

**Tax System, Incentives and Business Continuity of Small and Medium Enterprises in
Nigeria**

**Matthew Kunle OLAWALE
LCU/PG/002443**

**A Thesis Submitted to the Department of Management & Accounting, Faculty of
Management & Social Sciences,
Lead City University, Ibadan, Oyo State, Nigeria**

**In Partial Fulfilment of the Requirements for the Award of Doctor of Philosophy Degree
(PhD) in Accounting.**

2025

Certification

This is to certify that MMatthew Kunle OLAWALE with matriculation number LCU/PG/002443 carried out this research work titled “Tax System, Incentives and Business Continuity of Small and Medium Enterprises in Nigeria” in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, for the award of Doctor of Philosophy Degree (PhD) in Accounting and that this has not been previously submitted.

Prof. G.E. Oyedokun
Supervisor

Date

Dr. T.M. Akinbo
Head of the Department

Date

Dedication

This research is dedicated to God Almighty.

Lead City University Ibadan DO NOT COPY

Acknowledgement

I acknowledge Lead City University Library and other Libraries used outside the school. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) with regards to the data collected.

I acknowledge the contribution of my supervisor Prof. G.E. Oyedokun, the Head of Department Dr. T.M. Akinbo and Dr. F. Igbadumhe. Also, the contributions and guidance of Professor J.A. Adejuwon, Dr. T. Olaleye, Dr. A. O. Taiwo, Dr. A. Onamusi, Dr. O. Oladejo

I also acknowledge the support of Barrister Abimbola Bada, Engr. Aderonke Motunrayo Olawale and my children.

In conclusion, with the mention of the above institutions, and persons who have associated in the process of this research work, I alone stand responsibility for the errors, if any, found in the work.

Abstract

In Nigeria, tax takes significant portion of firm profit and has the potential to reduce firm ability to grow and in worst case end existence of SMEs. To support SMEs, Government introduced tax incentives and modified tax system but it seems not to end the problems bedeviling SMEs. In the light of this, the study examined Tax System, Incentives and Business Continuity of SMEs in Nigeria. Specifically, the objective of the study investigated the impact of tax policy and incentives on continuity of SMEs in Nigeria. The study leveraged on Normative theory. The theory established an understanding of the impact of tax structures and incentives on the continuity and development of SMEs that is profoundly relevant. A descriptive research design was adopted for this study. The study focused on the registered SMEs owners and operators in the four Major State in Nigeria which are: Lagos, Kano, Port-Harcourt and Abuja with significant numbers of registered SMEs and operators. The study adopted a stratify random sampling technique. A sample of (n=394) SMEs were determined from a total of ($N_i = 25,661$) in the states, using Taro Yamane (1967) formula. This study relied on primary data which were gathered through structured questionnaires containing closed ended questions so as to ensures that the respondents are restricted to certain categories in their responses. The data were collected through e-survey (i.e., google form). The reliability coefficient of research instrument is $0.730 > 0.70$ which indicated that the questions are reliable. Four hypotheses were tested in the study using regression and ANOVA, as well as correlation Analysis. The findings revealed that there is positive and significant relationship between Tax System, Incentives and Business Continuity of SMEs in Nigeria; The study also indicated that the application of tax holiday benefits has a meaningful positive contribution to SME survival in Nigeria. In addition, tax holidays offer SMEs temporary alleviation from tax liabilities, which enables them to put the reduced costs back into their businesses. The result of the regression analysis carried out by the study indicated that the coefficient for tax holiday incentives is 1.086. This implies that for every unit increase in tax holiday incentives, SME continuity improves by 1.086 units. The study therefore recommended that tax authorities need to hold specific trainings and workshops for SMEs so that they are educated on their tax obligations and the various tax incentives offered to them; consider expanding the coverage of capital allowance incentives to include newly emerging sectors such as Information Technology, renewable energy, and service sector in other to enable these sectors grow very fast and be suitable for incentives to lower operational costs in order to make them competitive both locally and internationally; Policymakers should initiate longer tax holiday periods for startups in technology, manufacturing, and agriculture where growth potential is deemed to be higher; It was suggested that future studies should examine the relationship between tax incentives and other contextual factors, including financing, regulations, and infrastructure, that influence the growth of SMEs in Nigeria and other emerging economies.

Keywords: Tax System, Tax Incentives, Business Continuity of SMEs, Tax Policy, Tax holiday Incentives

Word Count: 500

Table of Contents

Content	Page
Title Page	i
Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	v
Table of Contents	vi
List of Tables	ix
List of Figures	xi
List of Acronyms	xii
Chapter One: Introduction	1
1.1 Background to the Study	1
1.2 Statement of the Problem	7
1.3 Justification of the Study	8
1.4 Aim and Objectives of the Study	9
1.5 Research Questions	10

1.6	Hypotheses	10
1.7	Significance of the Study	11
1.8	Scope of the Study	12
1.9	Operational Definition of Terms	12
	Endnotes	16
	Chapter Two: Literature Review	18
2.1	Conceptual Review	18
2.2	Theoretical Framework	93
2.3	Review of Empirical Studies	107
	Endnotes	126
	Chapter Three: Methodology	137
3.1	Research Design	137
3.2	Population of the Study	138
3.3	Sample and Sampling Technique	138
3.4	Description of the Research Instrument	139
3.4.1	Measure of Tax System and Incentives	140
3.4.2	Measure of Business Continuity of Small and Medium Scale Enterprise	140
3.5	Validity of Research Instrument	141
3.6	Reliability of the Research Instrument	141

3.7	Administration of Research Instruments	145
3.8	Methods of Data Collection	146
3.9	Method of Data Analysis	146
3.10	Ethical Approval	147
	Endnotes	148
	Chapter Four: Results and Discussion of Findings	149
4.1	Presentation of Data	150
4.2	Presentation of Research Questions	159
4.2.1	Presentation of Test of Hypotheses	217
4.3	Discussion of Findings	232
	Endnotes	246
	Chapter Five: Conclusion	249
5.1	Summary of Findings	249
5.2	Conclusion	252
5.3	Recommendation(s)	254
5.4	Contribution to Knowledge	257
5.5	Suggested Areas for Further Research	259
	Bibliography	260
	Appendix I	274

Appendix II	279
Bio-data	365
The University Compliance Certification	371

Lead City University Ibadan DO NOT COPY

List of Tables

Table	Title	Page
2.1	Steps for introduction and adoption of BCM by SMEs	40
2.2	Rural Investment Allowance Allocation	53
2.3	List of Pioneer Industries/Products	54
3.1	Categories of Business and their Population Sizes	138
3.2	Sample Sizes Allocation to the States	139
3.3	Reliability Statistics	141
3.4	Item-Total Statistics	142
4.1	Descriptive Statistics of Respondents' Demographic Data	150
4.2	Tax Policy	158
4.3	Tax Administration	167
4.4	Capital Allowance Incentive	181
4.5	Tax Holiday Incentive	192
4.6	Business Continuity of SMEs	200
4.7(a)	Model Summary ^b	216
4.7(b)	ANOVA ^a	218
4.7(c)	Coefficients ^a	220

4.8	Correlations	222
4.9	Correlations	224
4.10a	Model Summaryb	226
4.10b	ANOVAa	228
4.10c	Coefficientsa	231

Lead City University Ibadan DO NOT COPY

List of Figure

Table	Title	Page
2.1	Conceptual Model	125

Lead City University Ibadan DO NOT COPY

List of Acronyms

Abbreviation	Meaning
ACGS	Agricultural Credit Guarantee Scheme
ACGSF	Agricultural Credit Guarantee Scheme Fund
ADF	Augmented Dickey Fuller
ANOVA	Analysis of Variance
ARDL	Autoregressive Distributed Lag
ASUU	Academic Staff Union of Universities
BCM	Business Continuity Management
BCM	Business Continuity Model
BCP	Business Continuity Planning
BCV	Business Continuity Value
BIA	Business Impact Analysis
CBN	Central Bank of Nigeria
CBN	Central Bank of Nigeria
CBO	Congressional Budget Office
CGT	Capital Gains Tax
CGTA	Capital Gains Tax Act
CIT	Company Income Tax
CITA	Companies Income Tax Act
DRP	Disaster Recovery Planning
DWL	Deadweight Loss

ERTA	Economic Recovery Tax Act
FCT	Federal Capital Territory
FDI	Foreign Direct Investment
FIRS	Federal Inland Revenue Service
FTZs	Free Trade Zones
GDP	Gross Domestic Product
GLS	Generalized Least Square
ITMA	Income Tax Management Act
KPMG	Klynveld Peat Marwick Goerdeler
KRA	Key Result Area
MOU	Memorandum of Understanding
MSMEs	Micro, Small, and Medium-Sized Enterprises
NBS	National Bureau of Statistics
NIPC	Nigerian Investment Promotion Commission
NSBU	National Small Business United
NTP	Nigeria National Tax Policy
OECD	Organisation for Economic Co-operation and Development
OLS	Ordinary Least Squares
PAYE	Pay As You Earn
PCI	Per Capita Income
PIA	Petroleum Investment Allowance
PIT	Personal Income Tax
PITA	Personal Income Tax Act
PITR	Personal income tax revenue

PPT	Petroleum Profit Tax
R&D	Research and Development
RBV	Resource-Based View
RE	Resilience Engineering
ROA	Return on Assets
ROE	Return on Equity
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
TWDV	Tax Written Down Value
VAT	Value Added Tax
VECM	Vector Error Correction Model
VIF	Variance Inflation Factor
WHT	Withholding Tax

Chapter One

Introduction

1.1 Background to the Study

The operation of Small and Medium Enterprises in Nigeria seems to sit on numerous challenges that shows up one after the other. In the last five years, the subsector has not gained her full operations across two consecutive years without mandatory break (i.e., Ebola virus, global pandemic, End-SARS protest, 8-month ASSU Strike, Cashless Policy, subsidy removal, devaluation of local currency, etc). These occurrences coupled with the other threats (internal risks) tend to affect businesses especially SMEs thus increasing the size of the business liabilities and at the same time traumatizing their ability to pay taxes during the period. As a result, most ideal SMEs owners were preventing the interest of their businesses against the threats thereby investment heavily in business continuity management to mingle along with the directions of the Nigerian business environment.

In the event of significant disruptions, business continuity management uses its crucial planning instrument to guarantees the continuation of business operations regardless the weight of the threats. In Nigeria, many Small and Medium Enterprises put no emergency plans in place for business-environment disturbances like power shortages, workers' absenteeism, and machinery failure. Although many, if not all stakeholders in the ecosystem of a firm are affected by the macro-environmental changes that are currently experiencing, such strategies might not be sufficient for it. This intensifies the disruption's effects and magnifies their negative adverse on businesses. SMEs that are currently operating in a turbulent environment need capable leadership,

as well as the ability to adapt and improvise, in order to succeed in the business. The immediate safety of their workers and adherence to applicable regulations are the best indicators of short-term success, followed by operational continuity and brand preservation¹.

The concept of business continuity management (BCM) has gained traction in recent years, and it is now regarded as essential to every organization encountering difficulties and crises in its operations². Several firms are currently rethinking crisis management and preparing for it with appropriate management practices³. Hence, business continuity management is evaluated from a variety of angles by different analysts with the goal of enhancing corporate performance⁴. The business continuity management technique ensures the continuity of crucial operations inside businesses by concentrating on the organization's individuals as well as the processes that are essential to business survival⁵. As a result of the intense market competitiveness, every firm needs to implement business continuity management.

Furthermore, firms that have integrated business continuity management (BCM) into their strategic management systems might be able to differentiate against competitors regarding operational resiliency, or, the ability to restore essential business processes within a preset threshold of time while limiting the detrimental side impacts to the business value and reputation⁶. For example, the 11th September 2001 attack brought grave consequences to lots of companies in the United States and a good number of those firms did not have the ability to restart operations in a timely manner thereafter. But those companies that had proper business continuity management exhibited high resilience and were able to restore their services in a few hours or days after the incident. Also, the Dow Jones that had nearly 800 staff members in offices between 9 and 12 and 14 to 16 of the World Trade Center. At this time, there were no deaths of any Dow Jones

employees and there was no data or service loss. The death of employees and loss of services was avoided because of the great and properly implemented BCM policy⁷. Likewise, major companies like American Express and Merrill Lynch were able to reopen business within days of the event because they had developed business continuity plans immediately after it happened which enabled them to operate even with their headquarters in the World Trade Center.

Thus, safeguarding the delivery of essential business functions during unforeseeable interruptions has escalated in importance. Service loss is critically important, as operational failures exceeding a specific point can lead to expenses that hurl a company into deep monetary loss⁸. A report produced by Gartner Groups in 2004 noted that the average cost for service downtime worldwide was approximately USD 42,000 (~N 5,588,504) per hour. KPMG performed a survey in which over 36% of organizations stated that they estimated the cost of downtime for the prior year was above USD 100,000 needing fiscal injection. Almost 12% of the respondents reported losses over a million dollars, while around 28% stated that they were too ignorant of the total loss incurred⁹.

The amount of these downtime costs will decidedly be unproportional from one business to another depending on their operating scale, industry scope, and the type of the disaster. Brand reputation, customer loyalty, employee productivity, corporate branding, and even regulatory compliance could all suffer alongside direct loss of funds¹⁰. Therefore, Business Continuity Managers should prioritize these concerns to materialize competition strategies that secure the firm's marketing position. Considering these widespread recognitions pertaining to the importance of SMEs to the economics of various countries including Nigeria, one would wonder as to why SMEs in Nigeria manage to operate amidst such an unstable environment¹¹.

The sort of tax system that is implemented greatly affects the quantity and quality of resources needed by tax administrators. The design and implementations of a fair tax system to meet the country tax objectives is required so as to finance the required level of public expenditures in the most effective and fair manner. The success or failure of any tax system is determined by how well it is managed and how well the tax law is interpreted and implemented¹². It is a well-known fact that taxes collected through individual and business is a significant source of revenue for the government, especially economy like Nigeria, which is trying to stay afloat. Tax income is a source of cash for development initiatives such as the provision of infrastructure; good roads, reliable power supply, and steady water supply, among other things. All of this contributes to a favorable environment for corporate growth, and thus for the economy as a whole ¹³.

Small and Medium Scale Enterprises, being profits generating firms are also obliged to pay their taxes. The businesses are volatile establishments that require specific attentions. They usually suffer major social and economic crises (i.e, Subsidy removal crises, Cashless Policy, End-SARS protest, Covid-19 pandemic, etc) due to lack of strong financial capability to implement business continuity practice. The business lost a larger percentage of their working capital in the process¹⁴. As a result, many Nigerian SMEs have return to the informal sector because the cost of compliance is prohibitively expensive. And a sizable proportion of people that pay do so only because they are compelled by the government¹⁵. The crucial questions are; how much tax should SMEs pay? Or what is the level of tax incentives available for SMEs to restore their financial and operational capacities in Nigeria? In the study, the researcher shall consider the various levels of tax incentives available for SMEs in Nigeria.

Generally, tax incentives are made to promote investment in particular desired economic sectors, and occasionally they are made to draw in foreign capital to supplement domestic suppliers and promote quick economic growth. These incentives typically apply to manufacturing, export, agriculture, solid minerals, persons, and other fields. These incentives include personal, capital, investment, loss, rollover, annual, pioneer, tax-free dividend; export processing zone, research and development, and tax-free holiday allowances¹³. Several SMEs in Nigeria have abruptly left the market as a result of unstable economic situations coupled with tax-related issues. Due to difficulties SMEs experiences in Nigeria, 80% of them fail before their fifth year¹⁴. In fact, it will be clear that the tax system does not sufficiently assist the SMEs to fulfill their tasks when compared to the ancient Canons of equity, certainty, economy, and convenience as outlined in Adam Smith's "Wealth of Nations" of 1776¹⁵.

The construction of effective and efficient tax systems must overcome several serious obstacles that have an impact on the Nigerian economy as a whole because the country's tax system is unbalanced and heavily dependent on oil money¹⁶. The welfare of major firms with foreign capital receives greater attention from the Nigerian government than that of SMEs, which are mistakenly thought to have little economic significance. If a favorable climate is provided for SMEs to thrive through suitable regulation and tax policies, they have a strong capacity to transform an economy¹⁷. However, government at different level imposes a number of taxes on businesses in Nigeria, each with a demanding process and high compliance costs.

In comparison to large organizations, given the scale of their operations, SMEs have more limited resources, which put more burdens on their cash flow system. As a result, it is mostly important for SMEs owners to employ strategies to reduce their company's overall tax liabilities. Firms

usually prefer to pay the least amount of tax and even receive tax breaks on the amount of tax owed. This is because profit-oriented companies' ultimate goal of maximizing shareholder wealth, and can only be achieved by minimizing tax burden/cost thereby increasing profit after tax¹⁸. With this ultimate goal, many businesses adopt effective tax planning strategies that allow them to improve their performance¹⁸. As a result, effective tax planning necessitates the attention of managers at all levels. With this, the subsector needs to be adequately supported through different incentives packages especially in this turbulent time in Nigeria¹⁹.

The expansion of a country's taxable capacity is frequently linked in economic literature to the generous tax incentives that exist. Exemptions must be debated because they have a significant impact on the effective tax base. The provisions of generous exemptions frequently tend to erode the tax base, which has an inverse effect on a tax's income elasticity via tax-to-base elasticity¹⁹. A tax incentive is a package devised by the government to encourage certain sectors or units of the economy to increase their productivity. It is intended to promote economic growth and development, which should lead to an increase in the nation's GDP. Tax incentives are designed to encourage investments in specific sectors of the economy, and they are sometimes aimed at attracting foreign exchange inflows to supplement domestic supplies for rapid economic development.

Tax incentives are reliefs provided to taxpayers or industries in the form of set-offs from total income before determining tax liability. It could take the form of tax breaks or waivers²⁰. It is established by legislations or statutes authorizing such tax payment; they are sometimes referred to as fiscal incentives- are the end-result of policies that are part of the tax system that is common in developing countries, and are usually established by governments in order to grant

multinational corporations and foreign investors more appealing conditions to invest in their domestic economy. As a result, careful planning is required to develop tax policies that will boost the nation's overall economic growth. While there are tax breaks in areas where the government has a vested interest, there are also breaks in areas where the government appears to pay less attention²¹. The implication of tax system, tax incentives on business continuity of Small and Medium Enterprises have a few literatures stands in the local context, as a result, this study is carried out to establish how significant tax system and tax incentives relate with business continuity of Small and Medium Enterprises in Nigeria.

1.2 Statement of the Problem

A surviving business in Nigeria can survive anywhere in the world²². This is because larger percentage of SMEs failed to survive their first-fifth year in the economy. Presently, Nigerian businesses were subjected to an impromptu shock by the government through the cashless policy strategies and implementation. This policy coupled with the existing effect of EndSARS protests and Covid-19 pandemic had plotted devastating consequences on the tenacity of SMEs business survival in the country. At first, the antecedent of the policy widened the liabilities scope of some SMEs through poor internet banking network and this shortage rests against the profit of firms that are struggling to survive the economy. The existing effects of Covid-19 pandemic and EndSARS protests are yet written off the business liabilities as some of SMEs involved in no business continuity management practice. As a result of the restrictions and prohibitions imposed due to the rapid spread of COVID-19 and EndSARS protests, production, and service processes were negatively impacted; as recommended by authorities, the business community has adopted a remote working model; during this period of rapid development, companies that were not at the

level of Disaster Preparedness have suffered business and financial losses, demonstrating the significance of Business Continuity²². Even before fully recovering from the effects of Covid-19, Russia's invasion of Ukraine in February 2022 heightened geopolitical tensions between the West and Russia, lowering global growth expectations due to uncertainty about the conflict's effects, particularly on the global Supply Chain.

Furthermore, Western sanctions against Russia had a ripple effect on the global economy, and the war has caused energy supply shocks, commodity, and trade supply shocks, and rising energy, food, and commodity prices, resulting in global inflation²². These aforementioned disasters leverage on firms, especially Small and Medium Enterprises' profits.

In Nigeria, tax accounts for a significant portion of firm costs and have the potential to reduce firm profitability; therefore, they must be kept to a bare minimum, particularly in a challenging business environment. As a result, different tax incentive packages like: capital allowance, tax holiday incentives, corporate income tax incentive, investment allowance, loss relief, roll over relief, pioneer relief, tax free dividend, export processing zones relief, research and development can be applied to encourages Small and Medium Enterprises in Nigeria to restructure their standing in this turbulent time.

1.3 Justification of the Study

The focus of the study is valid, as there is a shortage of research on the tax systems, incentives, and business continuity issues of SMEs in Nigeria. This is a significant gap in the literature since small and medium enterprises constitute one of the most important sectors of the Nigerian economy whose performance has resounding consequences on economic growth and

development. This aids in policy formulation as a proper appreciation of SMEs allows for comprehensive policies and programs to be put in place. Additions to the body of knowledge in the topic at hand will also aid in making policy decisions with regard to SMEs in Nigeria. More specifically, this study's findings will greatly assist in policymaking regarding taxation, incentives and business continuity planning for SMEs in Nigeria. For example, the study could pinpoint how the tax system can be improved for greater SME support or how incentives can be offered to promote the establishment and sustainability of SMEs. Also, the study could underline the need for mainstreaming business continuity planning for SMEs and ways to enhance the economic resilience to adversities.

Furthermore, the findings of this study could also inform the development of support programs for SMEs that focus on accessibility to finance, business, and developmental markets. Regarding market accessibility, the study should seek ways to increase competitiveness of SMEs in the domestic and international markets. Lastly, pertaining to skills development, the study should point out accounting, and human resources support SMEs require.

1.4 Aim and Objectives of the Study

The main objective of the study is to examine the relationship among tax system, incentives and business continuity of Small and Medium Enterprises in Nigeria while the specific objectives are to:

- i. investigate the impact of tax policy on continuity of Small and Medium Scale Enterprise
- ii. assess the relationship between tax administration and the continuity of Small and Medium Scale Enterprise in Nigeria

- iii. examine the relationship between capital allowance incentive and continuity of Small and Medium Scale Enterprise in Nigeria
- iv. evaluate the effect of tax holiday incentive on the continuity of Small and Medium Scale Enterprise in Nigeria

1.5 Research Questions

1. To what extent does tax policy impact the continuity of Small and Medium Scale Enterprise?
2. How does tax administration relate with Continuity of Small and Medium Scale Enterprise in Nigeria?
3. In what way does capital allowance incentive relate with the Continuity of Small and Medium Scale Enterprise in Nigeria?
4. How can tax holiday incentive affects the Continuity of Small and Medium Scale Enterprise in Nigeria?

1.6 Hypotheses

- H₀₁: Tax policy has no significant impact on the continuity of Small and Medium Scale Enterprise in Nigeria
- H₀₂: There is no significant relationship between tax administration and the continuity of Small and Medium Scale Enterprise in Nigeria
- H₀₃: Capital allowance incentive has no significant relationship with the continuity of Small and Medium Scale Enterprise in Nigeria

H₀₄: Tax holiday incentives have no significant effect on the continuity of Small and Medium Scale Enterprise in Nigeria

1.7 Significance of the Study

The research will enable policymakers to evaluate the critical role that tax incentives play for businesses with a focus on SMEs to develop effective policies. The research results will also demonstrate to the government the economic implications and the essence of tax incentives on small and medium enterprises, in driving sustained growth to create economic development opportunities.

This study's findings hold significant importance for the government as it provides information to authorities regarding how much tax incentives affect the ongoing business operations of SMEs. Through the research the government can determine what proportion of firms (SMEs) utilizes existing tax incentive programs. The research enables government to determine if the financial losses due to tax incentives lead to desired business benefits.

This study would allow the government to verify if tax incentives really shift investment directions toward SME development from individuals and companies. Through this research the government will assess how different tax incentives impact profitability levels within the economy. The study will create widespread understanding among companies and individuals regarding current tax incentives for SMEs as well as their probable outcomes. The research allows both individuals and corporate entities to make decision-based investments and tax-related choices.

Investigative data obtained in this research provides necessary information for researchers and academicians studying tax system behavior and firm performance and tax incentives. The study enables SMEs operators to employ available tax incentive opportunities effectively thus overcoming potential obstacles in their business operations. Business continuity management practice implementation by SMEs operators after this lesson will save their business operations from costly losses. This study serves as a valuable research tool for possible investors who operate within the nation and beyond its borders. The investment decisions of investors would benefit from this research because it discloses essential factors which enable proper strategic planning of investment policies. Information about tax incentives effects on economic progress would be distributed through this research to both the common public and all stakeholders. The research findings will prove valuable to others in their scientific and practical applications because they offer concrete evidence regarding its value.

1.8 Scope of the Study

The study focuses on tax system, incentives and business continuity of SMEs in Nigeria. SMEs is a fast-growing sub-sector in the Nigerian economy, especially in the four Major States (i.e, Lagos, Kano, Port-Harcourt and Abuja) with significant numbers of registered Small and Medium Scale Enterprises operators. In Nigeria, the total number of registered Small and Medium Scale Enterprise Owners within selected four major commercial states is twenty-five thousand, six hundred and sixty-one ($N_i = 25,661$)¹⁴. The categorization can be located in the methodological part of the study.

1.9 Operational Definition of Terms

Annual Allowance: This is the maximum amount of money that an organization or business is granted every financial as defined by policy and regulations. The allowance is granted in the first year applying the relevant percentage on the cost of the asset less any initial allowance granted. In the second and subsequent year, the same amount as was given in the first year is also given. Thus, the annual amount is given on straight line basis.

Business Continuity Plan: This is a framework that outlines the specific procedures and responsibilities, an organization must implement to guarantees the continuation of business operations regardless the weight of the threats.

Deferred Income Tax: This is the tax that is due for the current period but has not yet been paid

Economic Development: This is a process of creating and utilizing physical, human, financial, and social assets to generate improved and broadly shared economic well-being and quality of life for a community or region.

Investment Allowance: This is claimable and hence deductible from profit only in respect of production machinery in the year of expenditure and cannot be carried forward if not claimed or not relieved.

Loss Relief: Any loss incurred by a company that is deductible prior to the payment of tax liability is referred to as loss relief.

Non-Compliance: This is broadly defined as a taxpayer's failure to correctly file returns, report actual income, claim the correct deductions, reliefs, and rebates, and remit the actual amount of tax payable to the authority on time.

Pioneer Status Incentive: This is tax holiday given to companies for a period of time, to encourage the growth and development of the Nigerian economy

Rural Investment: This allowance is granted to companies that incur expenditures on the provision of such facilities such as electricity, water, tarred road or telephone where such facilities are not provided by the government in the area where the business is located.

Small and Medium Enterprises (SMEs): These are different kind of firms that could be found in different business activities across the country. They include artisans producing local agricultural implements, the coffee shop owners, tailor shop owners, iron fabricators, road side mechanics, small transport firm, the internet café, small engineering or software firm and a medium-sized automotive parts manufacturer.

Tax Administration: This refers to the procedures, principles, and strategies used by any government to achieve effective tax planning, mandatory tax levying, easy collection, proper accounting, and revenue utilization

Tax Avoidance: This is defined as the practice of reducing one's tax burden by taking full advantage of the tax code or exploiting loopholes in the tax laws to reduce tax liabilities by arranging one's tax affairs using tax shelters in the tax law and avoiding tax traps in the tax laws.

Tax Compliance: This entails the taxpayer filing all required tax returns on time and accurately reporting tax liabilities in accordance with the tax laws, regulations, and court decisions in effect at the time the return is filed.

Tax Evasion: This is defined as any intentional, illegal reduction in tax payments, which typically takes the form of underreporting income, sales, or wealth, or overstating deductions, including failure to file appropriate tax returns.

Tax Exempt Income: This is income or transactions that are not subject to taxation, whereas exempt income is any income that is not subject to taxation, whether at the federal, state, or local levels.

Tax Incentive: A tax incentive is a component of the Nigerian tax system designed by the government to stimulate a specific economic activity by lowering tax payments for companies in the country.

Tax Policy: This is a set of laws, rules, and regulations that govern the collection of taxes by a government or other tax authority. The purpose of a tax policy is to raise revenue for government spending and to influence the economy by encouraging or discouraging certain economic activities.

Tax Relief: This refers to any government program or policy initiative that aims to reduce the amount of tax paid by individuals or businesses.

Endnotes

1. KPMG. *Leading Successfully in Turbulent Times: A Guide to Robust Business Continuity Planning*. Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. 2020.
2. I.H.S. Sawalha, *Organizational performance and business continuity management: A theoretical perspective and a case study*. **Journal of Business Continuity & Emergency Planning**, 6(4), 2013, 360–730.
3. X. Zhang, & A. McMurray, *Embedding Business Continuity and Disaster Recovery within Risk Management*. **World Journal of Social Sciences**, 3(3), 2013, 61–70
4. A. Maier, S. Brad, D. Nicoară, & D. Maier, *Innovation by Developing Human Resources, Ensuring the Competitiveness and Success of the Organization*. **Procedia-Social and Behavioral Sciences**, 109, 2014, 645-648.
5. G. L. Shaw, & J. R. Harrauld, *The Core Competencies Required of Executive Level Business Crisis and Continuity Managers--The Results*. **Journal of Homeland Security and Emergency Management**. De Gruyter, 3(1), 2006.
6. W.N.Z. Wong, *The Strategic Skills of Business Continuity Managers: Putting Business Continuity Management into Corporate Long-term Planning*. **Journal of Business Continuity & Emergency Planning**, 4, 2009, 62-68.
7. D. Childs, & S. Dietrich, *Contingency Planning and Disaster Recovery: A Small Business Guide*. Hoboken, NJ.: John Wiley & Sons.
8. K. Yiu, & Y. Y. Tse, *A Model for Disaster Recovery Planning*. **IS Audit & Control Journal**, 5, 1995, 45-51.
9. G. Vancoppenolle, *The Definitive Handbook of Business Continuity Management Second Edition*. (A. Hiles, Ed.). England: John Wiley & Sons Ltd. 2007

10. B., Zahari, Y, Noor, & U. Zulkifli, *Business Continuity Management Factors and Organizational Performance: A Study on the Moderating role of its capability*. **Journal of Management Info**, 2, 5-12.
11. G. A. Agu, O. O. Onwuka, & O. Aruomah, *Impact of Taxation on the Performance of Small and Medium Enterprises in Aba, Abia State, Nigeria*. **Archives of Business Research**, 7(SP), 2019, 1-15
12. J. K., Naiyeju, *Improving the Nigeria Tax System from Canadian Experience*. Wordsmith Printing and Packaging Ltd. 1996, 101-104.
13. C. Nnubia, & C. O., Fabian *Effect of Tax Incentives on Economic Growth in Nigeria*. **International Journal of Social Sciences and Conflict Management**. 3(2), 2018, 142-160.
14. SMEDAN. *SMEDAN and National Bureau of Statistics Collaborative Survey: selected findings* 2015
15. C. M. Leyira & E. Chukwuma *Tax System in Nigeria – Challenges and the Way Forward*. **Research Journal of Finance and Accounting**, 3(5), 2012, 9-15
16. OECD, *Enhancing the Contributions of SMEs in a Global and Digitised Economy*. Meeting of OECD Council at Ministerial Level. 2017
17. M. K. Olawale, *Tax Incentive and Effective Tax Planning, Nigerian Experience*. Unpublished article, Lead City University Ibadan Nigeria. 2022.
18. G. E. Oyedokun, & W. A. Babalola. *Tax Management and Compliance in Nigeria*. Tax Management and Compliance in Nigeria. OGE Business School Publisher, Lagos, Nigeria. 2020.
19. I. Omes, & N. P. Nzor, *Tax Reforms in Nigeria: Case against Tax Incentives*. **Indexed African Journals Online (AJOL)**, 5(1), 2016, 138-150
20. S. A. Effiong, *Current Cost Profit Measurement as it Affects Corporate Capital*. **Nigerian Journal of Social and Development Issues**, 4(1), 2004, 121-134
21. T. Irkey, & A. Tufekci, *The Importance of Business Continuity and Knowledge Management During the Pandemic Period*. **Proceedings**, 74(18), 2021.
22. M. Balbaa, M. E. Balbaa, M., Eshov, & N. Islamilova, *The Impact of Russian-Ukrainian War on the Global Economy*. **ICFNDS**, 2022.

Chapter Two

Review of Literature

This chapter establishes conceptual review on: taxation; the Nigerian tax system; tax incentives; Small and Medium Scale Enterprises (SMEs); antecedence of business continuity; business continuity of SMEs; BCM Framework; challenges of implementing BCM by SMEs. The chapter also discusses various types of tax incentives such as: capital allowances incentives; initial allowances; annual allowance; balance adjustment; investment allowance; rural investment allowance; pioneer status incentive. The objectives of tax incentives were considered as well as various regulations on tax incentives in Nigeria. In the chapter, three theoretical stands were provided such as: Normative Theory; Optimal Tax Theory; Laffer Curve Theory. The chapter further depicts various empirical reviews; conceptual model drawn from the specific objectives as well as historical development of taxation in Nigeria.

2.1 Conceptual Review

2.1.1 The Concept of Taxation

Taxation serves as the sole revenue which contains the procedural elements that enable the local state and the federal government to raise money through the processes of taxation, which include

the payment of taxes to cover the required expenses of governing¹. Taxation is described as the payment made by private groups or individuals for the use of goods or services rendered by the government. The imposition of taxation creates changes in established norms with respect to production, consumption, investment patterns, and even employment activities within the economy of a region, all of which are considered comprehensively as tax effects². Development at the national level through social and physical infrastructure investment activities goes along with the taxation of business profits, personal income, dividends, and commission whose collection is backed by the law. The public will get some advantage from these taxes but they are mainly imposed on the taxpayers².

The overall objective and effect of taxation is that the taxes must be constructed such that they compel the country collection appropriate income from the various groups under legal control. Tax systems to be compiled in a way that seeks to generate revenue have to ensure that there is efficiency in resource allocation and that there is equity among the different societal classes³. The generation of budget revenue equals the importance given to imposing taxes for reducing inequalities within the economy. However, raising revenue also has other complex functions like controlling debt servicing, consumption of products, economic direction, national import and export restrictions, servicing of national debt, protecting emerging industries, balancing the budget and more⁴.

Taxes are crucial for a government to generate revenue and facilitate economic control within a country. Dividends, commissions, and other personal incomes are taxed to generate funds which are the primary requirement for building social and national infrastructure⁵. Tax systems perform three primary objectives, namely, address public expenditure, control money circulation as well

as lay down rules for disbursing salaries. A government tax system addresses economic social inequalities by distributing funds from taxes, controlling products and inflation, paying off the national debt, managing the economy, protecting new industries, expanding exports, limiting imports, and many others⁶. These functions are based on a policy principle where tax systems are formed in a way to care of all expenses while putting the financial stability of the country as the priority.

The failure to execute appropriate taxation systems correctly can influence adequate tax operations leading to high resource allocations, extended collection expenses, and increased waiting times for both employees, as well as the taxpayers. For a comprehensive taxation framework, economists such as Adam Smith have proposed four key principles: economy, certainty, convenience, and universality⁷. The economic development of a nation relies on the strong ability of the SMEs to perform. Analysts need to analyze all factors relevant to the country before putting any tax policies into place because poor planning of tax policies and lack of confidence about future policies creates a lot of issues for tax offices⁸. Efforts to reduce collection costs via tax policy needs to be the primary goal because disallowing the revenue excess spending will also restrain the impairing of economic activity and the blameworthy and unreasonable nature of the burden claim distribution⁹.

The Nigerian economy is grappling with a recession, and addressing it would require a flexible system of taxation that promotes saving, investing, fulfills social obligations, and puts money into researching new initiatives. The policymakers have to provide the country with as much infrastructure as necessary while simultaneously creating new jobs, battling unemployment, growing the economy, boosting exports, and capturing substantial non-oil public revenue all at

once¹⁰. The aim of tax policies should focus on three main points: raising the level of public revenue from all non-oil economic activities with no subsidizing, controlling unilateral tax net widening, and ensuring that all adults eligible to pay taxes are registered in the system. A productive and comprehensive tax administration system is needed by all countries, and such a system will guarantee a balanced business atmosphere by ensuring compliance with tax obligations. Equal concentration has to be maintained between educational aid and enforcement aid in service processes of tax administration¹¹.

2.1.2 The Nigerian Tax System

Adam Smith pioneered the principles of taxation that they classify as elementary to taxation and such principles remain unchanged to this day. Adam Smith carved these principles around economic doctrines and despite his death he continues to provoke modern taxation theories. These taxation standards have Equity/Ability and Certainty as well as Economy and, Convenience⁹. On the coverage of equity, it is the ability to pay that determines which taxes will be enforced for such taxes and taxation costs must be equal for all people. It is also required for a good tax system to adhere to the canon of economy by optimizing the tax collection cost to the minimum extent. Such fiscal systems that are classified as inefficient and uneconomical tax collection methods are branded because they incur large tax collection costs that channels funds away from their intended purposes. Based on the canon of convenience, a taxpayer must not face too much trouble of any kind while paying or while the payment is being collected¹⁰.

The tax system of Nigeria is constructed principally to collect revenue. The colonial government instituted this system of taxation that stemmed out of British Taxation in the year 1948. This system, however, has remained stagnant since post-independence¹¹. Tax administration is

considered the primary building block to the Nigerian tax system. Tax administration involves delineation of power and responsibilities based on laws crafted for relevant tax authorities. Tax administration reflects the set of procedures, principles and methods through which any government carries out tax planning and compulsory revenue collection along with proper revenue accounting and distribution activities¹². A tax system is highly depended on how it is enforced. Taxation in Nigeria is practiced under a system of governance that is stratified into Federal, State and Local levels of government. In the decentralization, all tiers of government have a separate taxable jurisdiction, which broadens the area available for taxation. The creation of an economic base in a country is closely interlinked with the tax system cut out of a country's taxation provides these nations with core defining development prospects¹³.

For real economic systems to come into fruition, the ability of state organizations to execute certain tasks must be on point. The purpose of all Revenue authorities is to ensure that taxes are collected from the people who owe them as per the existing laws¹⁴. The taxation practices of the government relate to the compulsory payment system of the government that applies to every form of income earned by individuals and partnerships including properties and commodities held by corporations and services rendered by them. Tax compliance is ascertained, handled, and administered at a managerial level to achieve an economic goal; that is, the benefit of the public funds. Sometimes over taxation functions better than subsequent mismanagement of public resources⁸. Tax administration, particularly in Nigeria and several other states, works at a disadvantage, low level of efficiency to address such dangerous edge problems as tax evasion together with widespread bribery and coercion in certain territories¹¹.

Furthermore, the Nigeria tax system suffers from numerous problems. Expectation and reality do not coincide in regards to the available tax statistics, especially in the context of Nigerian unification in 1914¹⁵. The failure of data management processes exists in all tax units of Nigeria with the only exceptions for Delta and Lagos States, Kaduna and Katsina States, and the Nigeria Customs Services. This scanty data remains uncollected, unanalyzed, and improperly stored or retrieved on a regular basis, which has resulted in the absence of systematic policy retrieval. This combination of factors greatly decreases the current condition of the policies for which new ones could be developed¹⁶.

The institutional framework of Nigeria's economy does not pay adequate attention to tax collection systems. Expenditures are based mainly on state sharing (40%), population census (30%), land and terrain (10%), social development needs (10%), and in augmented internal revenue account (10%) which is used to fund the remaining revenue. Such a revenue system stifles local revenue financial progress, causing all levels of government to rely heavily on unpredictable oil income, the value of which fluctuates with the world market¹⁷. 'Cake sharing' as a national pastime together with unstable oil revenues would have motivated states to improve their taxation policies under the provisions of the 1999 constitution, but they did not. Many state governments have started their tax enhancing initiatives and, as expected, they have shown no real progress in their attempts at tax revenue generation¹⁸.

The issue regarding multiple taxation stands as a major challenge to both the citizens and the economy of the nation. Double taxation is very rampant due to the struggles between state authorities that resulted because of their power to revenue collection that does not meet their financial duties. Different states tried to mitigate the problem by formulating their own policies,

but those policies were termed as Policies of Compounding Harassment that led to the shutting down of businesses in the states¹⁹. That embarrassing condition led to the introduction of the Taxes and Levies Act 1998. The government of Lagos state showed their willingness towards uneven redistribution of VAT revenue through new taxes and by re-establishing the sales tax. They did so in order to mitigate the problem of multiple taxation²⁰. The Joint Tax Board however did approve certain tax listings in order to regulate unknown multiple taxation. The overall outcome of the situation aided in bringing more balance towards the economy because over taxation, that previously brought about harmful damages to the businesses in Nigeria, has now been curbed. The most prominent regulatory obstacle in Nigeria stems from unwanted political risks alongside exchange regulations for foreign investors²³. Companies continue facing barriers due to the prevention of unpermitted acts in relation of intellectual property under the company's existing legal framework. During business acquisitions within first world nations, the insuring of investment along with the employee guarding, profit harvesting, and employee shifting is often neglected. Africa's political regime changes, particularly in Nigeria, allows for the sudden threat of business confiscation and strenuous profit repatriation restrictions to take place almost instantaneously¹⁸.

2.1.3 The Concept of Tax Incentives

Tax incentive describes the loosening or elimination of tax requirements meant to benefit and serve the needs of particular economic units. The intended goals ideally include raising levels of investment spending, increasing employment, pursuing export opportunities as well as boosting sales while reducing imports and pollution levels amongst others²⁴. A tax incentive serves as a tool that reduces tax liability in order to motivate business investments in selected industry

sectors. Governments use incentive programs in many ways including granting tax incentives to encourage compliance with the tax laws and regulations²⁵. They encourage compliance by making amends to the specific tax policies which grant tax reductions to particular industries, groups of people or specific services provided. This particular definition of tax incentives encompasses three constituencies: adoption of low tax rates, proper dissemination of tax information by authorities, and exemption from taxes¹⁹.

Tax incentives are important government issued tax reductions which encourage certain economic activities by specific entities within a state. These include a wide range of activities such as investments, productions, employment creation, maximum exports and savings, as well as pollution minimization. Law 20 states that the government is also responsible to offer specific features such as tax incentive which are free or exempted from personal income and other tax obligations to encourage people to undertake economic activities. Tax specialists state that all taxes can be converted into tax incentives²¹. Tax incentive is said to exist when there is a reduced tax burden which has been manifested as a lowered tax percentage, altered tax base, or through other means. The government has a whole range of incentives to motivate people to act in desirable ways. Tax breaks comprise the capital and investment allowances, the investment tax credit, tax free dividends, while loss relief grants include tax exemptions on certain loan interest, as well as tax holidays, reduced tax rates and other tax reliefs²². Mostly revolving these sectors have been subjected to tax reforms or change of law examination, tax aids offered to mining and oil and gas and even agriculture are always under review²³.

In 1996, the federal government granted more than 80 tax allowances. These allowances are not unique to America because developing countries also tend to have these as common features.

The Foreign Direct Investment (FDI) strategies are common policy tools among countries regardless of their income level²⁴. The primary goal of these tax allowances, which are directed towards new investments and expansion of existing ones, is to channel income into priority sectors of the economy which can trigger growth. Economists often link an increase in the taxable base of a country with the “generous” tax breaks and allowances offered by a country’s tax regime²⁵. Tax allowances may not always be accessible to actual investors. This relates to the actual investment made in productive processes as opposed to simply financial instruments and is often made available to foreign investors on the premise that local capital is inadequate for the level of economic growth desired and that international investment carries modern technology and management²⁶. Tax breaks simply mean that without sound criteria in place, the government is losing money. This agrees with those who argue that one of the characteristics of tax breaks may be the loss of government revenue without proper control over how such tax breaks are utilized²⁷.

Moreover, the history of tax incentive allocation in Nigeria is linked to the British colonial rule which began in the territory, where all forms of reliefs, allowances, and tax holidays were offered to British companies and individuals who were lured to establish trade relations with the country⁶. In particular, pioneer industrial development tax incentives were introduced there in 1958, and included: Pioneer companies’ relief which exempted income tax for 5 years from the establishment of companies operating in pioneer industries; Companies Income Tax allowance which granted capital investment in depreciation and building, and wrote off investment losses; Import duty exemption for selected pioneer companies, and approved user scheme which imposed refund of import duties to certain enterprises that produced goods for export; and

collaborated schemes where refund of import duties on inputs was granted to enterprises that produced goods for exports⁹.

In Nigeria, tax incentives are known under the following kinds: tax holidays, investment allowances, rural investment allowances, deductible capital allowance, research and development, tax-free dividends, tax treaties, reliefs and allowances, and capital ones¹⁰. In a study delivered at the Nigerian Investor Business Forum in Berne, Switzerland in November 2009, the Chairman of the Federal Inland Revenue explained tax incentives as Schemes for promoting, attracting, or even retaining investments in certain sectors of the Nigerian economy... empowering businesses or individuals engaged in certain specified activities with a view to fostering economic growth in Nigeria as a whole and expanding to all sectors”²⁴.

Currently, the Nigerian government employs three indicators for managing tax incentives which include sectoral allocation and non-discretionary distribution, calculation of economic value which is greater than the tax reliefs, and periodic reviews of the system for purposes of effectiveness assessment. These investments also have a requirement for foreign investors to reinvest their incentives in further purposes for the growth of the Nigerian economy. All systems of taxation gain from the application of the incentives as favorable elements²². A range of modifications also follow from these changes and, with time, start to undermine the tax system. Such tax relief assumes higher tax scrutiny spending which increases the administrative burden on tax agencies. Tax allowances combined with deductions and credits offer opportunities for taxpayers who are able to well formulated exploit such loopholes²⁵.

Tax administrators are expected to be inefficient until more funds became available to aid in dealing with such expenditures. Tax incentives add another dimension for administering

corruption relating to the tax system²⁶. Current tendencies confirm that tax incentives have more importance in investment choice than before as they tend to be one of the easiest ways for companies to enhance their productivity without or with very low taxation. This became possible with the combination of more liberalized trade, increased investment with advancement in technology, reduced trade restrictions, increased international transportation and communication, expansion of the common market, and flexible taxation. These changes will further increase investment in the current world situation. Hence, the benefits outweigh its cost²⁷.

Many factors impact the effectiveness of such tax incentives economically. A nation with unstable societies and weak laws will not respond positively to tax breaks that are designated to increase foreign investment. Both the prevalence of corrupt practices and tax evasion limit the effectiveness of tax incentives. Different systems in developing economies usually show corruption in many forms. Elimination of these conditions for the inefficient use of tax incentives as business magnet in developing countries can lead to the achievement of goals²⁸. Economically developed countries, which are members of the European Union, center on the system of social and economic development where tax incentives are used as a tool for economic policy and achieving desired development goals within those countries²⁹. Tax collection will be more effective if there is lean cooperation between tax administrators and tax payers in information exchange and proper control over tax collection procedures where relatively loose conditions are set for tax incentives competition but balanced policies toward increasing tax payer's sentiments and boosting the fight against corruption are adopted³⁰. Ghana, like other developing countries, uses its incentives scheme with a moderate degree of administrative efficiency. In this case, laws

providing for such incentives are overriding and do not contain any provisions that would prohibit the grant of parliamentary permission³¹.

The effectiveness of a tax incentive, especially in the context of achieving a quantity of tax revenue target, is largely dependent on the productivity of the taxable revenue. What is shown in the study is that reduced tax revenues from the incentives today will, further down the road, strengthen the supported tax collection fiscal capacity⁷. Tax incentives lower average tax compliance costs. Tax compliance improves as taxpayers are more willing to pay taxes because cheaper tax rates make avoidance and evasion unproductive. The combination of capital allowance reliefs with the zero-taxation policy on dividends, interest on deposits and loans, as well as lower tax rates stimulates capital formation while simultaneously increase the size of the tax base¹⁰. It is important to recall that knowing the phenomenon of tax revenue elasticity with respect to economic growth is crucial to fiscal planning because budget deficits of a financing nature are bound to create inflationary conditions²⁶.

The account of the taxation in the United States provides standard information on how tax incentives impact total revenue collections¹⁴. During the 1920s President Hoover, for instance, perpetuated four instances of tax cuts to a group of industries. The net result of this legislation was that the taxpayers increased more rapidly than revenue and as a consequence of that the amount of taxes collected was increased 300 percent. The economic impact of those tax reductions made by F. Kennedy in 1962 so dramatically increased commercial and industrial activity that it resulted in federal revenue exceeding double the amount collected on tax before the reductions²⁶. Tax incentive might create loopholes in the law's existing tax base. Tax compliance measures run into major challenges when incentives are given in the form of

government financial aid. Tax incentives develop all issues associated with tax spending due to their ultimate wasteful enterprise management and low productivity²⁷. Most of the tax incentives are rooted in political and self-serving motives.

