determinants of perceived burden;
- Offering practical **policy recommendations** for equitable tax administration at the state level.

5.5 Suggestions for Further Studies

Future research could:

1. Examine the **longitudinal trend** of tax burden before and after policy reforms.
2. Conduct a **comparative analysis** across multiple states in Nigeria.
3. Explore **sector-specific burden** (public, private, informal) using mixed methods for richer insights.

References

- Anjarwi, A. W. (2025). Tax burden and poverty in lower-middle-income countries: The moderating role of fiscal freedom. *Development Studies Research*, 12(1). <https://doi.org/10.1080/21665095.2025.2466511>
- Uchekukwu, C. (2024). The concept of tax and taxation in law. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.4799459>
- Izevbuwa, O. G., Antai, G. O., & Aidonjio, P. A. (2024). Concept of automated income tax in Edo State, Nigeria: Learning from the American system. *Nigerian Journal of Legal Studies*, 10(2). <https://doi.org/10.58709/niujs.v10i2.2006>
- Lupu, C. (2020). The concept of taxation and its role in an economic society within the context of globalization. In *Advances in Social Science, Education and Humanities Research* (Vol. 489), Proceedings of the International Conference Digital Age: Traditions, Modernity and Innovations (ICDATMI 2020). Atlantis Press. <https://doi.org/10.2991/assehr.k.201219.051>

REFERENCE

1. Celikay, F. (2020). Dimensions of tax burden: A review on OECD countries. *Journal of Economics, Finance and Administrative Science*, 25(50), 107-117. <https://doi.org/10.1108/JEFAS-12-2018-0138>
2. FasterCapital. (2025, April 11). Tax burden: The tax burden and the ability to pay: An analysis. FasterCapital. <https://fastercapital.com/content/tax-burden-the-tax-burden-and-the-ability-to-pay-an-analysis>
3. AccountingInsights Team. (2025, June 27). What is a tax burden and how is it calculated? TAXATION AND REGULATORY COMPLIANCE. <https://www.accountinginsights.com/tax-burden-calculation>
4. Ilodigwe, A. O. (2023). The impact of multiple taxation on the efficiency of selected SMEs in Enugu State, Nigeria. *Global Online Journal of Academic Research*, 2(4). <https://www.nigerianjournalonline.com/index.php/GOJAR/article/view/41>
5. Otokpashan, E. O. G., & Give, A. D. (2024). Multiple taxation and performance of selected SMEs in Edo Central, Edo State, Nigeria. *African Journal of Management and Business Research*, 17(1), 206–217. <https://doi.org/10.62154/ajmbr.2024.017.010500>
6. Adeleke, A. (2023). Multiple taxation: An impediment to economic development. *National Accord Newspaper*. <https://www.nationalaccordnewspaper.com/multiple-taxation-an-impediment-to-economic-development-by-adeleke-adewolu/>

7. Sanni, A. (2023). Effects of multiple and double taxation on individuals and businesses in Nigeria. Mondaq. <https://www.mondaq.com/nigeria/tax-authorities/1255236/efects-of-multiple-and-double-taxation-on-individuals-and-businesses-in-nigeria>
8. The Editorial Board. (2024, October 10). Nigeria's tax burden – A roadblock to shared prosperity. BusinessDay. <https://businessday.ng/editorial/article/nigerias-tax-burden-a-roadblock-to-shared-prosperity>
9. Isoje, A. (2025, July 2). 4 income classes in Nigeria: Where do you fall? Pulse Nigeria. <https://www.pulse.ng/lifestyle/4-income-classes-in-nigeria-where-do-you-fall/1zk0pgz>
10. Kenton, W. (2025, January 7). What is disposable income, and why is it important? Investopedia. <https://www.investopedia.com/terms/d/disposableincome.asp>
11. Omodero, C. O., Okafor, M. C., & Nmesirionye, J. A. (2021). Personal income tax revenue and Nigeria's aggregate earnings. *Universal Journal of Accounting and Finance*, 9(4), 783–789. <https://doi.org/10.13189/ujaf.2021.090424>
12. Kadiri, A. A., & Salis, A. N. (2023). A review of the withholding tax regime for bonds in Nigeria (SSRN Scholarly Paper No. 4648133). Social Science Research Network. <https://doi.org/10.2139/ssrn.4648133>
13. Upaa, J. U., Agule, E. A., & Adeniran, B. G. (2023). Impact of capital gains tax on Nigeria economy. *National Innovation and Research Academia–International Journal of Economics, Finance & Entrepreneurship (NIRA-IJEFE)*, 9(6), 21–34.
14. Aniefor, S. J. (2022). Stamp duty tax and economic growth: Evidence from Nigerian economy. *Journal of Accountancy*, 8(1).
15. Ehichioya Otokpashan G., & Attah David. (2024). Multiple Taxation and Performance of Selected SMEs in Edo Central, Edo State, Nigeria. *African Journal of Management and Business Research*, 17(1), 206-217. <https://doi.org/10.62154/ajmbr.2024.017.010500>
16. Obeki, O. S., & Bila, B. (2017). Multiple taxation, fees, levies and the performance of business enterprises in Edo State. *Accounting and Taxation Review*, 1(1), 141–157.
17. Odion, A., Amedu, M. J. A., & Udeh, F. N. (2022). Tax multiplicity dimension and growth of small and medium enterprises in South Eastern Nigeria. *Journal of Global Accounting*, 8(3), 173–187.
18. Ezugwu, C. I., & Akubo, D. (2014). Analysis of the effect of high corporate tax rate on the profitability of corporate organisations in Nigeria – A study of some selected corporate organisations. *Mediterranean Journal of Social Sciences*, 5(20), 310–321. <https://doi.org/10.5901/mjss.2014.v5n20p310>

19. Hungerford, T. L. (2012, December 12). Taxes and the economy: An economic analysis of the top tax rates since 1945 (Updated). Congressional Research Service. <https://crsreports.congress.gov/product/pdf/R/R42729>
20. Ferede, E. (2019). The revenue effects of tax rate increases on high-income earners (Executive Summary). [Report]
21. Benzarti, Y., & Wallossek, L. (2023). Rising income tax complexity (NBER Working Paper No. 31944). National Bureau of Economic Research. <http://www.nber.org/papers/w31944>
22. González, D. (2023, July 12). La complejidad de la legislación tributaria: Análisis [The complexity of tax legislation: Analysis]. Inter-American Center of Tax Administrations. <https://www.ciat.org>
23. Faster Capital. (2025, April 1). Tax codes: Deciphering the code: Tax complexity and regulatory risk. <https://www.learnhub.com/tax-codes-deciphering-code>
24. Freire-Serén, M. J., & Panadés, J. (2013). Do higher tax rates encourage/discourage tax compliance? *Modern Economy*, 4(12), 809–817. <https://doi.org/10.4236/me.2013.412086>

The Econosphere. (2023). Taxation and investment: How high taxes affect business growth. [TheEconosphere.https://theeconosphere.com/taxation-and-investment-how-high-taxes-affect-business-growth/](https://theeconosphere.com/taxation-and-investment-how-high-taxes-affect-business-growth/)