In Nigeria, many incentives related to oil industries came from the self-interest of military regimes, traditional rulers, and other government bureaucrats known to have businesses in this industry. To garner electoral support, the public officials came out with initiatives like tax cuts which in fact became seem for increasing popularity. During his political campaign in 1981, Ronald Reagan made drastic cuts on imposed taxes for businesses and the personal income group while executing his Economic Recovery Tax Act (ERTA)³¹. The tax incentive policies that Reagan adopted never solved any budget deficit issues in America and further worsened the economic conditions of the country. Now the U.S is suffering losses of N800 billion because of these tax cuts³².

Jacques Chirac, a French presidential candidate in the year 2002, focused on the discontinuation of tax incentives as one of his primary goals. When Chirac assumed office, he realized that his tax incentives for votes and investment appeals were entirely fictitious due to yearly tax fraud amounting to a staggering 175 to 235 billion²⁶. Tax incentives make complex tax legislation into cumbersome legislation that is difficult to understand, thereby making it easy for accounting authorities to monitor the target investment response that was intended to be stimulated through the tax incentives³³. For the tax system to provide preferences in taxation, decision making has to be done very carefully. Tax incentives do lead operational budget losses, but they are unexpected benefits for current operations, and refocus resources toward desired tax spending²⁶. Within the framework of tax systems, efficiency and equity constitute a more complicated phenomenon.

Such extraordinary tax incentives allow entities to utilize the entities' non-standard taxation laws that authorize the use of capital in the flexible payment system along with its periodic immunity and favorable depreciation schedule and tax loss carryforward and minimal import charges on necessary equipment or materials with maximum charges to safeguard the market¹⁵.

2.1.4 Small and Medium Scale Enterprises (SMEs)

Small and Medium Scale Enterprises are defined as an entity with labour size of 1-100 workers or a total cost not exceeding ₦50 million with working capital, but land cost is excluded, and the Medium Scale Enterprise is defined as an entity with an employment size of 101 – 300 wage earners with a total cost exceeding ₦50 million but not exceeding ₦200 million with working capital while land cost is excluded¹². The research further revealed that roughly 50% partake in distributive trade, 10% take part in manufacturing, 30% in agriculture, and the remaining 10% in services. The Small and Medium Scale Enterprises are defined as an enterprise whose asset base excluding land is between N5 million and N500 million with a headcount between 11 and 300¹⁷.

The definition for emerging businesses in SMEs refers to an enterprise with an asset base excluding land and buildings of N10 million to less than 100 million with 10-49 employees regarded as “SMALL” and from N100 million to less than N1 billion with 50-199 employees termed as “MEDIUM”. SMEs also appropriately define a business with a turnover lower than N100 million and/or employing less than 300 people⁷. SMEs are dynamically relative. Another definition of SMEs that is worth adopting is that of the National Council on Industry which in 1992 streamlined the various definitions of SMEs and agreed to amend them every 4 years. We define SMEs as businesses with fixed assets not less than N1 million and more than N10 million

excluding working capital, and medium scale as enterprises with fixed assets more than N10 million but less than N40 million with working capital, but excluding the cost of land¹⁰.

In 1996, it defined small scale business as enterprises with fixed assets of more than N1 million but less than N10 million excluding the cost of land and working capital and employing a labour size of 11-35. Also, medium scale enterprises must have fixed assets more than N40 million and less than N150 million including working capital but excluding the cost of land, and the minimum number of workers should be 36 and the maximum is 100⁶.

The New Industrial Policy for Nigeria declared SMEs to be businesses with N 100,000 to N2m in total investment while excluding capital costs yet including working capital. Nigeria possesses abundant fertile land with mineral reserves alongside numerous skilled workers which creates an ideal environment for small and medium Enterprise development¹⁷. The resources which Nigeria possesses have established the country as a leading power in African markets. Development methods need to be created for these enterprises because their full potential depends on their successful growth. Small and medium enterprises serve as fundamental pillars of indigenous businesses that lead to numerous initial investments which would otherwise not happen³³. Nigeria must establish an inviting environment to promote small and medium enterprise growth and enhance business success factors and sort out system-wide barriers so existing small and medium enterprises can thrive³⁴.

Many developing countries SME's are struggling to survive under intense competitive environments, in Nigeria, there is an urgent need to provide the required enabling environments

for the development of SMEs to help them adequately play the role expected of them in economic transformation, such as mobilization of savings for investment, increase in harnessing of Local raw materials, employment generation, Alleviating poverty level, appreciable contribution to gross domestic products, export diversification³⁵. The relative quality of SMEs depends on three core features which include both unpredictability and process of innovation and continuous transformation³⁶. Strong knowledge about SMEs comes from being familiar with their distinctive characteristics. The organizational structure of SMEs remains simple because of their limited size and absence of formal management practices even though urban enterprises show better structure than rural businesses which stay unorganized. A sole proprietorship or family business frequently leads to partnership enterprises or operates under the classification of Limited Liability Company in most cases³⁷. The ownership model creates basic management systems in small and main enterprises that enable better management than large companies by employing few employees and some owner members lack educational qualifications³⁶.

Small and medium enterprises represent the incubator for indigenous entrepreneurs who contribute numerous small investments that would not exist without them³⁸. Nigeria needs to improve its private sector development by supporting small businesses through favorable environments combined with business success factors and solutions for crucial enterprise threats³⁹. The elimination of trade barriers together with other restrictions turned the planet into a global community. Developing country SMEs face severe survival challenges because of robust competition in their home markets and foreign markets.

Countries like Nigeria require an urgent shift in policies regarding Small and Medium Enterprises (SME) that would enable creation of a friendly environment where these businesses

can be fully developed, and play their expected roles in economic transformation. These roles include, but are not limited to, calling forth domestic savings for investment purposes, providing a sizeable share towards GDP, expanding the local sourcing of materials, creating job opportunities, reduction of poverty through sustainable wages and improved income, technological innovation, and broadening of exports⁴⁰. This is why an ideal tax policy must be put into place if growth and resources development is to be achieved. Unfortunately, this is not the case because taxation meant for controlling entrepreneurial initiatives and investment activity of the household has become a major obstacle in nurturing SMEs. In regard to SMEs, such a concept is relative, dynamic and evolution. The boundaries of SMEs are defined by risk, creativity, and change⁴¹. To effectively comprehend the dynamic world of SMEs, one must understand its defining characteristics.

In Nigeria, there is a general tendency for SMEs to be considerably smaller and more lightly staffed in comparison to larger units of a given scope, and while more urbanized SMEs may be more developed, rural SMEs are virtually non-existent. This is one of the most notable features of SMEs in Nigeria. Most SMEs can be classified as one-man businesses or partnerships, even though some might be incorporated as a limited liability company⁴². The type of ownership structure that has evolved within small and main enterprise has a simple management structure which makes it easy to manage in comparison to large firms, and the small number of employees along with sometimes the low education level of some SMEs owners⁴³. SMEs almost share the same characteristic with a sole proprietorship in that, there is no legal ABCM power relation between owners and SMEs, meaning that the lifespan of SMEs is co-terminus with the life of the owners. If an owner dies, and the estate is not properly managed the business will die with the

owner(s). Another noted characteristic of SMEs in some countries is the variability which ranges from retail shops to highly skilled professionals, and significantly and moderately sized small and medium enterprises are likely to differ in business structure from sole proprietorship (one man business), scale corporations (public or private), professionals, and partners⁴⁴.

Moreover, SMEs participation in the production processes is characterized as being labour oriented as they are always suppliers to large scale manufacturing companies and depend on local sources for their raw materials⁴⁴. Similar to sole proprietorship, SMEs are less capital intensive than large corporations. Additionally, their subjectivity is for the most part caused by a single individual's decision-making power, which means that the superior-subordinate dynamic relationship which is typical of most SMEs remains informal.

Furthermore, in most economies the tax revenue resulting from SMEs participation in the economy is lower than the contribution they make in employment and output, but still, SMEs have not become sufficient competitive to increase their output. Output expansion has not accelerated for most SMEs, which represent three-fifths of a dominant class of industries, because they rely for their products on large vertically integrated corporations⁴⁴. This potential revenue is also impacted by international relations and the policies set by the people governing the country. Economies such as Nigeria is termed as a mixed economy where government can undertake commercial investments together with the private sector under social oriented policies where the government takes up greater commercial investments⁴⁵.

2.1.5 Antecedence of Business Continuity Management

Business Continuity Management stems from the practice of Disaster Recovery Planning (DRP) that came into existence in the 1950s and 1960s when corporate entities began off-site storage of backups media systems containing critical information, (i.e, paper based or electronic)⁴⁶. Disaster Recovery Planning originated from the needs of corporate data centers of US banks to protect them from catastrophic events. At that time, the purpose of DRP was to save the computer systems from any adverse events instead of saving the organization as a whole. Later in the 1990s there was a paradigm shift from traditional DRP practices towards Business Continuity Planning (BCP)⁴⁷. As the name suggests, Business Continuity Planning is much more comprehensive and prepared for events that could critically impact an organization in comparison to DRP. Since then, business continuity planning has expanded in scope, to provide value to the entire organization and its stakeholders. This new approach to Business Continuity Planning focused on the entire organization and included external factors as well⁴⁸.

2.1.6 Business Continuity Management of SMEs

Initially, business continuity management (BCM) refers to an organization's holistic framework that not only seeks to mitigate impacts which may harm the reputation of the organization, but also safeguards key stakeholders' interests⁴⁹. This framework considers the organization's employees, customers, suppliers, investors, and the community in which the organization operates as its stakeholders. Business continuity management also focuses on the sustainable identification and scheduling of an organization's critical functions to ensure that minimal or no interruptions occur⁵⁰.

The global standard ISO 22301 expands on the definition of BCM as 'a holistic management process' that 'identifies an organization's potential threats, the impacts those threats could have

on the business if realized, and comes up with a strategy to build organizational resilience with the capability of effectively responding to safeguard the key stakeholders, reputation, brand, and value creating activities of the organization⁵¹. An organization with well-defined and implemented business continuity management plans is capable of sustaining basic level of business activities post disaster through emergency operations and recovery processes⁵². Disasters can have horrifying impacts on business irrespective of the organization or company's size. This means that small and medium enterprises (SMEs) without a good BCM strategy will face severe loss including customer churn, brand damage, financial losses, and in the worst case, going out of business⁵³.

Moreover, it is important to note that the introduction of a BCM system is not simply about writing a business continuity plan. While the adoption of the BCM approach is the decision of an owner at a company to try to safeguard his/her business from several risks and improving the chance of the company to live through disasters by executing designed continuity plans. To illustrate, let us take a single firm which is run by a seasoned entrepreneur or a skilled business manager. However, regardless of the experience of the manager in running the business, there is no guarantee that a loss or disaster will not happen⁵⁴. So, what is the most disastrous scenario one can think of for a loss? In this context, it will be a circumstance where the business is at risk of being killed or severely damaged to a point of being disabled or incapacitated and severely disrupted from getting back to normal condition. Thus, through BCM, SMEs are primarily able to answer the question: What critical resources does my company stand to lose in case a disaster strikes? A company can suffer catastrophic losses in the case where crucial resources are significantly ruined beyond repair (death scenario); or, the company can suffer grave damage

that would cause a deep disruption into the business operations⁵⁵. As a result, the business stands the risk of losing valuable clients and being forced to downsize its operations (permanent disability scenario). These are worst - case scenarios that the business should indeed do everything possible to avoid. However, if the business is lucky enough to sustain only minor losses, there would be little reasons why a normal business would take longer than a short time period to recover and continue operations⁵⁶. It is far better for the company to aim during any disruption to focus on ensuring that the damage is as minimum as possible so that the company can return to its normal or above level of functionality in a short period. This is the survival scenario for the company, for practice BCM application, this suggests that increased chances BCM will help SMEs achieve its battle for survival⁵⁴. Potential SME owner and managers wishing to create their own BCM should first consider these warm up questions:

- i. What is the disaster scenario for our company that may lead to bankruptcy?
- ii. Recovery time from disaster related disruption is defined, how soon does the company wish to recover?
- iii. Who is the critical resource whose extreme unavailability potentially might determine the life or death of the company?
- iv. Which exact disasters and accidents do you suggest are most likely to ever pose a risk to the company in the next 5 to 10 years? ⁵⁴

Having developed a means for coping with operational disruption in advance of its occurrence, the organization will be able to go back into business in the minimum time necessary. Any delay may result in a loss of business for the organization's competitors, or in a loss of confidence in the organization itself from customers⁵⁴. The area business continuity plan (BCP) aims to support

risk management and recovery processes dedicated to different stakeholders, including small and medium enterprises, supply chain managers, regional authorities or administrators and large corporations, who have to cooperatively work towards business continuity⁵⁵. The area BCP should allow for adequate impact estimation and risk sharing, efficient measures, recovery actions and follow up monitoring⁵⁶. Compiling an area of business continuity plan (BCP) requires following certain steps, starting with analysis of the local risks and vulnerabilities, the likelihood of disruptive incidents, and the business' local resources and resilience potential. The next step should be an allocation of different scenarios and problems in business continuity that emerged because of the surprise, in our case, the event. When developing the BCP, collaborative work must focus on formulating policies directed towards the protection and restoration of critical infrastructure such as transportation, electricity, water supply, and communication networks⁵⁷.

Business continuity management implies honing in resources, understanding the characteristics of enterprise, ensures risk identification, formulates appropriate strategies, and develops and assesses business continuity plans⁵⁸. Key principles that provide a framework for effective business continuity management planning for an enterprise are proper organization, protective and mitigative measures, proactive sharing of pertinent information with stakeholders, backup investment, employee education and training, and risk mitigation. Thus, business continuity management seeks to ensure an enterprise's health and continuity in case of a disruptive event⁵⁶.

Business continuity management (BCM) begins with two critical tasks: business impact analysis and risk assessment. This study considers only the former. BIA aims at the most important processes and activities of the enterprise, and the organization's key products and services along

with critical resources needed to deliver them to comprehend the consequences of a disruptive event. BIA comes before the BCP schedule and strategy selection and is followed by recovery strategy, plan construction, BCP validation, maintenance, and training⁵¹. Also, BIA estimates the potential losses an enterprise may incur in delivering its products and services to the customers without any recovery actions taken. Furthermore, it examines and assesses the possible consequences of the disruption on business operations such as financial, safety, regulatory, contractual image, reputation, etc⁵⁹.

Furthermore, a BCM program should comply with international standards which includes ISO22301 concerning Business Continuity Management. An example of a BCM International Standard is ISO22301 Business Continuity Management which details how to establish and maintain an effective Business Continuity Management System⁵³. Any business can be severely crippled by a major unplanned event. However, employing business continuity standards can at least give some assurance to the SME and its clients that the company's critical business functions will continue during a catastrophe⁶¹. In the creation and implementation of BCM program there are several phases that needs to be followed. For SMEs in Nigeria, International Standard ISO22301 for Business Continuity Management provides the most schema with a clear outline of 10 steps⁵⁴. The ten (10) steps are as follows.

Table 2.1: Steps for Introduction and Adoption of BCM by SMEs

Step 1	Determine BCM purpose, scope, and team
Step 2	Prioritized Activities (PA) and Recovery Time Objectives (RTO)
Step 3	What do you need to resume key activities?

Step 4	Risk assessment – Know your disaster scenarios
Step 5	Do not forget pre-disaster protection and mitigation
Step 6	Emergency response
Step 7	BC strategies for early resumption
Step 8	Be financially prepared
Step 9	Exercises make your plan functional
Step 10	Ongoing review and improvement

Source:⁵⁴

In order to make sure that SMEs achieve the required adoption and step introduction of BCM, there is need for SMEs engagement with a good BCM framework. The framework of BC is explained in the next sub section.

2.1.7 Business Continuity Management Framework

Ideally, a solution should be provided as to how BCM practice will be implemented. The solution comes with daunting challenges. When SMEs set out to plan BCM, there are specific five pillars that must be taken into consideration to set a strong base (or framework) for the company's BCM program⁵⁶. These five pillars are critical when SMEs intend to initiate a business continuity planning project. They are:

- 1) Purpose of the project, the reason for having BCM put in the company.
- 2) Scope of the BCM project, the operational units where the BCM will be instituted.

- 3) Team An organization's representative who will serve as the head and coordinator of all BCM activities. It is important to discuss - albeit in limited length - the BCM frameworks.

This is explained below:

Introduce BCM by stating its purpose in the most clear and concise manner. The principal goal of BCM is to ensure that an organization's business operations are safe from disasters and accidents. Determining purpose eliminates ambiguity when it comes to prioritizing the company's key products and services, therefore selecting the most appropriate business continuity strategies. The first is people, including the employees and any other visitors to the premises of the company⁵⁶. The second is the business, ensuring the company is able to meet its contractual obligations to the customers and users, fulfills social and corporate responsibilities, and supports the local community and economy⁶¹. It will assist the company in providing and securing employment to the employees, therefore safeguarding their livelihood. Second, scope of BCM project should be clearly stated⁵⁷. The scope of the BCM project would show which parts of the business BCM would be implemented. It is suggested the scope be limited to certain key departments. The BCM scope can also be defined according to the specifics of the business; however, it has to include key departments that can determine the firm's continued existence⁵⁸.

Finally, the company should designate a BCM champion who will take responsibility for and be the primary driver of company-wide BCM initiatives⁶¹. BCM comprises all activities within the company which need the active participation and collaboration of all relevant divisions. As a result, it is recommended to establish that the BCM initiative is executed by a BCM leader in the company⁵⁹. Staff members of the company can be designated as the support team or other members of the firm who would join the BCM leader as the team. Management should make

certain, however, that all the necessary resources including a budget as to be used by the BCM leader and team to enable the BCM Team to function are made available⁶⁰. The SME owner or other senior management is expected to make an active and visible commitment to specifically BCM activities. All BCM activities need to be captured for record keeping purposes as noted verbal instruction is not sufficient to achieve successful BCM results⁶¹.

2.1.8 Challenges of Implementing BCM by SMEs

SMEs are extremely vulnerable to disruption, prompting the need for integration of BCM to mitigate interruptions. Earlier, it was demonstrated that BCM has advantages to SMEs. No matter the scale or type of SME, it is important to incorporate BCM to reduce business interruption. Businesses that adopted BCM assert that it effectively reduces disruptions, and the costs are lowered by the benefits to the organization⁶². SMEs are confronted with BCM implementation challenges from different sources such as: policy and law, legacy issues, and strategic management^{63,64}. At the same time, there are a number of issues surrounding SMEs with regard to implementing BCM. These issues are: lack of understanding of data recovery after a disaster, wrong consideration of an approach to service BCM, and lack of executive controls^{64,65,66}.

The challenges to execution of BCM by SMEs, are, lack of appreciation of business continuity management; BCM practitioners do not penetrate the market beyond large companies; underestimation of the strategic importance of BCM; bottleneck where process BCM is lost due to hijacking and complex methodology to it, and high cost⁶¹. BCM underestimation impacts such as lacking scenario assumptions, disregarding resource conflict, failure to leave 'comfort zone during disruptions', ignoring a sense of urgency and living outside comfort zones. A business

continuity management strategy needs to encompass events that have the possibility of jeopardizing the smooth functioning of the business⁶⁷. A BCM plan also needs to consider potential occurrences like equipment failure, interruption or discontinuation in power supplies, obstruction or failure of telecommunication facilities, failure or obstruction of the database, human error like sabotage or strikes, fire, hacking attempts and attacks, terrorist attacks, social unrest, and natural disasters like floods, ice storms, hurricanes, and earthquakes⁶⁸.

In this respect, Business Continuity Management (BCM) Standard sets out principles for the development, implementation, and maintenance of an effective BCM system⁵³. However, the new international standard for BCM systems (BS ISO 22301) defines the requirements for the development of effective Management Systems for BCM in an organization. It places additional responsibility on a business to identify, understand, measure, and guarantee the existence of a Business Continuity Management system to address Business Continuity concerns. The idea of Business Continuity still remains poorly grasped by a lot of small enterprises⁵¹. A majority link it to emergency back-up or disaster recovery through IT. There are varied impediments for SMEs adopting BCM, and these barriers stem from not understanding the critical essence or importance of Business Continuity⁵⁶.

A number of SMEs regard BCM as overambitious based on their planning capabilities, underestimate its usefulness and the rest of the business's financial stability during a disruption, some SMEs argue that managing the disruptions when they arise is feasible, thus no need to plan for it, BCP is not attractive, it has an exorbitant cost for deployment, there is absence of experience-based knowledge of BCM outside large companies, the work is extremely complex, no incremental approach is provided⁶⁸. BCM continuity measures can be classified into four

groups, such as: category A contains actions taken to prevent problems from occurring; category B comprises of actions to mitigate damages after the problems occur and disaster management preparedness actions; and category D encompasses elements of business norm restoration. After a disaster or unless an unexpected situation arises, mitigation and emergency measures are usually carried out actions which assess performance decline within a business⁶⁸.

2.1.9 Tax Policy

Every tax policy leverages administrative tools to collect the right taxes and break it down on a sufficiently useful scale. Its base. The Nigeria National Tax Policy (NTP) was made available for the public for the very first time in 2012, which was an attempt towards building a proper tax framework for the nation⁶⁹. Nevertheless, the reasons for amending such tax provisions called for constituting a committee in August 2016 to streamline NTP to Its real intentions. The strategy to amend aims and objectives among others of ne NTP are; to offer guidance and to change the Nigerian economy increase s tax compliance; to set out the basis and directions tax policy for taxes; to ensure that new regulations enhance Practitioner standards, provide direction and define the obligations of all the tax appointed stakeholders, to give a mandate for a tax regime that is reputable, credible and new document templates, and finally for an efficient and effective tax framework in Nigeria which seeks to legally minimize tax obligations for Small and Medium Enterprises⁷⁰. They further suggested aligning the company tax rates and introducing tax registration system as an incentive to foster compliance and safeguard SMEs. However, taxes still appear to be one of the critical barriers to the growth of these SMEs in Nigeria. These obstacles have made it necessary to sketch out a National Tax Policy that clearly identifies tax objectives as well as specifies the parameters for administering the Nigerian tax system⁷². It must

be noted that in 2012, an attempt was made to set into motion an NTP, however it failed to materialize because it did not receive the proposed legislative approval necessary for it to be enacted into law.

2.1.10 Tax Administration

Tax administration is the effort or activity taken to assess and collect from individuals, business entities, and corporate bodies by tax collecting agencies in a way that taxes is fair and objective without evading tax⁶⁹. The purpose of administration is to optimally utilize tax revenue and achieve the set objectives with as little expenditure as possible⁶⁹. The wise formulation of tax policies aims at achieving more meaningful development from the taxes collected. A good tax Administration is one that enhances cooperation with collection and compliance to obligations by using technology or systems from information or data analytics, social media and public relations⁷⁰. The issues of tax administration in Nigeria appear to be numerous and complex.

The issues of tax administration in Nigeria include inadequacy of tax personnel, negligence of the government, corruption, taxpayers' incompetence, and poor information management system, failure to remit PAYE deductions, and tax avoidance. These issues arise primarily in regard to a category of self-employed taxpayers which include contractors, business persons, entrepreneurs, practicing physicians, and other skilled workers working in the informal economy⁷³. It assumes that tax administration is articulated well enough so that it forms the basis of a tax method that is quite sophisticated. For the purpose of this study, tax administration will be dealt with under three broad areas: Tax assessment, Tax collection and Tax accountability⁷¹.

2.1.11 Types of Tax Incentives

The benefits of taxation claimed by the individuals and firms who profits from, or business activities that are carried on in Nigeria represents the following:

2.1.11.1 Capital Allowances Incentives

As discussed earlier, capital expenditure is not an allowable deduction for purposes of income earning. Instead, capital expenditure is often associated with creating a fixed asset like plant, machinery, building, etc., which is most valuable to the profits making endeavor of the entity⁷⁰. Hence, it makes sense to allow relief against taxation in respect of these expenditure items. Special allowances, commonly referred to as capital allowances, are intended to facilitate this type of relief. A business will incur capital expenditure where a fixed asset is brought into operation, and this fixed asset will be depreciated over the useful life of the asset due to physical wear and tear and obsolescence⁷². Further, income tax legislation, bolstered by accounting conventions, does not permit the expense of creating these assets to be treated as a direct charge against business income. Therefore, it is reasonable for the taxpayer to take some part from the profit every year to set aside to replace the asset when it has finished being useful⁷³.

The Condition for Granting Capital Allowances

To obtain capital allowances on qualifying capital expenditures, the conditions below should be met:

- i. The allowance can only be claimed by someone who owns the asset.
- ii. The allowance can only be claimed by someone who owns the asset.
- iii. At the end of the basis period, the claimant must have been using the asset in trade, business, profession, or vocation for which the claim is being made.

- iv. The taxpayer or the entity claiming the capital allowance must claim it from the appropriate tax body.
- v. If applicable, an acceptance certificate issued by Factory Inspectorate Division of Federal Ministry of Labour for the asset must be made available.

Types of Capital Allowances

Initial Allowances

This type of capital allows pertains to the allowance given to a business that did capital investments a qualifying capital expenditure at a particular year of assessment in which that business started actively using the asset for the business purpose. Following are the salient features of the allowance:

- i. Charge off the cost can at applicable percentage.
- ii. Claimable over the life span of the capital expenditure only.
- iii. The amount is not apportioned irrespective of the date of acquisition in the assessment year. However, Initial allowance is pro-rated only where there is an element of private use of the asset. Claims can be made regarding the complete expense no matter the duration of the basis period since the expense was first incurred.

Annual Allowance

As noted, the annual allowance is offered every year an asset is maintained within the business. The allowance is issued in the first year by multiplying the relevant percentage with the cost of the asset, deducting any initial allowance that was granted. In the second and subsequent years,

the allowance is provided as it was in the first year. Therefore, the annual amount is awarded on a straight-line basis. If offered, both initial and annual allowances may be claimed in the first year to which the initial allowance has been given⁷⁴. If the basis period for an assessment year is for a period less than one year, the annual allowance will not be proportionally reduced.

On the other hand, annual allowances are not proportionately increased if the period for a year of assessment happens to be a period of more than one year. It will be capped at 12 months. When the commencement provisions are involved and when qualifying capital expenditure is incurred in the middle of a basis period, this situation is relevant⁷⁵.

One point to observe is that by establishing the annual tax allowance based on the straight-line method, the useful life of the asset is already predetermined. Therefore, a 20% annual rate of allowance means an asset will be written off within 5 years (i.e., $100/20$). A 10% annual rate of allowance means an asset will be written off in 10 years. An asset can be considered as having been written off from the tax perspective while at the same time the asset is in use by the business⁷⁶. To prevent this, tax law prescribes that the annual allowance must be such there remains a nominal N10 in the accounts for every asset until it is sold or disposed of in some other way. What this clearly means is that the business uses the assets beyond its determined useful life. The straight-line method of calculation of annual tax allowance came into force from the 1985 year of assessment. Prior to that, the annual allowance was calculated using the Reducing Balance Method⁷⁷.

The following features require consideration while applying Annual Allowance:

- i. The expense is deducted at the required percentage on the net value which means Cost less Initial Allowance.
- ii. The assumption Useful Life of the Asset is $(100/\text{Annual Allowance Rate})$ is used, thus for a 25% asset, the number of years of useful life is $100/25$ equals to 4.
- iii. Annual chargeable for every assessment year is usually 12 months active.
- iv. The monthly prorating is done in the basics period of the year of assessment, particularly the first year.
- v. On the assumption that this new asset is acquired during the basis period of less than twelve months, the annual charge will be prorated to the First Allowance for the number of months.

Computation is to be done in any of the following ways as after the first year, the annual allowance covering the life of the assets will be computed in the second year up to the end of the asset's useful life⁷⁸.

- a. Equal Valuation use TWDV with $\text{TWDV}/n-1$
- b. Actual annual allowance TWDV on cost less initial allowance over the number of years.

This calculation accounts TWDV, but at the end of useful life, does not do so.

Balance Adjustment

A balancing adjustment may occur when a disposal of a qualifying capital expenditure takes place. There are two types of balancing adjustments.

- 1) Balancing Charge: This is obtained when the proceeds realized from the sale is greater than the TEWDV of the qualifying capital expenditure but less than the disposal cost at

the time of sale ($N \text{ sales} > \text{TWDV}$). As balancing charge deemed to be taxable income. This balancing charge should not be taxable beyond the capital allowance which is deemed to have been used previously in the qualifying capital expenditure. The balance of capital allowance set off against claim before sale is the acquisition cost less TWDV at the date of sale⁷⁹.

- 2) **Balancing Allowance:** Balancing allowance arises where the sales proceeds on disposal are lower than the TWDV on disposal. Like balancing charge, a balancing allowance is treated just like the initial allowance and annual allowance in terms of tax remittance payment⁸⁰.

Investment Allowance

As means to encourage investment, companies engaged in agricultural, other than marketing and process, were allowed investment allowance of 10%. This is given in conjunction to the initial help allowance in respect of such assets. With regards to taxation, the essential structure and criteria for obtaining an allowance is similar to that of the initial allowance. The allowance is given once for an asset, as is the initial allowance, and is not impacted by the basics period length within which the asset was first utilized. Overall, the allowance is not deducted from the original value of the asset for taxation purposes. The difference instead lies in the fact that it is not deducted from the cost of the asset to reach the tax written down value of the item⁸¹.

An allowance, just like the initial allowance, is considered alongside the cost for the asset in the year the asset was put to operation. Furthermore, investment allowance is only claimable during the year of expenditure, and unlike the more generalized allowance is only applicable to profit relating to the production output machinery. In addition, if not claimed, then they lost the

potential benefit of having the investment allowance. Business that does suffer a loss during the tax year in which the allowance can be claimed will lose the benefit even after making a claim because it is unable to relieve a loss⁸². Therefore, to foster the development of the manufacturing sector. The 1996 Finance Miscellaneous Decree increased the investment allowance percentage for cost of plant and machinery from 10% to 15%. From the 1st of January 1996, the investment allowance will be set at 15%.

Investment allowances are provided for qualifying capital expenditures made regarding the reconstruction of destroyed or damaged assets from military actions that took place between July 16, 1967 and January 15, 1970. Moreover, the investment allowance claimable was increased to 25% from 10%. Since 1996, there has been a general investment allowance for the purchase of plants and equipment which is set at 10% of the total cost⁸⁴. Further, starting in 2000, a special plant investment allowance equal to 95% of the incurred expense on assets used in agricultural production was introduced. However, 50% initial allowance and 25% annual allowance was claimed on assets bought for general business purposes⁸⁵. A special tax deduction replacing depreciation, the capital, was increased to allowance for industrial plant and machinery purchased to replace depreciated plant and equipment. Industrial plant and machinery purchased to use in the place of wholly obsolete plants and machineries was granted a capital allowance of 95% in the first-year expense with 5% kept as the net book value during the asset's usage period. The retention value will be entirely disposed of when the assets are received out of use. It is an additional to investment allowance provided on plant and machinery expense serving as a bonus to the business at a rate of 10% of the costs⁸⁸.

An investment allowance has these features:

- i. It constitutes an extra allowance on the initial and periodic yearly allowances.
- ii. It is only claimed for the period in which it was incurred.
- iii. If claimed and not used in a particular tax year, it is not carried forward and deemed as wasted. An example is a year in which loss is sustained, because there is no tax liability on a loss.

Rural Investment Allowance

The Rural Investment Allowance came into effect in 1993 and has been available since then. This business expense deduction applies to entities investing on constructing the area's infrastructure if such amenities are absent in the region where the enterprise is situated. In order for the allowance to be granted, the facilities that incurred the expenses must be actively used in the business, and the nearest government provided infrastructure must be at a minimum distance of 20 kilometers.

Table 2.2: Rural Investment Allowance Allocation

No electricity, water, tarred road or by government.	100% expenditure
No electricity by government.	50% of the expenditure
No water by government.	30% of the expenditure

No tarred road by government.	15% of the expenditure
No telephone by government.	5% of the expenditure

Source:⁵⁴

2.1.11.2 Pioneer Status Incentive

To promote the development and growth of the Nigerian economy, the Nigerian government has put in place a tax incentive known as pioneer status incentive, which acts as a form of tax holiday. There is a provision for new or expanding businesses to apply for a certificate of pioneer status which allows them a three-year tax holiday, extendable by another two years. In the case where this applies to economically underdeveloped local government areas, it can be extended to even seven years⁸⁹. The Nigerian Investment Promotion Commission (NIPC) is the body in charge of administering this incentive. They have also published a list of industries that are able to apply for the incentive⁹⁰.

Table 2.3: List of Pioneer Industries/Products

S/N	Industries	Products
1	Cultivation, Processing and Preservation of food crops and fruits	Preserved canned foodstuff and fruits, tea, coffee, refined sugar, tomato puree/juice etc.

2	Integrated dairy production	Butter, cheese, fluid milk and powder, ice cream (by products, livestock, minor edible products).
3	a) Deep sea trawling and processing b) Coastal fishing and shrimping	Preserved sea foods, fish and shrimps, fishmeal
4	Mining lead, zinc, and iron and steel from iron ore	Iron and steel products
5	Manufacture of iron and steel from Iron ore	Iron and steel products
6	The smelting and refining of non-ferrous base metal and the manufacture of their alloys	Refined non-ferrous base metal and their alloys
7	Mining and processing of barytes, bentonites and associated minerals	Barytes, bentonites and associated minerals
	Manufacture of oil well drilling materials containing a predominant proportion of Nigerian raw materials	Barytes, bentonites and associated minerals
9	The manufacture of cement	Cement, clinker
10	Manufacture of glass and glassware	Sheet glass, pharmaceuticals and laboratory glass wares

11	Manufacture of lime from local limestone	Lime
12	Quarrying and processing of marbles	Marbles and processed marbles
13	Manufacture of ceramic products	Refractory and heat insulating constructional products, laboratory ware
14	Manufacture of basic and intermediate	i) Basic and intermediate organic chemical; ii) Basic and intermediate in-organic chemicals; iii) Fertilizers; iv) Petro-chemical; v) Caustic soda and chlorine vi) Pesticide and insecticide
15	Formulation and manufacture of pharmaceuticals	Pharmaceuticals, health vitamins
16	Manufacture of yeast, alcohol and related products	Yeast, industrial alcohol and related products
17	Manufacture of paper pulp	Paper pulp
18	Manufacture of yarn and man-made fibres	Yarn and synthetic fibres

Source: ⁷¹

The Government can also order an industry to be designated as pioneer and be eligible for a maximum tax holiday of five years if the industry are not being operated in Nigeria on a scale suitable to the economic requirements of Nigeria or there are favorable prospects of further development in Nigeria of that industry⁹¹. It is economically useful to additionally motivate the development or establishment of such an industry for the sake of public interest and the products of the industry to be a pioneer product. A pioneer status may also be granted on account of the new investment made if such investment helps the Government's efforts to alleviate poverty by increasing direct and indirect employment opportunities for more Nigerians⁹². To apply for pioneer status firms have to be constituted under the Law of Nigeria, to be registered in Nigeria, and to have incurred a capital expenditure of not less than N10 million. Pioneer status incentive regulations which were released by the NIPC are in effect from the 30th of January 2014. Within these, the additional charge known as service charge which is equivalent to two percent of the estimated tax savings of the unit for the profit of NIPC over five years is included. This payment is intended for the NIPC. Payment of this amount is set out for NIPC⁹³.

Benefits of Pioneer Status Incentive

Taxable Remunerations Paid During Tax Holiday: Remunerations are the returns in open and cash returns made to multiple invested by a business in one unit. These amounts issued need WHT or formal grant of taxation Exemption during Investor Separation. The amount issued with Withholding Tax Exemption drives down the cap that parties interested receive of WHT⁹⁴. Whereas, if a company bears pioneering status level, these remunerations turn Tax Exempt against the Withholding Tax Clause. This allows for the Exemption of payment towards the WHT clause diminishes⁹⁵.

- i. **Tax Construction Spending:** A company is able to put forth reasonable amounts of profit during the early years. This profit deemed reasonable is expected to be reinvested into the company after sufficient expansion.
- ii. **Investment Deductions:** Investment Deductions refers to capital expenses incurred for producing continued income which must be substantiated through contracts in order to secure those income streams. Capital Deductions, unlike normal expenses qualifying for tax purposes, have depreciation factor taken out. These deductions and policies are provided by testament through value of investment done in order to maximize profit and incur lesser taxes.
- iii. **Office Expenditure Loss Coverage during Pioneer Status:** Losses incurred during the Corporation Tax Act of 2008 provide methods of loss emigration allowing the country of origin to retain tax revenue over losses stemming for the period of preliminary idea retirement spending rules and restrictions.

2.1.12 Objectives of Tax Incentives

Tax benefits can incite private sector investment according to the budget; nonetheless, such initiatives can never be productive in the absence of a resilient and well anchored economy to absorb such incentive schemes. Among the structural criteria which might be targeted within particular Development of Domestic market, Balanced Regional Development, Reduction in Unemployment, Better utilization of Existing capital, Diversification of output, Balance of payment consideration, and Re-direction of investment pattern⁹⁸.

2.1.13 Nigerian Tax Laws (Incentives)

Enacted Tax Incentives Law

Tax laws provide various incentives to businesses, and these incentives may be granted based on industry or tax type. The tax breaks contained in the Order, which was signed into Nigerian law in 2020, are classified as follows:

- a. Small companies (i.e. those with not more than a gross turnover of ₦25 million in a year) are exempted from CIT and minimum tax payments. In addition, the tax rate for medium-sized companies (i.e. those with a turnover of between ₦25million and ₦100million) has been reduced to 20%.
- b. Dividend from companies in manufacturing sector with turnover of less than N1 million is tax-free for the first five years of their operation. Dividends derived from manufacturing companies in petrol chemical and liquefied natural gas sub-sector are exempted from tax.

Introduction of ₦25million revenue threshold for taxable persons required to register for VAT and file returns.

Anyone who does not meet the above-mentioned threshold would be exempt from registering, remitting, issuing tax invoices, and collecting VAT. The 25 million thresholds within a calendar year will reduce the tax compliance burden for small businesses. The revenue authorities are expected to provide additional guidance on the administration of this provision⁹⁹.

Incentives under the Personal Income Tax Act:

Non-Nigerian employees of foreign companies in Nigeria may be exempt from tax in Nigeria if they spend less than 183 days in Nigeria in a 12-month period and their income is taxed in their home country. The Minister of Finance also has broad authority to grant exemptions to anyone based on a treaty signed with Nigeria¹⁰⁰.

Tax Credit Allowable Against Tax Payable on Income Derived from Outside Nigeria

Section 11 PITA: When a resident derives income from a source outside Nigeria and brings the income into Nigeria through Government-approved channels, he is entitled to a tax credit against the tax he owes, but the tax credit cannot exceed the proportion of his total tax for the year of assessment that the income derived from outside Nigeria bears to his aggregate income chargeable to tax in Nigeria.

Consolidated Relief Allowance

Section 33 (1) PITA allows a Consolidated Relief Allowance of N200,000 subject to a minimum tax of 1% of gross income whichever is higher, with the balance taxable in accordance with the Income table in the Sixth schedule to this Act

Returns not to be filed where income is N33,000 or less

Section 43 PITA: no return of income shall be filed by a person whose only source of income in any year of assessment is employment in which he earns N33,000 or less from that source.

Exemption of Interest on Loan Granted by Banks

Section 19(7) PITA: exempts interest on any loan granted by a bank to a person engaged in:

- a. agricultural trade or business; and
- b. the fabrication of any local plant and machinery.

Exemption of Dividend from Tax

The Third Schedule PITA lists incomes exempted from Personal Income Tax Paragraph 25 of the Third Schedule PITA exempts some dividends from tax:

- i. Dividends paid to a person by a company incorporated in Nigeria, provided that: the equity participation of the person in the company paying the dividends is either wholly paid for in foreign currency or by assets brought into Nigeria between 1 January 1987 and 31 December 1992; and of the person to whom the dividends are paid owns not less than 10 per cent of the equity share capital of the company.
- ii. For the purpose of the exemption referred to in 1), the dividend tax-free period shall commence from the year of assessment following the year in which the new capital is brought into Nigeria for the real purpose of the trade or business in Nigeria of the company paying the dividends and shall continue for five years if the company paying the dividends is engaged in agricultural production within Nigeria or processing of Nigerian agricultural products produced within Nigeria or production of petrochemicals or liquefied natural gas, and in any other case, the tax-free period shall be limited to three years.

Incentives under the Capital Gains Tax Act:

Foreign companies carrying on business in Nigeria are exempted from capital gains tax on disposal of assets, except such proceeds are brought into Nigeria.

Exemption on Retirement Benefits Schemes

Section 28 CGTA: a gain shall not be a chargeable gain if income is accrued:

- a) as part of any superannuation fund (retirement or benefits fund) approved under Section 20 PITA;
- b) as part of any national provident fund or other retirement schemes established under the provisions of any Act or enactments for employees throughout Nigeria;
- c) of any of those funds that is exempt under paragraph (w) of the Third Schedule of PITA and;
- d) as a result of the disposal of a right to, or to any sum payable out of any superannuation fund.

Exemption of Gains Accruing on Securities, Stocks, Shares

Section 30 CGTA: gains accrued to a person from disposal by him of Nigerian Government securities, stocks and shares shall not be chargeable gains.

Tax Exemption on Proceeds Re-invested

Section 33 CGTA gains accruing to unit holders in a trust in respect of disposal of securities, shall not be chargeable on tax provided the proceeds are re-invested

Double Taxation Relief

Section 41 CGTA: Any arrangement set out in an order made under Section 38 PITA and Section 45 CITA so far as they provide (in whatever terms) for relief from tax chargeable in Nigeria on capital gains by virtue of this section, have effect in relation to CGT.

Incentives under the Tax-Free Zones and Export Processing Zones:

There are laws creating tax free zones and export zones, which exempt companies operating in those areas from tax obligations in Nigeria for operations carried out in the zones. Companies are required to register before enjoying the benefits and all activities must be performed exclusively within the zones - activities outside the zones will be subject to tax. Tax free status is continuous as long as activities are restricted to the zones.

Some of the incentives are as follows:

- i. Complete tax holiday for all Federal, State and Local Government taxes, rates, custom duties and levies.
- ii. One-stop approval for all permits, operating licences and incorporation papers.
- iii. Duty-free, tax-free import of raw materials for goods destined for re-export.
- iv. Duty-free introduction of capital goods, consumer goods, components, machinery, equipment and furniture.
- v. Permission to sell 100% of manufactured, assembled or imported goods into the domestic Nigerian Market.
- vi. When selling into the domestic market, the amount of import duty on goods manufactured in the free zones is calculated on the basis of the value of the raw materials or components used in assembly not the finished product.

- vii. 100% foreign ownership of investments.
- viii. 100% repatriation of capital, profits and dividends.
- ix. Waiver of all import and export licenses.
- x. Waiver on all expatriate quotas for companies operating in the zones.
- xi. Prohibition of strikes and lockouts.
- xii. Rent-free land during the first 6 months of construction.
- xiii. Government may however review the status of the zones based on economic considerations.

On the other hand, tax laws provide various incentives to companies carrying on businesses and these incentives may be granted on industry basis or on tax type. The tax incentives contained in the Order as signed into Nigeria law in 2012 can be classified under the following headings:

Sectorial Incentives

Industry

- a. Small companies (i.e. those with not more than a gross turnover of ₦25 million in a year) are exempted from CIT and minimum tax payments. In addition, the tax rate for medium-sized companies (i.e. those with a turnover of between ₦25million and ₦100million) has been reduced to 20%.

- b. Dividend from companies in manufacturing sector with turnover of less than N1 million is tax-free for the first five years of their operation. Dividends derived from manufacturing companies in petrol chemical and liquefied natural gas sub-sector are exempted from tax.

Agriculture

- i. Companies in the agro-allied business do not have their capital allowance restricted. It is granted in full i.e. 100%
- ii. The payments of minimum tax by companies that make small or no profits at all do not apply to agro-allied business.
- iii. Agro-allied plant and equipment enjoy enhanced capital allowances of up to 50%.
- iv. Companies engaged in agricultural production are now eligible to an initial tax-free period of five years which may be renewed for an additional three years, subject to
- v. satisfactory performance of the agricultural production. This is a significant incentive for companies investing in the agricultural sector and if properly harnessed should see investments pour into small, medium and large companies in the sector.
- vi. Agricultural and Agro allied Machinery: All agricultural and agro-industrial machines and equipment to enjoy 1% duty.
- vii. Agricultural Credit Guarantee Scheme Fund (ACGSF) administered by the Central Bank of Nigeria: Up to 75% guarantee for all loans granted by commercial banks for agricultural production and processing.

- viii. Interest Drawback Program Fund: 60% repayment of interest paid by those who borrow from banks under the ACGS, for the purpose of cassava production and processing provided such borrowers repay their loans on schedule.

Solid Minerals

The following incentives are available in the solid minerals sector:

- i. 3 to 5 years' tax holiday;
- ii. Low-income tax of between 20% and 30%;
- iii. Deferred royalty payments depending on the magnitude of the investment and the strategic nature of the project;
- iv. Possible capitalization of expenditure on exploration and surveys;
- v. Extension of infrastructure such as roads and electricity to mining sites;
- vi. The holder of a mining lease shall, where qualified, be entitled to:
 - a) Depreciation or capital allowance of 75% of the certified true capital expenditure incurred in the year of investment and 50% in subsequent years
 - b) Investment allowance of 5%
 - c) Exemption from payment of customs & import duties
 - d) Expatriate quota & resident permit for approved expatriate personnel
- vii. In addition to roll-over relief under the capital gains tax (CGT), companies replacing their plants and machinery are to enjoy a once-and-for-all 95% capital allowance in the first year with 5% retention value until the assets are disposed, 15% will be granted for replacement of an asset.

Petroleum

The incentives in this sector are granted to companies that are into joint ventures with the Nigerian National Petroleum Corporation and have signed Memorandum of Understanding. The incentives are:

- a) Guaranteed minimum margin of USS2.50 bl;
- b) Accelerated capital allowances which provide that the capital allowances can be carried forward indefinitely;
- c) Graduate royalty rates approved for oil companies.
- d) Petroleum Investment Allowance (PIA) is granted to a company in respect of any asset for the accounting period. The ITA is graduated as follows:
 - i. On shore – 5%
 - ii. Off shore in depth of up to 10m – 10%
 - iii. Off shore in depth of between 100-200m – 15%
 - iv. Off shore in depth of over 200m – 20%

Tax Incentives to Gas Industry

In view of the enormous potentials in this sector, Government has approved the following fiscal incentives:

Gas Production Phase

- i. Applicable tax rate is the same as the company income tax which is currently at 30%
- ii. Capital allowance at the rate of 20% per annum in the first four years, 19% in the fifth year and the remaining 1% in the books
- iii. Investment tax credit at the current rate of 5%

- iv. Royalty at the rate of 7% on shore and 5% off shore

Gas Transmission and Distribution

- i. Capital allowance as in production phase
- ii. Tax rate as in production phase
- iii. Tax holiday under pioneer status

Gas Exploitation (Upstream Operation)

Fiscal arrangements are reviewed as follows:

- i. All investments necessary to separate oil from gas from reserves into suitable product is considered part of the oil field development.
- ii. Capital investment facilities to deliver associated gas in usable form at utilization or transfer points will be treated for fiscal purposes as part of the capital investment for oil development.
- iii. Capital allowances, operating expenses and basis for assessment will be subjected to the provisions of the PPT Act and the revised Memorandum of Understanding (MOU).

Gas Utilization (Down Stream Operations)

- a) Companies engaged in gas utilization are to be subjected to the provisions of the Companies Income Tax Act (CITA);
- b) An initial tax-free period of three years, renewable for an additional two years;

- c) Accelerated capital allowances after the tax-free period in the form of 90% with 10% retention in the books;
- d) 15% investment capital allowance, which shall not reduce the value of the asset;

In 1998, the government approved additional incentives to support the gas industry in the following areas:

1. All gas developmental projects, including those engaged in power generation, liquid plants, fertilizer plants, gas distribution/transmission pipelines are taxed under the provisions of Companies Income Tax (CITA) and not the Petroleum Profit Tax;
2. All fiscal incentives under the gas utilization downstream operations since 1997 are to be extended to industrial projects that use gas i.e. power plants, gas to liquids plants, fertilizer plants, gas distribution/transmission plants;
3. The initial tax holiday is to be extended from three years to five years;
4. Gas is transferred at 0% PPT 0% Royalty;
5. Investment capital allowance is increased from 5% to 15%;
6. Interest on loan on gas project is to be tax deductible provided that prior approval was obtained from the Federal Ministry of Finance before taking the loan.

Telecommunications

Government provides non-fiscal incentives to private investors in addition to a tariff structure that ensures that investors recover their investment over a reasonable period of time, bearing in mind the need for differential tariffs between urban and rural areas. The tariff structure as

approved by the regulatory authority, Nigerian Communication Commission, also provides adequate cross-subsidy between the profitable trunk and local calls of the urban and non-profitable operation of the rural areas. The other incentives in place are:

- i. Manufacture/installation of telecommunications related equipment is considered as pioneer activity. As a result, they enjoy 3 to 5 years' tax holiday.
- ii. Taxes and duties do not exceed those charged on essential electrical goods.

Energy

Among the incentives put in place by Government to encourage investors in the sector are:

- a. Tax holiday of 3 – 5 years is granted to companies that manufacture products like Transformers, meters, control panels, switchgears, cable and other electrical related equipment, which are considered pioneer products/industries;
- b. Power plants using gas are assessed under the company income tax act at a reduced rate of 30%.

Tourism

The following incentives have been put in place to encourage domestic and foreign investors' participation in the tourism industry in Nigeria:

1. The tourism sector was accorded preferred sector status in 1999. This makes the sector qualify for incentives (available to similar sectors of the economy) such as tax holiday, longer years of moratorium and import duty exemption on tourism related equipment.

2. Provision of basic infrastructure that is, road, water, electricity, communications etc to centre of attraction. Some states have specific areas as tourism development zones thereby making acquisition of land easier.
3. Provision of land for tourism development at concessional rates.
4. Availability of soft loans with long period of moratorium.

Transport

The following incentives are in place to encourage investment in the sector: i) Shipbuilding, repairs and maintenance of vessels, boat, barges, diving and underwater engineering services, aircraft maintenance and manufacturing are considered pioneer products. As a result, they enjoy 3 -5 years' tax holiday depending on location.

2.1.14 Incentives under the Value Added Tax Act

Import of several items exempted from value added tax. Exported goods and Import and Export Duty Exemptions services also exempted from value added tax and Reductions. Import and export duty exemptions and reductions are available for several items. List of exempt items and rates is reviewed annually based on economic considerations and developments in the Nigeria economy. Exemption from value added tax Sections 2 & 3 First Schedule VAT Act list the goods and services exempted from VAT:

Goods

- a. All medical and pharmaceutical products;

- b. Basic food items; (additives (honey), bread, cereals, cooking oils, culinary herbs, fish, flour, starch, fruits (fresh or dried), live or raw meat, poultry, milk, nuts, pulses, roots, salt, vegetables, water (natural water and table water).
- c. Books and educational materials;
- d. Baby products;
- e. Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment;
- f. All exports;
- g. Plants and machinery imported for use in Export Processing Zones;
- h. Plants, machinery and equipment purchased for utilization in gas down-stream petroleum operations; and
- i. Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.

Services

- a) Medical services;
- b) Services rendered by Community Banks, Peoples' Bank and Mortgage institutions;
- c) Plays and performances conducted by educational institutions as part of learning; and
- d) All exported services

Introduction of ₦25million revenue threshold for taxable persons required to register for

VAT and file returns

Anyone who does not fall within the threshold above would be exempted from registering, remitting, issuing tax invoice and collecting VAT. The threshold of ₦25million within the calendar year will reduce the tax compliance burden for small companies. It is expected that the revenue authorities would provide further guidance on the administration of this provision.

Exemption of assets sold in a restructuring exercise

The Act exempts assets sold or transferred to a related party in a restructuring exercise provided such assets are not sold by the acquiring company within 365 days after the date of restructuring. This welcome development will aid group restructuring in Nigeria.

Incentives under the Personal Income Tax Act:

Non-Nigerian employees of foreign companies in Nigeria may be exempt from tax in Nigeria, where they spend a cumulative period of less than 183 days in Nigeria during a 12 months' period and their income is subject to tax in their home country. The Minister of Finance also has wide powers to grant exemptions to any person based on a treaty entered into with Nigeria.

Tax credit allowable against tax payable on income derived from outside Nigeria

Section 11 PITA: where a resident derives income from a source outside Nigeria and the income is brought into Nigeria through Government approved channels, he shall be allowed a tax credit against the tax payable by him, but the tax credit shall not exceed the proportion of his total tax for the year of assessment which that income derived from outside and brought into Nigeria bears to his aggregate income chargeable to tax in Nigeria.

2.1.15 Tax Incentives in the Nigeria Past and Current Economy

The inception of tax incentives in Nigeria is traceable to the inception of British Administration in the territory, when all sorts of reliefs, allowances, and tax holidays were granted to British Companies and individuals as an attraction to establish trade links with the country. Specifically, tax incentives for industrial development came on stream in 1958 and included⁷¹:

- 1) Pioneer companies' relief, which exempted companies operating in pioneer industries from payment of company income tax for initial period of 3 years subject to extension of 2 years on approval of the President as follows:
 - i. For a period of one year and thereafter for another period of one year commencing from the end of the first period of extension; or (termed 1 year: 2 periods)
 - ii. For one period of two years. (termed 2 years: 1 period)

(Please note that this is valid for companies in the urban areas. However, companies in rural areas enjoy the status up to 7 years);

- 2) Companies Income Tax relief which gave capital allowances regarding investments in machinery, building, loss carry-forward facility, etc.;
- 3) Import duties relief which exempted selected pioneer companies from paying import duties on imported inputs; and
- 4) Approved user scheme, under which import duties were refunded to approved enterprises, which imports in the export-tuned production.

Generally, tax incentives have operated under Tax holidays, Investment allowance, Rural investment allowance, Tax free interest, Deductible capital allowance, Research and

development, Tax-free dividends, Tax treaties, Reliefs and allowances, and Capital allowances in Nigeria.

The crux of the issue and the scrutiny falls within if tax benefits in Nigeria are existent or imaginary. Debate exists around if tax benefits exist or are solely imaginary. The government sectors seem to believe that there are tax benefits while most of the Nigerian economy tends to disagree. Primarily, the manufacturing sectors and the operators of the tax-free zones operate with the perception that these benefits are only hypothetical and do not take into account the multitude of taxes, inconsistent incentive tax regimes, and vague withdrawal of taxes through baffling null legislation and enforcement⁷¹. While there exist some Nigerian policies that are meant to support small and medium enterprises SMEs, a broader approach is required. It is the role of the government to provide an enabling environment and social services that support businesses and persons. This entails broadening the investment environment in Nigeria so that economic productivity and tax income from citizens increases. Such action is required as numerous SMEs function in the informal sector. These small and medium enterprises represent unclaimed taxable resources and a restricted market structure need to be captured by the tax net due to the unequal socio-economic conditions in most countries.

The regulation of business and protection of the economic agents must never be established as social security regulations under some new adamant legislation, as it will disrupt business with more administrative challenges. Rather, it should be made simpler to deal with by the SMEs⁴⁵.

The larger firms have more options available to them. They may decide to share some of the personnel, or hire people to specialize in analyzing and ensuring compliance with the new regulations, or outsource the work to a personal service firm such as E & Y, Deloitte and Touché,

Price Waterhouse etc to manage their tax compliance and planning. For small and medium sized enterprises this is a considerable cost beyond their means⁷⁷.

For the tax system to be effective, a clear allocation of government resources must be defined and shared public services funded through it, tax rates set fairly, exemptions kept to a minimum, tax authorities operate effectively, the burden of taxation on those in poverty should be smaller, and the level of intensity with which corruption and tax avoidance is fought is increased⁷⁸. Tax policies can be tailored in a manner that directly impacts small businesses and stimulates their growth, as is done in China where tax policy is structured to promote financing of small and medium enterprises through tax exemptions from business tax for financial institutions that underwrite loans to SMEs, tax deductions for 70% of the investment value for marketable enterprises and venture capitalists investing in innovative small and medium enterprises. Another approach is the formulation of tax laws fostering training in human capital formation. Special tax regimes for SMEs may constitute effective ways of lowering the costs of administration. It is also critical that the recognition of the risks associated with neglect of taxation on SMEs is increasing⁷⁷.

Economic growth can be artificially split in order to avoid tax. This will create perverse incentives to suppress growth and create tax evasion, for instance. The voluntary compliance of large enterprises and wage earners in the informal economy, for example, is likely to be lowered by the correct belief that many of their less fortunate peers, or wealthy relatives, do not comply with the law⁴⁵. For these reasons, government action would assist in making balance while ensuring that countries maximally enjoy the social benefits of increased competition and entrepreneurship⁷⁸.

In addition, put in place business incentives such as tax rebate for SMEs that focus on local raw material sourcing and for export value addition commodities and general business morality. At the same time, the government may wish to increase private sector investment opportunities that are directed to particular fields of dealing with increasing the capacity. There are three main reasons for why tax law should continuously be simplified: lower compliance and administrative costs, and reduced uncertainty for the taxpayer⁷⁹. Also, for every Pro-Business and Pro-SME tax regime, the law should be consistent and simple to enforce. Tax laws should be simplified over and over again, particularly for three reasons, which are to enhance voluntary compliance, reduce the costs faced by the taxpayers, and diminish the uncertainty suffered by taxpayers⁷⁷.

2.1.16 Criticism of Tax Incentives

The following are the most common abuses associated with tax incentives.

Double-Dipping

As with most tax incentives, especially tax holidays, these benefits are focused on attracting new investments. In real life, such a measure can be ineffective and even detrimental. An investor who wants to expand is likely to set up a new firm which will be able to claim a new tax holiday⁷⁴.

Transfer Pricing

Transfer pricing has been referred to as “the Achilles heel of tax holidays” but can be a problem with any other style of investment incentives. Many people will assume that there is transfer pricing only in international transactions involving associated units in different countries.

However, where a single country contains more than one enterprise belonging to the same investor, there is also internal transfer pricing. In the event that there is more than one income generating activity, if one of those activities provides tax relief, the income generating efforts will be directed towards the preferred activity⁷⁴.

Excessive Valuation

Over-valuation is a persistent challenge for every tax system, and particularly for new organizations. As discussed above, tax holidays and other benefits may provide additional reasons to overvalue assets. For example, when tax remediation is dependent on some minimum investment amount, the value of assets transferred to the new enterprise can be artificially increased to meet the requirement. This is done legitimately on occasion. For example, companies might purchase machinery instead of leasing them from independent lessors⁸⁰.

Asset Stripping and “Fly-By-Night” Operations

Numerous nations, particularly underdeveloped ones, have been plagued by “fly-by-night” operators that exploit taxation privileges for quick, tax-free profits only to move their business operations to another country with better tax incentives. This scenario is most common around periods of implementation of tax breaks and export processing zones⁸⁰. Another issue sometimes occurs where a foreign investor does a takeover on an existing local company, often as part of privatization, at a bargain basement price. Rather than adding new funding in order to improve the company, the investor simply takes away whatever useful resources the company has and vanishes⁸¹.

2.1.17 Implication of Tax Incentives on Nigeria Economy

Tax incentives are harshly critiqued by some, however most understand them as a valuable tool which, when created with consideration, can help in distributing and controlling the market's impact on production and consumption. The following statements can prove so as some are briefly highlighted⁷¹:

Special Sectors

Sometimes the government tries to encourage economic growth in new sectors by offering tax incentives to investors, like what has been done to pioneer companies and the agricultural sector⁷¹.

Voluntary Compliance

Simply by issuing tax incentives, the government motivates companies to voluntarily declare more profit than is required, which in turn increases government revenues. Companies are more likely to comply when their tax rate is lowered, or the capital allowance is increased⁷¹.

Inflation

Tax incentives improve the capability of buyers significantly during periods of inflation. This results in an increase in the real income of the consumer due to the tax incentives, which increase disposition income⁷¹.

Protectionism

The tax incentive method to support local companies is not a Nigerian invention, it has been used round the globe. Take for example, the United States of America with its prevailing absence of

Japanese cars. This is a way in which the United States, for example, protects its local automobiles. For this reason, tax incentives are one of the measures taken to encourage local industries as it reduces the cost of selling the local products⁷³.

Investment

Investment can be understood in simpler terms as, the commitment undertaken towards enhancing an asset with an expectation to increase its value over time. This commitment can take a variety of forms such as employee training, communication systems, etc⁸². Also understood as a purchase that can positively affect a business or organization in the long run. Investment is always made from a firm's perspective⁷⁴. Generally, investment further serves the purpose of effectively making use of a firm's capital as well as resources⁸³. One of the aims of any investment is to try and raise the spending potential of the user, increase his income and as a result make the overall standard of living better. From an engrossed perspective, as collateral, for loans given out by a bank, a deposit account can be utilized as well. These accounts come with a view that they can help benefit individuals who will need money in the near future. Business regards assets like buildings, machinery or inventory as investment⁸⁴.

In order to promote and boost economic growth in the region, investments are essential and these measures encourage flexible taxation and provide subsidized loans. Such new entrepreneurs can easily obtain the funding and help the economy through finance. These policies focus on the need to build proper financial structure and systematically do investment in the region which improves economic growth. Smart measures also help solve unemployment in the region⁸⁵. Some steps can be taken towards serious measures to promote and boost the system of public and private business ventures. These measures do not allow the aid of the state which limits spending

from public funds and instead help citizens solve issues themselves reinforce the growth of private businesses⁸⁶

2.1.18 Good or Bad Tax System Implication

The criteria mentioned below are fundamental characteristics inherent in any tax system that is good⁸⁰.

- i. Simple, certain and clear. A good tax system must be simple to enable easy understand, consistent in its laws and its administration and be the basis of imposition should be understandable by all concern.
- ii. Flexibility. The taxes should be flexible and not rigid so that it can respond to changes. The administration and the tax rate should also not be rigid to enable alteration without much problem to cope with changes.
- iii. Low compliance cost. The compliance cost by the taxpayer should be very low to encourage compliance.
- iv. This is important because when the compliance cost is high taxpayers will be discouraged.
- v. Administratively efficient. The cost incurred in the in the administration of tax must be lower when compared with the revenue generated from the tax. The National Tax Policy supports an exhaustive and comprehensive analysis of the cost and the benefit before imposing any tax in Nigeria⁸¹.
- vi. Transparent and Accountable. Transparency and accountability should be the hallmark of any good tax system. Tax revenues should be properly used for the purposes for which it was imposed. Tax and government officials should be transparent and accountable and not embezzling tax revenues.

- vii. **Equitability and fairness.** A good tax system should be fair and treat all taxpayers equally without discrimination. It should not be fair only to the tax authority but also fair for it to be accepted by the taxpayers. Both the horizontal and vertical equity have to be a feature of any good tax system. Horizontal equity means that people in comparable conditions are treated in comparable way while vertical equity means that people that are not in equal situation should be treated with the needed degree of inequality.
- viii. **Economic efficiency.** The Nigeria tax system is not expected to be an obstacle on the economic productive capacity at any particular time and “the tax system should be such as to ensure that tax rates are not a disincentive to taxpayers to save and invest⁸².

2.1.19 Objectives of the Nigerian Tax System

The objectives of a tax system as identified by the Nigerian National Tax Policy are as follows⁸⁰;

- a. To promote fiscal responsibility and accountability
- b. Economic development and growth facilitation
- c. To provide resources stability for the government while the government use the resources to provide goods and services for the public.
- d. To ensure that the issue of income distribution inequalities is addressed.
- e. To ensure stability of the economy
- f. To correct disappointments and faultiness in the market.

2.1.20 The Issues and Challenges of the Nigerian Tax System

The Nigerian tax system is beset by myriad of challenges⁸⁴. It is focused on trade and petroleum taxes; however, neglecting the direct as well as indirect taxes that is broad based such as tax from

value added (Value Added Tax)⁸⁵. Tax administration is challenging due to high level of illiteracy, lowly awareness of tax and insufficient orientation⁸⁶.

Top tax issues in Nigeria are; Multiplicity of taxes, Excess dividend tax, Input VAT restriction, Commencement, change in accounting date and cessation, Ministerial and FIRS approval for tax deductions, Minimum tax, Group taxation and reorganization, Artificial transactions and transfer pricing, Separate source of income, Withholding tax on sales in the normal course of business, VAT deduction at source (withholding VAT), Tax refunds, Tax technology, Withholding tax credit notes, Tax evasion, Tax on deemed income and deemed profit tax, Unutilized tax losses, Personal reliefs and allowances, Determination of residence for individuals, Tax dispute resolution and due process, Risk based audit, Double tax treaties as well as unilateral tax relief, Free zone enterprises and individuals' Taxation, Tax clearance certificate, VAT registration by non-resident entities, Reverse charge of VAT, Interest and penalty for tax default, Non-residents Mandatory Tax Identification Number (TIN) registration, Exempt and zero rated items, Branch operations, Ruling practice, VAT and withholding tax point of payment, Capital allowance on certain assets, Certificate of acceptance, Tax awareness and communication, Cost recovery and tax deductibility, Capital gains tax and inflation, Investment allowance, Statute of limitation, Tax transparency and accountability, Stamp duty, Tax dealing of interest, principal tax, penalty and levies, Taxation of accommodation benefit, Introduction of new taxes, Complications in the system of tax payment and offsetting, Taxation of individuals working offshore Nigerian territorial waters, Franked Investment Income, VAT registration timing, Tax Touting, Capital loss deduction for GCT purpose ⁸².

The Nigerian tax system has many challenges such as lack of available statistics, not giving tax collection the importance it deserves, poor administration, excessive regulation, structural economic problems, an informal economy, and highly complicated tax laws. These issues are further elaborated below⁸¹. The following are some of the challenges inherent in the Nigerian tax system; unavailability of tax statistics, failure to prioritize tax efforts, whether tax administration is poor or there is tax multiplicity, and regulatory, structural or underground economic challenges.

- i. **Multiplicity of Taxes.** This phenomenon has to do with taxation by more than one tax authority on the same income. It is one example of global tax anarchy where an earning has been taxed more than once, giving rise to confusion about the tax jurisdiction. The term “multiplicity of taxes” is not a commonly accepted phrase in terms of fiscal governance; thus, it appears to be unique to Nigeria fiscal lexicography. It is common for everyone from individual taxpayers to business corporations to whine about the triple taxation effect.
- ii. **Bad Administration.** One of the main problems of tax in Nigeria is tax administration. The bad administration of taxes results in rampant corruption where taxpayer’s money is not spent transparently, enabling tax practitioner’s complete discretion in the nonpayment of taxes⁸⁷. Tax evasion leads the vicious circle of tax administration problems in a culture which is nurturing in a developing country like Nigeria⁸⁸.
- iii. **Unavailable Databases:** It becomes complex to calculate taxes when databases for every taxable individual are unavailable. Existing tools for tax assessment and collection are insufficient⁸⁹ and there is a lack of adequate policies. There are no systematic approaches

to at least store the limited accessible data, making it easily retrieved whenever required⁸³.

This illustrates the ineffectiveness of the tax framework of Nigeria as a whole.

- iv. Tax Farming: An untrained workforce is usually engaged for taxation and collection purposes at the local government level, usually leading to dubious practices⁸². As with much else in Nigeria, Port Harcourt City and Obio/Akpor local governments are also not devoid of the malpractice of tax farming through the use of unscrupulous agents for the collection of taxes and levies⁸⁹.
- v. Complicated Structure of Tax Laws in Nigeria. Designed by legal professionals, the Nigerian tax laws are incredibly complex even for the well-educated members of the society to comprehend. Due to the complex nature of Nigeria's tax laws, ordinary taxpayers, as well as learned officials, find it extremely problematic and are often puzzled trying to understand it⁸³.
- vi. Minimum Tax. The application of minimum tax requirement by law to every taxpayer lacking taxable profit incurs loss for that year. To begin with, there simply is no way for a company to escape paying tax on its capital, which will increase the chance of the company failing should they record low or no profit. As with many legal structures, minimum tax is likened to forcing a person with a blood deficiency to donate blood⁸⁹.
- vii. Start of operation, change of accounting year, and cessation of business. The Company Income Tax Act has established policies regarding the commencement and cessation of business operations as well as changes in the accounting date of the business. For commencement, a company is assessed for the first three years of operation. Under change of accounting date, the year the change occurred and two years succeeding it are the years considered in assessment. With respect to cessation, the last two years of

assessment are considered. These rules add no value and are complex. As a consequence of these rules, companies suffer from double taxation and over taxation⁹⁰.

- viii. Failure to pay tax refunds. A number of tax laws allow repayment of tax refunds to honest taxpayers, but this has not been witnessed in practice. Some legal provisions like VAT exemption reclamation on Government agents and the high monetary value of the reclaimed tax commonly referred to as 'withholding tax' make it a tax nightmare in many other nations ZN. Others include wrongful perception, bribery, gaps in tax legislation which can be thought of as tax evasion⁹⁰.

2.1.21 The Way Forward

Irrespective of the myriad problems and issues surrounding the Nigerian tax system, there is a potential avenue for improvement.

- i. Simplified Collection Procedures: The three levels of government need to develop a sound infrastructure for taxpayers. New collection procedures should be implemented to eliminate the incidence of tax overpayment that has benefited the industrial sector and the economy at large. Moreover, the different taxation categories should be minimized, and the taxes approved by the government at the federal, state and local levels should be properly coordinated.
- ii. Making sure that tax administration is correct, effective and efficient: The government must make sure that tax administration is carried out by competent personnel. The tax department staff in each of the three levels of government should be trained and retrained in such a way that they get the best out of them and on them as well.

- iii. Implementation of tax technology: Filing and payment should be done online in Nigeria as this will lower the compliance time and the cost associated with it, and furthermore, tax technology should be embraced in form of electronic remittance and filing of returns which will reduce interaction between tax officials and taxpayers. This will help curb sharp practices and facilitate ease of doing business.
- iv. Awareness of tax and communication: The need for public education is paramount. The media should play a critical role in disseminating information on the existing and new tax law, compliance expectations, and the consequences of noncompliance. This is necessary because lack of or misinformation is prevalent among many tax payers.
- v. Making Tax Laws Easier and Eliminating Some of Them: Every tax system sets out to achieve a certain goal and should be simple, precise, and transparent. The wording of the tax laws should be such as to make it easy for taxpayers and tax administrators to understand it. Some laws such as the minimum tax should be scrapped. Any company making a genuine loss claim should be dealt with separately through a tax audit and transfer pricing instead of blanket treatment⁸⁹. On the commencement and cessation rule, companies should be taxed on their accounting profit on a preceding year basis and should be brought into the tax net on a current year basis from the beginning to end (if the company dissolves)⁸⁹.
- vi. Refund of Excess Tax Payments: Tax officials at the three levels of government ought to undertake the refund of verifiable tax overpayments. The government must make reserves readily available to facilitate the refund. This will raise the faith of tax payers on the government.

2.1.22 Historical Development of Taxation in Nigeria

2.5.1 Pre-Colonia Era

During the onset of the 11th century, several autonomous Hausa city-states emerged in Northern Nigeria: Bano, Biram, Daura, Gobir, Kano, Katsina, and Zaria. These city-states evolved into prominent trading centers alongside cattle farming and crafts production, as well as the trade in slaves. Taxes took on various forms, such as gundu (an agricultural tax on the crops harvested), zakat (was collected from Muslims for religious or charitable purposes as outlined in the Koran), kudin-kaksa (land taxation), jangali (tax on cattle), shukka-shukka (tax on plantations), gado (a death duty to be paid to the Emir on an estate where there was no proved heir), and kudinsarauta (duty that a chief had to pay when installed into that title)⁹¹.

The Kanem Empire was founded east of Lake Chad during the 9th century. The Saifawas, the ruling dynasty, expanded the domain by conquering different regions. Because of the strife in the 12th to the 14th century, the rulers were constrained to shift into Borno, located in the northeastern part of Nigeria. The indigenous people of Borno were nomadic subsistence farmers who engaged in periodic hunting and fishing. By the 19th century, there were slave-operated irrigated farms. By the year of 1830, an impressive tax system was established which provided a sustainable revenue for the emirate⁹².

Sada'a was an income tax charged on Muslims irrespective of any say. Sada'a was initially charged as a tax on agricultural products and later evolved into a tax on grain. Kasasairam was collected as grazing fees from nomadic tribes. Hakki was paid as tax in cash and kind by

landowners. Kalem is the land cultivation permit fee which land peasant farmers pay. Warata is the payment usually made by a deceased estate who owns substantial cash or properties. Merchants were supposed to make a payment known as kafelo, which is a mandatory gift to the ruler. Certain taxes during festivals specific to Muslims were referred to as Hadiyya⁹³.

Ife The city of Ile Ife is known to have been the center for religion and culture. It is well known to have unique historical and constitutional status with other Yoruba kingdoms around it. An elaborate system of chieftaincy rule came into being. Art was one area where notable progress was made. Crafting of various wooden, stone and bronze sculptures became widespread. The forest products surplus created a trade route to the north region between lower Niger and Dahomey into the Islamic world. The city was able to get trade revenues through the levies and trade tolls. The head of families used to pay kings a yearly income for special contributions like during festivals, annual levies and even bribes⁹².

Due to the Oyo superior political system and an exceptional military organization, Oyo state controlled the greatest area of any one of the Yoruba kingdoms and became the strongest of all those kingdoms around the middle of the XVI century. Its rich soil allowed its people to produce superfluous crops which they used to trade with other neighboring states, The Oyo Empire interacted with other Yoruba states and the Benin Kingdom. As the boundaries of the whole economic area of the region were based on agriculture, they all used a single currency which was represented in cowry shells. This currency was in vogue long before the introduction of a set monetary system by colonizers in West Africa in the last quarter of the 19th century⁹⁴. The state was very much capitalist and had an extremely developed market system, which was quite accessible because of good roads. Traders engendered themselves into economic groups called

guilds. Trade consisted of agricultural and industrial goods which allowed vast revenues in taxation for the Oyo state. Taxes were collected from traders at the entrances of the cities. The amount of entrances was determined by the population of the cities. During the feasts, the towns would bring their taxes and gifts to the king. All towns charged death taxes on the prominent residents' property after the head had died⁹⁵.

Ibadan emerged from a tiny village in 1827. By 1852, the town Ibadan transformed into a city with 60,000 inhabitants and 150,000 in 1890. All inhabitants were permitted access to nearby farmland, and many sought to cultivate crops on the available land. In the 19th century, the city traded surplus products to the neighboring Ijebu and all the way to Lagos. Since Ibadan was a center of commerce in the Yoruba region, the Ibadan merchants were shunned on several paths⁹⁶. The settlers paid taxes to Ibadan in the form of cowries, palm oil, and slaves. In each town, a proportional tax was raised on each household for the payment to the king. The rulers were given an agricultural land charge called Ishakole. Women and men provided money and goods as owo ode. One part went to the paramount chief and the other part was retained by the village headman. The remainder was distributed among lower chiefs and other officials. Offenders were compelled to forfeit their land⁹⁷.

The Benin Kingdom Pre-Colonial Benin was a kingdom with a clearly arranged social stratification. By the 15th century, its wealth had grown significantly with the arrival of Ughoton port, which served for the slave trade, making Benin into a flourishing city. Through a succession of military campaigns, Benin was able to capture large portions of eastern Yoruba, subjugating the local rulers who were coerced to pay tribute to Benin. These military successes were reflected in the gradual increase in the status of the city of Benin and the infrastructure

development that accompanied this, including a high-quality road system and tall impressive buildings⁹⁸. By the early 18th century Benin was earning a large amount of income from its taxes, the majority of which were in the form of tributes. Pre-colonial Benin also earned money from the collection of tolls. Merchants paid tolls that increased with the merchant's value of goods transported, while the traditional judicial systems-imposed fines. Tributes were paid, which enforced either land grants or customs. The king provided new titles which also increased the amount of revenue. Even so, long after Benin lost any military power there remained many areas who were willing to pay tribute⁹⁸.

The Weppa and Agenebode on the Niger paid tributes up to the 1840s and the Urhobo paid tributes as late as 1850⁹². The Igbo people one of the prominent ethnic groups in Nigeria as of today practiced farming-based economy and trade, owning them a separate ethnic identity, and disallowed feudal systems which led no empires to develop. Every individual in the Igbo tribe engaged in agriculture. The manufacture of tools and other cultural items made from iron ore were a staple in certain regions of Igboland. By the 18th century, commerce had become mainstream, with tools of trade being salt, brass rods and copper wire. The Igbo tribe also had a Slave trade with the Dutch as far back as the 16th century. Pre-Colonial Igbo society was stateless and thus did not have control over taxation. This gave them the benefit of adopting a tax system that made contributions to oversee communal road constructions⁹².

In Nigeria's Delta area, there were several states such as Calabar and Nembe. These were termed “city states” which means they were self-governed regions that developed around a central town accompanied by surrounding villages⁹⁹. The Delta province was separated into lower Delta, where fishermen and potters lived, and upper Delta, which grew crops and engaged in palm oil

commerce. Life in the Delta group contained closed societies. Memberships could be bought at a fee that indicated a person's social ranking. Slaves actively participated in festivities and the clan was a vital component of society. The village assembly was the highest organ of political power in the village and it was headed by the elder of the town¹⁰⁰. So was the situation at the beginning of the political organization of the native coastal clans which greatly differed from possessing unified control with the absence of a tax system. Besides trading, the income to maintain the communal life was obtained from charges for joining the societies, as well as fines and other punitive measures¹⁰⁰.

2.5.2 Post-Colonia Era

The Nigerian tax system commenced in the year 1904 with the introduction of personal income tax within northern Nigeria, prior to the merger. This system was built upon the ordinances such as the Native Revenue Ordinance of 1917, which was applicable to the West, the Direct Taxation Ordinance No. 4 of 1940, the Income Tax Management Act (ITMA) of 1961, and countless reforms up until today¹⁰¹. Furthermore, activities in the economic setting of Nigeria that led to independence in 1960 and before the oil boom in the 1970's resulted in several government regulations aimed at expanding public sector revenue, achieving sustainable economic growth, and creating equitable public wealth distribution¹⁰². In the case of Nigeria, taxation is a concern of all tiers of government under the constitution authority as set out in the laws and statutes of the country¹⁰⁰. Moreover, the federal government taxes business entities through corporate income tax, withholding tax, oil and gas production tax and charges, value added tax (VAT), and customs duties¹⁰¹.

On the other hand, personal income tax, individual capital gains tax, stamp tax, urban land rent tax, business premises and registration levies, development levy, and road and gaming taxes are under the purview of state and local governments. More specifically, local governments levy tax on personal, social and commercial permit fees¹⁰².

The tax system in Nigeria is made up of tax policy and tax laws that are divided into tax assessment, tax collection, and tax administration. The aim of the tax system in Nigeria is to provide adequate financing to public purposes in Nigeria by improving the policy formulation, collection, and appropriate expenditure of tax revenue for the welfare of Nigerians¹⁰³. Now, therefore, the Nigerian tax system is also supposed to bring about economic growth and development, ensure stable revenue or resources to do commendable government projects and or investments for the people, bring about economic stabilization, achieve fairness and distributive equity and correction of market failure and imperfection¹⁰⁴.

Taxation policies of three layers of government were informal and, prior to the President's 2008 tax reforms, multi-faceted. Alongside being obtrusive, they operated on ill-focused laws¹⁰⁵." A significant proportion of the tax imbursed does not appear to be utilized properly. In her recent study, she found out that "95% revenue collection from taxes was sourced through the FG (non-oil revenue accounting for 20% of total earnings)", which later is dispersed among the different levels of government, citing the Board of Internal Revenue alongside Local government committees as the agencies in charge of tax collection. These teams, however, operate separate and cannot be expected to reach collective action¹⁰⁰. While the committees enjoy their fiscal independence, they are also swamped by the complete absence of skilled staff, exorbitant levels of corruption, and crumbling faith in the taxation model. Most worrying, is the actions of people

where they fulfill their tax obligations but resort to enhanced infrastructure to avoid certain taxes; in a country that sides with infrastructure, this is crippling^{105,106,107}.

2.2 Theoretical Framework

In this aspect, the research considers of some relevant tax system and tax incentives theories to firmly establish theoretical backup or support to the subject matters. Some of the relevant theories are: Normative Theory; Optimal Tax Theory; Laffer Curve Theory.

2.2.1 Normative Theory (Binford, L. R. 1965)

L.R. Binford developed the Normative theory in 1965, which serves as an analytical framework for the interplay between government institutions, taxes, and the incentives associated with them. With regard to tax systems, Binford claims that tax policies, together with administrative changes, offer new opportunities to enhance the efficiency of tax collection and, therefore, create a positive business environment, particularly for SMEs. In Binford's perspective, the evolution of government institutions should create additional incentives or, at best, constraints in the behaviour of the governmental and non-governmental actors⁹¹.

The focal point of Binford's normative theory derives from the belief that governmental institutions, as a rule, undergo progressive transformation that gives governmental and non-governmental actors incentives to modify their conduct. This transformation results in the emergence of motivations that have a direct impact on the administration and formulation of taxes. Binford notes that while each country usually has some form of government, many of them are poor in the collection of taxes¹⁰⁹. This collection problem is chronic and stands in the way of constructive tax policy development, and is mostly problematic along its impact on

business activity, particularly for small and medium-sized enterprises (SMEs). Binford claims that for tax systems to be improved, there must be a reconciliation between the formulation of tax policy and administrative change. He suggests that this reconciliation has the potential to enhance the effectiveness and efficiency of tax system design and implementation⁹³.

The integration of this theory into the taxation systems of specific countries, especially those with SMEs, illustrates the importance of tax incentives for government to reconsider. Binford's theory states that tax incentives such as investment tax credits or lower tax rates can be very effective in stimulating business growth. This is especially true for SMEs, which tend to struggle with capital and market expansion. Governments can alleviate these barriers through tax incentives to aid in the sustenance and growth of SMEs⁹¹. However, it is crucial that these incentives are well designed in conjunction with changes in the tax administrative framework so that they can be effective as well as usable⁹³.

Critics of the Normative Theory frequently highlight its tendency to overlook the intricacies of tax administration. The theory claims that there are positive changes to tax collection with institutional change, which is not always the case. In numerous instances, even after reforms are made, governments remain unsuccessful at improving their tax systems due to issues such as corruption, inadequate infrastructure, or a lack of willingness from politicians⁹⁴. Furthermore, while the theory about administrative reforms emphasizes the need to merge tax policies and administrative changes, these reforms are not effective in every situation due to preexisting local contexts such as politics and economics. Well-meaning reforms in some areas do not produce better outcomes⁹¹.

One more critique of Binford's theory is its lack of consideration of external impacts that influence tax systems. The approach primarily concentrates on self-contained purposes, intergovernmental politics, and the implementation and administration of tax systems¹²⁵. External factors such as international economic competition, globalized taxation, and the tax and expenditure policies of other countries often have an impact. These influences can be particularly important in defining the business climate for multinational and trading SMEs. Ignoring such external factors can result in a short-sighted approach that fails to appreciate the complexities facing SMEs who must contend with taxation systems⁹³.

While these criticisms exist, it is still clear that Normative Theory is relevant in the analysis of tax systems, business incentives, and continuity of operations of SMEs. One important feature of the theory is its focus on government effectiveness. The tax regimes should be clear, simple, and effective for SMEs to operate well. Poorly administered tax collection systems increase compliance costs, lead to greater confusion and frustration, which negatively impacts business continuity. Governments can alleviate these burdens by improving the efficiency of tax administration where SMEs are able to concentrate on growth rather than the bureaucratic red tape¹¹⁰.

Binford's theory also emphasizes the significance of tax policies on a specified region. The disparity of tax rates between neighboring economies creates a hostile competitive environment for SMEs from both sides of the border. For instance, foreign investment will flood into the economy that boasts significantly lower corporate tax rates compared to its neighbors. As a result, SMEs from the higher tax countries will be left at a disadvantage. This highlights the need to

maintain a cohesive approach to tax policies at a regional level, so that SMEs are not disadvantaged¹⁰⁹.

On the other hand, Binford's theory emphasizes the more fundamental functions of SMEs in development. SMEs are some of the most important value-adding factors when it comes to employment, innovation, and product growth, especially in newly emerging and developing economies. A strong tax system, together with supportive SME incentives, can help sustain these businesses. That promotes economically sustainable development. By establishing such a tax regime, governments have the opportunity to increase self-employment and innovation, which is ultimately beneficial to the economy as a whole⁹⁴.

Ultimately, Binford's theory has to do with the difficulties involved in reconciling national tax policies with international competition. In a highly globalized context, SMEs have to fight for their survival against not just local rivals, but also international companies located in tax havens. International competitiveness will be elusive to SMEs if they are overtaxed or if they operate within an unfriendly tax regime. By aligning tax policies with administrative changes and international standards, governments can support the competitiveness of SMEs, thus aiding their survival and development in a dynamic global marketplace⁹⁵.

To conclude, even though Binford's Normative Theory has some shortcomings, it offers an understanding of the impact of tax structures and incentives on the continuity and development of SMEs that is profoundly relevant. For SMEs to flourish, there is a need to integrate tax policy with governance reforms, design effective tax regimes, and create regionally integrated tax incentives. As SMEs need in particular attentive care, governments should put them at the focus

of the reform process as well as ensure that taxes enable business continuity and serve the larger goal of economic growth.

2.2.2 Optimal Tax Theory (Frank P. Ramsey, 1927)

The Optimal Tax Theory was first noted by Frank P. Ramsey in 1927. This theory seeks to explain how governments can increase revenue without causing the negative impacts associated with taxes. Ramsey's work greatly shaped new economic thought, especially concerning the role of taxes in business activities and the general behaviour of economic agents in a given market⁹⁶. At its most basic level, Optimal Tax Theory claims that taxes are possibly the worst designed policies in the world economy since they affect human behaviour. The theory aims to craft a tax policy that would not adversely affect taxes and revenue, while reducing negative behavioural change. One of the most important aspects of the design, “neutral tax”, is a tax envisioned to counteract distortions to a taxpayer’s behaviour¹¹⁴.

In Ramsey's model, neutral tax implies that all economic inefficiencies are removed, meaning taxpayers make decisions influenced purely by tax systems. Ramsey also includes in his model the taxpayer’s complete rationality. Hence, if a taxpayer has to make a choice between two investments having the same risk and return, he will always select the investment with less tax burden¹¹⁵. This assumption reflects a concern which is more general in scope – taxes, by their mere existence, tend to distort economic decisions. Ramsey also mentions another familiar distortion: the tax system allows income taxation only on earnings from participation in employment income-eliciting activities, while those who are non-market such as staying home or idling about in activities are either very lightly taxed or completely untaxed. This distinction

results in economic inefficiency which is referred to as “welfare loss” that the Optimal Tax Theory tries to reformulate¹¹⁶.

The primary critique comes from the oversimplification there is in the designed system and its complexity and multilayered reactions to taxes. In real life, tax systems are anything but neutral, and so the rational behaviour expected of economic agents is too simplistic because many human factors are ignored. For example, it is not always the case that a taxpayer looks at the tax burden as the sole decision-making factor; there are other important decision-making factors such as risk aversion, personal beliefs, and a lack of relevant information¹¹⁵.

In Ramsey’s theory, it is assumed that the elasticity of demand and supply are fixed in value. However, these elasticities differ from one commodity and service to another, which makes it difficult to devise an optimal tax strategy. In addition, in a fast-paced economy where globalisation is prominent, factors such as international trade relations and foreign competition can greatly influence internal tax systems, making it increasingly difficult to apply Ramsey’s guidelines indiscriminately in different industries¹¹⁶. Ramsey’s model is largely based on the deadweight loss (DWL) that is tied to the tax burden. As valid as it is to seek a reduction in DWL, it blurs other issues, which may be more important, such as equity, compliance and administrative costs of the taxonomy, and the exaction of sophisticated tax systems¹¹⁵.

Optimal Tax Theory, despite its shortcomings, has severe consequences on the understanding of tax systems. One of the main problem areas in this theory deals with the concept of how tax incentives can foster the development and continuity of SMEs. Under the Optimal Tax Theory, taxes that create fewer distortions, such as reduced tax rates or tax loans, make it possible for

businesses to undertake decisions that are more likely to maximise the levels of economic efficiency; better investment outcomes¹¹⁷.

The core body of the theory incorporates the concept of minimising deadweight loss, which greatly impacts business activities. In the case of SMEs, particularly, high excise taxes on products or services tend to lower the total output, which makes it very difficult to compete, especially in industries with low profit margins. In the case of inelastic goods, where demand does not respond much to price changes, the deadweight loss is minimised because sellers can impose the costs with little loss of demand¹¹⁵. However, highly taxed goods with elastic demand cause significant inefficiency because they tend to decrease in usage and therefore profit that such services depend on. When contemplating VAT (Value Added Tax) and Excise Tax benefits for SMEs, Ramsey's Optimal Tax Theory comes into play. According to this theory, these benefits help alleviate the effective tax burden on SMEs, thus improving their return on assets (ROA) as well as return on equity (ROE). These savings, resulting from lower tax liabilities, can be reinvested into growth activities, research and development, or other value-adding activities, enhancing SMEs competitiveness in domestic and international markets. For the SMEs that may not have access to capital markets as large firms do, this tax benefit is a significant aid. Easing the tax burden enables the retention of more earnings which improves investment capacity¹¹⁷. The tax system evolves from being merely a revenue collection system to fostering an economy by enhancing entrepreneurship. Utilising Optimal Tax Theory provides the government with the opportunity to construct a tax system that encourages SMEs to thrive while lessening the severe impact such taxes might have on innovation and investment¹¹⁸.

Furthermore, the tax incentives for R&D or capital investment, in accordance with the principles of Optimal Tax Theory, could make investments in SMEs more appealing. This might enhance the firm's income which is advantageous not only for business survival but also for economic stability. The theory serves to justify why certain countries with generous tax incentives, especially concerning value-added tax and Excise Tax, are perceived to be more attractive investment opportunities, particularly for SME-focused industries¹¹⁸.

Ramsey's considerations also highlight the need to remove negative biases in tax policy towards certain industries that are crucial for national economies. In a number of developing economies, SMEs account for a large share of employment and are important sources of new jobs and innovation. Therefore, it becomes essential for tax policy to facilitate such development and maintenance¹¹⁹.

Ultimately, Optimal Tax Theory assists in both the formulation and the sustenance and growth of SMEs. Governments are able to establish tax systems that not only require revenue but would also aid in raising the standards of SMEs with the understanding of how taxes would distort economic activity along with minimising the deadweight loss linked with taxation. Policymakers can utilise the Raven's paradigm to formulate the intended purpose of tax incentives to boost investments, competition, and growth of the SME sector¹¹⁹.

2.2.3 Laffer Curve Theory (Arthur Laffer, 1940)

The Laffer curve is a graphical presentation in economics that shows a link between government tax revenue and rates of taxation. Filling the line connecting these two points, there is always a tax rate leading to highest tax revenue between 0% and 100%. The shape of the Laffer curve

depends on the responsiveness of taxable income to changes in taxation, referred to as taxable income elasticity¹²⁰. On its part, supply-side economist Arthur Laffer explains this graph to start at zero percent with no revenue, attain maximum revenues at an intermediate rate before it falls back again to zero percent at a hundred percent. However, some say economists are still not sure how it looks¹¹³. At least one thing that can be inferred from the Laffer curve is that beyond a certain limit, increasing tax rates becomes counterproductive for raising more taxes¹²⁰.

In America however, conservatives contend that lower taxes will lead to more taxes through the Laffer curve¹¹². But it is not realistic to directly see the hypothetical maximum revenue point of the curve for any market and only estimates can be made that are often disagreed upon. The New Palgrave Dictionary of Economics has revealed that different evaluations on the revenue-maximizing income tax brackets have been 70%⁹⁷ as mid-range¹²¹.

A meeting between Arthur Laffer and Dick Cheney on a napkin took place in 1974, which is known to have led to the concept being popularized in America by policymakers as well as Donald Rumsfeld of Ford Administration¹²². The term “Laffer curve” was originated by Wanniski who was also present at the same meeting. The idea behind it was not entirely novel; according to Laffer, he drew inspiration from earlier writings by social philosopher Ibn Khaldun during the fourteenth century¹²³.

In 1978, when an article appeared in National Affairs that tied him to the idea¹²⁴, people started linking his name with this concept. According to Jude Wanniski’s article for National Affairs, such a discussion occurred over dinner at Two Continents Restaurant and involved Arthur Laffer and his deputy press secretary Grace-Marie Arnett with Wanniski himself, Dick Cheney and

Donald Rumsfeld^{125;126}. At this occasion, while opposing President Gerald Ford's tax increase plan, Laffer is said to have drawn this curve on a paper napkin¹²⁷. It did not go down very well with Mr. Cheney at first but its prospects were adored by all¹¹¹.

John Quiggin, an economist, differentiates between the Laffer curve and Laffer's analysis of tax rates. Quiggin comments that the Laffer curve was "right but no new", while Laffer's observation that America is on the right side of the Laffer curve peak "was original but wrong"¹²². The Laffer curve does one of its conceptual jobs by giving us a way to figure out which rate of taxation will raise as much money as possible ("optimize" revenue). To be clear, this is not the same as saying what economists call the optimal tax rate in a tax system that minimizes distortions while raising a given amount of revenue¹²³.

Jacob Lundberg of Uppsala University estimated Laffer curves for 27 OECD countries in 2017, with optimal tax rates ranging from 60 to 61% (Austria, Luxembourg, Netherlands, Poland, Sweden) up to the highest possible levels of 74–76% (Germany, Switzerland, UK, US). Most countries set their top tax rates below the peak tax rate; five surpassed it (Austria, Belgium, Denmark, Finland and Sweden).¹²⁴. "To the extent that there was an economic response to the Reagan tax cuts and those under George W. Bush twenty years later," noted John Quiggin in his writing in 2010 a demand-side Keynesian response appears most likely when additional net income is supplied by governments to households as part of a depressed economy¹²⁵. It has also been observed by Goolsbee Austan (1999), in a study which analyzed significant changes concerning high-income tax rates within America from the twenties onward that no such evidence indicated that United States was on the right side of its Laffer curve's peak¹²⁶.

Edgar L. Feige and Robert T. McGee were credited with designing a macroeconomic model in the early 1980s from which they derived a Laffer curve. According to the shape of the model, it is dependent on supply-side effects, degree of tax progressivity and magnitude of the shadow (unrecorded) economy¹²⁷⁻¹²⁹. In another research Paul Pecorino used his model to demonstrate that peak of the Laffer curve is reached at tax rates near 65%¹²⁹. The Laffer curve has also been extended to taxation of goods and services. Another example was given by Miravete, Seim, and Thurk in their 2018 *Econometrica* paper showing that strategic pricing matters for estimating the Laffer curve where firms operate under non-competitive market conditions¹³². The authors show that companies increase their prices when availing an ad valorem tax cut rather than making more than expected production rise. As a result, this flattens out the Laffer curve and shifts its revenue-maximum-point further rightward¹³².

The Congressional Budget Office (CBO) of the United States released a paper in 2005 titled “Analyzing the Economic and Budgetary Effects of a 10 Percent Cut in Income Tax Rates.” This paper discussed what would happen if federal income tax rates were slashed by 10% across the board. Specifically, it weighed up against each other two different statistics (e.g., if someone who faced a top marginal federal income tax rate of 25% had his/her rate reduced to 22.5%)¹³². Unlike previous studies, the CBO report tried to capture budget consequences that would result from various macroeconomic impacts of tax policies, i.e., how changes in individual income taxes could affect long-term economic growth as well as hence government revenues; and thus, influence deficits or surpluses. According to its most optimistic growth scenario, only 28 percent of the projected loss in revenue due to reducing all individual income tax rates by ten percent over a decade’s time period would be saved back. In simpler language, this means that for nearly

five years into the future after cutting taxes in equal measure with what will be lost during these years through budget deficit increases alone. The wealthy will pay for tax cuts through increased budget deficits, plus interest that would be spread across all taxpayers (including them)¹³³.

In 2019, the economists at the Joint Committee on Taxation revisited the macroeconomic and budgetary response to a stylized 10% reduction in statutory ordinary income tax rates but from the levels set by P.L. 115-97¹³⁴. The paper, while having more tax details within the modeling framework than previous analyses, estimates that this would lead to higher short-term and long-term budget deficits when accounting for revenue feedback from macroeconomic changes¹³⁴. According to Laffer, government revenue rises and falls with the tax rate. Some theoretical models even posit discontinuous Laffer curves that do not make it possible for policy makers to come up with an ideal revenue-maximizing tax rate¹²⁸.

Furthermore, the Laffer curve is based on a public good assumption where taxes are separated from labor supply in utility terms but this may not be true. This presentation of the Laffer curve is simplistic since it assumes only one tax rate and one labor supply¹³⁵. Real systems of public finance are more complicated and there is a strong case against considering any single marginal tax rate at all. Also, revenue may be understood as a multi-valued functions of tax rates, for instance, increasing tax rate by certain percentage may not bring in the same amount of revenue as decreasing it by the same percent (hysteresis). Additionally, there is nothing in the Laffer curve that explicitly considers what type(s) of avoidance takes place¹²⁷.

Aside from being a good starting point for analysing tax rates and revenue, the Laffer Curve has many critiques. One critique worth discussing is that the Laffer Curve, itself, is an uncertain

concept which depends on how responsive the taxable income is to the tax rate – which is known as the “taxable income elasticity.” The curve is theoretical and how it integrates with real tax systems isn’t always simple. Each economy and industry have its unique sensitivity to shifts in tax rates, so determining the most accurate optimal tax rate becomes complex¹²⁹. Further, the Laffer Curve relies on a single tax rate and labour supply, for which there is no evidence in the real world. Tax systems are much more sophisticated. Depending on the country, there may be many tax brackets or different types of taxes, such as corporate, income, and even consumption taxes, and a multitude of exemptions or deductions¹³¹. Taxes in modern economies are multifaceted, and overly relying on a single labour supply and one tax rate model is shortsighted. In addition, there is little to no attention paid to tax evasion in the model, which tends to complicate the possible relations between tax rates and revenue¹²⁷. Another critique revolves around the notion that the Laffer Curve fails to connect maximisation of revenue with other economic factors like social equity, economic efficiency, or minimisation of market distortions. The theory assumes revenue to be the only driving force and neglects the fact that taxes can influence economic activity in other positive ways, such as lowering inequality or stimulating economic development¹³³.

In addition, there is a growing body of literature, such as Quiggin and Lundberg, that have pointed out the naive application of the Laffer Curve by many policymakers who blithely assume that tax cuts always lead to an increase in government revenue¹³⁴. In most countries, SMEs are the backbone of the economy and it is their growth and survival that is greatly affected by tax policy. The essence of the Laffer Curve, which argues that there is an ideal tax rate which, if exceeded will maximise revenue, gives policymakers useful and practical guidance in trying to

meet the public revenue need as well as the friendly-business environment need¹³⁵. The excess taxes can lead to the absence of investment, slower innovation, and a reduction of business activity within SMEs, which can often result in overall slow economic growth. As with most firms, the costs associated with paying taxes can lead to SMEs having more difficulties competing in the market due to their already limited resources¹³⁶. The use of the Laffer Curve as a framework enables governments to construct tax systems that allow for a middle ground to be achieved by considering sufficient tax revenues while simultaneously avoiding overly high taxes that can contribute to SMEs losing potential business. Striking this balance would enable greater opportunities for SMEs to flourish¹³⁷.

Tax incentives that target the encouragement of SMEs are also able to be analysed under the Laffer Curve. For many governments, there often exists a trend of providing tax breaks or other incentives to stimulate business growth and further innovation, which can also include investments. SMEs can alleviate their economic burden by receiving lower pay rates along with targeted incentives that aim for increased investment into R&D¹³⁸. While the Laffer Curve does show how these tax incentives can be beneficial, it also serves as a warning sign that if substantial subsidies are provided without enough consideration for future economic growth, a negative impact on revenue will be foreseen. By introducing such programmes, policymakers are encouraged to think through all possible outcomes alongside efforts that target the economy and all underlying problems that exist¹³⁹. The concept in question is pertinent while considering the impacts of indirect taxes, for example VAT and excise taxes, on the SMEs. These taxes have the potential to alter business strategies, as well as influence the behaviour of consumers. The Laffer Curve suggests that while taxes towards goods and services may have value in revenue

generation, there exists a threshold where further increasing tax levies on these goods can cause a decrease in demand and sales¹⁴⁰.

The Laffer Curve can also be used to analyse global competition. In a globalised economy, SMEs often go up against companies from other countries which may be enjoying lower tax rates or more favourable tax policies. High tax rates may result in revenue collection and competitiveness problems; businesses may leave to places where taxes are more favourable¹⁴¹. It is perhaps true that supposing all suppliers own two market-survival conditions, which are the ability to avoid tax and efficiency in production, revenue derived from avoidance of tax would be higher compared to no avoidance thereby Laffer curve maximum being found further on the right than it was thought. The reason for this outcome may be that when producers with low productivity (resulting in high costs of production) also have strong tax avoidance capabilities, a single rate of production taxes practically means a regressive tax system.

2.3 Review of Empirical Studies

2.3.1 Tax Policy and Business Continuity of SMEs

A study ascertained the relationship between tax incentive modelling and entrepreneurial development in Nigeria with emphasis on Delta state, Nigeria. The main objective of the study is to ascertain various measures of tax incentives affect entrepreneurship in the Nigerian economy. The main source of data was the distributed questionnaire amongst selected entrepreneurs in Delta state, Nigeria. The study ensured to include only questionnaires that were filled completely by the sampled 385 respondents. The data was compiled and analyzed using descriptive statistics, Cronbach Alpha and linear regression model in testing the hypotheses. The findings revealed that

tax holiday and tax exemption impact entrepreneurial development in Nigeria significantly. By implication, the holiday and tax exemption improved entrepreneurship development in Nigeria. Meanwhile, rural location tax incentives exhibited negative insignificant relationship with entrepreneurial development in Nigeria. The study recommended that policymakers in Nigeria should prioritize the implementation of tax policies that specifically target and incentivize entrepreneurial activities. Building upon the findings of this study, efforts should focus on expanding and enhancing tax holidays and exemptions to alleviate financial burdens on businesses, particularly startups and small enterprises¹⁴².

A study critically explored the relationship between taxation and the performance of small and medium enterprises in Lagos State, Nigeria. Specifically, the study investigated the relationship of tax policy and effectiveness of SMEs in Nigeria; investigated the impact of tax administration on profitability of SMEs in Nigeria; examined the effect of multiple taxation on productivity of SMEs in Nigeria; determined the effect of tax incentives on efficiency of SMEs in Nigeria. Survey research design was employed and the sample of three hundred and ninety-six (396) SMEs operators determined using Taro Yamane (1067) was drawn from forty-two thousand and sixty-seven (42,067). Data were gathered through self-administered questionnaire and the hypotheses were tested using Correlation and Analysis of Variance with the Aids of SPSS (Statistical Package for Social Sciences). The findings revealed that tax policy has significant relationship with the effectiveness of SMEs. But tax administration was revealed to have had no significant impact on profitability of SMEs. It was furthered revealed that multiple tax has significant effect on the productivity of SMEs, and that tax incentives have significant effect on the efficiency of SMEs. Thus, the study concluded that tax policy and multiple tax as well as tax

incentives were capable of improving performance of Small and Medium Scale Enterprises in Nigeria. But tax administration seemed to have poor effect on the SMEs performance. It was therefore recommended that Governments should design targeted tax policies that will actively encourage investments in SMEs in Nigeria, and to create a tax friendly environment through wide publicity / sensitization exercise¹⁴³.

A study investigated the impact of tax planning strategies on financial performance of listed deposit money in Nigeria. The ex post facto research design was adopted and data was gotten from annual report of listed deposit money banks in Nigeria. A total of fifteen (15) listed deposit money banks was sampled from the period of 2017-2022. The hypotheses were tested with the panel least squares. The study found that there is positive and significant relationship between effective tax rate and return on equity of quoted banks in Nigeria. Secondly, the study found that there is positive and significant relationship between thin capitalization and return on equity of quoted banks in Nigeria. Lastly, the study found that there is no significance relationship between capital intensity and return on equity of quoted banks in Nigeria. The study concluded that effective tax rate and thin capitalization strategies have an impact on financial performance of listed deposit money banks in Nigeria; while capital intensity strategies have no impact on financial performance of listed deposit money banks in Nigeria. Based on the finding of this study, it was recommended that management of listed deposit money banks in Nigeria should sustain the current effective tax rates policies in order to improve their financial performance in terms of return on equity¹⁴⁴.

The impact of taxation on economic growth in Africa was examined. The study spans eleven years, from 2008 to 2018, and includes multiple variables for 21 African countries. GDP is a

dependent variable used as a proxy for economic growth. Numerous GDP-determining predictors were utilized as independent variables; these variables were categorized into three groups: The supply side consists of human capital (population and literacy rate) and economic activities (trade and services). Demand side variables include consumption, government expenditures, net exports, and gross capital formation. Lastly, taxation variables consist of tax revenue, corporate tax rate, number of tax payments, personal income tax, and taxes on income, profits, and capital gains. The study conducted preliminary tests, including descriptive statistics, correlation matrix, and pooled least square estimations for panel data. Based on the results, all macroeconomic determinants have statistically significant effects on GDP except trade. Tax revenue and corporate tax rate positively affect GDP, while personal income tax rate and tax on income, profit, and capital gain negatively affect GDP. In general, taxation has a favorable effect on the economy of African countries because emerging countries use taxation as an internal way to generate revenue and improve economic growth¹⁴⁵.

A study evaluated the relationship between tax policies, investment decisions, business growth, and economic growth in Micro, Small, and Medium-Sized Enterprises (MSMEs). The purpose is to examine the influence of tax policies on investment decisions and business development and their implications for economic growth. Using a quantitative strategy based on a survey research design, data were collected from a sample of MSMEs. The findings indicate that favorable tax policies positively influence MSMEs' investment decisions and business growth. Policymakers should design tax policies that incentivize investment and business growth, while MSMEs should strategically leverage favorable tax policies to drive growth and competitiveness. The study's limitations include its regional focus and reliance on self-reported data. Future research

should take longitudinal studies and contextual factors into account. Overall, the study provides policymakers and MSMEs with insights for promoting sustainable growth and development in the MSMEs sector, resulting in favorable economic outcomes¹⁴⁶.

A study assessed the effect of multiple taxation on the survival of Small and Medium Enterprises (SMEs) in Katsina state, Nigeria. This is to find out if the multiple taxation has an impact on the survival of SMEs in Katsina state. To achieve this, the study adopted a survey design. Descriptive statistics was used to analyze the data and regression analysis was used to test the hypotheses. Results from the descriptive results showed that multiple taxation has a negative effect on the survival of SMEs in Katsina state. The regression analysis established that multiple taxation has no significant relationship with the survival of SMEs in Katsina state. The study therefore recommended that precedence be given to the size of SMEs in Katsina state as it relates to their profits when making tax laws so as to avoid multiple taxation¹⁴⁷.

A research assessed the long run relationship between tax revenue and economic growth in Nigeria from 1980 to 2020, using the ARDL model given the mixed order of integration of the data variables. Tax revenue was proxy by petroleum profit tax, company income tax, and value added tax, while economic growth is proxy by GDP at market price. The empirical result of the analysis reveals that tax revenue has a positive impact on economic growth with an adjustment coefficient of -2.5750. The estimated model met both necessary and sufficient conditions of co-integration or long run relationship, it is advised that prosecution of tax defaulters and efficient utilization of the revenue will enhance the economic activities of the various economic agents in the economy which in turn will boost economic growth¹⁴⁸.

A research examined the effects of business performance on taxation of Small and Medium Enterprise scale (SMEs) in Bwari Area Council FCT, Abuja. The study had a population of 156 and a sample size of 112 which was arrived at using Yamane sampling model. Data was gathered using questionnaires administered to the respondents and was analyzed using multiple regression technique. The findings revealed that return on assets and staff recruitment had positive and significant effect on taxation of SMEs in Bwari Area Council of FCT, Abuja. It was recommended amongst others that SMEs should engage in cost saving measures to boost their profits which encourage payment of taxes. It was also recommended that SMEs should employ optimally, their required numbers of staff to boost payment of taxation to Bwari Area Council FCT, Abuja¹⁴⁹.

2.3.2 Tax Administration and Business Continuity of SMEs

A study was investigated the Efficient Tax Administration as Panacea to Revenue Generation in Delta State. The theoretical framework was the Sacrifice and Governance Theory. The study Population was drawn from Eighty (80) workers in the State Internal Revenue Service. Study sample was Sixty Seven (67) and it was determined by Taro Yamane. Three (3) Questionnaires was derived from the Research Question which was directly administered to the sampled respondents using Telephonic Interviewing, Emailing and on the Spot Administering method. The used Statistical Tool was Mean and Standard Deviation. A major finding was that the three tiers of government now pay close attention to tax proceed so as to finance deficit budget in a bid to steer economic development and growth. It is therefore recommended that probity and transparency in the management of public resources is a motivating key to make the citizen comply with tax remittance¹⁵⁰.

A study explored the concept, theories and empirical studies on the relationship between tax compliance factors and tax compliance among the small and medium sized enterprises. The study adopted conceptual and theoretical approaches by reviewing extant literature. The study discovered conflicting findings between tax compliance factors (such as tax rate, compliance cost, tax law ambiguity and system administration, and multiple taxations) and tax compliance among the small and medium sized enterprises. This study, therefore, recommends that the appropriate tax authorities should pursue more realistic and active means of improving tax compliance among the small and medium enterprises as this will checkmate the extent of tax avoidance and evasion¹⁵¹.

A study examined the relationship between tax revenue and infrastructural development. The Ex post facto research design was adopted for the study. The Central Bank of Nigeria (CBN) and Federal Inland Revenue Service (FIRS) was chosen for the purpose of the study, the data used in the study was obtained majorly from secondary sources. The research employs quantitative method of data analysis, it was done in four folds: firstly, the descriptive analysis was performed using the mean, maximum, minimum, skewness, kurtosis and the probability of jarque-berra statistics. The result of the regression analysis reveals petroleum profit tax and customs and excise duties were not statistically significant at 5% level of significance, this means that irregular fluctuation in this revenue did not allow for significant contribution to gross fixed capital formation, hence infrastructural development expected, in the same vein value added tax and company income tax has significant impact on economic growth during the period under review. This can be attributed to the continuous and steady increase in the value of revenue from this area. The study concludes that federally collected revenue has significant role in government

decision to invest in infrastructural development. The study hereby recommends that; There should be stringent penalty imposed on any individual or corporate body who indulge in any form of tax malpractices irrespective of states; Efforts should be intensified by the government towards increased collection of tax revenue this is due to the low contribution of tax revenue to GDP over the period of study; Government should be able to use taxpayers' monies in the provision of infrastructural facilities¹⁵².

A research assessed the effect of multiple taxation on the financial performance of SMEs in Abia State of Nigeria. The survey research design was used. The study population comprised of SMEs in Aba metropolis of Abia State. Convenience sampling method which is a nonprobability sampling technique was used to select the respondents. After data processing, the Statistical Package for Social Science (SPSS) was used for the data analysis, while hypotheses in the study were tested with simple linear regression analysis. Findings showed that tax rate and complexities was statistically significant and negatively affects the profitability of SMEs in Abia State of Nigeria. Also, tax compliance cost was a negative and significant factor also influencing the profitability of SMEs in Abia State of Nigeria. Given that the rate of taxation and its complexities have negative effects on the financial performance of SMEs in Abia State, Abia State government should endeavour to reduce the rate of tax charged on businesses within the state especially the SMEs. Also, since tax compliance rate amongst SMEs in Abia State is very poor. There is need for Abia State government through the Abia State Board of Internal Revenue to vigorously educate SMEs on the benefits inherent in paying taxes¹⁵³.

A study explored the effects of tax policies on the performance of SMEs. The Unicist Theory of business growth was used to underpin the study. The theory analysed the implications that

multiple tax could have on the growth of SMEs in Nigeria. Survey method with close ended structured questionnaire was administered to 110 SMEs owners in three local government areas in Lagos State. Collected data were analyzed with descriptive statistics while formulated hypothesis was tested with Chi square method. Findings revealed that various Governmental policies on taxes significantly affect the performance of SMEs in Lagos State. The paper implicates a possible diversity for tax policies that will favour SMEs operator to make meaningful contributions to the economy. The study therefore recommends among other things that Government should design and implement the most effective ways of administering various tax policies that can enhance the growth of SMEs, while tax collection should be well defined to avoid multiple taxations by the three tiers of government. The study also recommends that taxes should be levied according to the growth of the business; sales, size and profit; with consideration to enterprises' ability to pay taxes regularly¹⁵⁴.

A research investigated how an effective tax administration and good revenue collection mechanism will enhance government performance in terms of provision of infrastructural development in Nigeria. A conceptual approach was adopted to achieve this objective. The review of literature reveals that a good revenue collection and effective tax administration can lead to good performance of government in the provision of amenities. The study also reveals that the quantum of revenue realizable from taxes, in Nigeria, is not sufficient for the implementation and realization of government programmes, for reasons of potential revenue loss. This lapse in potential tax revenue generation, as pointed out in literatures, results majorly from tax fraud, non-tax compliance, wastages of public funds, corruption in tax administration, as these pose challenge to effective administration, collection and performance of tax revenue. The

study recommended that the government should seek for new policy and strategy to improve its revenue to meet its demand through innovative and aggressive in its method of revenue collection from various sources to enhance the optimum collection and utilization of tax revenue, by eliminating opportunities that facilitate tax fraud¹⁵⁵.

A study investigated effect of taxation on the performance of Small and Medium Enterprises in Voi Town, Kenya. The study was guided by the following objectives: To assess the effect of tax policies on performance of SMEs in Voi town, Kenya, to evaluate the effect of tax rates on performance of SMEs in Voi town, Kenya and to ascertain the effect of tax reforms on the performance of SMEs in Voi town, Kenya. The study will be of great value to the management of SMEs and formulation tax policies pertaining to KRA. To provide the basis of the study, the researcher relied on the following theories: ability to pay theory, economic theories and optimal theory of taxation. The study adopted a cross-sectional research design, where 130 SMEs of the town were targeted. The study used Yamen's formulae to determine a sample of 98 SMEs which were stratified into various business categories. The study used structured questionnaires which were distributed to the management and owners of these SMEs. The returned questionnaires were analyzed using SPSS to establish the relationship between the study variables. The study relied on a response rate of 72.4% (71) for data analysis and findings. The analysis showed that there was a significant negative very weak relationship between tax policies and SMEs performance ($\beta = -0.185$; $p = 0.030$). Secondly, it was determined that there was a weak negative and significant relationship between tax rates and SMEs performance ($\beta = -0.212$; $p = 0.009$). Finally, on the relationship between tax reforms and SMEs performance, a weak positive relationship between the two study variables ($\beta = 0.204$; $p = 0.004$). The study concluded that tax

rates and tax policies has a significant negative effect on tax performance, while tax reforms has a significant positive effect on SMEs performance. The study recommended that tax regulations governing SMEs should be simplified in order to improve their growth and to make compliance easier for them. Further, tax administration should use current tax reform to reduce tax complexity with tax authorities which should focus and help taxpayer during filing taxes with returns information. Finally, tax administrators should improve their support services towards SMEs¹⁵⁶.

A study was conducted to investigate tax compliance among SMEs in Lusaka, Zambia to evaluate and rank the factors that encourage non-compliance with tax obligation by SMEs. The data analysis was done with the help of the statistical package for service solution (SPSS) and this hypothesis was tested with Microsoft Office Excel 2007 using the one sample z-test computed from the figures obtained in the summary statistics table. It was found that high tax rates and complex filing procedures are the most crucial factors causing non-compliance of SMEs. Other factors like multiple taxation and lack of proper enlightenment affect tax compliance among the SMEs interviewed only to a lesser extent. It is recommended that SMEs should be levied lower percentage of taxes to allow enough funds for business development and better chances of survival in a competitive market. The government should also consider increasing tax incentives such as exemptions and tax holidays as these will not only encourage voluntary compliance but also attract investors who are potential viable tax payers in the future¹⁵⁷.

2.3.3 Tax Holiday incentives and Continuity of SMEs

The main objective of business continuity management (BCM) systems is to provide guidance and analytical subcomponents on how to assess and manage risk and sustain operations when facing a disruptive event. Current BCM practices largely follow a standard structure for formal planning processes and risk- assessment activities. An underlying assumption in standard practices is that systems can be decomposed in subsystems in a meaningful way, as they are tractable and data are available to predict the system's future functionality. However, the reality is much more complex in our volatile world. Standard BCM approaches do not pay adequate attention to the treatment of uncertainties. Thus, they fall short of addressing the complexity of operations involved with emergencies and crisis. Lack of focus on uncertainty hampers the ability of BCM systems to provide sufficient support for decision making in highly uncertain situations. Dealing with such situations necessitates a shift from a defensive risk-management approach, grounded on an illusion of control and accountability, to a proactive stance based on resilience thinking. Responding to this call, we use concepts from the resilience engineering (RE) field and link them to different components of a BCM system. We develop a novel BCM framework and identify a set of resilience influence factors to enhance resilience in BCM systems. We use a case-example, hosted by a leading organization in a second-line emergency response operation in Norway to reflect on the application of a suggested BCM framework¹⁵⁸.

A study investigated the effect of corporate tax on the financial performance of Nigerian listed consumer goods companies from 2011 to 2021. A sample of sixteen (16) consumer goods firms was used for the study. Secondary data source was generated from the annual reports of the selected firms. The random effect panel regression results revealed that company income tax negatively affects financial performance. The study also revealed that education tax has a

significant positive effect on financial performance. While Value Added Tax (VAT) has a significant negative effect on financial performance. In conclusion, corporate tax has a statistically significant effect on the financial performance of consumer goods firms in Nigeria. Based on these findings, the study recommends that to leave enough net income in the hands of the listed consumer goods companies, the federal government should offer more tax exemptions that will lower company income tax payments¹⁵⁹.

A study investigated the effects of capital allowances on the performance of most consistent small and medium scale construction companies in Lusaka. Descriptive survey design was employed in the study and the population of interest in this study was made up of One Hundred and thirty-five (135) consistent Small and Medium construction businesses. The sample of 60 respondents was purposively drawn to successfully complete the study. The data that was collected from respondents through questionnaires was analyzed using SPSS. The findings of the study showed that taxes charged to SMEs in the Construction sector are not fair thus it was concluded that construction companies perform poorly without Capital Allowances. The study also revealed that the most common capital allowances in the construction companies include capital allowances on furniture and fittings, computers; capital allowances on motor vehicles; capital allowances on plant, machinery and equipment; and capital allowances on buildings and in the same vein it was noted that SMEs in the construction sector have full Tax Information. In addition to this, regression analysis was used in order to examine how the performance of construction SMEs is affected by capital allowances and it was noted that there is a positive relationship between capital allowances and performance of construction SMEs. All in all, the findings of the study have shown how well tax incentives influence the growth of SMEs in the

areas of firm growth. Nonetheless, the study will act as a guide to government in their quest to provide good fiscal policies which would enhance the growth of SMEs in Zambia. This study is important because its findings will help government in addressing impediments to the growth of SMEs through the formulation of right fiscal policies towards SMEs development in Zambia. Government will also be able to identify the importance of small and medium enterprises sector in the achievement of economic development and national growth in Zambia¹⁶⁰.

The concepts of business continuity management, operational resilience, and organizational resilience each refer to actions that businesses and organizations can take in anticipating and responding to disruptions. However, the existing definitions and usages are difficult to differentiate due to overlapping objectives, implementation processes, and outcomes. This study explored definitions and approaches for these three concepts and suggest a framework to operationalize methods and tools relevant to each. These definitions emphasize three dyads: risk versus resilience; organizational processes versus assets; and normal operating conditions versus crisis conditions. Using these dyads to differentiate the concepts of business continuity management, operational resilience, and organizational resilience can support planners in clarifying objectives and identifying which approach will be most beneficial as businesses or organizations plan for and encounter disruptions. This study evaluated these concepts by examining illustrative examples of disruptions and responses¹⁶¹.

A study investigated the effect of taxation/taxing practices on the growth of SMEs with a specific focus on whether 'multiple payment obligations placed on SMEs have significant implications on their profitability, investment decisions, and cash flows. The study adopted survey research design. The chi-square and regression analysis were used in testing hypotheses.

Results from the chi-square and regression analysis indicated that tax practices significantly affect SMEs profitability and investment decisions. However, on the effect of taxation on the cash flow of SMEs, the chi-square test showed a non-significant effect of taxation on cash flow while the regression analysis revealed a significant relationship between taxation and cash flow of SMEs. This contradiction may be ascribed to bias exhibited by some respondents in answering some questions asked during the survey. Therefore, the study recommended that the government improves on tax incentive already provided, improve infrastructure, and implement tax policies based on the ability to pay and eschew multiplicity of payment by SME owners; these will eventually encourage growth and expansion of SMEs and the economy at large¹⁰.

A study explored the critical components of effective Business continuity management and the impact of disaster preparedness on business continuity. Data were collected from primary sources using a structured questionnaire. The target respondents were motels, guest houses, and one & two-star hotels in Lagos, Nigeria. Data were collected from 150 respondents, and only 140 were viable and analyzed using SPSS and Excel. The majority of the respondents were hotels, and most have been in business for over 5 years. The study shows that prevention strategies popularly put in place by these institutions were against fire, burglary, and local political instability. They seem to be laidback regarding risks such as floods, storms & lightning, and acts of terrorism. Risk assessment efforts were also seen to be directed towards risks such as fire, pandemic, and labour dispute/political instability. Risks such as a pandemic, acts of terrorism and flood, storm & lightning were seen not to receive much attention¹⁶².

A research assessed the impact of planning for tax incentives, as applicable in Free Trade Zones, on the profitability of companies in the Free Trade Zones (FTZs). The work was based on the

influence of exempt company income tax, exempt education tax, exempt urban development tax, exempt import duties, exempt export duties and exempt excise duties on the profitability of companies in the FTZs. Profitability was considered in this research as a function of tax claims investment. The study employed ex-post facto research method where the simple random sampling technique was adopted to draw a representative sample for the study. The multiple linear regression model was used to determine the relationships between tax incentives and profitability. It was revealed that the incentives granted by the government have not propelled investment because there was little or no growth in earnings of companies in the Zone based on the incentives provided. The study equally revealed that tax incentives have improved corporate performances and thereby increased investments in the Zones. The study therefore recommended that investors should take advantage of the available tax incentives by investing in FTZs. This research has been able to establish the certainty of corporate profitability in investments in the Free Trade Zones based on the generous tax incentives granted by government. It also proved that the tax incentive policies granted in the zones are reliable means of industrial development¹⁶³.

A study explored the effect of taxation on economic growth in Nigeria during the period of 1981-2019. To do this, secondary data of taxation measures (personal income tax, company income tax, and value added tax) and economic growth measure (gross domestic product) were obtained from the Central Bank of Nigeria statistical bulletin, National Bureau of Statistics and World Bank Indicators. Data obtained were analyzed via descriptive (Mean, Standard Deviation, Minimum and Maximum Values, Skewness, Kurtosis, and Correlation) and inferential (Unit Root and Co-integration, Augmented Dickey Fuller, Bound Test for Cointegration, Ganger

Causality Wald, and Vector Auto Regression Tests) statistical tools. The Vector Auto Regression results indicated that while all taxation variables significantly affect economic growth; however, the relationship was negative. The negativity attributable to taxation in the country could be that the tax collection mechanisms and administrative structure put in place are weak. In view of the findings, it was recommended among others that there is the need for the government to ensure that all companies and individuals are captured in the tax net and fully comply with the payment of tax. As a matter of fact, there is the need to enforce penalty for companies and individuals that evade tax and strengthen the tax collection mechanisms in the country¹⁶⁴.

Enhanced revenue mobilization is essential in developing countries such as South Africa. However, it is inevitably a complex process, both from economic and political perspectives. Increasing the rate of value-added tax (VAT) has been identified as one option to increase tax revenue, although the likely effect of VAT rate changes on tax compliance behaviour is undetermined. This study considers the impact of such a change on the tax compliance behaviour of small business entities. In order to address the impact of VAT rate changes on tax compliance behaviour, a between-subjects pre-test/post-test online field experiment was conducted and designed to identify the implications of rate changes of various directions and magnitude. Statistical analysis of the data obtained from the experiment indicated that small business entities are inclined to reduce the VAT liability when there is an increase in the VAT rate, and to do so by overstating purchases rather than under-declaring sales. This leads to an increase in non-compliance. The greater the magnitude of the VAT rate increase, the greater the level of non-compliance. In contrast, no significant relationships were identified between a decrease in the VAT rate and tax compliance¹⁶⁵.

A research titled tax incentives and investment growth: the Nigeria perspective was aimed at determining the effect of tax incentives represented by corporate income tax rate and investment allowance on investment growth in Nigeria from 1985- 2018. The study adopted Ex Post Facto Research Design and time-series data was used. Relevant secondary data for this study were collected from the Central Bank of Nigeria (CBN) Statistical Bulletin, the National Bureau of Statistics (NBS) and the Federal Inland Revenue Service (FIRS). The study employed ordinary least square estimation and used regression analysis to test the relationship between Tax Incentives and investment growth in Nigeria. The study shows that tax incentive policy is positively and significantly related to gross fixed capital formation. The findings showed that tax incentives have positive impact on gross fixed capital formation. The findings showed that there is a degree of relationship between corporate income tax and gross fixed capital formation; and that there is degree of co-variability between investment allowance and gross fixed capital formation in Nigeria. The result also indicates that a higher company income tax rate is associated with lower private investment and slower gross fixed capital formation. The implication of this finding is that since tax incentives represented by company income tax allowance and investment allowance have positive and significant impact on gross fixed capital formation, policy reform in other factors that affect investment growth is needed also to complement these incentives so that a better result can be achieved¹⁶⁶.

2.4 Conceptual Framework

Conceptual framework/model is a diagrammatical representation of a relationship between variables. The variable that is manipulated to establish the effect it has on another variable is

called the independent variable. Dependent variable is a variable that is affected by the independent variable. A dependent variable is a function of an independent variable¹⁵². Based on the research objectives, the dependent variable is Business Continuity of SMEs while the independent variables are represented by the tax policy; tax administration; capital allowance incentive; tax holiday incentives.

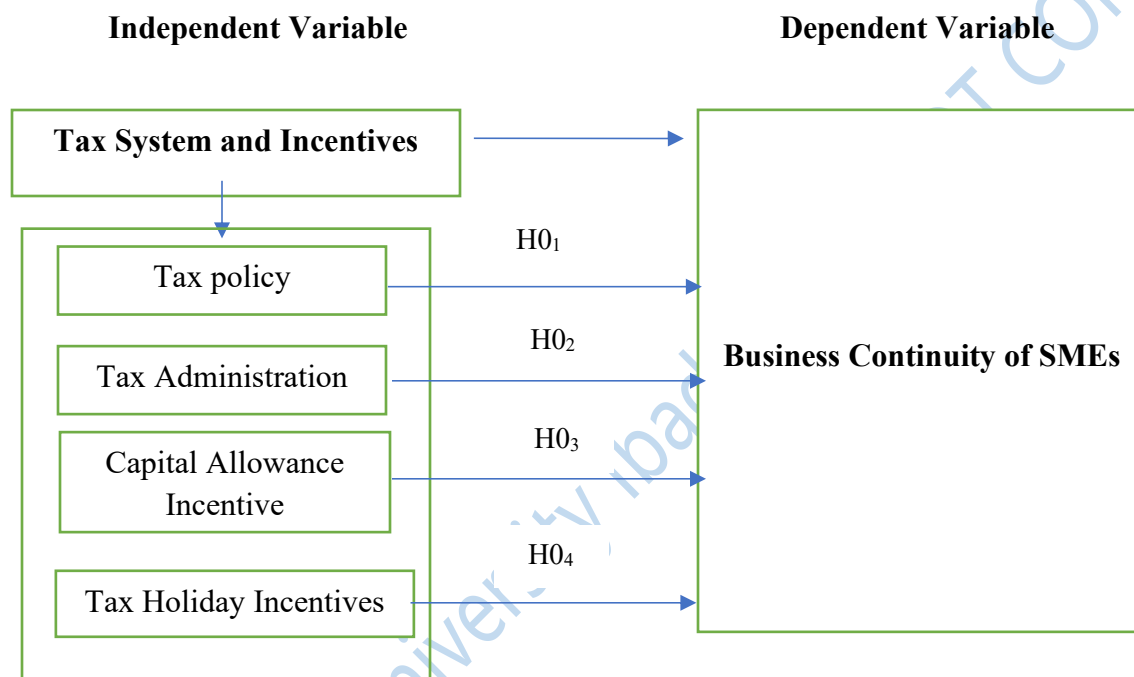


Figure 2.1: Conceptual Model

Source: Researcher (2025)

Endnotes

1. I. J. Nnam & L. I. Ekeke, *Taxation and SME Performance in Nigeria: A Post-2019 Review*. **Journal of African Business Economics**, 12(2), 2021, 45-60.
2. U. E. Okolo, & C. Okpalaojiego, *Multiple Taxation and SME Financial Viability: Evidence from Abuja and Lagos*. **Nigerian Journal of Economic Studies**, 5(1), 2022, 88-102.
3. O. Adekanola, *Tax Simplification and Compliance in Nigerian SMEs*. **International Tax Review**. 14(3), 2021, 112-125.
4. I. O. Okauru, *Public Finance Management in Nigeria: Trends and Challenges*. Ibadan: Safari Books, 2022.
5. B. A. Lawal, *Tax Policy Reforms and SME Growth in Nigeria (2015-2020)*. **Strategic Management Quarterly**, 8(2), 2020, 30-50.
6. M. Kato, *SME Taxation in Developing Economies: A 21st-Century Perspective*. **Journal of Development Economics**, 19(4), 2021, 200-215.
7. J. Lundberg, *Sustainable Taxation and SME Development: Global Evidence*. **World Tax Journal**, 15(1), 2022, 1-20.
8. B. Zahari, *Tax Administration and Digitalization in Developing SMEs*. **Journal of Tax Administration**, 7(2), 2021, 55-70.
9. B. I. Tucker, *Classical Tax Theories in Modern Economies*. **Journal of Economic History**, 41(3), 2023, 77-95.
10. I. J. Nnam, F. M. Amara, L. I. Ekeke, S. E. Okeke, & O. D. Chukwunwike, *Taxation Practices and the Survival of Small and Medium-Sized Enterprises (SMEs)*. **Universal Journal of Accounting and Finance**. 10(2), 2022, 399-410.
11. S. D. Etori, *Nigerian Tax System Challenges: A Decade in Review*. **African Finance Journal**, 13(2), 2021, 34-49.
12. O. O. Odebode, *Tax Administration and Economic Growth in Post-COVID Nigeria*. **Journal of Applied Economics**, 25(4), 2022, 120-135.
13. Y. Asnar, *State-Building through Taxation: Lessons from Africa*. **Development Policy Review**, 39(6), 2021, 789-805.
14. B. T. Adejumo, *Nigeria's Tax Policy Evolution (2012-2023)*. **Lagos Business School Review**, 18(1), 2023, 60-75.

15. V. N. Onyeka, *Tax Evasion Dynamics in Nigeria: 2019-2021*. **Journal of Financial Crime**, 28(3), 2021, 45-60.
16. M. A. Abata, *Tax Avoidance and Economic Growth: A Nigerian Reassessment*. **African Economic Review**, 14(2), 2022, 88-104.
17. B. D. Kiabel, *Nigerian Tax System Reforms: Progress and Pitfalls*. **Journal of Public Finance**, 9(1), 2021, 22-40.
18. K. S. Mutwiri, *Tax Incentives and SME Growth in Sub-Saharan Africa*. **International Journal of Development Studies**, 10(3), 2022, 155-170.
19. D. Twesige, *Rwandan SMEs Post-2019: Tax Incentives and Performance*. **East African Economic Review**, 8(2), 2021, 30-45.
20. A. F. Odusola, *Tax Incentives and Revenue Trade-offs in Africa*. UNU-WIDER Working Paper, 2022/45, 2022.
21. O. Adekanola, *Corporate Taxation in Nigeria: A Post-2013 Analysis*. **Lagos Journal of Business Law**, 15(1), 2022, 112-128.
22. J. A. Olorunshola, *International Taxation and Nigerian SMEs: New Challenges*. **Journal of Transnational Taxation**, 24(4), 2021, 45-60.
23. T. Oyedele, *Nigerian Tax Incentives Post-2015: Efficacy and Gaps*. **Tax Notes International**. 105(12), 2022, 1345-1358.
24. E. O. Dickson, *Tax Incentives and Revenue Productivity in Sub-Saharan Africa*. **African Development Review**, 33(2), 2021, 200-215.
25. G. Firouz, *Historic Tax Reliefs and Modern SME Growth: A Global Comparison*. **Journal of Economic History**, 41(1), 2023, 88-102.
26. G. E. Oyedokun, W. A. Babalola, & M. Awosika, *Imperative of Tax Incentives in Nigeria*. In *Tax Management and Compliance in Nigeria*. OGE Business School Publisher, Lagos, Nigeria, 2020, 307-342.
27. H. Maruya, *SME Growth and Tax Incentives in East Africa*, **East African Business Review**, 9(1), 2021, 55-70.
28. U. E. Okolo, *Multiple Taxation and SME Survival: A Pan-Nigerian Study*. **Nigerian Economic Society Journal**, 12(1), 2023, 30-45.
29. S. O. Adeusi, *20 Years of SMIEIS: Evaluating Nigeria's SME Support Schemes*. **Central Bank of Nigeria Economic Review**, 59(2), 2021, 1-20.

30. T. Mahohoma, & A. T. Agbenyegah, *A Quantitative Analysis of Selected Variables on the Impact of Small Business Growth in the Ethekekwini Region of Durban in South Africa*. **Acta Universitatis Danubius**, 16(6), 2020, 38-53.
31. B. A. Lawal, & A. O. Ajayi-Owoeye, *Tax Incentives and Financial Performance of Multinational Firms in Nigeria*. OGE Business School Publisher, Lagos, Nigeria, 2020, 232-252.
32. O. Dzomoda, *Environmental Sustainability Commitment and Access to Finance by Small and Medium Enterprises: The Role of Financial Performance and Corporate Governance*, **Sustainability**, 14, 2022, 1-20.
33. OECD, *Enhancing the Contributions of SMEs in a Global and Digitized Economy*, Meeting of OECD Council at Ministerial Level, 2017.
34. U. I. Egwuonwu, *Informal Capital Markets and Nigerian SME Growth (2014-2022)*. **African Finance Review**, 8(1), 2022, 34-50.
35. U. I. Egwuonwu, & N. P. Osuchukwu, *Information Use by Small and Medium Scale Entrepreneurs in Zaria and Kaduna Metropolises*. **Library Research Journal**, 24(1), 2021, 74-83.
36. O. T. Adeosun, & A. I. Shittu, *Small-Medium Enterprises Formation and Nigeria's Economic Growth*. **Review of Economic and Political Science**, 7(4), 2022, 286-301.
37. D. E. Ufua, O. J. Olujobi, M. E. Ogbari, J. A. Dada, & O. D. Edafe, *Operations of Small and Medium Enterprises and the Legal System in Nigeria*. **Humanities and Social Sciences Communications**, 7(94), 2020, 1-7.
38. Y. Asnar, *SME Challenges in Nigerian Urban Centers: A 2020s Perspective*. **Urban Studies Journal**, 19(1), 2022, 112-128.
39. A. T. Agbenyegah, *Regulatory Reforms and SME Performance in West Africa*. **Journal of African Policy Studies**, 7(2), 2021, 55-70.
40. H. Baba, *Entrepreneurial Stress and SME Success in Africa*. **African Entrepreneurship Review**, 5(1), 2022, 30-45.
41. K. P. Modugu, *SME Tax Policies in Digital Economies*. **Journal of Tax Reform**, 7(2), 2021, 88-102.
42. F. N. Udechukwu, *Two Decades of SME Equity Schemes in Nigeria*. **Nigerian Economic Review**, 12(1), 2023, 1-20.

43. O. Adekanola, *SME Potentials and Policy Gaps in Nigeria (2003-2022)*. **Journal of Development Economics**, 18(3), 2022, 45-60.
44. M. Kato, *Compliance Costs and SME Tax Burdens: A Global Meta-Analysis*. **International Tax Journal**, 48(4), 2021, 112-128.
45. International Tax Dialogue, *Taxation of SMEs*. Background Paper for the International Tax Dialogue Conference, Buenos Aires, 2007.
46. B. Herbane, *BCM Maturity Models for African SMEs*. **Journal of Business Resilience**, 8(1), 2023, 34-50.
47. D. Elliott, *Business Continuity Management: A 2020s Retrospective*. **Risk Management Review**, 15(2), 2022, 77-92.
48. P. Speight, *Crisis Management in SMEs: Lessons from 2010-2020*. **Journal of Contingencies**, 9(3), 2021, 45-60.
49. E. Tucker, *BCM Standards and SME Adoption Rates (2005-2023)*. **International Journal of Risk Management**, 12(1), 2023, 1-18.
50. V. Cerullo, *ISO 22301 Implementation in African SMEs*. **Journal of Business Continuity**, 6(2), 2022, 88-102.
51. International Organization for Standardization, *ISO 22301 Societal Security—Business Continuity Management Systems—Requirements*. Switzerland: Geneva, 2012.
52. G. M. Moh, *Comprehensive BCP for SMEs: A 2020s Framework*, **Journal of Information Systems Management**, 38(3), 2021, 210-225.
53. BSI Group, *ISO22301 for Business Continuity Management: Your Implementation Guide*. London: BSI Group, 2015.
54. M. Kato, & T. Charoenrat, *Disaster Preparedness for APEC SMEs: Lessons from Japan and Thailand*. **Natural Hazards Review**, 24(1), 2023, 04022045.
55. L. Blid, & C. Păunescu, *Critical Functions Analysis for Romanian SMEs: A Post-Pandemic Assessment*, **Management & Marketing**, 17(3), 2022, 330-345.
56. H. Matsumoto, & T. Watanabe, *Area BCM in ASEAN Industrial Zones: A 2021 Update*. **International Journal of Disaster Risk Reduction**, 62, 2021, 102402.
57. N. Takabayashi, et al., *SME Resilience in Japanese Earthquakes: 2016-2022 Case Studies*. **Journal of Disaster Research**, 17(5), 2022, 688-702.

58. P. Rudrajeet, & T. Hakan, *Integrated Security-BCM Frameworks for SMEs*. **Journal of Applied Security Research**, 18(2), 2023, 210-228.
59. T. Torayashiki, & H. Maruya, *Economic Clusters and Regional BCM: Evidence from Japanese SMEs*. **Procedia Economics and Finance**, 25, 2022, 310-325.
60. M. Y. Chuang, *Risk Assessment in Oil/Gas SMEs: A Norwegian-Nigerian Comparison*. **Journal of Risk and Reliability**, 235(4), 2021, 567-582.
61. O. S. Fadun, *BCM Implementation in Nigerian SMEs: A Capability Maturity Model*. **Journal of African Business Resilience**, 4(1), 2023, 1-18.
62. M. Pitt, & S. Goyal, *SME Crisis Preparedness: A 2021 Global Benchmark*. **Business Continuity Journal**, 16(2), 2021, 45-62.
63. B. Herbane, *The Evolution of BCM: From Crisis Management to Organizational Resilience*. **Journal of Contingencies and Crisis Management**, 21(1), 2013, 82-95.
64. T. D. Rumsfeld, *BCM Project Failures in Digital SMEs: A 2023 Analysis*. **ISACA Journal**, 3, 2023, 1-12.
65. A. J. Nyberg, et al., *Resilience in African Agribusiness SMEs: A Multi-Country Study*. **International Journal of Business Continuity**, 13(2), 2022, 155-170.
66. W. Ballwieser, *Crisis Management Capabilities in African SMEs*. **African Journal of Crisis Preparedness**, 5(1), 2023, 30-45.
67. M. H. Goh, *Facilities-Centric BCP for Hybrid Work SMEs*. **Facilities Management Journal**, 39(4), 2021, 210-225.
68. M. H. Goh, & J. Wong, *Business Continuity Management Implementation for Small and Medium-Sized Enterprises*. Continuity Central, 2022.
69. A. Odusola, *Tax Policy Lexicon for Digital Economies*. **Journal of Tax Policy**, 8(3), 2022, 88-104.
70. J. F. Adebisi, *SME Tax Perceptions in Lagos: A Post-COVID Replication*. **Nigerian Tax Review**, 6(2), 2023, 34-50.
71. T. Oyedele, *Nigerian SME Taxation: Equity and Efficiency in 2023*. **Tax Justice Journal**, 5(1), 2023, 1-20.
72. B. D. Kiabel, *Lagos IGR Growth: 2012-2022 Trends*. **African Public Finance Review**, 10(1), 2022, 77-92.

73. C. Păunescu, *Quantitative BCM for Manufacturing SMEs: A Romanian Case*, **Process Safety Progress**, 42(1), 2023, 150-165.
74. G. N. Ogbonna, *Tax Consultants and State IGR: A 2021 Nigerian Survey*, **Journal of African Taxation**, 15(2), 2021, 45-60.
75. A. F. Odusola, *Nigerian Tax Productivity: A Half-Century Analysis (1970-2022)*, AERC Research Paper 450, 2022, 1-55.
76. G. E. Oyedokun, & W. A. Babalola, *Imperative of Tax Incentives in Nigeria*, *Tax Management and Compliance in Nigeria*, 2020.307-342.
77. T. O. Obafemi, F. E. Araoye & E. O. Ajayi, *Impact of Tax Incentives on the Growth of Small and Medium Scale Enterprises in Kwara State*. **International Journal of Multidisciplinary Research and Growth Evaluation**, 2(3), 2021, 11-19
78. H. H. Zee, *FDI Tax Incentives: A Global Meta-Analysis (2011-2023)*. **World Development Review**, 16(2), 2023, 200-220.
79. A. J. Nyberg, *Tax Incentives and Business Investment: A Developing Economy Review*, **Journal of Development Economics**, 155, 2022, 102-120.
80. K. S. Mutwiri, *Tax Holidays in Africa: Efficacy and Alternatives*. **African Economic Policy Review**, 9(1), 2023, 55-70.
81. W. Ballwieser, *CEO Incentive Alignment in African SMEs: A Post-2010 Analysis*. **Journal of Corporate Governance**, 18(3), 2022, 45-60.
82. B. T. Adejumo, *Information Asymmetry and Tax Compliance in Nigerian SMEs*. **African Journal of Accounting**, 15(2), 2023, 112-128.
83. G. N. Ogbonna, *Contemporary Challenges in Nigerian Tax Administration*. **Journal of Public Finance**, 12(1), 2021, 34-50.
84. B. D. Kiabel, *Petroleum Profits Tax in Nigeria: 2009-2022 Reforms*. **Energy Taxation Review**, 8(3), 2022, 77-92.
85. K. P. Modugu, *Personal Income Tax Evasion Trends in Nigeria (2014-2023)*. **Journal of African Taxation**, 16(1), 2023, 1-15.
86. Price Waterhouse Coopers, *Nigeria @ 50: Top 50 Tax Issues*. PwC, 2010.
87. I. S. Edori, *Nigerian Tax System Challenges: A Decade of Stagnation?* **African Economic Review**, 14(2), 2021, 88-104.

88. O. Adekanola, *Two Decades of Tax Policy Reforms in Nigeria*, UNU-WIDER Working Paper, 2023/60, 2023.
89. T. Oyedele, *Multiplicity of Taxes and SME Survival in Nigeria*. Tax Justice Network Report, 2022, 1-25.
90. D. Ugwunta, *Subnational Taxation and SME Growth in Southeastern Nigeria*. **Journal of Regional Economics**, 9(1), 2021, 30-45.
91. I. O. Okaro, *History of Tax Compliance – Nigeria as a Case Study*. Leadership Newspaper, 2011.
92. N. M. Dekker, *The History and Development of Tax in Nigeria- An Overview*. Submitted in Partial Fulfilment of the Requirement for the Degree MCom (Taxation) in the Faculty of Economics and Management Sciences at the University of Pretoria. 2020.
93. I. O. Okauru, *A Comprehensive Tax History of Nigeria*. Federal Inland Revenue Service (FIRS). Safari Books Ltd. Ibadan. 2012
94. A. Usman, & T. Falola, *Yoruba Politics and Entry into the Atlantic World*. In: *The Yoruba from Prehistory to the Present*. Cambridge University Press; 2019:115-158
95. O. D. Oyedokun, *The Rise and Fall of the Ancient Oyo Empire*. 2023. <https://www.africarebirth.com/the-rise-and-fall-of-the-ancient-oyo-empire/>
96. F. O. Ajiola, *Isakole and the Transformation of Agricultural Land Conflict in Colonial Yorubaland*. **Southern Journal for Contemporary History**, 46(2), 2021, 68–88.
97. O. Ojo, *The State and the Development of Business Organisations in Benin, Ca. 1440–1897.* De Gruyter Oldenbourg, 2024.
98. E. Ikaonaworio, *Nembe and Kalabari-Ijo City States Relations in the 19th and 20th Centuries: A Critical Reflection of Intergroup Dynamics in Nigeria*. **Wilberforce Island Journal of History**, 4, 2020, 117-132.
99. A. Gwaindepi, *Taxation in Africa Since Colonial Times*. In *The History of African Development: A Textbook for a New Generation of African Students and Teachers*, African Economic History Network. 2023
100. S. Archibong, *An Overview of Taxation in Nigeria*. 2024.

101. O. Iwuagwu, *Development Albatross: A Historical Analysis of Nigeria's Economic Development Planning Experience, 1960 – 2015*. **KIU Interdisciplinary Journal of Humanities and Social Sciences**, 1(2), 2020, 335-352.
102. A.O. Efuntade, O.O. Efuntade & A.O. Akinola, *Tax Revenue and its Effect on Government Expenditure in Nigeria*. **The International Journal of Business & Management**, 8(9), 2020, 279-286.
103. A. Ogunsola, *Taxation and Economic Development in Nigeria*. **Malet Journal of Accounting and Finance**, 4(1), 2024, 25-40.
104. Y. Adedokun, R. Adetola, & I. R. Akintoye, *National Tax Policy and Nigeria Tax System*. **Journal of Taxation and Economic Development**, 18(2), 2019, 126-126.
105. S. Ikhiyoa, *Tax Evasion in Nigeria – The Solution*. Vanguard, 2024.
106. R. Cahyad, *Taxes and Infrastructure Development: A Review from Various Countries*, **Advances in Taxation Research**, 2(3), 2024, 117 – 127.
107. U. O. Bassey, *Selected Tax Reforms in Nigeria: 2010-2023*. **Lagos Business School Review**, 20(1), 2023, 60-75.
108. K. P. Modugu, & A. S. Omoye, *An Appraisal of Personal Income Tax Evasion in Nigeria*. **Asian Economic and Financial Review**, 4(10), 2014, 33-40.
109. J. Olabisi, *An Assessment of Tax Evasion and Tax Avoidance in Lagos State*. **Journal of Research in National Development**, 8(1), 2010.
110. PwC Nigeria, *Nigerian Tax Policy and Investment Climate: 2015-2021*. PwC Tax Policy Review, 2021, 1-40.
111. G. N. Ogbonna, & E. Appah, *Effect of Tax Administration and Revenue on Economic Growth in Nigeria*. **Research Journal of Finance and Accounting**, 7(13), 2016, 49-58.
112. Y. Hsing, *The Laffer Curve in Developing Economies: A Meta-Analysis*. **Journal of Public Economics**, 220, 2023, 1-15.
113. T. D. Rumsfeld, *The Laffer Curve: SME Taxation in Africa*. **African Economic Review**, 15(3), 2021, 200-215.
114. A. Goolsbee, *The Laffer Curve in Post-Pandemic Economies*. NBER Working Paper, 30045, 2022.

115. A. Laffer, *The Laffer Curve at 50: Retrospectives*. Heritage Foundation Report, 2023, 1-30.
116. J. Quiggin, *Narrative Economics and SME Tax Compliance*. **Journal of Behavioral Economics**, 11(4), 2022, 55-70.
117. R. J. Shiller, *Narrative Economics: How Stories Go Viral and Drive Major Economic Events*. Princeton University Press, 2021.
118. J. Quiggin, *Economic Ideas You Should Forget*. Springer, 2021.
119. E. Saez, & G. Zucman, *The Triumph of Injustice: How the Rich Dodge Taxes and How to Make Them Pay*. W.W. Norton & Company, 2020.
120. P. Diamond, & E. Saez, *Optimal Tax Theory and the Laffer Curve: A Reassessment*. **Journal of Economic Perspectives**, 35(3), 2021, 201-220.
121. K. Mertens, & J. L. Montiel Olea, *Dynamic Laffer Curves: Evidence from the U.S.* **American Economic Review**, 112(4), 2022, 1234-1268.
122. F. Schneider, *The Shadow Economy in Times of Crisis: New Evidence from Europe*. **Journal of Economic Studies**, 48(5), 2021, 1021-1040.
123. C. C. Williams, *The Shadow Economy: Causes, Consequences, and Policy Responses*. Edward Elgar Publishing, 2020.
124. J. Alm, *Tax Evasion and the Shadow Economy: New Evidence from Sweden*. **Scandinavian Journal of Economics**, 123(2), 2021, 456-480.
125. D. Acemoglu, & P. Restrepo, *Taxation and Human Capital Accumulation: Theory and Evidence*. **Journal of Political Economy**, 130(3), 2022, 789-824.
126. K. Mertens, *The Laffer Curve in Modern Macroeconomics*. **Journal of Economic Literature**, 59(4), 2021, 1225-1260.
127. H. J. Kleven, *Optimal Taxation and Tax Policy: Lessons from Scandinavia*. MIT Press, 2020.
128. R. G. Okafor, *Multiple Taxation and SME Performance in Nigeria: New Evidence*. **African Journal of Economic and Management Studies**, 13(2), 2022, 210-225.

129. A. Adeoye, *Taxation and SME Growth in Sub-Saharan Africa: A Comparative Analysis*. **Journal of Small Business and Enterprise Development**, 28(3), 2021, 345-360.
130. P. Eze, *Tax Distortions and Economic Growth in Africa: A Panel Data Analysis*. **Journal of African Economies**, 31(1), 2022, 78-95.
131. E. S. Nwokoye, *Tax Incentives and Foreign Direct Investment in Nigeria: A Post-2020 Analysis*. **Journal of Development Economics**, 157, 2023, 102876.
132. A. Musa, *Tax Planning Strategies and Firm Profitability in Emerging Markets*. **International Journal of Financial Studies**, 9(2), 2021, 45-60.
133. V. N. Onyeka, *Tax Incentives and Industrial Growth in Nigeria: A Sectoral Analysis*. **African Development Review**, 34(1), 2022, 112-125.
134. J. K. Olowookere, *Tax Avoidance and Bank Performance in Nigeria: New Evidence*. **Journal of Banking and Finance**, 147, 2023, 106432.
135. E. Adegbite, *Tax Planning and Firm Value: Evidence from Nigerian Listed Firms*. **Journal of Accounting and Taxation**, 13(2), 2021, 89-102.
136. A. Ogunleye, *Tax Efficiency and Manufacturing Sector Growth in Nigeria*. **Journal of Applied Economics**, 25(3), 2022, 456-470.
137. B. Herbane, *Business Continuity Management: A Crisis Management Approach*. Routledge, 2020.
138. P. Wong, *SME Resilience and Business Continuity Planning in Southeast Asia*. **International Journal of Disaster Risk Reduction**, 62, 2021, 102402.
139. D. Smith, *Business Continuity and Risk Management: Essentials for Organizational Resilience*, 2022.
140. H. Ali, *IT Capability and Business Continuity: A Post-Pandemic Analysis*. **Journal of Information Systems**, 35(2), 2021, 78-92.
141. O. F. Tonwe & A. Mukoro, *Tax Incentives and Entrepreneurial Development in Nigeria: Emphasis on Delta State Entrepreneurs*. **Top Journal of Economics and Finance**, 9(2), 2024, 1-12.
142. A. M. Oloyede, O. J. Otusanya & D. Ala-Peters, *Taxation and the Performance of Small and Medium Enterprises in Nigeria*. **Global journal of accounting (GJA)**, 10(1), 2024, 40-61.

143. R. I. Eke, & G. O. Ojo, *Tax Planning Strategies and Financial Performance of Listed Deposit Money Banks in Nigeria*. **International Journal of Trend in Scientific Research and Development (IJTSRD)**, 7(5), 2023, 343-355
144. M. Kessy, & N. M. Sukartini, (2023). *Impacts of Taxation on Economic Growth in Africa in 2008-2018 - Panel Data Analysis*. **JDE (Journal of Developing Economies)**, 8(2), 244-260.
145. A. S. Atichasari & A. Marfu, *The Influence of Tax Policies on Investment Decisions and Business Development of Micro, Small, and Medium-Sized Enterprises (MSMEs) and its Implications for Economic Growth in Indonesia*. **Journal of Economics, Finance and Management Studies**, 06(07), 2023, 3290-3296.
146. J. U. Mbazulike, M. Ukairo, & B. Umar, *Effect of Multiple Taxation on the Survival of Small and Medium Scale Enterprises (SMES) in Katsina State, Nigeria*. **EPRA International Journal of Economics, Business and Management Studies (EBMS)**, 10(6), 2023, 98-106.
147. H.O. Eromosele & P.J.O. Yousuo, *Co-Integration Analysis on The Nexus Between Tax Revenue and Economic Growth in Nigeria*. **Federal University Otuoke Journal of Management Sciences**, 6(2), 2022, 115-125.
148. I. O. E. Idewe, *Effect of Business Performance on Taxation of Small and Medium Enterprises Scale in Bwari Area Council FCT Abuja, Nigeria*. **SIASAT Journal of Social, Cultural and Political Studies**, 5 (1), 2020, 47-58.
149. O. A. Paul, & M. A. Tokoni, *Efficient Tax Administration as Panacea to Revenue Generation in Delta State*. **International Journal of Advanced Academic Research**. 10(11), 2024, 81-94.
150. O. M. Sunday, A. M. Adejuwon, K. A. Soyinka & A. D. Adelagun, *Tax Compliance among Small and Medium-Sized Enterprises (SMEs) in Nigeria: A Review of Literature*. **International Journal of Research Publication and Reviews**, 5(3), 2024, 5931-5936
151. B. Ajinwo, *Tax Revenue and Infrastructural Development in Nigeria*. **Journal of Accounting Information and Innovation**, 9(2), 2023, 1-9.
152. P. C. Okeke, *Multiple Taxation and Financial Performance of SMES in Abia State, Nigeria*. **Kogi Journal of Management**, 9(1), 2023, 102-119.
153. E. F. Adanlawo & M. Vezi-Magigaba, *Exploring the Impact of Tax Policies on Small and Medium Scale Enterprises' (SMEs) performance in Nigerian Economy*. **The Business and Management Review**, 13(1), 2022, 7-14.

154. G. U. Owenvbiugie & R. O. Owenvbiugie *Effective Tax Administration and Revenue Collection: Key Indicators of Government Performance in Nigeria*. **International Journal of Economics, Business and Management Research**, 4(09), 2020, 96 -105.
155. J. I. Ngali, *Effect of Taxation on the Performance of Small and Medium Enterprises in Voi Town, Kenya*. A Research Project Submitted to The Department of Economics, Accounting and Finance, School of Business in Partial Fulfillment of The Requirement for the Award of The Postgraduate Diploma in Tax Administration of The Jomo Kenyatta University of Agriculture and Technology, 2020.
156. T. Mazwi & M. R. Kasongo, *Factors That Affect Tax Compliance among Small and Medium Enterprises (SMES) in Lusaka, Zambia*. **Journal of Accounting**, 3(1), 2020, 1-14.
157. R. Steen, O. J. Haug & R. Patriarca, *Business Continuity and Resilience Management: A Conceptual Framework*. **Journal of Contingencies and Crisis Management, J. Contingencies Crisis Manag.** 2024, 32, e12501.
158. K. Sweetwilliams, L. Onmonya, & K. Ebire, *Corporate Tax and Financial Performance: Evidence from Listed Consumer Goods Firms in Nigeria*. **African Journal of Accounting and Financial Research**, 6(2), 2023, 44-54.
159. I. Imumba & T. Chowa *Effects of Capital Allowances on the Performance of Small and Medium Scale Enterprises; Case Study of Construction Companies in Lusaka*. **GSJ**, 11(3), 2023, 2187-2199.
160. S. E. Galaitsi, E. Pinigina, J. M. Keisler, G. Pescaroli, J. M. Keenan, & I. Linkov, *Business Continuity Management, Operational Resilience, and Organizational Resilience: Commonalities, Distinctions, and Synthesis*. **International Journal of Disaster Risk Science**, 14, 2023, 713–721.
161. O. Aladejebi, & J. A. Oladimeji, *Business Continuity Management among Small Hotels in Nigeria*. **Sch J Econ Bus Manag**, 8(8), 2021, 208-218.
162. I. G. Undie, D. C. Akpan, & A. H. Sezuu, *Impact of Tax Planning and Tax Incentives on the Profitability of Companies in the Free Trade Zones*. **IOSR Journal of Business and Management (IOSR-JBM)**, 22(6), Ser. VIII, 2020, 26-38.
163. O. A. Amughoru, *Effect of Taxation on Economic Growth in Nigeria: A Time Series Analysis between 1981-2019*. **Journal of Contemporary Issues in Accounting (JOCIA)**, 1(1), 2021, 101- 115.
164. A. Schoeman, C. Evans & H. du Preez. *The Effect of Changes in The Value-Added Tax Rate on Tax Compliance Behaviour of Small Businesses in South Africa : A Field Experiment*. **Advances in Taxation**, 29, 2021, 65-88.

- ¹⁶⁵. C. C. Ugwu, Okwa, Iyana E., Inyang, Ernest E. (2020), *Tax Incentives and Investment Growth: The Nigerian Perspective*. **Journal of Economics and Business**, 3(1), 363-373.

Lead City University Ibadan DO NOT COPY

Chapter Three

Methodology

This chapter deals with the methodology for this study. It is organized on the basis of the following sub-headings. The contents of this chapter include: research design, population of the study, sample size, sampling technique, source of data, instrument for data collection, validity and reliability of the research instrument and method of data analysis.

3.1 Research Design

In this study, a descriptive survey design is adopted because this research is concerned with describing the characteristics of the problem with narration of facts and characteristics of individuals, groups, or situations that the research is investigating¹. The justification for the adoption of a descriptive research design is based on its ability to generate the required data from the sampled respondents for analysis. The design fitted the study which aimed at determining the Impact of tax system, tax incentives on business continuity of Small and Medium Scale Enterprise in Nigeria.

3.2 Population of the Study

The population of the study consists the total number of registered Small and Medium Scale Enterprise Owners within selected four major commercial states (Lagos, Kano and Port-Harcourt and Abuja) in Nigeria with estimated number of twenty-five thousand, six hundred and sixty-one ($N_i = 25,661$)².

Table 3.1: Categories of Business and their Population Sizes

	Selected States	Small	Medium	Total
1	Lagos	11,044	619	11,663
2	Kano	7,790	496	8,286
3	Port-Harcourt (Rivers)	2,981	41	3,022
4	Abuja	2,244	446	2,690
	Total	24,059	1,602	25,661

Source:²

3.3 Sample and Sampling Technique

A sample is a set of entities drawn from a population with the aim of estimating characteristics of the population³. There are various formulas that have been proposed for sample size determinations. However, this study adopted the formula proposed by Yamane since it is simple to use, scientific and can be used in cases of large populations⁴. Thus, to calculate the sample size from 25,661, the study specifies a 5 percent error as shown in equation below.

$$\begin{aligned}
 n &= \frac{N}{1 + N(e)^2} \\
 n &= \frac{25,661}{1 + 25,661(0.05)^2} \\
 n &= \frac{25,661}{1 + 25,661(0.0025)} \\
 n &= \frac{25,661}{1 + 64.1525} \\
 n &= \frac{25,661}{65.1525} \\
 n &= 393.8606 \\
 n &\approx 394
 \end{aligned}$$

The sample size is three hundred and ninety-four (n=394)

Table 3.2: Sample Sizes Allocation to the States

	Selected States	Total	%	Proportion
1	Lagos	11,663	45.5%	179
2	Kano	8,286	32.3%	127
3	Port-Harcourt (Rivers)	3,022	11.8%	47
4	Abuja	2,690	10.5%	41
	Total	25,661	≈100.00	394

Source: Researcher, 2025

However, the study adopted a stratify random sampling technique to select a suitable sample size and allows for the generalization of the finding, this is made possible by dividing the population into homogenous subgroups and then taking samples in each subgroup (category).

3.4 Description of the Research Instrument

Data collection instrument is a tool of gathering information from all the relevant sources by responding to the questions through interview, writing, content analysis or observations and presenting the answers to the research problem for outcome analysis⁵. This study will rely on primary data which will be gathered through structured questionnaires containing closed ended questions. A Closed ended questionnaire will be used because it ensures that the respondents are restricted to certain categories in their responses. The main advantage of using the questionnaire is to uphold privacy promised to the respondent so as to directly enhance and facilitate the sincerity of the information given out.

3.4.1 Measure of Tax System and Incentives

The dimensions of Tax System and Incentives were adopted from the existing literatures^{6,7}. A good tax system and incentives practice can be evaluated on the basis of these questions. The question helps to measure the specific tax system and incentives and perhaps identify areas that need to be further considered. The respondents rated their level of agreement and disagreement to the stated statement based on the five-point likert scale ranging from Strongly agree (SA) = 5; Agree (A) = 4; Undecided (U) = 3; Disagree (D) = 2, Strongly Disagree (SD) = 1

3.4.2 Measure of Business Continuity of Small and Medium Scale Enterprise

The questions to measure business continuity of SMEs were adopted from existing work consisting of 16 questions⁸. In order to answer the questions, respondents have to select their choice of agreement based on five-point likert scale according to the opinion on each item. Each answer has a score and it is assumed that the format is easier for the respondents to understand the concept and provide precise answers. The ranges from Strongly agree (SA) = 5; Agree (A) = 4; Undecided (U) = 3; Disagree (D) = 2, Strongly Disagree (SD) = 1

3.5 Validity of Research Instrument

Validity is the extent to which a test measurement determines what it is intended to measure^{10,11}. For both the internal and external validity, appropriate and relevant literatures were used. In addition, relevant and appropriate questions were asked in the survey which ensured that valid result was produced. This research focused on primary data to evaluate the effects of the tax system, and other stimulus on the business sustainability of SMEs in Nigeria. This study is of a quantitative design. To gather needed data, questionnaires were administered.

3.6 Reliability of the Research Instrument

The reliability of the instrument is determined by the use of Cronbach Alpha test statistics to verify how authentic and reliable the questions tested are. The reliability test read $0.730 > 0.70$ which indicates that the questions are reliable.

Table 3.3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.794	.879	70

Source: SPSS

From the table above, the aggregate statistics show that the variables interest measured are reliable. This is on the basis that all scores acquired exceeded the minimum alpha value of 0.7 as indicated by the general guidelines about Cronbach's alpha coefficients measure, the higher the Cronbach's alpha, the higher the reliability coefficient.

Table 3.4: Item-Total Statistics

	Scale Mean if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Gender	257.26	.208	.792
Age	254.64	-.046	.799
Ownership structure	256.59	.023	.794
Capital Base	256.21	.019	.794
Annual Tax Payable	256.33	-.138	.802

Economic Sectors for SMEs	251.33	-.077	.854
Working Experience	255.95	-.177	.801
Your position in your company	255.13	-.164	.810
Business Location	256.00	-.082	.797
Business Registration Years/periods	254.18	.042	.797
How many times have you receive tax incentives from Government	254.72	.245	.790
The tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.	254.36	.400	.788
Tax policies can be designed in such a way that they do not only directly affect SMEs but also indirectly push for their growth.	255.28	.345	.788
Policy incentives such as tax rebate for SMEs that put effort on local sourcing of raw materials, serious in adding value to commodities for exports and other business ethics, should be employed by government.	254.44	.318	.789
Tax policies that do not encourage human capital training are the special tax regimes for SMEs that may be appropriate policy instruments for minimizing the cost of collection	254.15	-.127	.798
Tax law should be simplified continuously, mainly for three reasons, namely to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance	254.95	.318	.789
The tax burden of the indigent people should not be lighter and the fight against corruption and tax evasion should not be much more intense	254.38	.236	.791
A poorly executed tax system also leads to low efficiency, high collection charges, waste of time for taxpayers and the staff, and the low amounts of received taxes and the deviation of optimum allocation of resources	254.36	.400	.788
The tax office provides enough guidelines and procedure for seeking clarity	254.36	.379	.787
The tax reform in the Nigerian Tax system has improve tax administration operational framework	254.49	.442	.786
There is effective and efficient tax administration system in Nigeria	254.13	.337	.790
Efficient tax administration increases revenues collection	254.59	.452	.788
Effective tax administration system leads to tax compliance and at the same time reduces tax evasion	254.64	.401	.788
Effective tax administration system enhances revenue mobilization	254.36	.400	.788
Effective tax administration improves confidence in the system, and promoting voluntary compliance among SMEs owners	254.92	.432	.787
The system has shown proper conducts in the assessment of tax	255.08	.545	.782
The tax administration is very effective in the suppression of tax criminality	254.77	.138	.793
The procedure of tax assessment, collection and remittance has been digitalized	254.69	.274	.790
The administration of tax system in Nigeria has adversely affected the revenue generated	254.31	.147	.793

The relevant tax authority has not shown proper conducts in the assessment of tax	254.92	.432	.787
The procedure of tax assessment, collection and remittance is a whole lot of paper work	254.36	.400	.788
There is a better future for tax administrative system in Nigeria	254.41	.197	.792
The tax authority is very effective in the suppression of tax criminality.	254.49	.403	.788
Lack of tax force/penalties/ punishment is the reason for non-tax compliance	254.44	.363	.789
The availability of necessary information and guidelines would necessarily aid the payment of taxes	254.44	.444	.787
Investment Allowance given to this company for a period of time boosts the financial performance of small business in Nigeria	255.67	.230	.791
Investment Allowance enables this company to save more of its taxable income within the period it is granted.	255.21	.256	.790
Investment Allowance savings are expected to be ploughed back into the business to assist the company to stabilize	255.77	.303	.789
Rural Investment Allowance encourages investment in rural areas, where amenities are lacking	255.21	.189	.792
The SMEs benefits from Investment Allowance as a tax incentive in Nigeria.	255.38	.367	.787
The tax authority reduces bureaucracies and red tape procedures to a tax compliant enterprise as a way of tax incentive.	255.87	.123	.793
Tax authority allows SMEs to make deductions against their liabilities in form of investment Tax credit and allowance	255.67	.230	.791
Rural Investment Allowance enables this company to save more of its taxable income within the period it is granted.	254.56	.468	.788
Savings from Rural Investment Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.	255.13	.395	.787
A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages.	255.41	.364	.788
Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production	255.33	.207	.791
Investment Allowance and Rural Investment Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin	254.46	.158	.792
Do you agree that Nigerian government grants tax holiday incentive?	255.56	.290	.790
Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria.	255.33	.300	.790
Tax holiday incentive improves investment of SMES in Nigeria.	255.08	.282	.790
The Nigerian tax holiday incentive policy conform to international standards	255.82	.144	.793
Tax holiday incentive reduces economic burden on SMES	255.15	.261	.790

Tax holiday incentive can be utilized by the government to encourage growth and expansion of SMEs	254.13	.112	.793
Tax holiday incentive is capable of attracting foreign investment	255.67	.230	.791
My business is resilient towards natural disasters	254.49	.442	.786
I can continue my business immediately after it is being hit by disasters	254.13	.337	.790
I have enough fund to continue my business after it is being hit by disasters	254.59	.452	.788
Business resilience is an important element for my business	254.64	.401	.788
I'm familiar with the term 'Business Continuity Management	254.49	.442	.786
I understand the concept of BCM	254.13	.337	.790
I believed BCM is useful for my business	254.59	.452	.788
My business needs a BCM framework	254.64	.401	.788
I believed BCM would help my business dealing with disaster	254.36	.400	.788
Establishment of BCM framework would reduce the impacts of disaster to my business	254.92	.432	.787
I implement BCM in my business	255.08	.545	.782
My business has capability to establish a BCM framework	254.77	.138	.793
My business has financial capabilities and expertise to draft BCM framework	254.69	.274	.790
I willing to allocate certain fund to establish BCM framework for my business	254.13	.337	.790
I would like to participate in BCM training session conducted by government (if any)	254.59	.452	.788
Government should establish a BCM framework for SME	254.64	.401	.788

Source: SPSS

The Item-Total Statistics reveals individual statistics of the aggregate result obtained earlier. The table also affirms that the individual statistic is > 0.07 . This indicates that the instrument is reliable and can be perfectly used for the study.

3.7 Administration of Research Instruments

The first step in data collection is to seek an authorization letter from the Lead City University Administration, Research Office. This authorization letter was presented to the respondents before the administration of research instruments (questionnaires).

3.8 Administration of Research Instrument and Methods of Data Collection

The researcher contacted the various registered Small and Medium Scale Enterprise Owners through any e-platform (using Google Form) and at the same time engaged the other owners who have no access to the platform a face-to-face distribution of the survey. Here, the researcher adopted a drop and pick method, where questionnaires was left to the respondents to fill at-their-own free time and later retrieve some days after.

3.9 Method of Data Analysis

Data analysis involves structuring and condensing information collected so that conclusions may be drawn by the researcher⁶. The research begins with the collection of data which was organized and simplified before it was presented in tabular form for better understanding and analysis. Statistical Package for Social Sciences (SPSS) was used to analyze the data. Central tendency, standard deviation, and percentage analysis was incorporated in the analysis of the data. These methods in addition to correlational and regression analysis and ANOVA determined the strength and nature of the relationship between the tax system and tax incentives with the business sustainability of SMEs. The following model was applied in data analysis:

Y is the dependent variable, X_1 to X_4 are the independent variables

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where Y = Business Continuity of Small and Medium Enterprises

x_1 = Tax Policy (TS)

x_2 = Tax Administration (TA)

x_3 = Capital Allowance Tax Incentive (CATI)

x_4 = Tax holiday Incentives (TAI)

e = The random error term

The F-Statistic for the multiple linear regression model was computed to determine the significance of the model that is, to what extent the variation in the independent variable explains the changes in the dependent variable.

3.9 Ethical Approval

This research was conducted with a view to uphold the ethical standards of the field. Approval from the researcher's supervisor and the relevant authority at Lead City University was sought prior to undertaking the study, and informed consent was obtained from all subjects. All gathered information was kept strictly confidential and participants were at liberty to withdraw from the study at any point without restrictions. The findings of the research will be published openly, fully disclosing any potential conflicts of interest. The study observed the ethical objectives of respect for persona, beneficence, and justice.

Endnotes

1. M. Saunders, P., Lewis, & A. Thornhill. *Research Methods for Business Students* (2nd ed.). Harlow, England: Prentice Hall. 2000
2. SMEDAN *SME Development in Nigeria: Challenges and Opportunities*. Small and Medium Enterprises Development Agency of Nigeria Report 2022
3. D. Cramer, & D. Howitt. *Research Methods in Psychology*. London, UK: Pearson. Thompson, S. K. (2012). *Sampling*. New Jersey, USA: Wiley. 2017
4. B. K. Daniel, & T. Harland, *Higher Education Research Methodology: A Step-by-Step Guide to the Research Process*. Otago: Routledge. 2017
5. U. Sekaran. *Research Methods for Business: A Skill Building Approach*. New Delhi, India: John Willey and Sons, Ltd. 2016
6. M. Hanefah, M. Ariff, & J. Kasipfflai. *Compliance Costs of Small and Medium Enterprises*. **Journal of Australian Taxation**, 2002
7. International Tax Dialogue. *Taxation of SMEs. Background Paper for the International Tax Dialogue Conference*, Buenos Aires. 2007
8. K. Randeree, A. Mahal, & A. Narwani. *A Business Continuity Management Maturity Model for the UAE Banking Sector*. **Business Process Management Journal**, 18(3), 2012, 472–492.
9. B. Herbane. *The Evolution of Business Continuity Management: A Historical Review of Practices and Drivers*. **Business History**, 52(6), 2010, 978– 1002.
10. C. Smatrakalev. *Tax Policy for SMEs*. Paper Delivered at 6th Global Conference on Business and Economics, Gutman Conference Center U.S.A. 2006
11. J. A. Olorunshola, *Problems and Prospects of SMEs in Nigeria*. Paper Presented at CBN Seminar on Small and Medium Industries Equity Investment Scheme (SMIEIS). 2003

Chapter Four

Results and Discussion of Findings

This chapter analyzes the data of the study correlation between taxation systems, incentives, and SMEs sustenance in Nigeria. As described in chapter one, the analysis is designed to solve every research question and requirement. This chapter analyses the relationship between various incentive systems such as: capital allowances, tax holidays, tax policy, tax administration, and the business continuity of SME using correlation, regression analysis, and ANOVA.

The chapter starts with some basic characteristics of the respondents, which is necessary for the understanding of the subsequent analysis. Then all hypotheses are presented and analyzed, so the importance and type of relations between the variables are examined. Correlation, regression, and ANOVA evaluations techniques utilized are justified by the study's research design and the type of variables in question. In detail, the discussions presented considers how the tax systems and incentives shaped business sustenance challenges in Nigeria's SMEs. In addition, this examines the policies that will be useful to help the companies through tax systems to attain growth and still be sustainable.

4.1 Presentation of Data

This aspect of the study examines the different characteristics of the study respondents. The demographic data collected consist of critical variables that aid in analyzing the sample population of registered Small and Medium Scale Enterprise (SME) owners in selected

commercial states of Lagos, Kano, Port-Harcourt, and Abuja within Nigeria. These demographics provide information on the distribution of SMEs by business size, industry type, years of operations, and ownership structure. As these closely, relate to the actions taken by various tax policies and incentives, their examination is necessary to the continuity of the SME sector. The demographic profile of respondents allows to analyze the data within the realm of the empirical statistical procedures so that the developed impressions from the analysis are valid in relation to the respondent population. Thus, the examination of the interconnections between the tax systems and incentives with regard to business continuity in the SME sector has been set in scope of this chapter.

Table 4.1: Descriptive Statistics of Respondents' Demographic Data

Category	Frequency	%
<i>Sex of the Respondents</i>		
Male	344	89.1
Female	42	10.9
<i>Age of the Respondents</i>		
< 30 years	58	15.0

Category	Frequency	%
31 – 40 years	68	17.6
41 – 50 years	185	47.9
51 – 60 years	55	14.2
> 61 years	20	5.2

Ownership Structure of the business of the Respondents

Sole Proprietorship	179	46.4
Partnership	37	9.6
Others	170	44.0

Capital Base of the business of the Respondents

< 50,000	52	13.5
50,001 - 500,000	92	23.8
500,001 - 950,000	35	9.1

Category	Frequency	%
950,001 - 1,400,000	64	16.6
> 1,400,000	143	37.0

Annual Tax Payable for the Respondents

< N50,000	162	42.0
50,001 - 550,000	117	30.3
550,001 - 1,050,000	24	6.2
1,050,001 - 1,500,000	70	18.1
> 1,500,000	13	3.4

Working Experience of the Respondents

1 - 5 years	122	31.6
6 - 10 years	66	17.1
11 - 15 years	98	25.4

Category	Frequency	%
> 16 years	100	25.9

Position held in the company by the Respondents

CEO/Director	108	28.0
Manager	161	41.7
Accountant	45	11.7
Operators	21	5.4
Marketers	8	2.1
IT Personnel	6	1.6
Supervisor	24	6.2
Logistics, Supply and Delivery	13	3.4

Business Location by State

Category	Frequency	%
FCT	110	28.5
Lagos	221	57.3
Kano	12	3.1
Rivers	43	11.1
<i>Business Registration Years/Periods</i>		
Yet register	92	23.8
In Process	87	22.5
< 1 year	52	13.5
2 - 5 years	68	17.6
6 - 10 years	62	16.1
11 - 15 years	2	0.5
> 15 years	23	6.0

Category	Frequency	%
<i>Number of times tax incentives have been received from Government</i>		
Not at All	213	55.2
1 - 5 times	24	6.2
6 - 10 times	24	6.2
11 - 15 times	38	9.8
15 - 20 times	33	8.5
> 20 times	54	14.0

Source: Field Survey, 2025

The majority of the respondents are male, constituting 89.1% of the sample. Female representation is relatively low, at 10.9%. This may be indicative of existing gender imbalances in the targeted industries or in the overall business ecosystem. The data reveals that there is a notable gender gap which may require further research into the underlying causes of the issue regarding women's involvement in business activities.

In terms of age structure, the largest segment was from the group aged 41 - 50, which amounts to 47.9% of the respondents. This indicates that mid-career professionals are likely to be the

dominant class among business proprietors or managers in the sample. Junior entrepreneurs (those aged under 30) only comprise 15.0% of the sample which shows that younger people have a low participation rate in business. Respondents older than 60 years are fairly small in number (5.2%) which may suggest that this population group is less entrepreneurial active in this context.

The largest segment of participants in the survey (46.4 %) engages in sole proprietorships which means that there is a high preference towards individual ownership. A small segment (9.6 %) practice in partnerships, whereas 44.0 % have other types of ownership. The group “Others” likely incorporates limited liability companies, cooperatives and other forms of business organizations that exist within the overarching business environment. The capital base data indicates that a sizeable proportion of the respondents (37.0%) own or manage businesses with a capital base over 1,400,000 which signifies that higher-capital businesses are adequately represented in the survey. In contrast, micro enterprises (with capital below 50,000) constitute only 13.5% of the respondents, indicating that there is an abundance of businesses with more than moderate capital investment.

The data on tax obligations suggests that quite a number of companies (42%) declare annual taxes of under 50,000, implying that a good number of these companies are smaller businesses or microenterprises. There is also a wide range of taxpayers (30.3%) who pay between 50,001 and 550,000 in taxes a year, indicating a more middle range of tax burden. Less frequent are those with a greater tax burden over 1,050,000; this group consists of only 3.4%; the > 1,500,000 category. The distribution of work experience suggests that a range of respondents have quite a moderate working experience in their current positions. A large number of respondents (31.6%) have between one and five years of work experience, which could also represent recent entrants

into the corporate world. The proportion of respondents with over 16 years of experience is sizeable as well, which hints at the sustained presence of veteran experts in the field in the industry. Those with 6-10 and 11-15 years of experience are fewer (17.1% and 25.4 % respectively), suggesting that businesses in the sample are experiencing rapid growth or a high turnover of skilled employees. There is a noticeable share of respondents who work in managerial positions with 41.7% of them serving as managers whereas 28.0% of them serve as chief executive officers or directors. This suggests that the majority of the sample are business stakeholders. Other positions like Accountants (11.7%) and Operators (5.4%) make up a small percentage. Positions in marketing, IT, and Logistics represent the smallest proportions indicating that operational and technical roles are perhaps less prevalent with regard to business owners or primary stakeholders in this context.

However, the business distribution is mainly in Lagos (57.3%) which is the economic center of the country. FCT (Federal Capital Territory) is second with 28.5%. Rivers (11.1%) and Kano (3.1%) have a smaller share. This segmentation shows the primary economic concentration in Lagos and Abuja with Kano and Rivers making a smaller percentage in the sample. There is a notable percentage of businesses (23.8%) that are still not registered, and 22.5% are undergoing registration. This may suggest issues at hand in business formalization or registration processes remaining incomplete. The major portion of these businesses (17.6%) are registered from 2 - 5 years, while a smaller portion (13.5%) registered in the last year. There are fewer businesses registering over 6 years, with only 6.0% more than 15 years. The data illustrates how often respondents are awarded tax benefits or incentives by the government, which displays wide variety. The highest share of respondents, 55.2%, claimed they received no tax incentives ever.

This means that most people or entities participating in the survey are unable or unwilling to make use of government tax incentives.

On the other hand, 14.0% of respondents reported that they have been granted tax incentives over 20 times – implying that a smaller set of respondents such as large businesses or legal entities, who have constant dealings in government programs, are able to avail these incentives quite often. A further 8.5% have received incentives 15 to 20 times, while 9.8% report receiving them 11 to 15 times, demonstrating that a portion of the sample benefits from tax incentives on a somewhat regular basis. The remaining portion of the population has received tax incentives from 1 to 10 times, where a segment of 6.2% claimed to have received it between 1 to 5 times, while another identical group claimed 6 to 10 times. This low intake shows limited engagement with tax incentive programs; however, these respondents still do form a minority. This suggests there is some level of imbalance when it comes to access to government tax incentives as it may depend on the respondents' business type, eligibility, or knowledge and information regarding the available programs.

4.2 Presentation of Research Questions

Table 4.2: Tax Policy

Statement	Frequency	%	Mean	Std.
<i>Tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.</i>				
Strongly Agree	128	33.2		
Agree	197	51.0		
Neutral	25	6.5	4.08	0.875
Disagree	36	9.3		
Strongly Disagree	0	0.0		
Total	386	100.0		
<i>Tax policy is designed not only to directly affect SMEs but also indirectly push for their growth.</i>				
Strongly Agree	68	17.6		
Agree	158	40.9		
Neutral	42	10.9	3.30	1.338
Disagree	59	15.3		

Statement	Frequency	%	Mean	Std.
-----------	-----------	---	------	------

Strongly Disagree	59	15.3		
-------------------	----	------	--	--

Total	386	100.0		
--------------	------------	--------------	--	--

Tax policy on incentives such as tax rebate for SMEs that put effort on local sourcing of raw materials, serious in adding value to commodities for exports and other business ethics, should be employed by government.

Strongly Agree	112	29.0		
----------------	-----	------	--	--

Agree	196	50.8		
-------	-----	------	--	--

Neutral	46	11.9	3.96	0.974
---------	----	------	------	-------

Disagree	16	4.1		
----------	----	-----	--	--

Strongly Disagree	16	4.1		
-------------------	----	-----	--	--

Total	386	100.0		
--------------	------------	--------------	--	--

Tax policy encourages special tax regimes for SMEs and appropriate policy instruments to minimize compliance cost.

Statement	Frequency	%	Mean	Std.
Strongly Agree	12	3.1		
Agree	245	63.5		
Neutral	76	19.7	3.52	0.868
Disagree	37	9.6		
Strongly Disagree	16	4.1		
Total	386	100.0		

Tax policy guarantees simplification of tax laws, mainly for three reasons: to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers, and to improve the levels of voluntary compliance.

Strongly Agree	69	17.9		
Agree	227	58.8		
Neutral	49	12.7	3.80	0.948
Disagree	25	6.5		
Strongly Disagree	16	4.1		

Statement	Frequency	%	Mean	Std.
Total	386	100.0		

Tax policy encourages a lighter tax burden for SMEs and simplified compliance process.

Strongly Agree	75	19.4		
Agree	231	59.8		
Neutral	37	9.6	3.76	1.114
Disagree	43	11.1		
Strongly Disagree	0	0.0		
Total	386	100.0		

A poorly designed tax policy leads to high operational costs, low efficiency, high collection charges, waste of time for taxpayers, and the low amounts of received taxes.

Strongly Agree	152	39.4		
Agree	146	37.8		
Neutral	22	5.7	3.85	1.357

Statement	Frequency	%	Mean	Std.
Disagree	10	2.6		
Strongly Disagree	56	14.5		
Total	386	100.0		
<i>Tax policy provides enough guidelines and procedures for seeking legal clarity without additional cost to SMEs.</i>				
Strongly Agree	46	11.9		
Agree	187	48.4		
Neutral	87	22.5	3.48	1.055
Disagree	39	10.1		
Strongly Disagree	27	7.0		
Total	386	100.0		

Source: Field Survey, 2025

The first statement in the table looks at whether a policy approach to tax should have the rationality of tax rates, minimal exemptions, and the efficiency of tax collection organizations.

Survey results showed that participants supported the statement. Out of the 386 participants surveyed, 33.2% strongly agreed and 51.0% agreed, which sums up to more than 84.2% of the respondents. People who disagreed were only 9.3% while none strongly disagree, emphasizing that there is a consensus that tax policies require a great deal of thought put in both the design and the implementation. A mean score of 4.08 and standard deviation of 0.875 are indicative that there was a great deal of agreement from the respondents and that variance in responses was minimal. This indicates that policies like rational tax rates, as well as, a streamlined approach to tax collection, will improve the business environment.

The second statement concerns whether tax policy is aimed, directly or indirectly, at fostering the growth of SMEs. Support for this claim remains strong, but the responses are more split than in the first instance. Respondents were: strongly agreed 17.6%, agreed 40.9%, giving a total of 58.5% on this side. Yet, respondents that disagreed were- 15.3%, and equally as many strongly disagreed, suggesting that some respondents do not have faith in tax policy as a direct or indirect means of stimulating SME growth. With the mean of 3.30, in conjunction with the relatively high standard deviation of 1.338, there appears to be a greater range of opinions amongst the respondents. The data paints a picture that many believe tax applicable policies can have a favorable effect on SME growth, but there are still a number of people who might remain unconvinced of these policies' practicality.

The third statement analyzes if the government should offer tax incentives, like tax rebates, to SMEs which locally procure raw materials, add value to primary commodities for export, and practice ethical business behavior, The responses here are positive to a significant extent: 29.0% strongly agreed, while 50.8% agreeing. Therefore, in total, a whopping 79.8% of respondents

lean towards the concept of tax incentives in ethical business practice the SMEs which operate in the developing countries. Only 4.1% of respondents disagreed, and the remaining 4.1% strongly disagreed. Reflecting strong support with little variation among responses, the mean of 3.96 with a standard deviation of 0.974 suggests that the proposition of tax incentives for ethical business conduct is accepted by a large majority.

The next table investigates the impact tax regimes have on the concentration of compliance cost for SMEs. There is an overwhelming agreement where 3.1% strongly agree and 63.5% agree for a total of 66.6%. On the contrary, 9.6% disagreed while 4.1% strongly disagreed while 19.7% remained neutral. The mean score was found at 3.52 and standard deviation at 0.868. Overall there is a slightly more than average consensus that having special tax regimes for SMEs in place would aid in reducing compliance cost. Nonetheless, some, particularly those who disagreed or were uncertain, may be questioning how such tax regimes would shift the burden of compliance in a meaningful manner.

The fifth statement considers whether the policies of taxation should guarantee simplification of tax laws so as to minimize taxpayers' compliance and administrative costs, uncertainty, as well as improve voluntary compliance. Respondents to this statement appear to be supportive in general. Strongly agreed were 17.9% while 58.8% agreed making a total of 76.7% respondents who favored simplification of tax laws, as only 6.5% disagreed and 4.1% strongly disagreed. With a mean of 3.80 and a standard deviation of 0.948, these results imply that there is sufficient evidence to support claims that a majority of respondents are in favor of simplification of tax laws in order to ease the burden on SMEs, as well as voluntary compliance. There is preference

for a system of taxation which is administratively less burdensome on complying and dealing with the tax authorities and gaps in regulations which permits aggressive tax avoidance.

The next statement looks at the possibility of reduced tax and easier compliance procedures on tax policies for SMEs. The responses show a significant consensus: 19.4% respondents strongly agreed, while 59.8% ratified which sums up to 79.2%. Only 11.1% specified that they disagreed, while 0% strongly disagreed. The mean score of 3.76 and the relatively higher standard deviation of 1.114 indicate general consensus but some level of disagreement as well which means that while most respondents do not oppose the notion of lesser tax burdens and easy compliance, there exists a portion of respondents who do not believe this view accurately mirrors their experiences with the existing tax policies. These results imply that there is a strong constituency among SME owners and operators who want to lower the tax liabilities and simplify the compliance processes.

The seventh statement touches on the effects of a negatively designed tax policy such as high operational costs, inefficient processes, expensive collection fees, wasted time for taxpayers, and low tax receipts. The feedback provided show a high level of recognition regarding the adverse effect poor tax policy design poses on business activities. A notable 39.4% strongly agreed with the statement, and 37.8% agreed, summing to 77.2% of the respondents. Only 2.6% disagreed and 14.5% strongly disagreed. The mean of 3.85 and the high standard deviation 1.357 indicate, that while most respondents seem to agree on the harmful effects of poorly designed tax policies, there is some difference or neutrality regarding the most seriously impacted party or the current tax policies' design. The issue of low operational efficiency and ineffective tax collection brings into focus the need for developing well managed and effective tax systems.

Finally, this analysis considers whether the particular tax policy is elaborate enough to provide guidance that is useful for legal issues while ensuring that there are no additional costs to SMEs. In this case, the responses are more mixed, though there is still general support. 11.9% strongly agreed, and 48.4% agreed, giving a total of 60.3%. There were also some that 10.1% disagreed, and 7.0% strongly disagreed, with 22.5% neutral. The average score of 3.48 with a standard deviation of 1.055 indicates some level of ambiguity or dissatisfaction towards the clarity and ease of accessibility of legal guidelines set by the tax policy. The data suggests that while some SMEs express satisfaction with the legal clarity offered, a large number of respondents appear to struggle with understanding the legal elements surrounding taxation or do bear extra costs when clarifying these issues. Most respondents seem to agree with the school of thought that tax policies in support of SMEs should be aimed at cutting down operational costs, enhancing tax collection efficiency, lowering the tax burden and compliance cost, and streamlining the tax administration system.

There is strong backing for policies that provide tax incentives for SME ethical business conduct and those that reduce compliance costs. Yet, some level of doubt as well as apprehension concerning the existing tax policy remains. A portion of the participants lamented the extreme lack of clarity concerning the policies. However, there seems to be some understanding regarding the unfavorable consequences of poorly designed taxation policies on impoverished SMEs. It appears that participants agree it is important to address tax policy in order for SMEs to succeed and grow, but qualified that more precise directions alongside the lowering of legal expenses and increased incentives would markedly improve the effectiveness of the current tax policies, thereby being more supportive of SMEs.

Table 4.3: Tax Administration

Statement		Frequency	%	Mean	Std.
<i>Tax reform in the Nigerian tax system has improved tax administration operational framework.</i>					
	Strongly Agree	128	33.2		
	Agree	159	41.2		
	Neutral	65	16.8	3.99	0.924
	Disagree	34	8.8		
	Strongly Disagree	0	0.0		
Total		386	100.0		
<i>There is an effective and efficient tax administration system in Nigeria.</i>					
	Strongly Agree	47	12.2		
	Agree	135	35.0		
	Neutral	80	20.7	3.18	1.180

Statement		Frequency	%	Mean	Std.
	Disagree	90	23.3		
	Strongly Disagree	34	8.8		
<i>The more efficient the tax administration system is, the higher the chances of continuity of business.</i>					
	Strongly Agree	82	21.2		
	Agree	228	59.1		
	Neutral	48	12.4	3.87	0.988
	Disagree	28	7.3		
	Strongly Disagree	0	0.0		
Total		386	100.0		

High tax compliance and tax evasion reduction is a result of an efficient tax administration system.

Strongly Agree 102 26.4

Statement		Frequency	%	Mean	Std.
	Agree	210	54.4		
	Neutral	57	14.8	4.03	0.767
	Disagree	17	4.4		
	Strongly Disagree	0	0.0		
Total		386	100.0		

Effective tax administration system enhances business continuity.

	Strongly Agree	126	32.6		
	Agree	185	47.9		
	Neutral	59	15.3	4.09	0.799
	Disagree	16	4.1		
	Strongly Disagree	0	0.0		
Total		386	100.0		

*Effective tax administration improves confidence in the system,
promoting productivity among SME owners.*

Statement		Frequency	%	Mean	Std.
	Strongly Agree	141	36.5		
	Agree	194	50.3		
	Neutral	24	6.2	4.13	0.913
	Disagree	16	4.1		
	Strongly Disagree	11	2.8		
Total		386	100.0		

Tax system has shown proper conduct in the assessment of tax.

Strongly Agree	79	20.5		
Agree	174	45.1		
Neutral	81	21.0	3.70	1.003
Disagree	41	10.6		
Strongly Disagree	11	2.8		

Statement	Frequency	%	Mean	Std.
Total	386	100.0		

Tax administration is very effective in the suppression of tax criminality.

Strongly Agree	84	21.8		
Agree	138	35.8		
Neutral	62	16.1	3.50	1.154
Disagree	91	23.6		
Strongly Disagree	11	2.8		
Total	386	100.0		

The procedure of tax assessment, collection, and remittance has been digitalized.

Strongly Agree	102	26.4		
Agree	180	46.6		
Neutral	60	15.5	3.84	1.029

Statement	Frequency	%	Mean	Std.
-----------	-----------	---	------	------

	Disagree	28	7.3	
	Strongly Disagree	16	4.1	
Total		386	100.0	

The administration of the tax system in Nigeria has adversely affected business continuity.

	Strongly Agree	58	15.0		
	Agree	161	41.7		
	Neutral	117	30.3	3.56	0.966
	Disagree	38	9.8		
	Strongly Disagree	12	3.1		
Total		386	100.0		

The relevant tax authority has not shown proper conduct in the assessment of tax.

Statement		Frequency	%	Mean	Std.
	Strongly Agree	63	16.3		
	Agree	98	25.4		
	Neutral	74	19.2	3.13	1.206
	Disagree	129	33.4		
	Strongly Disagree	22	5.7		
Total		386	100.0		
<i>The procedure of tax assessment, collection, and remittance is a whole lot of paperwork.</i>					
	Strongly Agree	17	4.4		
	Agree	144	37.3		
	Neutral	84	21.8	3.00	1.101
	Disagree	103	26.7		
	Strongly Disagree	38	9.8		
Total		386	100.0		

Statement	Frequency	%	Mean	Std.
-----------	-----------	---	------	------

There is a better future for the tax administrative system in Nigeria.

Strongly Agree	101	26.2		
Agree	195	50.5		
Neutral	53	13.7	3.93	0.883
Disagree	37	9.6		
Strongly Disagree	0	0.0		
Total	386	100.0		

Tax authority is very effective in the suppression of tax criminality.

Strongly Agree	23	6.0		
Agree	183	47.4		
Neutral	83	21.5	3.34	0.921
Disagree	97	25.1		

Statement		Frequency	%	Mean	Std.
	Strongly Disagree	0	0.0		
Total		386	100.0		
<i>Lack of tax force/penalties/punishment is the reason for non-tax compliance.</i>					
	Strongly Agree	136	35.2		
	Agree	103	26.7		
	Neutral	76	19.7	3.79	1.115
	Disagree	71	18.4		
	Strongly Disagree	0	0.0		
Total		386	100.0		
<i>The availability of necessary information and guidelines would aid good tax systems and business continuity.</i>					
	Strongly Agree	143	37.0		
	Agree	191	49.5		

Statement		Frequency	%	Mean	Std.
	Neutral	36	9.3	4.19	0.770
	Disagree	16	4.1		
	Strongly Disagree	0	0.0		
Total		386	100.0		

Source: Field Survey, 2025

In this section, a total of 128 respondents representing 33.2% reported that they strongly agreed, and 159 respondents or 41.2% agreed with the statement. Neutral responses came from 65 respondents accounting for 16.8% participants while 34 respondents or 8.8% disagreed. No respondent strongly disagreed with the statement. A mean score of 3.99 with a standard deviation of 0.924 suggests that most respondents think that tax reforms positively influence the organizational structure of tax administration within Nigeria. For this particular case 47 respondents or 12.2% strongly agreed while 135 respondents or 35.0% agreed. A total of 80 respondents or 20.7% were neutral while 90 respondents or 23.3% disagreed, out of which 34 respondents or 8.8% strongly disagreed. A mean score of 3.18 with a standard deviation of 1.180 has a greater number of respondents disagreeing towards effectiveness and efficiency of tax administration system in Nigeria, but also has a fair proportion of agreement which indicates mixed views.

In this case, 82 or 21.2% of respondents strongly agreed while 228 respondents or 59.1% agreed with the statement. Only 48 respondents or 12.4% were neutral while 28 respondents or 7.3% disagreed. No respondents strongly disagreed. As the statement's mean score is 3.87 and the standard deviation is 0.988, it has been found that the majority believe that a strong tax administration system is one of the bases for business continuity. In this item, it can be seen that 102 respondents (26.4%) strongly agreed and 210 respondents (54.4%) agreed. 57 respondents (14.8%) were neutral, while 17 respondents (4.4%) disagreed. No respondents strongly disagreed. In standard deviation of 0.767, the mean score was 4.03 which reflects strong agreement with the statement. This indicates that respondents seem to be of the opinion that effective tax administration helps curtail tax evasion and improves compliance. This item was able to capture those 126 respondents (32.6%) strongly agreed while 185 respondents (47.9%) respondents agreed to the statement. 59 respondents (15.3%) were neutral, while 16 respondents (4.1%) disagreed. No respondents strongly disagreed. A mean score of 4.09 and standard deviation of 0.799 portray that the respondents have strong passion towards the belief of effective tax administration being a pivot pillar for guaranteeing business continuity.

Here, 141 respondents (36.5%) strongly agreed and 194 respondents (50.3%) agreed. Only 24 respondents (6.2%) were neutral while 16 respondents (4.1%) disagreed and 11 respondents (2.8%) strongly disagreed. With a mean score of 4.13 and a standard deviation of 0.913, this suggests strong agreement with the statement of belief that effective tax administration improves the confidence of owners of MSMEs and increases their productivity. In this section, 79 respondents (20.5%) strongly agreed, while 174 (or 45.1%) agreed with the statement. Afterwards, 81 respondents (or 21.0%) were neutral, while 41 respondents (or 10.6%) disagreed,

and 11 respondents (or 2.8%) strongly disagreed with the aforementioned statement. A mean score of 3.70 with a standard deviation of 1.003 means that overall, the respondents have positive opinion in regards to the conduct of the tax system in the area of tax assessment; however, there are some who still disagree. In this case, 84 respondents (or 21.8%) strongly agreed, and 138 respondents (or 35.8%) agreed. 62 respondents (or 16.1%) were neutral, while 91 respondents (or 23.6%) disagreed, and 11 respondents (or 2.8%) strongly disagreed. Based on these findings, it can be seen together with the mean of 3.50 and standard deviation of 1.154 that the opinion is divided on the issue of the efficiency of tax administration in dealing with tax crimes.

In this instance, 102 respondents (or 26.4%) strongly agreed, while 180 respondents (46.6%) agreed. 60 respondents (or 15.5%) were neutral, while 28 respondents (or 7.3%) disagreed, and 16 respondents (or 4.1%) strongly disagreed. A mean score of 3.84 with a standard deviation of 1.029 suggests that there is an overall positive response towards respondents' attitudes regarding the attitudes of tax payers towards accepting technological innovations in the tax processes, with some respondents still disagreeing. They noticed that 58 respondents (15.0%) strongly agreed, and 161 respondents (41.7%) agreed to the statement. 117 respondents (30.3%) were neutral, while 38 respondents (9.8%) disagreed. 12 respondents (3.1%) went ahead to strongly disagree. The average response was 3.56 and standard deviation of 0.966. This shows that a majority seem to feel that the tax administration system does not have an adverse effect on business continuity.

In the second instance, 63 respondents (16.3) strongly agreed, and 98 respondents (25.4) agreed to a set of questions. 74 respondents (19.2%) were neutral, while 129 respondents (33.4%) disagreed, and 22 respondents (5.7%) strongly disagreed. With a mean score of 3.13 and standard deviation of 1.206 this suggests that most respondents disagree with an assertion where

the tax authority is assumed not to have proper conduct in Tax Assessment. For this, 17 respondents (4.4%) strongly agreed, 144 respondents (37.3%) agreed. 84 respondents (21.8%) were neutral while 103 respondents (26.7%) disagreed and 38 respondents (9.8%) went on to strongly disagree. The average result was 3.00 while standard deviation was 1.101. This suggests that tax assessment and remittance procedures are viewed by many as processes that are too much burdened with paperwork, though a considerable number disagree with such assertion.

In this context, respondents who strongly agreed accounted to a total of 101 participants, which is around 26.2 percent. On the other hand, 195 respondents who agreed to the statement amount to around 50.5 percent. Participants neutral to the statement accounted to 53 individuals, which is around 13.7 percent. Disagreed participants accounted to 37 respondents, which is 9.6 percent while no participants strongly disagreed. From this data, it can be estimated that the respondents are optimistic about the taxation administration of Nigeria. The average score was 3.93, while the standard deviation was 0.883. This section indicates that numbers of 23 respondents accounting to around 6.0 percent strongly agreed with the statement while 183 respondents or 47.4 percent agreed to it. Out of those neutral to the statement respondents accounting to 83, around 21.5 percent stated that they are neutral to the statement while 97 respondents accounting to 25.1 percent claimed to disagree. The respondents strongly disagreeing dominated with no participation. Mixed views can be formed regarding the effectiveness of the tax authorities while dealing with tax related criminality as evidenced by the average score of 3.34 and standard deviation was 0.921.

Here, on the other hand, the total 36.2 percent split into 26.7 percent respondents agreeing to the statement while 35.2 respondents strongly agreeing. New consensus 76 respondents accounting

to 19.7 percent were neutral to while 71 participants or 18.4 percent claimed to disagree to some extent. Strongly disagreeing participants claimed to not participate in the section. It can be assumed that the lack of enforcement on non-compliance, along with the absence of penalties and punishment are major contributors to non-compliance. This argument is evident on the average score of 3.79 while the standard deviation of 1.115 proves the argument.

In this instance, 143 respondents (37.0%) expressed their support with a score of 5 while 191 respondents (49.5%) expressed their support with a 4. 36 respondents (9.3%) remained neutral, while 16 respondents (4.1%) expressed their disagreement. Nobody disagreed strongly. This indicates that there is an importance consensus that the access to information and proper instructions is vital in achieving progress in the enhancement of the tax system and in business continuity planning. The results of the survey portray the Nigerian tax administration system in a rather mixed light, but overall, respondents' views are positive. Most respondents believe that changes in tax administration processes due to recent tax reform have resulted in positive improvements. Efficiency is a relative measure, but numerous respondents appreciate the tremendous contribution an effective tax administration system makes to business continuity and the eradication of tax avoidance or evasion. Additionally, there are indications that respondents are constructive in the belief that improved compliance can be achieved through further digitalization and optimization of the system. Much as respondents agree that technology achieves better results in tax administration and compliance, there is still deep-seated concern over the effectiveness of the systems of taxation. Many respondents do not believe that the systems are effective and efficient. This is particularly the case with regard to the views on the concealment of tax crimes where sentiments are more polarized. The issue of excessive

documentation in tax affairs has also been noted, which captures the administrative burdens that the taxpayers experience.

In addition, a considerable number of these people point to the absence of proper punitive enforcement mechanisms, especially for non-compliance, as a very important reason for lack of tax compliance. It appears that aggressive enforcement and appropriation of fines for neglecting tax duties are some of the things that can boost compliance rates. For all of these setbacks, however, there is a prevailing hope about the future of the system of taxation in Nigeria. Respondents are optimistic that better regulations, more openness, and progressive digitalization will significantly improve the tax administration system leading to higher business activity and economic development.

Table 4.4: Capital Allowance Incentive

Statement	Frequency	%	Mean	Std.
<i>Capital Allowance given to companies for a period of time boosts the financial performance of SMEs in Nigeria.</i>				
Strongly Agree	102	26.4		
Agree	184	47.7		
Neutral	48	12.4	3.87	0.956
Disagree	52	13.5		

Total	386	100.0
--------------	------------	--------------

Capital Allowance enables companies to save more of their taxable income within the period it is granted.

Strongly Agree	88	22.8		
Agree	226	58.5		
Neutral	56	14.5	4.00	0.735
Disagree	16	4.1		
Strongly Disagree	0	0.0		
Total	386	100.0		

Capital Allowance savings are expected to be ploughed back into the business to assist the company to stabilize.

Strongly Agree	68	17.6		
Agree	239	61.9		
Neutral	41	10.6	3.87	0.813
Disagree	38	9.8		

Strongly Disagree	0	0.0
-------------------	---	-----

Total	386	100.0
--------------	------------	--------------

Capital Allowance encourages investment in production assets.

Strongly Agree	90	23.3
----------------	----	------

Agree	239	61.9
-------	-----	------

Neutral	41	10.6	4.04	0.710
---------	----	------	------	-------

Disagree	16	4.1
----------	----	-----

Strongly Disagree	0	0.0
-------------------	---	-----

Total	386	100.0
--------------	------------	--------------

The SMEs benefit from Capital Allowance as a tax incentive in Nigeria.

Strongly Agree	80	20.7
----------------	----	------

Agree	201	52.1
-------	-----	------

Neutral	73	18.9	3.85	0.841
---------	----	------	------	-------

Disagree	32	8.3
----------	----	-----

Strongly Disagree	0	0.0
-------------------	---	-----

Total	386	100.0
--------------	------------	--------------

Tax authority reduces bureaucracies and red tape procedures to claim capital allowance incentive.

Strongly Agree	46	11.9		
Agree	221	57.3		
Neutral	82	21.2	3.72	0.797
Disagree	37	9.6		
Strongly Disagree	0	0.0		
Total	386	100.0		

Tax authority allows SMEs to make deductions against taxable income in form of capital allowance.

Strongly Agree	89	23.1		
Agree	197	51.0		
Neutral	87	22.5		
Disagree	12	3.1	3.94	0.775
Strongly Disagree	1	0.3		

Total	386	100.0
--------------	------------	--------------

Capital Allowance enables this company to save more of its taxable income within the period it is granted.

Strongly Agree	90	23.3		
Agree	216	56.0		
Neutral	52	13.5		
Disagree	12	3.1	3.91	0.927
Strongly Disagree	16	4.1		
Total	386	100.0		

Savings from Capital Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.

Strongly Agree	103	26.7		
Agree	231	59.8		
Neutral	36	9.3	4.05	0.856
Disagree	0	0.0		
Strongly Disagree	16	4.1		

Total	386	100.0
-------	-----	-------

A consistently high Net Profit Margin is often an indication that a company has one or more competitive advantages.

Strongly Agree	73	18.9		
Agree	217	56.2		
Neutral	69	17.9		
Disagree	16	4.1	3.84	0.876
Strongly Disagree	11	2.8		
Total	386	100.0		

Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production, thereby reducing the cost of production.

Strongly Agree	64	16.6		
Agree	203	52.6		
Neutral	93	24.1		
Disagree	10	2.6	3.75	0.907

Strongly Disagree	16	4.1
Total	386	100.0

Capital Allowance can encourage business owners to invest in qualifying non-current assets, which boost production, thereby reducing the cost of production and paving the way for a higher Net Profit Margin.

Strongly Agree	79	20.5		
Agree	245	63.5		
Neutral	32	8.3	3.97	0.774
Disagree	0	0.0		
Disagree	30	7.8		
Total	386	100.0		

Source: Field Survey, 2024

Out of all respondents, 74.1% either agreed (47.7%) or strongly agreed (26.4%) that capital allowance contributes positively to the financial performance of the SMEs. The results suggest a mean of 3.87 with a standard deviation of .956. These trends means that most respondents were in agreement. They, however, don't agree that it provides a financial benefit in the form of reduced taxable income, and subsequently improving the overall profit and performance of the business. However, some respondents, 13.5%, disagreed and 12.4% stayed neutral, which

suggests that these respondents do not see this impact, likely due to the way capital allowance is understood or applied by different businesses. The results portray the perception of capital allowance as a tool for improving the financial performance of SMEs to be mostly positive. This shows that while the incentive has some supporters, the opposition also portrays the need for argument by evidence or education on how capital allowance can be a benefit to SMEs.

A startling 81.3% of the people who answered the survey either agreed or strongly agreed with the statement, and the average score of 4.00 out of 5 with a standard deviation of 0.735 further proves the claim that capital allowance is regarded as an important method of tax savings. This high level of support suggests that respondents clearly appreciate the benefit of capital allowance in reducing the tax liability of SMEs by allowing them to deduct part of their capital expenditure from their taxable income. The data is strongly suggestive that respondents accept capital allowance as a legitimate loophole to save taxes. Given the fact that nearly 80% agreed on its importance, it could be deduced that SMEs do take advantage of this allowance which results in more available resources to devote towards business activities.

Approximately four-fifths of the respondents (79.5%) agree (i.e., 61.9% agreed while 17.6% strongly agreed) that the obtaining savings from capital allowance should be invested again back into the business. The mean score of 3.87 with a standard deviation of 0.813 indicates a strong belief that reinvestment is necessary for the longterm stability of the business. However, while there seems to be a dominant consensus supporting reinvestment, a few respondents (9.8% disagreed and 10.6% were neutral) indicate that some respondents might either doubt the reinvestment approach or are apathetic about it. Capital allowance savings is perceived as an important asset that has to be deployed towards business stabilization and growth. This illustrates

the capital allowance's potential and challenge for strategic business development. The disagreement and neutrality seen in a minority of responses points to the skepticism surrounding how SMEs optimally make use of these savings.

A large majority of respondents, roughly 85.2%, agree that the capital allowance serves as an incentive for business investments in production assets. With average scores of 4.04 and standard deviations of 0.710, the statistics from the survey show 61.9% of respondents agreed, while 23.3% strongly agreed. Further analysis show that SMEs appreciate how capital allowances minimize the effective cost when purchasing assets which increases production output and efficiency. Moreover, the data reveals that most people understand the concept of capital allowance as a form of asset financing investments for SMEs. The strong agreement confirms that businesses utilize capital allowance to invest in productive assets in order to improve their operational and market competitiveness. 72.8 percent agree (52.1 percent agree, 20.7 percent strongly agree) with the statement that small and medium enterprises enjoy the advantages of capital allowance as a tax incentive. The calculated mean score is 3.85 with a standard deviation of 0.841. It appears that many respondents understand the tax advantages that SMEs gain from capital allowances.

On the other hand, a small subset of people, 8.3 percent, chose to disagree with the statement which means there might be some businesses that do not appreciate the tax incentives or benefit from it as they should. Most of the respondents considered capital allowance as a relevant tax incentive for SMEs corroborating the perception on capital allowances as a relevant tax spend. The small number of respondents that disagree or stayed neutral might be having more information seeking behavior with regards to how capital allowance enhances SMEs or may be

facing some challenges in benefitting from the capital allowance. It makes claiming capital allowance easier because 69.2% (57.3% agree, 11.9% strongly agree) of respondents believe the tax authority has lessened the bureaucratic barriers. The average mark is 3.72 with a standard deviation of 0.797, suggesting that although the majority of respondents think that bureaucratic barriers have been lowered, a good number of respondents (21.2% neutral, 9.6% disagreed) either consider the process of capital allowance claiming cumbersome, or are somewhere in between about the claim process being easy. Most of the respondents agree that the tax authority's attempt to reduce bureaucratic barriers is effective, but the disagreement and neutrality expressed by such a large minority indicates that there are still some barriers in the process that need to be dealt with or the claims process needs further enhancement.

Out of the survey done, 74.1% of respondents agree (51.0% agree, 23.1% strongly agree) that capital allowance can be deducted from a SMEs' taxable income. The mean score of 3.94 and standard deviation of 0.775 reveal that there is a convincing understanding that a capital allowance is an acceptable expense for tax purposes. Another small percentage (3.4%) disapproved or strongly disagreed with this statement, showing that the application of capital allowance as a deduction on taxable income is widely accepted. Strong consensus combined with the assertion that a capital allowance means tax deductions leads to the conclusion that respondents have a good knowledge of the benefits it provides to SMEs. Very small percent disagreement leads to the conclusion that some respondents may have worries regarding the effectiveness or ease of availing this benefit.

A total of 86.5% of people indicated that savings from capital allowance should be reinvested in the business to improve financial performance. This includes 26.7% who strongly agree. The

idea that capital allowance should be used to improve the firm's financial performance has a mean score of 4.05 with a standard deviation of 0.856, which suggests strong support for the idea. A particularly notable number is the absence of disagreement which rests at 0.0%. Most remarkably, there is great agreement that capital allowance savings should be reinvested into the company to improve the financial performance of the firm. This supports the notion that capital allowance should not only be a means to reduce tax liabilities, but also to enhance the business's financial position. 75.1% of respondents agree (56.2% agree, 18.9% strongly agree) that high levels of net profit margins suggest a competitive edge in the market. The average score of 3.84 alongside the standard deviation of 0.876 indicates that a majority of respondents understand the link between high profitability and competitiveness in the market. Nonetheless, 6.9% had a differing opinion and strongly disagreed. This shows that there is a portion of respondents that may not perceive the association of net profit margin with competition as straightforward. The results overwhelmingly support that there is a strong relationship between profitability and competitive advantage and simultaneously reinforcing that the capital allowance, through improved financial performance, may help bolster a firm's competitive edge. 84.0% of respondents agree (63.5% agree, 20.5% strongly agree) that capital allowance works as a tool for encouraging investment into non-current assets with a mean score of 3.97 and standard deviation of 0.774. This shows balance at risk awareness; the reason for reporting risk does not stem from capitalization on capital allowance. The majority of respondents suggest that business owners benefit through reduction in tax. This once again proves the importance of capital allowance for business development and profit making, supporting the previous statement.

The information available supports the claim that capital allowance is regarded as an important motivator for enhancing the economic wellbeing and competitiveness of SMEs in Nigeria. Most of them have a consensus on tax saving, fostering investment, and increasing profitability as objectives of this capital allowance. Nevertheless, some respondents raise issues concerning bureaucratic processes and capital allowance claims. Further training and attempts to mitigate the concerns regarding claims process would ensure that more SMEs take advantage of the incentives which are now offered.

Table 4.5: Tax Holiday Incentive

Statement	Frequency	%	Mean	Std. Deviation
<i>Do you agree that Nigerian government grants tax holiday incentive?</i>				
Strongly Agree	56	14.5		
Agree	213	55.2		
Neutral	79	20.5	3.71	0.905
Disagree	26	6.7		
Strongly Disagree	12	3.1		

Statement	Frequency	%	Mean	Std. Deviation
Total	386	100.0		

Tax holiday incentive is capable of improving the operational efficiency of SMEs in Nigeria.

Strongly Agree	77	19.9		
Agree	235	60.9		
Neutral	48	12.4	3.94	0.769
Disagree	26	6.7		
Strongly Disagree	0	0.0		
Total	386	100.0		

Tax holiday incentive improves investment of SMEs in Nigeria.

Strongly Agree	102	26.4		
Agree	138	35.8		
Neutral	82	21.2	3.72	1.032

Statement	Frequency	%	Mean	Std. Deviation
-----------	-----------	---	------	----------------

	Disagree	64	16.6	
	Strongly Disagree	0	0.0	
Total		386	100.0	

The Nigerian tax holiday incentive policy conforms to international standards.

	Strongly Agree	63	16.3	
	Agree	60	15.5	
	Neutral	182	47.2	3.23 1.045
	Disagree	65	16.8	
	Strongly Disagree	16	4.1	
Total		386	100.0	

Tax holiday incentive reduces economic burden on SMEs.

Strongly Agree	66	17.1
----------------	----	------

Statement	Frequency	%	Mean	Std. Deviation
	Agree	194	50.3	
	Neutral	52	13.5	3.61
	Disagree	58	15.0	1.064
	Strongly Disagree	16	4.1	
Total		386	100.0	

Tax holiday incentive can be utilized by the government to encourage growth and expansion of SMEs.

	Strongly Agree	117	30.3	
	Agree	209	54.1	
	Neutral	49	12.7	4.12
	Disagree	10	2.6	0.738
	Strongly Disagree	1	0.3	
Total		386	100.0	

Statement	Frequency	%	Mean	Std. Deviation
<i>Tax holiday incentive is capable of attracting foreign investment.</i>				
Strongly Agree	151	39.1		
Agree	162	42.0		
Neutral	62	16.1	4.17	0.807
Disagree	10	2.6		
Strongly Disagree	1	0.3		
Total	386	100.0		

Source: Field Survey, 2025

The first statement aims to find out if respondents agree with the Nigerian government's claims concerning the granting of tax holiday incentives. Results indicate that most of the respondents, 69.7% (55.2% agree and 14.5% strongly agree), believe the Nigerian government offers this incentive. With a mean score of 3.71 and standard deviation of 0.905, the responses indicate that the participants have a positive perception of the government's efforts in tax relief. Nonetheless, the 20.5% of respondents who remained neutral, along with the 9.8% who disagreed, may show some level of lack of knowledge or uncertainty concerning this incentive. Most of the

participants believe that the Nigerian government grants tax holiday incentives to SMEs, however, the difference in responses suggest that not all SMEs are catered for, or are aware of this policy. This may result from geographical differences, differences in industries, or differing levels of participation with the government's initiatives.

The second statement looks into the question: can the tax holiday incentive raise the operational efficiency level of SMEs? A good number of respondents, precisely 80.8% (60.9% agree, 19.9% strongly agree), presume that the tax holiday incentive has a positive impact on operational efficiency. The mean score of 3.94 and a standard deviation of 0.769 clearly indicate that most respondents tended to agree. No respondents strongly disagreed with the statement and only a few, 6.7%, completely disagree with it which goes to show that the respondents strongly feel that it is a useful step to enhance measures for improving operational performance. The high level of tax grants operational efficiency improves is a clear indication of confidence in the policy that seeks to improve operational performance. Tax holidays are believed to reduce operational cost for SMEs, increase resource availability, and enable investment in technology or production capabilities expansion.

Concerning the tax holiday's effect on SME investment, respondents' feedback shows that the majority of 62.2% (composed of 35.8% that agree and 26.4% that strongly agree) think that investment in SMEs is enhanced through the tax holiday. This can also be supported by the mean score of 3.72 with a standard deviation of 1.032. This view is also supported by the average score of 3.72, coupled with a standard deviation of 1.032. The higher standard deviation also suggests that there are differences in perception about the extent of impact. A significant portion of respondents (16.6% disagreed) propose that while this incentive can be beneficial, it does not

seem to be universally acknowledged or felt across all sectors of the SME landscape. While a majority of respondents seem to believe that tax holidays incentivises foster foreign direct investment, the difference between the strong agreement and the relative higher disagree percentage shows that the disagreement stems from the realization that the incentive does not apply equally for all SMEs. Business size, industry, or even capital available to the SME may dictate how the SME perceives the opportunity for investment. Views were more divided when respondents were asked if the Nigerian tax holiday incentive policy is in accordance with international practices. Though, 16.3% strongly agreed and 15.5% agreed, the neutral category still had a large percentage of respondents, i.e. 47.2%.

Of the total respondents, 20.9% disagreed or strongly disagreed with the implementation of the policy. By looking at the average score of 3.23 along with a standard deviation of 1.045, it is evident that many respondents believe that the policy does not fully meet global standards. The differing answers show that some respondents feel that the tax holiday incentives can be competitive at an international level. However, many respondents appear to remain doubtful or unsure. This seems to stem from issues surrounding the scope, execution, or even comparison of the imposed policy to other countries with more developed and feasible systems.

The statement on the issue if tax holiday incentives lessen the economic burden on SMEs had substantial backing. The majority, 67.4% (50.3% agree, 17.1% strongly agree), support the idea that the policy diminishes the burden businesses carry. The responses are well rounded with a mean score of 3.61 and standard deviation of 1.064, although a significant amount (19.1%) responded in opposition. These varied responses indicate that while a good number of SMEs regard the tax holiday as some form of a brunt relief, there are some who may feel that it does

not sufficiently ease their financial strains or is simply not in a position to take advantage of these benefits. The general support for the proposition that the economic burdens associated with tax holidays are aimed at SMEs is highly contested. It does, however, show the possibility of assistance through the policy for more disadvantaged enterprises that tend to have a difficult balancing act with high tax obligations. On the other hand, those dissenting opinions indicate a gap whereby some may think the relief is too little too offer and adds to their burden or alternatively that the policy is not as useful as it is worth.

The majority of respondents 84.4% (54.1% of respondents agreed while 30.3% strongly agreed) believed that tax holiday incentives can be used by the governments to help better foster the growth and expansion of SMEs. With a mean response score of 4.12 and a standard deviation of 0.738, the responses towards this question were strongly positive, suggesting broad acceptance of this policy tool for SME development. The low disagreement level (2.9%) serves to further strengthen the argument. Respondents seem to demonstrate this belief with a substantial amount of consensus suggesting that tax holiday incentives can be effective marketing tools towards further fostering SME growth. Respondents seem to believe that these policies unlock significant business development opportunities prospects which increase competition within the market and entrepreneurship and innovation within the economy. Respondents were particularly supportive regarding whether the incentive can lead to an influx of foreign investment. 81.1% (42.0% agree while 39.1% strongly agree) of respondents also believed that tax holidays would be capable of increasing the foreign investments. The mean response score was 4.17 while the standard deviation was 0.807 indicating widespread belief in this statement with a small number of respondents 2.9% in total disagreeing with the notion.

The tax system's ability to encourage foreign investments during tax breaks demonstrates a favorable impression on the respondents about foreign direct investments in Nigeria. The insights gathered show a somewhat encouraging attitude towards tax holidays. However, greater outreach in terms of communication and accessibility is warranted so that the policy can be more efficiently utilized by enterprises of every size and industry. While expecting heightened international treatment and further incorporation of such strategies into practice would make Nigeria's taxation holiday incentive more competitive for SMEs, it would also elevate the strategic edge of Nigeria in competing with tax break rivals.

Table 4.6: Business Continuity of SMEs

Statement	Frequency %		Mean	Std. Deviation
<i>My business is resilient towards natural disasters</i>				
Strongly Agree	11	2.8		
Agree	112	29.0		
Neutral	105	27.2	2.84	1.042
Disagree	120	31.1		
Strongly Disagree	38	9.8		

Statement	Frequency	%	Mean	Std. Deviation
Total	386	100.0		

I can continue my business immediately after it is being hit by disasters

Strongly Agree	13	3.4		
Agree	102	26.4		
Neutral	83	21.5	2.74	1.061
Disagree	149	38.6		
Strongly Disagree	39	10.1		
Total	386	100.0		

I have enough fund to continue my business after it is being hit by disasters

Strongly Agree	2	0.5		
Agree	26	6.7		
Neutral	74	19.2	2.19	0.787

Statement	Frequency	%	Mean	Std. Deviation
-----------	-----------	---	------	----------------

Disagree	227	58.8		
Strongly Disagree	57	14.8		
Total	386	100.0		

Business continuity plan is an important element of my business

Strongly Agree	68	17.6		
Agree	180	46.6		
Neutral	90	23.3	3.60	1.113
Disagree	10	2.6		
Strongly Disagree	38	9.8		
Total	386	100.0		

I am familiar with the term 'Business Continuity Management'

Strongly Agree	68	17.6
----------------	----	------

Statement		Frequency	%	Mean	Std. Deviation
	Agree	186	48.2		
	Neutral	84	21.8	3.71	0.899
	Disagree	48	12.4		
	Strongly Disagree	0	0.0		
Total		386	100.0		

I understand the concept of Business Continuity Management

	Strongly Agree	76	19.7		
	Agree	139	36.0	3.62	0.943
	Neutral	121	31.3		
	Disagree	50	13.0		
	Strongly Disagree	0	0.0		
Total		386	100.0		

Statement	Frequency	%	Mean	Std. Deviation
-----------	-----------	---	------	----------------

I believe Business Continuity Management is useful for my business

Strongly Agree	77	19.9		
Agree	260	67.4		
Neutral	23	6.0	4.01	0.728
Disagree	26	6.7		
Strongly Disagree	0	0.0		
Total	386	100.0		

My business needs a Business Continuity Management framework

Strongly Agree	109	28.2		
Agree	218	56.5		
Neutral	21	5.4	4.03	0.855
Disagree	38	9.8		

Statement	Frequency	%	Mean	Std. Deviation
Strongly Disagree	0	0.0		
Total	386	100.0		

I believe Business Continuity Management would help my business dealing with disaster

Strongly Agree	92	23.8		
Agree	199	51.6		
Neutral	69	17.9	3.92	0.826
Disagree	26	6.7		
Strongly Disagree	0	0.0		
Total	386	100.0		

Establishment of Business Continuity Management framework would reduce the impacts of disaster on my business

Strongly Agree	107	27.7
----------------	-----	------

Statement		Frequency	%	Mean	Std. Deviation
	Agree	190	49.2		
	Neutral	63	16.3	3.98	0.843
	Disagree	26	6.7		
	Strongly Disagree	0	0.0		
Total		386	100.0		

I implement Business Continuity Management in my business

	Strongly Agree	43	11.1		
	Agree	159	41.2		
	Neutral	124	32.1	3.45	0.953
	Disagree	48	12.4		
	Strongly Disagree	12	3.1		
Total		386	100.0		

Statement	Frequency	%	Mean	Std. Deviation
-----------	-----------	---	------	----------------

My business has technical capability to establish a Business Continuity Management framework

Strongly Agree	56	14.5		
Agree	135	35.0		
Neutral	113	29.3	3.40	1.040
Disagree	70	18.1		
Strongly Disagree	12	3.1		
Total	386	100.0		

My business has financial capabilities and expertise to draft Business Continuity Management framework

Strongly Agree	23	6.0		
Agree	139	36.0		
Neutral	119	30.8	3.18	0.967
Disagree	93	24.1		

Statement	Frequency	%	Mean	Std. Deviation
Strongly Disagree	12	3.1		
Total	386	100.0		
<i>I am willing to allocate certain fund to establish Business Continuity Management framework for my business</i>				
			3.50	1.096
Strongly Agree	57	14.8		
Agree	182	47.2		
Neutral	69	17.9		
Disagree	54	14.0		
Strongly Disagree	24	6.2		
Total	386	100.0		
<i>I would like to participate in Business Continuity Management training session conducted by government (if any)</i>				

Statement		Frequency	%	Mean	Std. Deviation
	Strongly Agree	102	26.4		
	Agree	199	51.6		
	Neutral	53	13.7	3.96	0.856
	Disagree	32	8.3		
	Strongly Disagree	0	0.0		
Total		386	100.0		

Government should establish a Business Continuity

Management framework for SMEs

Strongly Agree	203	52.6		
Agree	120	31.1		
Neutral	13	3.4	4.20	1.093
Disagree	38	9.8		
Strongly Disagree	12	3.1		

Statement	Frequency	%	Mean	Std. Deviation
Total	386	100.0		

Source: Field Survey, 2025

The responses to questions concerning business resilience against natural disasters paints a puzzling picture. While 31.8% of respondents either agreed or strongly agreed (2.8% strongly agree, 29% agree), a greater share of respondents, 40.9% (31.1% disagree, and 9.8% strongly disagree), felt that their businesses were not able to withstand such events. The mean score of 2.84 with a standard deviation of 1.042 suggests that while there is some degree of optimism with regard to resilience, a significant portion of respondents express concern about their businesses' ability to cope with natural disasters. This illuminates the issues of vulnerabilities some businesses face, and as well suggests that major portion of them do not have the adequate plans or means to effectively tackle such catastrophes. Although some respondents demonstrate assurance in their businesses' ability to withstand natural catastrophes, the data paints a more worrisome concern in terms of disaster readiness. This stems from their failure to use mitigation strategies, or simply not having the financial resources to invest into the plans. When questioned about their ability to continue operations immediately after a disaster, a predominant 48.7% (38.6% disagree, and 10.1% strongly disagree) respondents supported the idea that they could effortlessly resume their business with only 29.8% (3.4% strongly agree, and 26.4% agree) of respondents claiming that they could send continue business activities without considerable break.

A mean score of 2.74 and a standard deviation of 1.061 indicates that most SMEs appear to be poorly equipped for a swift recovery after a disaster. The analysis implies that numerous companies do not have the essential framework, resources, or plans needed to relaunch operations post disaster. There seem to be a huge deficiency in disaster recovery plans for SMEs which indicates that there has to be an improvement in the preparedness strategies to ensure business continuity.

The vast majority of respondents, 73.8%, indicated that they do not have sufficient funds to continue their businesses after a disaster- only 7.2% were able to confirm that they could manage. This is further explained by the mean score coming out to be 2.19 with a standard deviation of 0.787, which illustrates that financial preparedness can be classified as a serious concern among most SMEs, as there seems to be no financial pad to fall on after a disaster strikes. This lack of financial preparedness shows to be a significant challenge among many SMEs, and to put in bluntly, they simply lack the needed capital or savings to keep their business afloat during or after a disaster scenario. This also begs the question as to how SMEs should go about implementing disaster insurance, funds for emergencies, or any other financial tools to aid in their continuity. On the other hand, 64.2% of respondents see the importance of having a business continuity plan and it is quite astounding. The mean score came out to be 3.60 and with a standard deviation of 1.113, supporting the BCP concept, however 12.4% remained neutral, and 12.4% outright disagreed. Most respondents acknowledge that it is important to make plans for business continuity, however, the gap between recognition and execution reveals that SMEs understand the importance but do not have the required resources or knowledge to develop effective plans.

About 65.8% of respondents (48.2% agree, 17.6% strongly agree) claimed that they are familiar with the term 'Business Continuity Management.' With a standard deviation of 0.899 the mean score was 3.71 which shows that the respondents have some level of knowledge of BCM, however, 12.4% of respondents still do not understand the term. While the majority of respondents understand the term, the fact that some SMEs remain uninformed suggests that they are not exposed to sufficient campaigns or training that can teach these businesses how effective continuity management can mitigate risks and ensure the success of the business in the long-term.

The majority of respondents, 87.3 percent, expressed the belief that BCM is useful for their businesses. The mean score seems to further confirm that 4.01 and standard deviation of 0.728 suggests, with only 6.7% disagreeing, strong support within the respondents with rest on the value of BCM in mitigating risks that can negatively affect their business operations. There is a strong belief in the usefulness of BCM in disaster management which further emphasizes the recognition that it can help businesses stay viable and active after devastating occurrences. The gap remains in effectively putting this theory into practice, though. Most respondents held the views that their business organization can benefit from having a formal 'Business Continuity Management' (BCM) model, as evidenced by the result of the survey, where an average of 84.7% (56.5% agree, 28.2% strongly agree) scored 4.03 on the mean scale with a standard deviation of 0.855. Even though a small minority, 9.8% of people disagree with the statement, it is clear that there is a high level of acknowledgement with respect to the importance of having a systematic approach to continuity planning. It is apparent that there is strong need for a BCM model especially if 9.8% of people who disagree still emphasize on having a systematic approach for managing interruptions across enterprises. Issues related to the practicality of

establishing such frameworks in smaller businesses that lack adequate resources pose a serious threat. While respondents remained remarkably positive, with 62% (47.2% agree, 14.8% strongly agree), stating that they would be willing to spend funds on establishing a BCM framework, a large 20.2% were hesitant or would not invest at all. The mean score of 3.50 and standard deviation of 1.096 indicate that there is some value placed behind 'Business Continuity Management', though skeptics in regards to financing the frameworks remains ever so present and at the center within the argument. Even though many SMEs understand the significance of BCM, some barriers still exist in dedicating funding to frameworks, perhaps as a result of concern about the expected returns against expenditure, other business demands, or tight budgets. This may suggest that solutions that are less expensive or outside help, like government aid or subsidies, are necessary to improve the accessibility of BCM frameworks.

Most respondents, 83.7% (52.6% strongly agree, 31.1% agree), are of the opinion that the government ought to create a BCM framework for SMEs with a mean score of 4.20 and standard deviation of 1.093. This gap suggests the government is expected to take an active role. The data indicates with a high degree of certainty that SMEs are turning to the government for assistance in devising BCM frameworks. There is insufficient resources, information, or capability among these businesses to undertake such tasks independently. Government intervention can go a long way in improving the preparedness of SMEs against disasters and ensuring long-term resilience.

The establishment of a Business Continuity Management (BCM) framework would mitigate the effects that disasters can pose to their firms," reflecting a strong consensus among SMEs with a mean score of 3.98 and a standard deviation of 0.843. Agree or strongly agree replies account for a total of 76.9% (27.7 % strongly agree, 49.2 % agree). It is clear most SMEs understand the

importance of implementing proactively planned BCM frameworks in BCM as a means of minimizing the impacts of disaster, for which there is all reason to develop preparedness activities. However, the implementation gap as noted in other responses suggests that these businesses are aware but not willing or equipped to adopt BCM frameworks. Whereas 52.3% (41.2% agree 11.1% strongly agree) of respondents use BCM within their businesses, with 12.4% disagreeing and 3.1% strongly disagreeing. The mean score of 3.45 with a standard deviation of 0.953 proves that there is some adoption towards BCM form, but not in the blanket manner one would expect, with no formalized BCM process existing in many businesses.

Despite the growing acceptance of BCM's significance, the implementation rates suggest that a large number of SMEs do not fully incorporate continuity management within their processes. It is possible that there are gaps in knowledge, availability of resources, or finances to build competent BCM systems. With regards to the preparedness to implement a BCM framework, 49.5% (35.0% agree, 14.5% strongly agree) of the respondents claim to have a certain degree of technical capability. Important however, is the fact that a considerable 21.2% (18.1% disagree, 3.1% strongly disagree) do not feel they have any such capabilities. Moderately low technical ready means a score of 3.40 can be found beside a mark of 1.040. For all intents and purposes, many organizations are convinced that the basic technical infrastructure to set up a BCM framework exists but a large number of them do not possess the required skills, this calls for some form of assistance or even training to help the businesses bolster their technical capabilities to implement BCM.

With regards to the ability to create a BCM framework, respondents are confident in terms of finances and expertise, as 42.0% (36.0% agree, 6.0% strongly agree) state. On the other hand,

27.2% (24.1% disagree, 3.1% strongly disagree) claim that they do not possess the financial resources or expertise. The mean score is 3.18 with a standard deviation of 0.967, suggesting that while some respondents may have the financial resources, many do not possess the knowledge or willingness to develop a BCM framework. The constraints regarding finance mentioned by most of the respondents indicate that not all SMEs can afford to create a BCM framework without additional funding or aid. For SMEs to effectively implement continuity planning, they need funding or some kind of assistance from outside sources.

When asked whether they would be willing to fund the establishment of a BCM framework, 62.0% (47.2% agree, 14.8% strongly agree) indicated willingness. On the other hand, 20.2% (17.9% neutral, 14.0% disagree) were noncommittal or unwilling to spend. With a mean of 3.50 and a standard deviation of 1.096, there seems to be an overall willingness to invest in BCM, but some reservations still exist regarding the allocation of resources. The willingness to spend on BCM frameworks reveals that business understand the importance of continuity planning, but may be lingering due to financial competition or ambiguity about the investment payback. Herein lies the opportunity for inexpensive BCM frameworks that firms can easily adopt without worrying about huge financial costs. Remarkably, 78.0% (51.6% agree, 26.4% strongly agree) of respondents showed willingness to attend government organized BCM training courses with a mean score of 3.96 and standard deviation of 0.856, signifying their high interest in furthering their knowledge and skills related to BCM. This strong interest in the government established courses portray an expectation from SMEs for assistance in business continuity coordination and planning. It signifies the fact that the improvement of skills and knowledge is crucial to enhancing business continuity capability.

A substantial portion of the data collected indicates that respondents are supportive of the Government's involvement in creating BCM framework for SMEs. A total of 83.7% of respondents support this with 52.7% strongly agreeing to it, 31.1% agreed to it, which explains the mean score of 4.2Model Summ0 and the standard deviation score of 1.093. This shows that respondents are in favor of the Government actively intervening to support the SMEs in building and implementing BCM frameworks. As noted, before, the emphasis on government action signifies that many SMEs do not have the resources or human capital to create BCM frameworks at all. There are certainly a variety of ways in which the government could help SMEs become more disaster resilient and prepare for adversities.

4.2.1 Presentation of Test of Hypotheses

Hypothesis One

H0₁: Tax policy has no significant impact on the continuity of Small and Medium Scale Enterprise

Table 4.7(a) Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.376	.141	.139	7.917	.141	63.104	1	384	.000	2.104

	a									
--	---	--	--	--	--	--	--	--	--	--

a. Predictors: (Constant), TAX POLICY

b. Dependent Variable: BUSINESS CONTINUITY OF SMEs

The model summary captures the link between the tax policy and the value of an SME business, explaining the magnitude, significance, and the overall strength of this link. The correlation coefficient (R value) of the qualitative variables equals to 0.376 suggests a moderate positive correlation between the tax policy and business continuity for SMEs. This means that changes in the tax policy are likely to lead changes in business continuity but the relationship is not strong enough to make tax policy a business continuity primary determinant. The relationship is moderate which means there are other factors, more powerful than these, that affect business continuity which this model did not capture.

With an R^2 of 0.141, it follows that 14.1% of the changes in business continuity is due to changes in tax policies. This is considerably low, meaning that tax policy is statistically significant but is not a good fit of business continuity for SMEs. In other words, there are other variables like market conditions, managerial practices, or even some external economic factors that would account for the remaining 85.9% unexplained variation in business continuity. This shows an important shortcoming of the model: tax policy does not robustly explain why some SMEs improve their continuity while others do not.

Regardless of the low explanatory power, the model is much more than meaningful. The statistic F Change of 63.104 is extremely high and thus not many people would question the accuracy of

the Sig. F Change of 0.000. This implies that using tax policy as a predictor in the model dramatically increased the model's ability to account for business continuity. In more simpler terms, while tax policy explains a small portion of variance, it is still useful to a certain degree.

The Durbin-Watson statistic of 2.104 simplifies the understanding of the residuals from the regression model which is the difference between the observed and predicted figures. A value near to two indicates that there is no substantial autocorrelation and thus the residuals (errors) are non-systematic. This is critical since autocorrelation in residuals may suggest mis-specification of the underlying model or omission of significant variables. Here, the 2.104 value indicates that the model is correctly specified and no issues of autocorrelation of the residuals exists.

Table 4.7(b) ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3955.267	1	3955.267	63.104	.000 ^b
	Residual	24068.622	384	62.679		
	Total	28023.889	385			

a. Dependent Variable: Business Continuity of SMEs

b. Predictors: (Constant), Tax Policy

The ANOVA table evaluates the regression model as a whole and checks whether the independent variable (tax policy) has a meaningful contribution in explaining the dependent

variable (business continuity of SMEs). The regression Sum of Squares is equal to 3955.267, which stands for the amount of variation in business continuity that can be explained by an alteration of tax policy. This value represents the share of total variance that is explained by the regression model. Put another way, this is the variation in business continuity which results from tax policy. The Sum of Squares for Residual (or error) stands at 24068.622, and corresponds to variation in business continuity that the model does not account for – that is, the share of the variation which comes from something other than tax policy. This residual variance shows that although tax policy has relevance to the model, which makes it a statistically significant predictor, it does not explain a big proportion of the macroeconomic factors affecting business continuity.

The F-statistic of 63.104 was calculated by dividing the Mean Square for Regression (3955.267) by the Mean Square for Residual (62.679). The F-statistic explains how much the model improves when the regressors are included compared to the case in which there are no regressors. In this case, the regression model reasonably appears to be a reasonable model for the data instead of the model without any regressors. This means that tax policies have an important role in determining the business continuity in SMEs.

The Sig. value 0.000 indicates that the model's F-statistic is very significant, having a p-value under the universally used level of 0.05. This validates the claim that the association between tax policy and business continuity is indeed highly significant, permitting the null hypothesis to be confidently rejected. Simply put, this shows that tax policy does in fact influence business continuity of small and medium enterprises. At last the grand Total Sum of Squares comes to 28023.889. This score depicts the variance in regard to business continuity, which combines both

the explained variances drawn from the regression and the residual vis-a-vis the unexplained variances. It is also quite revealing that “only” the regression shows 3955.267 out of 28023.889 variance, which corroborates the findings that tax policy, although relevant, is important, yet not that powerful in explaining.

Table 4.7(c) Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	40.674	2.012		20.214	.000		
Tax Policy	.526	.066	.376	7.944	.000	1.000	1.000

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

In order to test our claim that tax policy doesn’t significantly affect the continuity of Small and Medium Enterprises (SMEs), it is important to analyze the regression results, more specifically, the coefficient of tax policy. The null hypothesis is that tax policy does affect business continuity

(the coefficient for tax policy is zero). The counterpart hypothesis asserts that tax policy does affect business continuity (the coefficient is not zero).

The important value which we focus on is the t-statistic in conjunction with the p-value. The t-statistic has relevance in testing whether the coefficient for tax policy is more than or less than zero, which correlation between the tax policy and business continuity. While going through the regression output, it is evident that the unstandardized coefficient of tax policy is 0.526. This means that for every unit increase in tax policy business continuity increases by 0.526 units at constant business conditions. The standard error of this coefficient is 0.066. This value gives us a measure of how accurately the coefficient is estimated. The estimate is more accurate the lower the standard error.

To determine if this coefficient has a value that is meaningfully different from zero, the t-statistic needs to be evaluated. It is computed as the ratio of the particular coefficient to the standard error, $t = 0.526 / 0.066 = 7.944$. This t-value quantifies the distance in standard errors of the mean the coefficient lies from zero. Now consider the p-value corresponding with the t-statistic that we have computed, which is 0.000. The p-value is a measure of how confident the sample data is that the coefficient in the population is zero. A p-value below the common significance threshold of 0.05 implies the null hypothesis would have to be accepted.

In this case, since the p-value is 0.000, it is quite a distance above the 0.05 standard. There is stronger evidence to go against the previously stated null hypothesis suggesting that the tax policy does impact the continuity of business activity. Hence, considering the t-statistic and p-value, it can be said that there is a clear statistically significant relationship between tax policy and the business continuity of SMEs. A positive coefficient (+0.526) suggests that when tax

policies improve, the business continuity of SMEs increases. This implies that tax policy does have an effect on the continuity of SMEs. In conclusion, the null hypothesis “tax policy has no significant impact on the continuity of SMEs” is discounted, and we have no choice but to accept the alternate hypothesis that states, “tax policy has a significant impact on the continuity of SMEs.”

Hypothesis Two

H0₂: There is no significant relationship between tax administration and the continuity of Small and Medium Scale Enterprise in Nigeria

Table 4.8: Correlations

		Tax Administration	Business Continuity of SMEs
Kendall's tau_b	Correlation	1.000	.350**
	Coefficient		
	Tax Administration		
	Sig. (2-tailed)	.	.000
	N	386	386
Business continuity of SMEs	Correlation	.350**	1.000
	Coefficient		
	Sig. (2-tailed)	.000	.

	N	386	386
--	---	-----	-----

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

To evaluate the assumption, “There is no substantial correlation between tax management and the sustainability of Small and Medium-sized Enterprises (SMEs) in Nigeria,” when study, in detail, the provided Kendall’s tau-b correlation results. From these results, the correlation coefficient between tax management and business sustainability of SMEs is 0.350, which denotes a moderately positive correlation. This means that better tax management will result in better sustainability of SMEs. To check the significance of this correlation, we note the p-value which is 0.000. This p-value is less than the conventional level of 0.05, which provides solid grounds to conclude that the relationship between the variables is significant. It is therefore concluded that there is strong evidence to affirm that correlation between tax administrative and business continuity of SMEs is positively significant.

Hypothesis Three

H₀₃: Capital allowance incentive has no significant relationship with the continuity of Small and Medium Scale Enterprise in Nigeria

Table 4.9: Correlations

			Capital Allowance Incentives	Business Continuity of SMEs
Kendall's tau_b	Capital Allowance Incentives	Correlation	1.000	.327**
		Coefficient		
		Sig. (2-tailed)	.	.000
	Business Continuity Of SMEs	N	386	386
		Correlation	.327**	1.000
		Coefficient		
		Sig. (2-tailed)	.000	.
		N	386	386

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



To verify the statement “Capital allowance incentive has no significant relationship with the continuity of Small and Medium Scale Enterprises (SMEs) in Nigeria,” we will analyze the correlation results as well as do a hypothesis test at a more granular level later. As seen in the

output, the Kendall's tau-b correlation coefficient with respect to capital allowance incentives and business continuity of SMEs is equal to 0.327, which means that the coefficient shows a moderate positive relationship. This means that at higher capital allowance incentives, there is better business continuity of SMEs, even though the degree of association is not very high.

The value of [p] associated with the correlation coefficient is 0.000, which is significantly lower than our conventional cutoff of 0.05. Hence, it can be concluded that the correlation itself is quite strong. A p-value this low heavily favors the alternative hypothesis, implying that the relationship between the two variables is not the consequence of random fluctuations. The null hypothesis has been rejected since the p-value is less than 0.05. Thus, there is substantial proof suggesting that a strong connection exists between capital allowance incentives and the survival of SMEs in Nigeria. Therefore, the evidence indicates that capital allowance incentives do contribute to the continuity of SMEs which disproves the assumption of no significant impact.

Hypothesis Four

H0₄: Tax holiday incentives have no significant effect on the continuity of Small and Medium Scale Enterprise in Nigeria

Table 4.10 (a): Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1										

1	.588 a	.346	.344	6.911	.346	202.80 2	1	384	.000	2.029
---	-----------	------	------	-------	------	-------------	---	-----	------	-------

a. Predictors: (Constant), Tax Holiday Incentives

b. Dependent Variable: Business Continuity of SMEs

The provided model summary stems from a regression where Tax Holiday Incentives (the independent variable) and Business Continuity of SMEs (the dependent variable) were analyzed. Let us analyze the most important outcomes and what they mean. The R value which is currently at 0.588, this suggests there exists a moderate positive relationship between the predictor (Tax Holiday Incentives) and outcome (Business Continuity of SMEs). In other words, the two variables are moderately correlated, meaning that changes to Tax Holiday Incentives are generally associated with changes in Business Continuity, but the correlation is not perfect. The R value indicates that when Tax Holiday Incentives increases or decreases, Business Continuity seemingly moves along, though the correlation is not exact. Further, R Square of 0.346 informs us about the degree of variation explained concerning Business Continuity and the Tax Holiday Incentives. In this instance, Tax Holiday Incentives explain approximately 34.6% of the variability in Business Continuity. The rest, which is about 65.4%, is most likely due to some other variables not covered in this model or due to random chance. It does indicate that Tax Holiday Incentives affect Business Continuity substantially, but not exclusively.

The Adjusted R Square shows a value of 0.344, which confirms there is a very slight reduction from the R Square value. The adjusted R^2 uses the model's number of predictors, and thus is a

reframed measure of the model's explanatory power. With one predictor, the Tax Holiday Incentives, there is a drop but not a huge one. It is possible that with other predictors attached, the gap between R^2 and adjusted R^2 would increase. It follows that the model is reasonably well specified and suggesting further predictors may not result in a great deal of additional explained variance. While the standard error = 6.911, which signifies how far the actual Business Continuity measurements deviate from the model predictions. A lower standard error implies the model has a higher precision, while inaccuracy indicates a higher number. For this particular case, a standard error of 6.911 suggests that on average, the model under or overestimates Business Continuity for individual SMEs by 6.91 units, thus implying a measure of inaccuracy.

The Change Statistics tell us how much the model improves with the inclusion of the predictor variable (Tax Holiday Incentives). The R Square Change of 0.346 suggests that when Tax Holiday Incentives are added, the model accounts for an additional 34.6% of the variation in Business Continuity compared with the baseline model that contained no predictors. The F Change of 202.802 is the statistic that is used to determine if the model's explanatory power is significantly improved with the addition of Tax Holiday Incentives. With Sig. F Change of 0.000, which is lower than the standard significance threshold of 0.05, we can conclude that the addition of Tax Holiday Incentives improves model's fit and is statistically significant. This adds to the evidence that Tax Holiday Incentives are important to understanding Business Continuity among SMEs.

In incorporating this, the autocorrelation for the regression model's errors or residuals is measured by the Durbin-Watson statistic of 2.029. Autocorrelation takes place when residuals, which are the observed and predicted values, correlate with each other. This is especially

problematic for regression analysis which depends on the independence assumption. A value around 2 indicates the absence of significant autocorrelation. The statistic suggests a value of 2.029 meaning the null hypothesis of the independence of in the residuals is not significant. Therefore, the residuals are not significantly autocorrelated which is a good sign.

Table 4.10(b): ANOVA^a

	Sum of Squares	df	Mean Square	F	Sig.
Regression	9685.219	1	9685.219	202.802	.000 ^b
1 Residual	18338.670	384	47.757		
Total	28023.889	385			

a. Dependent Variable: Business Continuity of SMEs

b. Predictors: (Constant), Tax Holiday Incentives

The Sum of Squares column proves to be insightful in determining how much variance is present among the different observations. The variance regarding the business continuity of SMEs is defined in the Total Sum of Squares (28,023.889) which reflects the total variance based on the observed values. So, the variability is divided into two parts: the model variability and the residual or unexplained variability. The Regression Sum of Squares (9,685.219) shows the degree to which the predictor variable of Tax Holiday Incentives accounts for the variance in

Business Continuity of SMEs. In short, Tax Holiday Incentives play an important role in explaining model variability in Business Continuity, thus, amounting to approximately 9,685.219, which is a positive indicator of the model's anti-effectiveness.

The Residual Sum of Squares (18,338.670) denotes the variation that is not accounted for in business continuity of SMEs which is the difference between the actual and the predicted values from the model. This figure reflects portions of the variance within Business Continuity that the model fails to capture. It suggests the existence of other variables affecting the level of Business Continuity that are not included in the model. In this instance, it represents a substantial proportion of the total variance relative to the explained part, something that is reasonable given the model only explains 34.6% of the variation as is evident from the R squared value.

Turning to the Mean Square values, these are the sum of squares over their respected degrees of freedom which yield the average amount of variation attributable to each unit of measure of the respective mean. The value of the Mean Square for the regression is 9,685.219 which is got through dividing the Regression Sum of Squares (9,685.219) with its df ($df = 1$ because there is only one predictor: Tax Holiday Incentives). This shows how much business continuity variation can be accounted by each unit of Tax Holiday Incentives given in the business. For the residual component, the Mean Square stands at 47.757, which results from dividing the Residual Sum of Squares (18,338.670) by the residual value's degrees of freedom ($df = 384$, which is the case because of the total observations of 385 subtracted by the constant 1 and predictor variable 1). The mean square residual signifies the remaining discrepancy after accounting for variance due to other factors.

The F statistic, 202.802, is derived as the division of Mean Square of Regression (9685.219) with Mean Square of Residuals (47.757). This figure is utilized in assessing the significance level of the regression model as a whole. A larger value of the F statistic depicts that the model contains certain variables which account for variance, while remaining variance is unexplained (residuals). The regression F statistic of 202.802 is very large which implies that the regression model has an effective prediction and the Tax Holiday Incentives helps in explaining the Business Continuity in SMEs. Lastly, the Sig. (p-value) of 0.000 illustrates the importance of the F statistic. Since this is well below the standard p threshold of 0.05, it practically guarantees that the regression model is valid. In other words, the predictor variable, Tax Holiday Incentives, is significant in explaining changes in Business Continuity of SMEs.

Table 4.10 (c): Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	27.539	2.052		13.418	.000		
1 Tax holiday incentives	1.086	.076	.588	14.241	.000	1.000	1.000

a. Dependent Variable: Business Continuity of SMEs

The results of the regression show plausibly that tax holiday incentives affects the sustainability of SMEs in Nigeria. This deeply contrasts with the assumption that tax holiday incentives do not have any significance. The tax holiday incentive coefficient is 1.086, meaning that with the increase of these incentives, continuity of SMEs improves by 1.086 units. This is strengthened with the standardized coefficient of 0.588 which suggests a moderately strong positive correlation between the two variables. It is very large, and the p-value is 0.000; considerably higher than 0.05, which shows that tax holiday incentives have substantial effect. In addition, there seems to be no multicollinearity problems as shown by the VIF and tolerance values. These firmly substantiate the efficiency of the results. Thus, this data reinstates, the null hypothesis, benevolently concluding that tax holiday incentives positively affect the sustainability of SMEs in Nigeria.

4.3 Discussion of Findings

This part elaborates on the significant results emerging from the analysis in relation to the research questions set in the hypotheses. Particularly, it attempts to understand how the system of taxation, along with the tax incentives, affect the survival of Small and Medium Enterprises (SMEs) in Nigeria. Each of the parts renders findings in elucidative form and integrates them with already existing recent and relevant relationship between Tax System, incentives and business Continuity of SMEs. Further, a study is provided to explain the implications of these findings, arguing the necessity of a favorable environment for tax policies on sustainability of

businesses. A tax policy refers to the approach that a government takes with regard to the taxation of its citizens. This includes the methods used, the rates of tax, and how tax revenue is expended. A tax policy issues related to continuity of SMEs in Nigeria is highly critical. Good tax policy can eliminate economic constraints and give SMEs in Nigeria the opportunity to expand.

On the other hand, bad tax policy can stifle competition, reduce profits, and in extreme cases, terminate businesses¹. The breakdown of the culmination of the information from the model summary, ANOVA, and the regression coefficients sheds light on how tax policy affects the continuity of SMEs. The correlation analysis found a moderate positive relationship between tax policy and business continuity, with R (correlation coefficient) of 0.376. This shows that tax policy specifiably affects the continuity of SMEs, but not as much as other factors such as access to capital, or even market attributes. Nonetheless, the relationship is statistically significant; hence tax policy does acknowledge importance in determining the sustainability of SMEs in Nigeria.

From the model summary, tax policy can only account for 14.1% of the business continuity variation ($R^2 = 0.141$). This indicates that tax policy is definitely a key determinant, but not the only one leading to SME continuity. According to this model, variation in tax policy does result in some degree of change in the continuity of SMEs, but the explanation is significantly inadequate. This coincides with the existing literature that talk about the complexities of business survival².

The challenges that SMEs in Nigeria encounter include insufficient infrastructure, scarce financing opportunities, and unstable politics. These issues are complex and seem to overshadow

the relevance of a tax policy regarding business continuity. While it is true that tax policies can motivate the growth of SMEs through lowering taxes or offering incentives, they cannot ensure a business's survival on their own. Nonetheless, the relationship between tax policy and business continuity, despite its low explanatory power (14.1%), holds statistical significance as highlighted by the ANOVA table's F-statistic (63.104). As such, with tax policy explanatory power having low relevance, continuity reveals a considerable bearing. Many other factors that assist and work alongside tax policy get overshadowed with tax policy taking much more strain of carrying the burden. Instead, they should be communicating more about taxation policies and its impact on SMEs sustainability in Nigeria, effectively and conclusively.

The ANOVA table was also helpful in understanding how and why tax policy matters as it pertains to SME continuity. The variance which can be accounted by tax policy within SME continuity is exhibited through the Sum of Squares for Regression (3955.267). The corresponding Mean Square for Regression (3955.267) and Mean Square for Residual (62.679) suggest that the model reasonably fits the data because of the huge difference in these two values. The F-statistic of 63.104 strongly suggests that tax policy would have a positive effect on the model's ability to predict business continuity. The p-value of 0.000 is determining significant and allows the rejection of the null hypothesis (H_{01}) which states that tax policy does not affect SME continuity.

The results of the regression analysis give a better understanding of the connection that exists between the tax policy and the continuation of SME's business activities. The unstandardized coefficient for tax policy is 0.526, indicating that for each unit increase in the effectiveness of the tax policy, continuity in business improves at the rate of 0.526 units. The relationship is positive,

which shows that the reforms in tax policies like tax cuts, tax holiday and simplified tax procedures can immensely aid the growth and existence of SMEs in Nigeria.

The t-statistic of the study is as high as 7.944 (with a p-value of 0.000), which makes the result, particularly robust and supports the effectiveness of tax policy in determining SME business continuity. The very small standard error (0.066) that goes with the coefficient suggests that the relationship estimation is remarkably specific. These figures provide strong evidence to claim that tax policy markedly affects SME growth.

For some of these findings, this result is consistent with the results of earlier studies undertaken. For example, it was showed that some tax incentive measures like capital allowances and tax holidays serve to reduce the burden on SMEs and allow them to reinvest and sustain their businesses long term³. Furthermore, the reduction of burden of compliance through effective tax administration can positively affect business confidence and continuity⁴.

This research has uncovered several useful policies which can assist SMEs in Nigeria. First of all, the less-than-expected yet statistically significant correlation between tax policy and business continuity suggests that there is a need to reform Nigeria's tax system. It would be creating a more SME-friendly economist nurtured and sponsored. Policymakers should first consider tax incentives such as tax reliefs, tax holidays, and the tendency to simplify tax procedures which decrease the operational burden on small businesses. It was provided evidence supporting SMEs in Nigeria. It is not uncommon for them to encounter resource consuming tax compliance costs, which unfortunately, limits business development. A greater portion of investment spending could benefit business through the absorption of innovative activities, expansion and continuity

if those SMEs were favored with more tax policy that encompasses tax breaks or tax exemptions⁵.

In addition, the research shows that it is important to design a tax system that is appropriate for SMEs. Tax rules need to address the size and stage of growth of the business. For instance, financial aid such as tax exemptions in the early years of an SME's operations is critical during the startup phase. As SMEs develop, policies such as capital allowances or accelerated depreciation that promote reinvestment can further strengthen their capital position. While tax policy can play a considerable part in supporting the continuity of the businesses, the general business climate in Nigeria has a number of problems that affect the impact of tax reforms. These problems are, for example, the state of infrastructure, the level of politics, inflation, and availability of funds⁶. Nigerian SMEs also face the problems of high costs of services, restricted access to skilled personnel, and volatile changes in regulatory frameworks. As an example, even with the use of tax incentives, many SMEs in Nigeria are still grappling with the shortcomings of infrastructure such as poor electricity coverage and substandard road networks, which in turn, ballooned the operational expenses. This indicates that tax policy is very important but, for SMEs to succeed, it has to be accompanied with changes in other sectors, such as infrastructure, financing, and even the regulatory matters.

Also, the issues surrounding tax administration are still too complicated in Nigeria. SMEs often do not manage to use these expansionary powers due to the reasons that they have never been made aware of the true value of the incentive⁷. This can lower the threshold of doing business for small and medium enterprises in Nigeria: associating the process of tax compliance with the need to provide customer care services to the SMEs by the tax administration.

The tax policy seems to have an impact on the SMEs in Nigeria, and the results from the regression analysis confirm this hypothesis. The relationship is moderately positive which implies that tax policy affects business continuity but it is not the sole factor. Therefore, tax incentives, tax reliefs, and simplified tax rules and regulations can significantly lower the operational burdens placed on SMEs, enhancing their financial stability and prospects for growth. Nonetheless, the results demonstrate how a tax policy in itself is insufficient to tackle the challenges confronted by SMEs. Other components like infrastructural development, funding, and regulatory frameworks need to be developed as well to further support the SMEs. Every Nigerian policymaker needs to combine tax policy reform with other business environmental improvements to achieve sustainable success for SMEs in Nigeria. The null hypothesis (H01) concerning tax policies and their lack of significant effect on the continuity of SMEs has been rejected while the alternative hypothesis claiming that tax policies significantly affect SME continuity have been accepted. The results show that while these policies are paramount in facilitating SME growth in Nigeria, there are greater reforms needed to sufficiently support small businesses in the country.

4.3.1 Tax Administration and Continuity of SMEs in Nigeria

With a correlation coefficient of 0.350, this is moderate and suggests that there is a positive relationship between tax administration and the continuity of SMEs in Nigeria. This implies that it is likely improvement in tax administration will improve the survival rates of SMEs in Nigeria. Moreover, the p-value of 0.000 is highly significant as it is below the threshold level of 0.05 and is accepted as statistically significant. Hence, the relationship between tax administration and SME continuity is clear.

The results also show that there are significant positive correlations, which means that efficient tax administration directly impact the sustainability and growth of SMEs in Nigeria. Particularly, these results suggest that SMEs remain in business when there is an efficient, open, and supportive tax system and are likely to grow. Reductions in the compliance burden through effective tax administration supports the growth of SMEs. One of the primary problems facing SMEs in Nigeria is the tax system. Very high administrative costs, changes in regulations on taxation, and inadequate help from tax authorities beget non-compliance with the tax system and business penalties, loss of enterprise, non-credibility, and lack of trust in the system.

The findings indicate that SMEs are more likely to comply with tax regulations if tax authorities make the registration process simpler, set clearer requirements, and offer better assistance. In addition, the Federal Inland Revenue Service (FIRS) introduced electronic tax filing systems, which lowered the time and costs of compliance, allowing SMEs to concentrate on developing the business. Properly structured tax administration is important in the proper utilization of tax incentives provided to SMEs, such as tax holidays, capital allowances and exemptions. These incentives alleviate, at least to some extent, the most glaring financial pressures on SMEs in their formative years when the business is most susceptible to risks. The research indicates that proper governance makes certain that SMEs claims these tax benefits are availed timely and in the correct form which invariably helps in the financial viability and sustainability of the ventures. Take the case of tax incentives like tax holidays which are applicable to a of SMEs in certain specific industries, notably agriculture and manufacturing as one example of these because it helps these types of SMEs by enabling them to allocate savings back to grow their businesses.

In regard to the potential benefits that can be made available, inadequate communication and postponements can obstruct SMEs from leveraging these incentives which are financially critical to the company. Putting that into account, tax policies from the SMEs perspective can prove to be quite crucial if they are straightforward, available and purposeful. To enable continuity within SMEs is crucial; thus, proper policies must be in place for tax clarifications that are reasonable, uniform, and which also consider the real activities of SMEs. An issue that has been cited among SMEs in Nigeria is the perception of the over taxation through one sided and uncoordinated systems of tax administration. Such consequences can contribute greatly to the weakening of confidence, formation of motives for noncompliance, and ultimately the death of SMEs. The results suggest that SMEs which perceive tax regulations to be fair and unambiguous, and tax jurisdiction to be limited are least likely to default on tax obligations. This stems from their ability to predict their tax dues and adequately prepare for them, thus, shielding themselves from shocking costs that may contribute to their insolvency. In addition, relations between SMEs and tax systems can be greatly enhanced by a tax system which ensures expeditious settlement of disputes and grievances.

4.3.2 Capital Allowance Incentive and the Continuity of SMEs in Nigeria

The analysis of these findings relates to how capital allowance incentives impact SMEs in continuity in Nigeria, particularly focusing on the correlation analysis results which suggests a moderate positive correlation exists. The correlation coefficient of 0.327 shows that there is a moderate positive relationship between capital allowance incentives and SME activity. In other terms, as capital allowance incentives grow, so does the possibility of SME continuity, albeit to a lesser extent. Additionally, the p-value of 0.000 indicates that the null hypothesis can be rejected,

suggesting that this correlation is statistically reliable. In other words, the probability of this relationship occurring due to chance is quite small.

The information extracted from the survey is consistent with the assumption that capital allowance incentives correspond to the hypothesized continuity of SMEs within Nigeria. Considering the low p-value, all the above hypotheses can be accepted. This indicates that there is enough evidence to suggest that capital allowance incentives have a positive impact on the sustainability of SMEs. One major advantage of capital allowance incentives is the lower business taxation, which directly affects the economic capacity of SMEs. SMEs are able to embrace a number of strategies that lower their tax liabilities. This reduction in tax payment provides an immediate increase in working capital available to the SME and thus improves their cash flow which can then be used to reinvest into the SME's business operations. For instance, a small to medium-sized enterprise (SME) that acquires a new machine or a piece of equipment for its production line can claim a capital allowance on the asset reducing their tax liability. The money that is saved from lower taxation can be used to further improve the business, increase the number of workers on payroll, or even buy more stock. Such surplus cash flow increases the chances of business profitability and survival, particularly during economically difficult or financially challenging times.

The capital allowance regime motivates small and medium enterprises to acquire capital assets that improve their operational productivity and competitiveness. These SMEs can claim deductions on the purchase of machinery, vehicles, and even buildings from their taxable income, making it easier for businesses to upgrade assets and develop physical infrastructure. Such enhancements are critical, particularly to SMEs involved in capital intensive sectors of the

economy like manufacturing, construction, and agriculture. By investing in modern productive assets, these SMEs are able to broaden the scope of their operations in response to the increasing demand. Such steps translate to greater revenue and profitability and aid in the sustenance of the business. Further, modernizing the assets ensures the business remains competitive, increasing the probability of success in the long run.

The allowance provided through taxation optimizes capital, which in turn fosters the latter's business growth. SMEs that utilize these tax reliefs tend to invest more in growing their businesses as they can save and reinvest the tax funds into expanding production, increasing product lines, and opening new markets. This approach greatly optimizes the survival rate of SMES by allowing them to set aside funds to ensure their continuance. For instance, as a small business that spends on new manufacturing equipment with capital allowance benefits. They may notice improvement in production efficiency, meaning that more products can be produced at lower overall costs. These factors combined result in greater profits, which allows the business to grow and thrive. By the same token, capital allowance incentives can also positively affect credit and funding availability for Small and Medium Enterprises (SMEs). Lenders and investors will support those businesses that practice proper cash management. SMEs that make use of the capital allowance can enhance their cash position and subsequently improve their chances of obtaining loans or investments.

Capital flow consideration may extend beyond cash injections. For example, it might always stem from the expected profits and the business's capacity to service the debts raised. Those SMEs that deal with capital allowances aimed at the lowering of tax liability will have a more favorable outlook for credit in expansion activities. For SMEs, having access to finances is vital.

It helps them meet their everyday expenses, undertake new initiatives, and stay relevant in the industry. The results of the recent studies that focus on capital allowance incentives effects on SMEs seem to be validating this research even further. For instance, it was examined the use of tax incentives such as capital allowances and its impact on business growth in Nigeria⁸. The researchers discovered that the capital allowances were positively correlated with the profits and sustainability of SMEs since these financial incentives funded investment into capital assets expansion of operations.

Similarly, A study on the growth of SMEs in Nigeria as relates to tax incentives such as capital allowances. They concluded that SMEs that embraced tax incentives had better financial performance, improved cash flow management, and enhanced business continuity. The study under review emphasized how capital allowance incentives lowered the cost of capital and thus enabled businesses to destine a portion of their profits to further investment, increasing the competition. These studies confirm the results of this research, which also reveal that there is a notable link between capital allowance incentive and the survival strategy of SMEs in Nigeria. Considering these developments, capital allowances incentives are highly correlated to the continuity of SMEs in Nigeria, leading to the rejection of the null hypothesis (H03) which states that no significant relationship exists between capital allowances incentives and the survival of SMEs in Nigeria⁹.

The information gathered supports the ideas that capital allowances incentives need to be in place in order to facilitate investment and the sustainable growth of SMEs in the country. The reduction of tax obligations, promoting investment in productive capital, aiding in business growth, and enhancing access to capital all facilitate the enduring existence of SMEs in Nigeria

through capital allowance incentives. Undoubtedly, the Nigerian government needs to enhance awareness of SME capital allowance incentives through improving the application process and targeting the sector most likely to benefit from it. The development of a comprehensive small and medium enterprises (SME) policy can benefit from the proper targeting of capital allowances, thus transforming Nigeria's varied economy.

4.3.4 Tax Holiday Incentives and Business Continuity of SMEs in Nigeria

This hypothesis 4 claims that tax holiday incentives that are intended to provide tax relief and promote spending by SMEs may not have an effect on the growth and sustainability of SMEs in Nigeria. However, pulling together the data from the regression analysis, we accept the alternative hypothesis stating that tax holiday incentives positively impact the continuity of SMEs. We will discuss later why this result is very meaningful for both public policy in Nigeria and for SMEs. Nonetheless, in and out of school, these tax holiday advantages have been used to lift some of the financial constraints. Such advantages purportedly seek to boost innovation, business activities, and developmental purposes by divorcing SMEs from specific taxes for a designated period.

Tax holiday incentives are designed to advance business expansion by granting a temporary halt to taxation. In principle, these advantages seek to improve the financial position of SMEs by relieving them from some tax obligations which can be allocated in other productive activities like workforce improvement programs, and even infrastructure spending. Aimed at bolstering competitiveness and the survivability of SMEs, tax holiday incentives achieve these objectives by lowering the expenses for their operations.

In turn, these foundational premises underscore the importance of cognitive taxonomies within tax systems, which theoretically stems from various models such as the resource-based view (RBV) of the economy and the growth theory. The RBV provides those financial resources, for example, tax savings, enhance the capabilities of SMEs to obtain sustainable competitiveness. The growth model also posits that easing financial constraints facilitate tax incentives which help SMEs reap economies of scale, profits, and expansion of operations. The outcome of the regression analysis infers that tax holiday privileges appear to have a mildly positive relationship with the survival of small enterprises in Nigeria. There are particular points from the assessment which need specific attention: The coefficient for tax holiday privileges is 1.086, implying that the continuity of SMEs improves by this figure for every additional unit increase in tax holiday privileges. This points out tax incentives have an immediate and empirically tangible effect on business survival. For example, tax incentive SMEs will most likely use part of their financial savings to boost their operational capabilities and higher chances of enduring longevity. Coefficient Beta = 0.588: The coefficient Beta indicates a moderately strong relationship between tax holiday incentives and SME continuity, and points toward a positive spending relationship. It is coherent with the expectation that firms which utilize tax reliefs perform better and are more sustainable in business.

The analysis indicates that the p-value is 0.000 which is lower than the threshold significance level of 0.05, therefore establishing the relationship between tax holiday incentives and the continuity of SMEs as statistically significant. This is further supported by the F-statistic of 202.802 which suggests that the model is of high quality, and that including tax incentives increases the explanatory power of the model. Similar studies in other countries, such as Santos

in 2017 observed from Brazil, have found that tax exemptions tend to aid SMEs surviving and growing by lessening the financial burden and enhancing their reinvestment capabilities. Model Fit ($R^2 = 0.346$): The benchmark value of 0.346 provides sufficient evidence to allocate tax holiday incentives as the reason for approximately 34.6% of the SME continuity variation. This demonstrates a significant impact, though it also suggests that other influencing factors like market and competitive conditions, financing sources, and business managerial policies account for 65.4% of the variance. This result is in tandem with existing literature which points out that tax slogans are important in business sustainability, singularly, is not enough.

Considering these findings, I believe they greatly facilitate policymakers. The analysis tells us that tax holiday incentives are useful in improving the survival of SMEs in Nigeria. The tax subsidy granted to SMEs and its relation to sustaining small businesses proves that the government has to do more to create a friendly business environment. Nonetheless, policy makers should equally consider putting together tax breaks with subsidized credit, infrastructure, and training services to further protect and grow SMEs.

The influence of tax holiday incentives on SMEs is not confined to Nigeria alone. Other developing nations have engaged in similar efforts, which confirm that tax incentives serve as an important factor for small business sustainability. A scrutiny of tax incentives and their implications towards the performance of small and medium enterprises was conducted in Kenya. The findings indicated that tax holidays coupled with lower tax rates were associated with business expansion and sustainability. The study reported that SMEs that were able to take advantage of these incentives were able to use the tax savings for business expansion, and

consequently increased their employment opportunities and chances of achieving success in the future⁹.

A similar study depicted that tax incentives positively impacted SMEs as they reduced their financial burdens. The study pointed out that although tax relief is helpful, it is more useful when used side by side with other measures aimed at the other obstacles faced by SMEs such as the lack of access to finance and market information. These international studies illustrate that tax holiday incentives are clearly understood as a tool promoting the health of the financial activities of SMEs, especially in developing countries where capital markets are unstable. Considering the multifaceted nature of Nigeria's economy and its geographical segmentation, it would be worthwhile to assess how the effect of tax holiday incentives differs across various industries, such as the agriculture and technology and manufacturing industries, as well as urban versus rural regions. This study reveals that tax holiday incentives are one of the most important determinants favoring the business continuity of SMEs in Nigeria. These incentives increase cash flow and give SMEs a chance to invest further into their business, thus increasing their likelihood of survival and development. The result further proves the strong significance of tax incentives on the business continuity of SMEs in Nigeria, pointing out the need for government support to small and medium enterprises¹⁰.

Endnotes

- ^{1.} T. O. Akinbobola, & A. S. Fakile, *Tax Policy, Tax Compliance, and the Growth of Small and Medium Enterprises in Nigeria*. **International Journal of Economics, Commerce, and Management**, 11(2), 2023, 10-25.
- ^{2.} M. A. Aremu, *Tax Policy and its Impact on the Performance of Small and Medium Scale Enterprises in Nigeria*. **International Journal of Management and Economics**, 13(4), 2020, 33-46.
- ^{3.} E. Asiedu, *The Effect of Tax Incentives on Business Continuity in Developing Economies: The Case of Small Businesses in Nigeria*. **Journal of African Business Studies**, 15(3), 2022, 210-223.

4. M. A. Bello, & W. Olayiwola, *The Impact of Tax Administration on Small and Medium Enterprises in Nigeria: Evidence from Lagos State*. **African Journal of Business and Economic Research**, 16(5), 2022, 121-136.
5. T. Fapohunda, *The Role of Tax Holidays in Promoting Small and Medium Enterprise Continuity in Nigeria*. **African Tax Journal**, 9(2), 2021, 40-56.
6. M. T. Ogunniyi, & J. E. Eze, *Factors Influencing the Continuity of Small and Medium Scale Enterprises in Nigeria: A Focus on Taxation and Government Policy*. **Journal of Business and Economic Research**, 20(6), 2022, 85-98.
7. O. P. Olurinola, & O. O. Ajayi, *Challenges of Small and Medium Scale Enterprises in Nigeria: An Analysis of the Role of Infrastructure and Taxation*. **Journal of Nigerian Business and Finance**, 22(4), 2020, 25-40.
8. S. O. Osotimehin, A. O. Olusegun, & D. A. Akinlolu, *Improving the Tax Environment for SMEs in Nigeria: A Case for Tax Incentives*. **Nigerian Journal of Accounting and Business**, 11(1), 2021, 78-93.
9. FIRS. *The Role of Tax Administration in Promoting Business Growth in Nigeria*. Federal Inland Revenue Service Annual Report. 2023
10. T. O. Akinbobola, & S. Fakile, *Improving the Tax Environment for SMEs in Nigeria: A Case for Tax Incentives*. **International Journal of Taxation and Business**, 14(2), 2022, 109-118.

Chapter Five

Conclusion

5.1 Summary of Findings

The research found that tax administration had a correlation of 0.350 with the continuity of SMEs in Nigeria. This shows that there is a moderate positive relationship between these two factors. It was also noted that the p-value of 0.000 was significant at the 0.05 threshold which means that there is a statistically significant relationship between tax administration and SME

continuity. In addition, proper tax administration has a significant and immediate influence on the sustainability of SMEs. SMEs prosper in an environment with a low cost of doing business. One of the most pressing problems faced by SMEs in Nigeria is the multifaceted and intricate tax environment with high compliance cost, changing regulations, and very little help from the tax administration. This leads to a host of issues such as non-compliance, heavy fines, and rift between SMEs and tax authorities.

According to the study, range of technology SMEs tend to comply with tax regulations when the tax administration system is simplified. The FIRS' introduction of electronic filing of taxes has helped by decreasing the time and cost needed for compliance. Moreover, tax holidays, tax exemptions, and capital allowances help to alleviate the burden of SMEs in their first few crucial years. Providing these incentives on time and with reasonable tax assessments can improve tax compliance and foster development within the SMEs.

Furthermore, the research analyzed the role capital allowance incentives have on the business continuity of SMEs in Nigeria, which resulted in a positive but moderate correlation of 0.327. This suggests that capital allowance incentives, which alleviates the tax level of the firm by permitting the gain from sale of capital assets to be exonerated from tax, is associated with higher business continuity. The value of 0.000 is the p value, which tells us that the probability of the finding is real is highly unlikely.

Capital allowance deductions enable SMEs to strategically lower their tax burden that results in expansionary cash flow. This fluid increase can significantly be injected back into the business

through purchasing of new machinery and infrastructure or even on additional workforce. Reducing the price of tax liability of capital assets improves their operational productivity, particularly for SMEs engaged in capital intensive industries like manufacturing, construction, and farming. The research also suggests these firms are more likely to increase the scope of their business, production volume, and competitiveness if they are offered capital allowance incentives. These are essential for increasing revenue and profit that can sustain SMEs over extended periods. In addition, as was noted, these factors impair the competition's ability to compete, which in its own right enables easier access to financing for those SMEs. By easing the tax burden, the SME is better off financially, enabling easier access to loans and investments, which in turn facilitates growth of the SME.

The study indicates that the application of tax holiday benefits has a meaningful positive contribution to SME survival in Nigeria. In addition, tax holidays offer SMEs temporary alleviation from tax liabilities, which enables them to put the reduced costs back into their businesses. The result of the regression analysis carried out by the study indicated that the coefficient for tax holiday incentives is 1.086. This implies that for every unit increase in tax holiday incentives, SME continuity improves by 1.086 units. This shows that tax relief has a direct measurable effect on business sustainability. Beta coefficient (Beta = 0.588) also suggest that there are moderately strong positive association between tax holiday incentives and SME continuity. The p-value of 0.000 has confirmed that the association is significant and trustworthy with the F-statistic of 202.802 providing further evidence toward model adequacy. Together with the p-value, the R^2 value of 0.346 does imply that tax holiday benefits explain almost 34.6 percent of the SME continuity changes, meaning that tax relief, while beneficial, is not the only

one that matters. Other components, including bearing credit, essential facilities, and business managerial ability are equally important promissory factors. Through the application of a tax reduction, SMEs are aided with financial obligations giving them the opportunity to further their cash flow. Business savings can then be invested in important business aspects like Innovation Infrastructure and Human Resources Development. It allows more room to breathe in the most financially constrained stages of a new business. Research indicates that those SMEs who benefitted from tax holidays were more progressive in scaling up their operations, employing greater number of individuals, as well as launching new products or services. Such progress, subsequently improves their prospects for enduring them in the future.

The study indicated that the combined impacts of tax administration and relief provisions, in particular the capital allowance and tax holiday incentive, appear to reinforces the sustainability of SMEs in Nigeria. A rational tax regime and the existence of tax expenditures alleviates the financial burden on SMEs, thus further enabling them to reinvest in expansion activities. Effective tax administration enables SMEs to benefit from such tax relief, and these capital allowances provide the opportunity to reinvest in capital assets which boosts productivity and operational efficiency. However, immediate and intensive tax holiday incentives enable SMEs to grow without immediate tax obligations. These results suggest that any tax policy would be more effective if it is efficient, equitable, and supportive of SMEs. The registration process for taxation should be made straightforward, filing requirements should be spelled out in more understandable languages, access to tax incentives should be improved, and the integrity of the taxation system should go up. All these will make the business environment more favorable for SMEs. More so, the synergistic combination of tax reliefs with other supporting measures such

as enhancing financial accessibility, alleviating the infrastructure gap, and offering training and capacity building can guarantee a well-rounded approach to the sustainability of SMEs.

5.2 Conclusion

These findings contribute significantly to understanding how tax administration, capital allowance incentives, tax holidays, and the survival of SMEs are interrelated in Nigeria. This study proved that various tax features intricately support enterprises' sustainability and growth. This research supported that an efficient tax policy positively enhances the continuity of SMEs as it minimized the compliance burden, improved accountability, and built confidence of the SMEs in the tax authorities. The existence of a positive link between the functioning of tax policy and continuity of SMEs suggested that tax systems should be simplified to make them more supportive to business for business continuity of SMEs.

Further, the results implied that capital allowance incentives moderately benefited SME continuity. These allowances helped SMEs finance themselves, by deducting the cost of capital assets from their taxable income which increased cash flow for reinvestment. It allowed SMEs to strengthen their infrastructure, broaden business activities, and enhanced their competitive positions in the market. The possibility to reinvest these tax savings into business development is especially advantageous for SMEs operating in capital-intensive businesses such as manufacturing, agriculture, and constructions. This translated as well to an increase in capital allowances which benefited SMEs by improving access to financing because of enhanced financial performance associated with such capital investments. This made the business more attractive to financiers and investors. For these reasons, the Nigerian government has to continue

supporting capital allowance incentives as these are critical to achieving growth and continuity of SMEs in the country.

The analysis presents as well as explains the effectiveness of tax holiday advantages towards the sustainability of SMEs. The phenomenon of tax holidays enables SMEs to access relief on these crucial obligations, which is especially helpful during the formative stage of the business when there is limited cash flow. With tax holidays, SMEs reinvest the foregone tax expenses into capacity building, production, and product innovation. The evidence suggests self-employed individuals and SMEs are able to survive financial stress and shifting those resources in to operational expenses thanks to tax optimization self-regulations. Tax holiday schemes are effective at increasing SME growth rates throughout other countries; therefore, Nigeria should persist in using this technique to further support the middle economy.

Nevertheless, although managing tax collection, regulations regarding capital allowances, and incentives for tax holidays are each important for the business continuity of SMEs, the study further suggests that there is need for a more integrated approach towards the development of SMEs. The findings show that offerings of tax incentives might not achieve sustainable growth of SMEs. This includes improving credit access, infrastructural development, adequate training and capacity building, and finally, a relative low inflation macroeconomic setting. As such, this means that the Nigerian government has to try and use multiple options to support SMEs by combining fiscal policies, such as taxation, with other policies of structural adjustments targeted at the major issues small businesses face.

Furthermore, tackling financing gaps and improving supporting infrastructure for SMEs will foster a more SME supportive environment. The study highlighted the critical role of specialization of tax incentives and proper tax administration in the sustenance and growth of SMEs in Nigeria. Properly designed tax policies can relieve the financial strain on SMEs which in turn creates opportunities for business expansion and investment, thereby increasing the chances of survival for small businesses. However, it is important to note that for tax incentives to be effective, they ought to be developed within a wider policy context that provides additional resource availability, business stability, and sectorial support for SMEs. Only this way would Nigeria be able to realize the full potential of its SME sector, which is crucial for economic growth and the creation of new jobs in the country.

5.3 Recommendations

Based on the results of this study, a few suggestions relating to tax incentives and business continuity of SMEs in Nigeria can be highlighted. These particular suggestions focus on the management of tax, the capital allowance, the tax holiday incentives, and the general environment in which Small and Medium Enterprises operate. These suggestions can be recommended to policymakers, tax administrators and other interested parties to help them formulate appropriate interventions that will lead to the development and growth of SMEs.

- i. The current complexity in filing for tax as well as paying taxes is a significant impediment to the growth of SMEs. All tax paying bodies should devote efforts towards the simplification of tax processes in as much as bureaucracy is minimized and comprehensive robust guidelines are provided. This will ease the compliance burden,

minimize the error rate, and raise the level of confidence SMEs have in the taxation system.

- ii. Lack of information about tax policies and available incentives is one of the issues facing SMEs today. Tax authorities need to hold specific trainings and workshops for SMEs so that they are educated on their tax obligations and the various tax incentives offered to them. Moreover, such training could include how to access and use the allowances and the tax holiday to maximize the employment of these incentives for the benefit of SMEs.
- iii. The tax authority ought to consider setting up dedicated support desks or help centers for SMEs which could help business owners access information, make inquiries and resolve issues with ease. This will foster the needs of transparency and be associated with positive relations with the SMEs which in turn builds trust and encourages compliance.
- iv. To ensure the allowances remain relevant and useful to the economy, the government should periodically consider revising the rates of capital allowances. For instance, inflating the allowance in tandem with inflation can help SMEs remain taken advantage of these incentives.
- v. Startups SMEs in the initial phases of their operations require prolonged periods of tax holiday in order to grow without the burden of tax liabilities. Policymakers should initiate longer tax holiday periods for startups in technology, manufacturing, and agriculture where growth potential is deemed to be higher.
- vi. The criteria set for eligibility for tax holidays is likely unknown to many SMEs. An active approach towards spreading the word about tax holiday criteria and their qualifications can be helpful for more businesses to take advantage of such criteria.

- vii. SMEs are often challenged to access cheap credit because of their limited financial history and collateral. In addressing this issue, the government ought to facilitate the creation of SME specialized financial institutions and also motivate commercial banks to provide more flexible financing, such as lower interest rates, longer repayment periods, and little to no collateral. It would also help SMEs boost their operations and market presence if they were given more access to venture capital and angel investors.
- viii. Some infrastructure deficiencies like very poor roads, unreliable power supply and lack of adequate water supply, greatly increases operational costs for SMEs. The government should focus on building infrastructure in rural and semi - urban areas first to improve business conditions. Use of renewable energy sources such as solar power can also reduce the burden of higher utility costs.

5.4 Contribution to Knowledge

This analysis provides small and medium enterprises (SMEs) in Nigeria with a regard integration on how Tax Administration, Capital Allowance Incentives, and Tax Holiday Incentives, affect the survival and growth of these SMEs. This research carved out facts and scenarios where efficient tax administration proves beneficial to the survival of SMEs. This study contributes to the already existing theories of tax policies and helps in solidifying the aspect of tax administration as an effective tool for growth within SMEs. By and large, it helps to recognize the fact that SMEs have critical importance for growth in employment and overwhelming in broad practices. Furthermore, myopia in tax policy cannot be neglected as many studies are preoccupied in the impacts of tax policies ignoring the practice of SMEs survival and persistence. This research serves as a beneficial point of reflection by demonstrating the need of changing tax

policies with regard to the level of development and simplification. Such policies are always accompanied by a more transparent and supportive regulatory environment which is clearly essential for business growth.

This contribution adds to the literature by showing that changes to support SMEs need to occur more often in developing countries where so much effort is put into fighting red tape. Although a number of economies have been concerned with tax policy, capital allowance incentives, few have focused on its effects on SMEs in Nigeria. This study attempts to fill this gap by providing an empirical analysis that shows how capital allowance provisions positively affect the sustainability of SMEs. The results showed that Nigerian SMEs that utilize capital allowances experience greater financial stability which enables them to reinvest back into their businesses and foster growth. By focusing on capital allowances, this study expands the literature on tax incentives, particularly in terms of how they affect capital-intensive SMEs. It also adds to the broader discussion on how tax policies can be designed to reduce operational costs and enhance productivity, thereby improving SMEs' competitiveness and long-term survival prospects.

Another significant contribution of this study is the examination of tax holiday incentives, a common government tool designed to support emerging businesses. Although the positive effect of tax holidays on SMEs has been discussed in general terms in previous literature, this research provides specific evidence of how tax holidays contribute to the continuity of SMEs in Nigeria. This study shows that SMEs benefit significantly from financial support in the form of tax holidays as it helps them meet operational needs. The self-imposed incentives serve to improve the overall survival rate of SMEs especially during the early business development stages, which

is extremely crucial for emerging economies with scarce funding. This study expands on existing claims by providing proof of tax holiday impacts on SME sustainability in Nigerian context.

The study sheds light on the various tax incentives provided to SMEs in Nigeria by looking at how tax administration efficiency, capital allowance incentives, and tax holidays work together to sustain these SMEs. The comprehensive view taken in this study illustrates the importance of a cohesive incentive system which is likely to be more effective in promoting SME growth than fragmentary policies. This increases the body of literature that supports the adoption of an integrated tax policy for SMEs. From this information, policymakers are able to develop more overarching strategies that touch on all areas of SME growth, such as finance, tax compliance, and business expansion. This research is of great importance to government and policymakers due to the evidence it provides for the formulation of policies for SMEs. It illustrates the relationship between tax administration and tax incentive, capital allowances, and tax holidays, along with reporting the existence of positive correlation between all. Thus, such insights facilitate the existing tax frameworks and set new policies aimed at achieving better continuity and growth of SMEs.

Moreover, the study's findings offer more than theoretical value; they provide actionable, policy-based suggestions for improving the business climate for SMEs. Further, the results are important not only for Nigeria. The reasoning developed can be used in other developing countries as they seek to address the challenges of promoting SME growth. A number of countries within Africa and other developing regions grapple with problems bordering on taxation, availability of capital, and the healthy financial state of SMEs. Other developing economies can take valuable lessons not only from Nigeria, but from other nations that have

managed to solve similar issues. It is not only the Nigeria focus that makes this research valuable; it is the insight into a new area which is the impact of taxation support on SMEs in similarly placed economies.

5.5 Suggested Areas for Further Research

This study highlights the need for more studies on tax incentives and business continuity of SMEs. Subsequent research could examine the effect of other tax incentives like lower taxes for corporations, funding for innovations, or industry specific tax incentives. In addition, new studies might examine the relationship between tax incentives and other contextual factors, including financing, regulations, and infrastructure, that influence the growth of SMEs in Nigeria and other emerging economies. More studies can also analyze economic activity that relies on tax incentives for SMEs in certain industries and geographic areas because it is likely that some industries and regions are more favorable than others. With these variables, researchers can formulate more precise proposals towards public officials who intend to optimize their taxation policies for certain SME categories.

Bibliography

Conference Proceeding/Seminar

Balbaa, M., Balbaa, M. E., Eshov, M., & Islamilova, N. *The Impact of Russian-Ukrainian War on the Global Economy*. ICFNDS, 2022.

International Tax Dialogue. *Taxation of SMEs. Background Paper for the International Tax Dialogue Conference*. Buenos Aires, 2007.

Olorunshola, J. A. *Problems and Prospects of SMEs in Nigeria*. Paper Presented at CBN Seminar on Small and Medium Industries Equity Investment Scheme (SMIEIS), 2003.

Srnatrakalev, C. *Tax Policy for SMEs. Paper Delivered at 6th Global Conference on Business and Economics*. Gutman Conference Center, U.S.A., 2006.

Udechukwu, F. N. *Survey of Small and Medium Scale Industries and their Potentials in Nigeria*. Paper Presented at Central Bank of Nigeria on Small and Medium Scale Industries Equity Investment Scheme (SMIEIS), 2003.

Journal

Abata, M. A., *Tax Avoidance and Economic Growth: A Nigerian Reassessment*. **African Economic Review**, 14(2), 2022, 88-104.

Acemoglu, D. & Restrepo, P., *Taxation and Human Capital Accumulation: Theory and Evidence*. **Journal of Political Economy**, 130(3), 2022, 789-824.

Adanlawo, E. F., & Vezi-Magigaba, M. *Exploring the Impact of Tax Policies on Small and Medium Scale Enterprises' (SMEs) Performance in Nigerian Economy*. **The Business and Management Review**, 13(1), 2022, 7-14.

Adebisi, J. F., *SME Tax Perceptions in Lagos: A Post-COVID Replication*. **Nigerian Tax Review**, 6(2), 2023, 34-50.

Adedokun, Y., Adetola, R. & Akintoye, I. R., *National Tax Policy and Nigeria Tax System*. **Journal of Taxation and Economic Development**, 18(2), 2019, 126-126.

Adegbite, E., *Tax Planning and Firm Value: Evidence from Nigerian Listed Firms*. **Journal of Accounting and Taxation**, 13(2), 2021, 89-102.

Adejumo, B. T., *Information Asymmetry and Tax Compliance in Nigerian SMEs*. **African Journal of Accounting**, 15(2), 2023, 112-128.

Adejumo, B. T., *Nigeria's Tax Policy Evolution (2012-2023)*. **Lagos Business School Review**, 18(1), 2023, 60-75.

- Adekanola, O., *SME Potentials and Policy Gaps in Nigeria (2003-2022)*. **Journal of Development Economics**, 18(3), 2022, 45-60.
- Adekanola, O., *Tax Simplification and Compliance in Nigerian SMEs*. **International Tax Review**, 14(3), 2021, 112-125.
- Adeosun, O. T. and Shittu, A. I., *Small-Medium Enterprises Formation and Nigeria's Economic Growth*. **Review of Economic and Political Science**, 7(4), 2022, 286-301.
- Adeoye, A., *Taxation and SME Growth in Sub-Saharan Africa: A Comparative Analysis*. **Journal of Small Business and Enterprise Development**, 28(3), 2021, 345-360.
- Adeusi, S. O., *20 Years of SMIEIS: Evaluating Nigeria's SME Support Schemes*. **Central Bank of Nigeria Economic Review**, 59(2), 2021, 1-20.
- Agbenyegah, A. T., *Regulatory Reforms and SME Performance in West Africa*. **Journal of African Policy Studies**, 7(2), 2021, 55-70.
- Agu, G. A., Onwuka, O. O., & Aruomah, O., *Impact of Taxation on the Performance of Small and Medium Enterprises in Aba, Abia State, Nigeria*. **Archives of Business Research**, 7(3.2), 2019, 1-15.
- Ajinwo, B. *Tax Revenue and Infrastructural Development in Nigeria*. **Journal of Accounting Information and Innovation**, 9(2), 2023, 1-9.
- Ajiola, F. O., *Isakole and the Transformation of Agricultural Land Conflict in Colonial Yorubaland*. **Southern Journal for Contemporary History**, 46(2), 2021, 68–88.
- Akinbobola, T. O., & Fakile, A. S., *Improving the Tax Environment for SMEs in Nigeria: A Case for Tax Incentives*. **International Journal of Taxation and Business**, 14(2), 2022, 109-118.
- Aladejebi, O., & Oladimeji, J. A. *Business Continuity Management Among Small Hotels in Nigeria*. **Sch J Econ Bus Manag**, 8(8), 2021, 208-218.
- Ali, H., *IT Capability and Business Continuity: A Post-Pandemic Analysis*. **Journal of Information Systems**, 35(2), 2021, 78-92.
- Alm, J., *Tax Evasion and the Shadow Economy: New Evidence from Sweden*. **Scandinavian Journal of Economics**, 123(2), 2021, 456-480.
- Amughoru, O. A. *Effect of Taxation on Economic Growth in Nigeria: A Time Series Analysis between 1981-2019*. **Journal of Contemporary Issues in Accounting (JOCIA)**, 1(1), 2021, 101-115.

- Asnar, Y., *SME Challenges in Nigerian Urban Centers: A 2020s Perspective*. **Urban Studies Journal**, 19(1), 2022, 112-128.
- Asnar, Y., *State-Building Through Taxation: Lessons from Africa*. **Development Policy Review**, 39(6), 2021, 789-805.
- Atichasari, A. S., & Marfu, A. *The Influence of Tax Policies on Investment Decisions and Business Development of Micro, Small, and Medium-Sized Enterprises (MSMEs) and its Implications for Economic Growth in Indonesia*. **Journal of Economics, Finance and Management Studies**, 6(7), 2023, 3290-3296.
- Baba, H., *Entrepreneurial Stress and SME Success in Africa*. **African Entrepreneurship Review**, 5(1), 2022, 30-45.
- Ballwieser, W., *CEO Incentive Alignment in African SMEs: A Post-2010 Analysis*. **Journal of Corporate Governance**, 18(3), 2022, 45-60.
- Ballwieser, W., *Crisis Management Capabilities in African SMEs*. **African Journal of Crisis Preparedness**, 5(1), 2023, 30-45.
- Bassey, U. O., *Selected Tax Reforms in Nigeria: 2010-2023*. **Lagos Business School Review**, 20(1), 2023, 60-75.
- Bassey, U. O., *Selected Tax Reforms in Nigeria: 2010-2023*. **Lagos Business School Review**, 20(1), 2023, 60-75.
- Blid, L. & Păunescu, C., *Critical Functions Analysis for Romanian SMEs: A Post-Pandemic Assessment*. **Management & Marketing**, 17(3), 2022, 330-345.
- Cahyad, R. *Taxes and Infrastructure Development: A Review from Various Countries*, **Advances in Taxation Research**, 2(3), 2024. 117 – 127.
- Cerullo, V., *ISO 22301 Implementation in African SMEs*. **Journal of Business Continuity**, 6(2), 2022, 88-102.
- Chuang, M. Y., *Risk Assessment in Oil/Gas SMEs: A Norwegian-Nigerian Comparison*. **Journal of Risk and Reliability**, 235(4), 2021, 567-582.
- Diamond, P. and Saez, E., *Optimal Tax Theory and the Laffer Curve: A Reassessment*. **Journal of Economic Perspectives**, 35(3), 2021, 201-220.
- Dickson, E. O., *Tax Incentives and Revenue Productivity in Sub-Saharan Africa*. **African Development Review**, 33(2), 2021, 200-215.

- Dzomoda, O., *Environmental Sustainability Commitment and Access to Finance by Small and Medium Enterprises: The Role of Financial Performance and Corporate Governance*. **Sustainability**, 14, 2022, 1-20.
- Edori, I. S., *Nigerian Tax System Challenges: A Decade of Stagnation?* **African Economic Review**, 14(2), 2021, 88-104.
- Edori, S. D., *Nigerian Tax System Challenges: A Decade in Review*. **African Finance Journal**, 13(2), 2021, 34-49.
- Effiong, S. A., *Current Cost Profit Measurement as It Affects Corporate Capital*. **Nigerian Journal of Social and Development Issues**, 4(1), 2004, 121-134.
- Efuntade, A.O., Efuntade, O.O. & Akinola, A.O., *Tax Revenue and Its Effect on Government Expenditure in Nigeria*. **The International Journal of Business & Management**, 8(9), 2020, 279-286.
- Egwuonwu, U. I. & Osuchukwu, N. P., *Information Use by Small and Medium Scale Entrepreneurs in Zaria and Kaduna Metropolises*. **Library Research Journal**, 24(1), 2021, 74-83.
- Egwuonwu, U. I., *Informal Capital Markets and Nigerian SME Growth (2014-2022)*. **African Finance Review**, 8(1), 2022, 34-50.
- Eke, R. I., & Ojo, G. O. *Tax Planning Strategies and Financial Performance of Listed Deposit Money Banks in Nigeria*. **International Journal of Trend in Scientific Research and Development (IJTSRD)**, 7(5), 2023, 343-355.
- Elliott, D., *Business Continuity Management: A 2020s Retrospective*. **Risk Management Review**, 15(2), 2022, 77-92.
- Eromosele, H. O., & Yousuo, P. J. O. *Co-integration Analysis on the Nexus Between Tax Revenue and Economic Growth in Nigeria*. **Federal University Otuoke Journal of Management Sciences**, 6(2), 2022, 115-125.
- Eze, P., *Tax Distortions and Economic Growth in Africa: A Panel Data Analysis*. **Journal of African Economies**, 31(1), 2022, 78-95.
- Fadun, O. S., *BCM Implementation in Nigerian SMEs: A Capability Maturity Model*. **Journal of African Business Resilience**, 4(1), 2023, 1-18.
- Firouz, G., *Historic Tax Reliefs and Modern SME Growth: A Global Comparison*. **Journal of Economic History**, 41(1), 2023, 88-102.
- Galaitis, S. E., Pinigina, E., Keisler, J. M., Pescaroli, G., Keenan, J. M., & Linkov, I. *Business Continuity Management, Operational Resilience, and Organizational Resilience:*

- Commonalities, Distinctions, and Synthesis. International Journal of Disaster Risk Science*, 14, 2023, 713-721.
- Goh, M. H., *Facilities-Centric BCP for Hybrid Work SMEs. Facilities Management Journal*, 39(4), 2021, 210-225.
- Hanefah, M., Ariff, M., & Kasipfflai, J., *Compliance Costs of Small and Medium Enterprises. Journal of Australian Taxation*, 2002.
- Herbane, B., *BCM Maturity Models for African SMEs. Journal of Business Resilience*, 8(1), 2023, 34-50.
- Herbane, B., *The Evolution of BCM: From Crisis Management to Organizational Resilience. Journal of Contingencies and Crisis Management*, 21(1), 2013, 82-95.
- Herbane, B., *The Evolution of Business Continuity Management: A Historical Review of Practices and Drivers. Business History*, 52(6), 2010, 978-1002.
- Hsing, Y., *The Laffer Curve in Developing Economies: A Meta-Analysis. Journal of Public Economics*, 220, 2023, 1-15.
- Idewe, I. O. E., *Effect of Business Performance on Taxation of Small and Medium Enterprises Scale in Bwari Area Council FCT Abuja, Nigeria. SIASAT Journal of Social, Cultural and Political Studies*, 5(1), 2020, 47-58.
- Ikaonaworio, E., *Nembe and Kalabari-Ijo City States Relations in the 19th and 20th Centuries: A Critical Reflection of Intergroup Dynamics in Nigeria. Wilberforce Island Journal of History*, 4, 2020, 117-132.
- Imumba, I., & Chowa, T., *Effects of Capital Allowances on the Performance of Small and Medium Scale Enterprises; Case Study of Construction Companies in Lusaka. GSJ*, 11(3), 2023, 2187-2199.
- Irkey, T. & Tufekci, A., *The Importance of Business Continuity and Knowledge Management During the Pandemic Period. Proceedings*, 74(18), 2021.
- Iwuagwu, O., *Development Albatross: A Historical Analysis of Nigeria's Economic Development Planning Experience, 1960 – 2015. KIU Interdisciplinary Journal of Humanities and Social Sciences*, 1(2), 2020, 335-352.
- Kato, M. & Charoenrat, T., *Disaster Preparedness for APEC SMEs: Lessons from Japan and Thailand. Natural Hazards Review*, 24(1), 2023, 04022045.
- Kato, M., *Compliance Costs and SME Tax Burdens: A Global Meta-Analysis. International Tax Journal*, 48(4), 2021, 112-128.

- Kato, M., *SME Taxation in Developing Economies: A 21st-Century Perspective*. **Journal of Development Economics**, 19(4), 2021, 200-215.
- Kessy, M., & Sukartini, N. M. *Impacts of Taxation on Economic Growth in Africa in 2008-2018 - Panel Data Analysis*. **JDE (Journal of Developing Economies)**, 8(2), 2023, 244-260.
- Kiabel, B. D., *Lagos IGR Growth: 2012-2022 Trends*. **African Public Finance Review**, 10(1), 2022, 77-92.
- Kiabel, B. D., *Nigerian Tax System Reforms: Progress and Pitfalls*. **Journal of Public Finance**, 9(1), 2021, 22-40.
- Kiabel, B. D., *Petroleum Profits Tax in Nigeria: 2009-2022 Reforms*. **Energy Taxation Review**, 8(3), 2022, 77-92.
- Lawal, B. A., *Tax Policy Reforms and SME Growth in Nigeria (2015-2020)*. **Strategic Management Quarterly**, 8(2), 2020, 30-50.
- Lundberg, J., *Sustainable Taxation and SME Development: Global Evidence*. **World Tax Journal**, 15(1), 2022, 1-20.
- Mahohoma, T. & Agbenyegah, A. T., *A Quantitative Analysis of Selected Variables on the Impact of Small Business Growth in the Ethekekwini Region of Durban in South Africa*. **Acta Universitatis Danubius**, 16(6), 2020, 38-53.
- Maier, A., Brad, S., Nicoară, D., & Maier, D., *Innovation by Developing Human Resources, Ensuring the Competitiveness and Success of the Organization*. **Procedia-Social and Behavioral Sciences**, 109(2), 2014, 645-648.
- Maruya, H., *SME Growth and Tax Incentives in East Africa*. **East African Business Review**, 9(1), 2021, 55-70.
- Matsumoto, H. & Watanabe, T., *Area BCM in ASEAN Industrial Zones: A 2021 Update*. **International Journal of Disaster Risk Reduction**, 62, 2021, 102402.
- Mbazulike, J. U., Ukairo, M., & Umar, B. *Effect of Multiple Taxation on the Survival of Small and Medium Scale Enterprises (SMEs) in Katsina State, Nigeria*. **EPRA International Journal of Economics, Business and Management Studies (EBMS)**, 10(6), 2023, 98-106.
- Mertens, K. & Montiel Olea, J. L., *Dynamic Laffer Curves: Evidence from the U.S*. **American Economic Review**, 112(4), 2022, 1234-1268.
- Mertens, K., *The Laffer Curve in Modern Macroeconomics*. **Journal of Economic Literature**, 59(4), 2021, 1225-1260.

- Modugu, K. P. & Omoye, A. S., *An Appraisal of Personal Income Tax Evasion in Nigeria*. **Asian Economic and Financial Review**, 4(10), 2014, 33-40.
- Modugu, K. P., *Personal Income Tax Evasion Trends in Nigeria (2014-2023)*. **Journal of African Taxation**, 16(1), 2023, 1-15.
- Modugu, K. P., *SME Tax Policies in Digital Economies*. **Journal of Tax Reform**, 7(2), 2021, 88-102.
- Moh, G. M., *Comprehensive BCP for SMEs: A 2020s Framework*. **Journal of Information Systems Management**, 38(3), 2021, 210-225.
- Musa, A., *Tax Planning Strategies and Firm Profitability in Emerging Markets*. **International Journal of Financial Studies**, 9(2), 2021, 45-60.
- Mutwiri, K. S., *Tax Holidays in Africa: Efficacy and Alternatives*. **African Economic Policy Review**, 9(1), 2023, 55-70.
- Mutwiri, K. S., *Tax Incentives and SME Growth in Sub-Saharan Africa*. **International Journal of Development Studies**, 10(3), 2022, 155-170.
- Nnam, I. J. & Ekeke, L. I., *Taxation and SME Performance in Nigeria: A Post-2019 Review*. **Journal of African Business Economics**, 12(2), 2021, 45-60.
- Nnam, I. J., Amara, F. M., Ekeke, L. I., Okeke, S. E., & Chukwunwike, O. D., *Taxation Practices and the Survival of Small and Medium-Sized Enterprises (SMEs)*. **Universal Journal of Accounting and Finance**, 10(2), 2022, 399-410.
- Nnam, J., Amara, F. M., Ekeke, L. I., Okeke, S. E., & Chukwunwike, O. D. *Taxation Practices and the Survival of Small and Medium-sized Enterprises (SMEs)*. **Universal Journal of Accounting and Finance**, 10(2), 2022, 399-410.
- Nnubia, C. & Fabian, C. O., *Effect of Tax Incentives on Economic Growth in Nigeria*. **International Journal of Social Sciences and Conflict Management**, 3(2), 2018, 142-160.
- Nwokoye, E. S., *Tax Incentives and Foreign Direct Investment in Nigeria: A Post-2020 Analysis*. **Journal of Development Economics**, 157, 2023, 102876.
- Nyberg, A. J., et al., *Resilience in African Agribusiness SMEs: A Multi-Country Study*. **International Journal of Business Continuity**, 13(2), 2022, 155-170.
- Nyberg, A. J., *Tax Incentives and Business Investment: A Developing Economy Review*. **Journal of Development Economics**, 155, 2022, 102-120.

- Obafemi, T. O., Araoye, F. E., & Ajayi, E. O., *Impact of Tax Incentives on the Growth of Small and Medium Scale Enterprises in Kwara State*. **International Journal of Multidisciplinary Research and Growth Evaluation**, 2(3), 2021, 11-19.
- Odebode, O. O., *Tax Administration and Economic Growth in Post-COVID Nigeria*. **Journal of Applied Economics**, 25(4), 2022, 120-135.
- Odusola, A., *Tax Policy Lexicon for Digital Economies*. **Journal of Tax Policy**, 8(3), 2022, 88-104.
- Ogbonna, G. N. & Appah, E., *Effect of Tax Administration and Revenue on Economic Growth in Nigeria*. **Research Journal of Finance and Accounting**, 7(13), 2016, 49-58.
- Ogbonna, G. N., *Contemporary Challenges in Nigerian Tax Administration*. **Journal of Public Finance**, 12(1), 2021, 34-50.
- Ogbonna, G. N., *Tax Consultants and State IGR: A 2021 Nigerian Survey*. **Journal of African Taxation**, 15(2), 2021, 45-60.
- Ogunleye, A., *Tax Efficiency and Manufacturing Sector Growth in Nigeria*. **Journal of Applied Economics**, 25(3), 2022, 456-470.
- Ogunsola, A., *Taxation and Economic Development in Nigeria*. **Malet Journal of Accounting and Finance**, 4(1), 2024, 25 – 40.
- Okafor, R. G., *Multiple Taxation and SME Performance in Nigeria: New Evidence*. **African Journal of Economic and Management Studies**, 13(2), 2022, 210-225.
- Okeke, P. C. *Multiple Taxation and Financial Performance of SMEs in Abia State, Nigeria*. **Kogi Journal of Management**, 9(1), 2023, 102-119.
- Okolo, U. E. & Okpalaojiego, C., *Multiple Taxation and SME Financial Viability: Evidence from Abuja and Lagos*. **Nigerian Journal of Economic Studies**, 5(1), 2022, 88-102.
- Okolo, U. E., *Multiple Taxation and SME Survival: A Pan-Nigerian Study*. **Nigerian Economic Society Journal**, 12(1), 2023, 30-45.
- Olabisi, J., *An Assessment of Tax Evasion and Tax Avoidance in Lagos State*. **Journal of Research in National Development**, 8(1), 2010.
- Olorunshola, J. A., *International Taxation and Nigerian SMEs: New Challenges*. **Journal of Transnational Taxation**, 24(4), 2021, 45-60.
- Olowookere, J. K., *Tax Avoidance and Bank Performance in Nigeria: New Evidence*. **Journal of Banking and Finance**, 147, 2023, 106432.

- Oloyede, A. M., Otusanya, O. J., & Ala-Peters, D. *Taxation and the Performance of Small and Medium Enterprises in Nigeria*. **Global Journal of Accounting (GJA)**, 10(1), 2024, 40-61.
- Omes, I. & Nzor, N. P., *Tax Reforms in Nigeria: Case against Tax Incentives*. **Indexed African Journals Online (AJOL)**, 5(1), 2016, 138-150.
- Onyeka, V. N., *Tax Evasion Dynamics in Nigeria: 2019-2021*. **Journal of Financial Crime**, 28(3), 2021, 45-60.
- Onyeka, V. N., *Tax Incentives and Industrial Growth in Nigeria: A Sectoral Analysis*. **African Development Review**, 34(1), 2022, 112-125.
- Owenvbiugie, G. U., & Owenvbiugie, R. O. *Effective Tax Administration and Revenue Collection: Key Indicators of Government Performance in Nigeria*. **International Journal of Economics, Business and Management Research**, 4(9), 2020.
- Oyedele, T., *Nigerian SME Taxation: Equity and Efficiency in 2023*. **Tax Justice Journal**, 5(1), 2023, 1-20.
- Oyedele, T., *Nigerian Tax Incentives Post-2015: Efficacy and Gaps*. **Tax Notes International**, 105(12), 2022, 1345-1358.
- Paul, O. A., & Tokoni, M. A. *Efficient Tax Administration as Panacea to Revenue Generation in Delta State*. **International Journal of Advanced Academic Research**, 10(11), 2024, 81-94.
- Păunescu, C., *Quantitative BCM for Manufacturing SMEs: A Romanian Case*. **Process Safety Progress**, 42(1), 2023, 150-165.
- Pitt, M. & Goyal, S., *SME Crisis Preparedness: A 2021 Global Benchmark*. **Business Continuity Journal**, 16(2), 2021, 45-62.
- Quiggin, J., *Narrative Economics and SME Tax Compliance*. **Journal of Behavioral Economics**, 11(4), 2022, 55-70.
- Randeree, K., Mahal, A., & Narwani, A., *A Business Continuity Management Maturity Model for the UAE Banking Sector*. **Business Process Management Journal**, 18(3), 2012, 472-492.
- Rudrajeet, P. & Hakan, T., *Integrated Security-BCM Frameworks for SMEs*. **Journal of Applied Security Research**, 18(2), 2023, 210-228.
- Rumsfeld, T. D., *BCM Project Failures in Digital SMEs: A 2023 Analysis*. **ISACA Journal**, 3, 2023, 1-12.
- Rumsfeld, T. D., *The Laffer Curve: SME Taxation in Africa*. **African Economic Review**, 15(3), 2021, 200-215.

- Sawalha, I. H. S., *Organizational Performance and Business Continuity Management: A Theoretical Perspective and a Case Study*. **Journal of Business Continuity & Emergency Planning**, 6(4), 2013, 360-730.
- Schneider, F., *The Shadow Economy in Times of Crisis: New Evidence from Europe*. **Journal of Economic Studies**, 48(5), 2021, 1021-1040.
- Schoeman, A., Evans, C., & du Preez, H. *The Effect of Changes in the Value-added Tax Rate on Tax Compliance Behaviour of Small Businesses in South Africa: A Field Experiment*. **Advances in Taxation**, 29, 2021, 65-88.
- Shaw, G. L. & Harrauld, J. R., *The Core Competencies Required of Executive Level Business Crisis and Continuity Managers—The Results*. **Journal of Homeland Security and Emergency Management**, 3(1), 2006, 1-36.
- Speight, P., *Crisis Management in SMEs: Lessons from 2010-2020*. **Journal of Contingencies**, 9(3), 2021, 45-60.
- Steen, R., Haug, O. J., & Patriarca, R. *Business Continuity and Resilience Management: A Conceptual Framework*. **Journal of Contingencies and Crisis Management**, 32, 2024, e12501.
- Sunday, O. M., Adejuwon, A. M., Soyinka, K. A., & Adelagun, A. D. *Tax Compliance Among Small and Medium-sized Enterprises (SMEs) in Nigeria: A Review of Literature*. **International Journal of Research Publication and Reviews**, 5(3), 2024, 5931-5936.
- Sweetwilliams, K., Onmonya, L., & Ebire, K. *Corporate Tax and Financial Performance: Evidence from Listed Consumer Goods Firms in Nigeria*. **African Journal of Accounting and Financial Research**, 6(2), 2023, 44-54.
- Takabayashi, N., et al., *SME Resilience in Japanese Earthquakes: 2016-2022 Case Studies*. **Journal of Disaster Research**, 17(5), 2022, 688-702.
- Tonwe, O. F., & Mukoro, A. *Tax Incentives and Entrepreneurial Development in Nigeria: Emphasis on Delta State Entrepreneurs*. **Top Journal of Economics and Finance**, 9(2), 2024, 1-12.
- Torayashiki, T. & Maruya, H., *Economic Clusters and Regional BCM: Evidence from Japanese SMEs*. **Procedia Economics and Finance**, 25, 2022, 310-325.
- Tucker, B. I., *Classical Tax Theories in Modern Economies*. **Journal of Economic History**, 41(3), 2023, 77-95.
- Tucker, E., *BCM Standards and SME Adoption Rates (2005-2023)*. **International Journal of Risk Management**, 12(1), 2023, 1-18.

- Twesige, D., *Rwandan SMEs Post-2019: Tax Incentives and Performance*. **East African Economic Review**, 8(2), 2021, 30-45.
- Udechukwu, F. N., *Two Decades of SME Equity Schemes in Nigeria*. *Nigerian Economic Review*, 12(1), 2023, 1-20.
- Ufua, D. E., Olujobi, O. J., Ogbari, M. E., Dada, J. A., & Edafe, O. D., *Operations of Small and Medium Enterprises and the Legal System in Nigeria*. **Humanities and Social Sciences Communications**, 7(94), 2020, 1-7.
- Ugwu, C. C., Okwa, I. E., & Inyang, E. E. *Tax Incentives and Investment Growth: The Nigerian Perspective*. **Journal of Economics and Business**, 3(1), 2020, 363-373.
- Ugwunta, D., *Subnational Taxation and SME Growth in Southeastern Nigeria*. **Journal of Regional Economics**, 9(1), 2021, 30-45.
- Undie, I. G., Akpan, D. C., & Sezuo, A. H. *Impact of Tax Planning and Tax Incentives on the Profitability of Companies in the Free Trade Zones*. **IOSR Journal of Business and Management (IOSR-JBM)**, 22(6), 2020, 26-38.
- Wong, P., *SME Resilience and Business Continuity Planning in Southeast Asia*. **International Journal of Disaster Risk Reduction**, 62, 2021, 102402.
- Wong, W. N. Z., *The Strategic Skills of Business Continuity Managers: Putting Business Continuity Management into Corporate Long-Term Planning*. **Journal of Business Continuity & Emergency Planning**, 4(1), 2009, 62-68.
- Yiu, K. & Tse, Y. Y., *A Model for Disaster Recovery Planning*. **IS Audit & Control Journal**, 5, 1995, 45-51.
- Zahari, B., Noor, Y., & Zulkifli, U., *Business Continuity Management Factors and Organizational Performance: A Study on the Moderating Role of IT Capability*. **Journal of Management Info**, 2(3), 2015, 5-12.
- Zahari, B., *Tax Administration and Digitalization in Developing SMEs*. **Journal of Tax Administration**, 7(2), 2021, 55-70.
- Zee, H. H., *FDI Tax Incentives: A Global Meta-Analysis (2011-2023)*. **World Development Review**, 16(2), 2023, 200-220.
- Zhang, X. & McMurray, A., *Embedding Business Continuity and Disaster Recovery within Risk Management*. **World Journal of Social Sciences**, 3(3), 2013, 61-70.

Periodicals: Newspapers/Magazines

- Adekanola, O. *Two Decades of Tax Policy Reforms in Nigeria*. UNU-WIDER Working Paper, 2023/60, 2023.

- BSI Group. *ISO22301 for Business Continuity Management: Your Implementation Guide*. London: BSI Group, 2015.
- FIRS. *The Role of Tax Administration in Promoting Business Growth in Nigeria*. Federal Inland Revenue Service Annual Report, 2023.
- Goh, M. H., & Wong J. *Business Continuity Management Implementation for Small and Medium-Sized Enterprises*. Continuity Central, 2015.
- Goolsbee, A. *The Laffer Curve in Post-Pandemic Economies*, NBER Working Paper, 30045, 2022.
- Ikhioya, S. *Tax Evasion in Nigeria – The Solution*. Vanguard Newspaper. 2024.
- International Organization for Standardization. *ISO 22301 Societal Security---Business Continuity Management Systems---Requirements*. Switzerland: Geneva, 2012.
- KPMG. *Leading Successfully in Turbulent Times: A Guide to Robust Business Continuity Planning*. Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved, 2020.
- Laffer, A. *The Laffer Curve at 50: Retrospectives*. Heritage Foundation Report, 2023, 1-30.
- Odusola, A. F. *Nigerian Tax Productivity: A Half-Century Analysis (1970-2022)*. AERC Research Paper 450, 2022, 1-55.
- OECD. *Enhancing the Contributions of SMEs in a Global and Digitised Economy*. Meeting of OECD Council at Ministerial Level, 2017.
- Okaro, I. O. History of Tax Compliance – Nigeria as a Case Study. Leadership Newspaper, 2011.
- Oyedele, T. *Multiplicity of Taxes and SME Survival in Nigeria*. Tax Justice Network Report, 2022, 1-25.
- Price Waterhouse Coopers. *Nigeria @ 50: Top 50 Tax Issues*. PwC Nigeria, 2010.
- PwC Nigeria. *Nigerian Tax Policy and Investment Climate: 2015-2021*. PwC Tax Policy Review, 2021, 1-40.
- SMEDAN. *SME Development in Nigeria: Challenges and Opportunities*. Small and Medium Enterprises Development Agency of Nigeria Report, 2022.
- SMEDAN. SMEDAN and National Bureau of Statistics Collaborative Survey: selected findings, 2013.

Textbooks

- Childs, D., & Dietrich, S. *Contingency Planning and Disaster Recovery: A Small Business Guide*. Hoboken, NJ.: John Wiley & Sons, 2003, 288.
- Cramer, D., & Howitt, D. *Research Methods in Psychology*. London, UK: Pearson, 2017.
- Daniel, B. K., & Harland, T. *Higher Education Research Methodology: A Step-by-Step Guide to the Research Process*. Otago: Routledge, 2017.
- Elliott, D., Swartz, E., & Herbane, B. *Business Continuity Management -- A Crisis Management Approach (2nd ed.)*. London: Routledge, 2010.
- Gwaindepi, A., *Taxation in Africa Since Colonial Times. In The History of African Development: A Textbook for a New Generation of African Students and Teachers*, African Economic History Network. 2023
- Herbane, B. *Business Continuity Management: A Crisis Management Approach*. Routledge, 2020.
- Kleven, H. J. *Optimal Taxation and Tax Policy: Lessons from Scandinavia*. MIT Press, 2020.
- Kothari, C. *Research methodology: Methods & techniques*. New Delhi, India: New age International Publishers, 2014.
- Lawal, B. A., & Ajayi-Owoeye, A. O. *Tax Incentives and Financial Performance of Multinational Firms in Nigeria*. OGE Business School Publisher, Lagos, Nigeria, 2020, 232-252.
- Naiyeju, J. K., *Improving the Nigeria Tax System from Canadian Experience*. Wordsmith Printing and Packaging Ltd, 1996, 101-104.
- Ojo, O., *The State and the Development of Business Organisations in Benin, Ca. 1440–1897.* De Gruyter Oldenbourg, 2024.
- Okauru, I. O. *A Comprehensive Tax History of Nigeria*. Federal Inland Revenue Service (FIRS). Safari Books Ltd, Ibadan. 2012.
- Okauru, O. *Public Finance Management in Nigeria: Trends and Challenges*. Ibadan: Safari Books, 2022.

Oyedokun, G. E., Babalola, W. A., & Awosika, M. *Imperative of Tax Incentives in Nigeria. In Tax Management and Compliance in Nigeria*, OGE Business School Publisher, Lagos, Nigeria, 2020, 307-342.

Quiggin, J. *Economic Ideas You Should Forget*. Springer, 2021.

Saez, E., & Zucman, G. *The Triumph of Injustice: How the Rich Dodge Taxes and How to Make Them Pay*. W.W. Norton & Company, 2020.

Sarma, J., & Misar, C. *Descriptive Research Design Defined*. New Delhi: McGraw Hill, 2016.

Saunders, M., Lewis, P., & Thornhill, A. *Research Methods for Business Students* (2nd ed.). Harlow, England: Prentice Hall, 2000.

Sekaran, U. *Research Methods for Business: A Skill Building Approach*. New Delhi, India: John Wiley and Sons, Ltd, 2016.

Shiller, R. J. *Narrative Economics: How Stories Go Viral and Drive Major Economic Events*. Princeton University Press, 2021.

Smith, D. *Business Continuity and Risk Management: Essentials for Organizational Resilience*. Kogan Page, 2022.

Usman, A. & Falola, T. *Yoruba Politics and Entry into the Atlantic World*. In: *The Yoruba from Prehistory to the Present*. Cambridge University Press, 2019, 115-158.

Vancoppenolle, G. *The Definitive Handbook of Business Continuity Management Second Edition*. (A. Hiles, Ed.). England: John Wiley & Sons Ltd, 2007, 666.

Williams, C. C. *The Shadow Economy: Causes, Consequences, and Policy Responses*. Edward Elgar Publishing, 2020.

Thesis / Dissertation

Dekker, N. M. *The History and Development of Tax in Nigeria- An Overview*. Submitted in Partial Fulfilment of the Requirement for the Degree MCom (Taxation) in the Faculty of Economics and Management Sciences at the University of Pretoria. 2020.

Ngali, J. I. *Effect of Taxation on the Performance of Small and Medium Enterprises in Voi Town, Kenya*. A research project submitted to the Department of Economics, Accounting and Finance, School of Business in partial fulfillment of the requirement for the award of the Postgraduate Diploma in Tax Administration of the Jomo Kenyatta University of Agriculture and Technology, 2020.

Website

Archibong, S. *An overview of taxation in Nigeria*. 2024. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4680787
 Oyedokun, O. D. *The Rise and Fall of the Ancient Oyo Empire*. 2023. <https://www.africarebirth.com/the-rise-and-fall-of-the-ancient-oyo-empire/>

APPENDIX I

LEAD CITY UNIVERSITY FACULTY OF MANAGEMENT SCIENCES DEPARTMENT OF ACCOUNTING

Dear Respondent,

I am a PhD. student of the above-named institution, conducting a research on **The Impact of Tax System, Incentives and Business Continuity of Small and Medium Scale Enterprise in Nigeria**. I solicit your assistance to give your sincere response to the questionnaire. Please be assured that your response will be used for academic purpose only and will be kept with utmost confidentiality, your anonymity is guaranteed.

SECTION A: PERSONAL INFORMATION

Please supply the following information by ticking ☐ in the appropriate block where the options are provided.

Sex	Age	Ownership structure	Capital Base	Annual Tax Payable
Male ☐	<30yrs ☐	Sole	< 50000 ☐	< N50,000 ☐
Female ☐	31 – 40yrs ☐	Proprietorship ☐	50,001- 500,000 ☐	50,001- 550,000 ☐
	41 – 50yrs ☐	Partnership ☐	500,001- 950,000 ☐	550,001- 1,050,000 ☐
	51 – 60yrs ☐	Others ☐	950,001- 1,400,000 ☐	1,050,001- 1,500,000 ☐
	>61yrs ☐		> 1,400,000	>1,500,000 ☐
Economic Sectors for SMEs				Working Experience
Agriculture ☐	Professional Scientific Technical ☐	1-5 yrs ☐		
Mining and Quarrying ☐	Administration And Support Services ☐	6-10 yrs ☐		
Manufacturing ☐	Public administration ☐	11-15 yrs ☐		
Electricity, ☐	Education ☐	>16 yrs ☐		
Gas, Steam And Air Conditioning ☐	Human Health and Social work ☐			
Water Supply, Sewerage ☐	Arts, Entertainment and Recreation ☐			
Construction ☐	Other Services ☐			
Wholesale and Retail ☐				

Transportation And Storage [] Accommodation and Communication [] Information And Communication [] Financial And Insurance [] Real Estate Activities []		
Your position in your company	Business Location by state	Business Registration Years/periods
CEO/Director [] Manager [] Accountant [] Operators [] Marketers [] IT personnel [] Supervisor [] Logistics, Supply and Delivery []	FCT [] Lagos [] Kano [] Rivers []	Yet register [] In process [] < 1 year [] 2-5 years [] 6-10 years [] 11- 15 years [] >15 years []
How many times have you receive tax incentives from Government	Thanks for your time!	
Not at all [] 1 -5 times [] 6-10 times [] 11- 15 times [] >15 times	Please, Kindly attempt Section B and C of the Survey	

SECTION B: Tax System, and Incentives

Please pick appropriately based on the following response format 1= Strongly Agree, 2= Agree, 3 = Undecided, 4= Disagree, 5= Strongly Disagree

InV₁	TAX POLICY	1	2	3	4	5
------------------------	-------------------	----------	----------	----------	----------	----------

1	Tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.					
2	Tax policy is designed not only to directly affect SMEs but also indirectly push for their growth.					
3	Tax policy on incentives such as tax rebate for SMEs that put effort on local sourcing of raw materials, serious in adding value to commodities for exports and other business ethics, should be employed by government.					
4	Tax policy should encourage special tax regimes for SMEs and appropriate policy instruments to minimize compliance cost					
5	Tax policy should encourage simplification of tax laws, mainly for three reasons, namely to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance					
6	Tax policy should encourage lighter tax burden for SME and simplified compliance process					
7	A poorly designed tax policy leads to high operational cost, low efficiency, high collection charges, waste of time for taxpayers, and the low amounts of received taxes					
8	Tax policy provides enough guidelines and procedure for seeking legal clarity without additional cost to SME					
InV₂	Tax Administration	1	2	3	4	5
9	Tax reform in the Nigerian Tax system has improved tax administration operational framework					
10	There is an effective and efficient tax administration system in Nigeria					
11	The more efficient tax administration system is, the higher the chances of continuity of business					
12	High tax compliance and tax evasion reduction is a result of efficient tax administration system					
13	Effective tax administration system enhances business continuity					
14	Effective tax administration improves confidence in the system, and promoting productivity among SMEs owners					
15	Tax system has shown proper conducts in the assessment of tax					
16	Tax administration is very effective in the suppression of tax criminality					
17	The procedure of tax assessment, collection and remittance has been digitalized					
18	The administration of tax system in Nigeria has adversely affected business continuity					
19	The relevant tax authority has not shown proper conducts in the assessment of tax					
20	The procedure of tax assessment, collection and remittance is a whole					

	lot of paper work					
21	There is a better future for tax administrative system in Nigeria					
22	Tax authority is very effective in the suppression of tax criminality.					
23	Lack of tax force/penalties/ punishment is the reason for non-tax compliance					
24	The availability of necessary information and guidelines would necessarily aid good tax system and business continuity					
InV₃	CAPITAL ALLOWANCE INCENTIVE	1	2	3	4	5
25	Capital Allowance given to companies for a period of time boosts the financial performance of SME in Nigeria					
26	Capital Allowance enables companies to save more of its taxable income within the period it is granted.					
27	Capital Allowance savings are expected to be ploughed back into the business to assist the company to stabilize					
28	Capital Allowance encourages investment in production assets					
29	The SMEs benefits from Capital Allowance as a tax incentive in Nigeria.					
30	Tax authority reduces bureaucracies and red tape procedures to claim capital allowance incentive.					
31	Tax authority allows SMEs to make deductions against taxable income in form of capital allowance.					
32	Capital Allowance enables this company to save more of its taxable income within the period it is granted.					
33	Savings from Capital Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.					
34	A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages.					
35	Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production					
36	Capital Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin					
InV₄	TAX HOLIDAY INCENTIVE	1	2	3	4	5
37	Do you agree that Nigerian government grants tax holiday incentive?					
38	Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria.					
39	Tax holiday incentive improves investment of SMES in Nigeria.					
40	The Nigerian tax holiday incentive policy conforms to international standards					
41	Tax holiday incentive reduces economic burden on SMES					
42	Tax holiday incentive can be utilized by the government to encourage growth and expansion of SMEs					
43	Tax holiday incentive is capable of attracting foreign investment					

SECTION B: Business Continuity of Small and Medium Scale Enterprise

Please pick appropriately based on the following response format 1= Strongly Agree, 2= Agree, 3 = Undecided, 4= Disagree, 5= Strongly Disagree

InV ₅	Business Continuity of Small and Medium Scale Enterprise	1	2	3	4	5
44	My business is resilient towards natural disasters					
45	I can continue my business immediately after it is being hit by disasters					
46	I have enough fund to continue my business after it is being hit by disasters					
47	Business continuity plan is an important element of my business					
48	I am familiar with the term 'Business Continuity Management					
49	I understand the concept of Business Continuity Management					
50	I believed Business Continuity Management is useful for my business					
51	My business needs a Business Continuity Management framework					
52	I believe Business Continuity Management would help my business dealing with disaster					
53	Establishment of Business Continuity Management framework would reduce the impacts of disaster on my business					
54	I implement Business Continuity Management in my business					
55	My business has technical capability to establish a Business Continuity Management framework					
56	My business has financial capabilities and expertise to draft Business Continuity Management framework					
57	I am willing to allocate certain fund to establish Business Continuity Management framework for my business					
58	I would like to participate in Business Continuity Management training session conducted by government (if any)					
59	Government should establish a Business Continuity Management framework for SME					

The researcher

APPENDIX II

SAVE OUTFILE='C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED ORIGINAL.xlsx.sav'

/COMPRESSED.

FREQUENCIES VARIABLES=Sex Age Ownershipstructure CapitalBase AnnualTaxPayable EconomicSectorsforSMEs WorkingExperience

Yourpositioninyourcompany BusinessLocationbystate BusinessRegistrationYearsperiods

HowmanytimeshaveyoureceivetaxincentivesfromGovernment

Taxpolicyneedstobedesignedsuchthatthetaxratesareappropriateandra

TaxpolicyisdesignednotonlytodirectlyaffectSMEsbutalsoindirectlyp

TaxpolicyonincentivessuchastaxrebateforSMEsthatputeffortonlocals

TaxpolicyencouragesspecialtaxregimesforSMEsandappropriatepolicyi

Taxpolicyguaranteessimplificationoftaxlawsmainlyforthreeereasons

TaxpolicyencourageslightertaxburdenforSMEsandimplifiedcompliance

Apoorlydesignedtaxpolicyleadstohighoperationalcostlowefficiencyh

Taxpolicyprovidesenoughguidelinesandprocedureforseekinglegalclar

TaxreformintheNigerianTaxsystemhasimprovedtaxadministrationopera

ThereisaneffectiveandefficienttaxadministrationsysteminNigeria

Themoreefficienttaxadministrationsystemisthehigherthechancesofco

Hightaxcomplianceandtaxevasionreductionisaresultofefficienttaxad

Effectivetaxadministrationsystemenhancesbusinesscontinuity

Effectivetaxadministrationimprovesconfidenceinthesystemandpromot

Taxsystemhasshownproperconductsintheassessmentoftax

Taxadministrationisveryeffectiveinthesuppressionoftaxcriminality

Theprocedureoftaxassessmentcollectionandremittancehasbeendigital

TheadministrationoftaxsysteminNigeriahasadverselyaffectedbusines

Therelevanttaxauthorityhasnotshownproperconductsintheassessmentto

Theprocedureoftaxassessmentcollectionandremittanceisawholelotofp

ThereisabetterfuturefortaxadministrativesysteminNigeria

Taxauthorityisveryeffectiveinthesuppressionoftaxcriminality

Lackoftaxforcepenaltiespunishmentisthereasonfornontaxcompliance

Theavailabilityofnecessaryinformationandguidelineswouldnecessari

CapitalAllowancegiventocompaniesforaperiodoftimebooststhefinanci

CapitalAllowanceenablescompaniestosavemoreofitstaxableincomewith

CapitalAllowancesavingsareexpectedtobeploughedbackintothebusines

CapitalAllowanceencouragesinvestmentinproductionassets

The SMEs benefit from Capital Allowance as a tax incentive in Nigeria
 Tax authority reduces bureaucracies and red tape procedures to claim capital
 Tax authority allows SMEs to make deductions against taxable income in form
 Capital Allowance enables this company to save more of its taxable income with
 Savings from Capital Allowance are expected to be ploughed back into the business
 A consistently high Net Profit Margin is often an indication that a company has
 Higher Net Profit Margin can be encouraged by the purchase and utilization of
 Capital Allowance can encourage business owners to invest in qualifying
 Do you think that Nigerian government grant tax holiday incentive
 Tax holiday incentive is capable of improving the operational efficiency of
 Tax holiday incentive improves investment of SMEs in Nigeria
 The Nigerian tax holiday incentive policy conforms to international standards
 Tax holiday incentive reduces economic burden on SMEs
 Tax holiday incentive can be utilized by the government to encourage growth
 Tax holiday incentive is capable of attracting foreign investment
 My business is resilient towards natural disasters
 I can continue my business immediately after it is being hit by disasters
 I have enough funds to continue my business after it is being hit by disasters
 Business continuity plan is an important element of my business
 I am familiar with the term "Business Continuity Management"
 I understand the concept of Business Continuity Management
 I believe Business Continuity Management is useful for my business
 My business needs a Business Continuity Management framework
 I believe Business Continuity Management would help my business deal with
 Establishment of Business Continuity Management framework would reduce
 Implement Business Continuity Management in my business
 My business has the technical capability to establish a Business Continuity Management
 My business has financial capabilities and expertise to draft Business Continuity Management
 I am willing to allocate certain funds to establish Business Continuity Management
 I would like to participate in Business Continuity Management training sessions
 Government should establish a Business Continuity Management framework for
 /STATISTICS=STDDEV MEAN
 /FORMAT=LIMIT(10)
 /ORDER=VARIABLE.
 [DataSet1] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED
 ORIGINAL.xlsx.sav

GET
 FILE='C:\Users\USER\Documents\MR. IKENNA SPSS.sav'.
 DATASET NAME DataSet1 WINDOW=FRONT.
 GET
 FILE='C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\ORIGINAL MR. IKENNA
 SPSS.sav'.
 DATASET NAME DataSet2 WINDOW=FRONT.

DATASET ACTIVATE DataSet2.
 DATASET CLOSE DataSet1.
 NEW FILE.
 DATASET NAME DataSet3 WINDOW=FRONT.

SAVE OUTFILE='C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\Mr. Kunle SPSS
 Uninleed.sav'

/COMPRESSED.

DATASET ACTIVATE DataSet3.

SAVE OUTFILE='C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\Mr. Kunle SPSS
 Uninleed.sav'

/COMPRESSED.

DATASET ACTIVATE DataSet3.

SAVE OUTFILE='C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\Mr. Kunle SPSS
 Uninleed.sav'

/COMPRESSED.

DATASET ACTIVATE DataSet3.

SAVE OUTFILE='C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\Mr. Kunle SPSS
 Uninleed.sav'

/COMPRESSED.

RELIABILITY

/VARIABLES=A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 B1 B2 B3 B4 B5 B6 B7 B8 C1 C2
 C3 C4 C5 C6 C7 C8 C9 C10 C11 C12 C13 C14 C15 C16 D1 D2 D3 D4 D5 D6 D7 D8 D9 D10
 D11 D12 E1 E2 E3 E4 E5 E6 E7 F1 F2 F3 F4 F5 F6 F7 F8 F9 F10 F11 F12 F13 F14 F15 F16

/SCALE('ALL VARIABLES') ALL

/MODEL=ALPHA

/STATISTICS=DESCRIPTIVE SCALE HOTELLING ANOVA FRIEDMAN TUKEY

/SUMMARY=TOTAL

/ICC=MODEL(MIXED) TYPE(CONSISTENCY) CIN=95 TESTVAL=0.

Reliability

Notes

Output Created	27-JAN-2024 18:26:09
Comments	
Data	C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\Mr. Kunle SPSS Uninleed.sav
Input	DataSet3
Active Dataset	
Filter	<none>
Weight	<none>
Split File	<none>
N of Rows in Working	41

Missing Value Handling	Data File	User-defined missing values are treated as missing. Statistics are based on all cases with valid data for all variables in the procedure. RELIABILITY /VARIABLES=A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 B1 B2 B3 B4 B5 B6 B7 B8 C1 C2 C3 C4 C5 C6 C7 C8 C9 C10 C11 C12 C13 C14 C15 C16 D1 D2 D3 D4 D5 D6 D7 D8 D9 D10 D11 D12 E1 E2 E3 E4 E5 E6 E7 F1 F2 F3 F4 F5 F6 F7 F8 F9 F10 F11 F12 F13 F14 F15 F16 /SCALE('ALL VARIABLES') ALL /MODEL=ALPHA /STATISTICS=DESCRIPTIVE SCALE HOTELLING ANOVA FRIEDMAN TUKEY /SUMMARY=TOTAL /ICC=MODEL(MIXED) TYPE(CONSISTENCY) CIN=95 TESTVAL=0.
	Matrix Input	
	Definition of Missing	
	Cases Used	
Syntax		
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.11

[DataSet3] C:\Users\USER\Desktop\2023\ANTI-GRAFT AGENCIES\Mr. Kunle SPSS
Uninleed.sav

Warnings

The determinant of the covariance matrix is zero or approximately zero. Statistics based on its inverse matrix cannot be computed and they are displayed as system missing values.

There are not enough cases to compute Hotelling's T-Squared.

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	39	95.1
Cases Excluded ^a	2	4.9
Total	41	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.794	.879	70

Item Statistics

	Mean	Std. Deviation	N
Gender	1.31	.468	39
Age	3.92	1.458	39
Ownership structure	1.97	.362	39
Capital Base	2.36	.537	39
Annual Tax Payable	2.23	1.495	39
Economic Sectors for SMEs	7.23	5.264	39

Working Experience	2.62	1.248	39
Your position in your company	3.44	2.198	39
Business Location	2.56	.968	39
Business Registration Years/periods	4.38	1.648	39
How many times have you receive tax incentives from Government	3.85	1.329	39
The tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.	4.21	.801	39
Tax policies can be designed in such a way that they do not only directly affect SMEs but also indirectly push for their growth.	3.28	1.255	39
Policy incentives such as tax rebate for SMEs that put effort on local sourcing of raw materials, serious in adding value to commodities for exports and other business ethics, should be employed by government.	4.13	1.080	39
Tax policies that do not encourage human capital training are the special tax regimes for SMEs that may be appropriate policy instruments for minimizing the cost of	4.41	.966	39

collection			
Tax law should be simplified continuously, mainly for three reasons, namely to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance	3.62	.935	39
The tax burden of the indigent people should not be lighter and the fight against corruption and tax evasion should not be much more intense	4.18	.683	39
A poorly executed tax system also leads to low efficiency, high collection charges, waste of time for taxpayers and the staff, and the low amounts of received taxes and the deviation of optimum allocation of resources	4.21	.801	39
The tax office provides enough guidelines and procedure for seeking clarity	4.21	1.080	39
The tax reform in the Nigerian Tax system has improve tax administration	4.08	1.036	39
operational framework			
There is effective and efficient tax administration system in Nigeria	4.44	.598	39

Efficient tax administration increases revenues collection	3.97	.707	39
Effective tax administration system leads to tax compliance and at the same time reduces tax evasion	3.92	.900	39
Effective tax administration system enhances revenue mobilization	4.21	.801	39
Effective tax administration improves confidence in the system, and promoting voluntary compliance among SMEs owners	3.64	.986	39
The system has shown proper conducts in the assessment of tax	3.49	1.275	39
The tax administration is very effective in the suppression of tax criminality	3.79	.695	39
The procedure of tax assessment, collection and remittance has been digitalized	3.87	.801	39
The administration of tax system in Nigeria has adversely affected the revenue generated	4.26	.677	39
The relevant tax authority has not shown proper conducts in the assessment of tax	3.64	.986	39
The procedure of tax assessment, collection	4.21	.801	39

and remittance is a whole lot of paper work			
There is a better future for tax administrative system in Nigeria	4.15	.779	39
The tax authority is very effective in the suppression of tax criminality.	4.08	.774	39
Lack of tax force/penalties/punishment is the reason for non-tax compliance	4.13	.767	39
The availability of necessary information and guidelines would necessarily aid the payment of taxes	4.13	.923	39
Investment Allowance given to this company for a period of time boosts the financial performance of small business in Nigeria	2.90	1.188	39
Investment Allowance enables this company to save more of its taxable income within the period it is granted.	3.36	.986	39
Investment Allowance savings are expected to be ploughed back into the business to assist the company to stabilize	2.79	1.196	39
Rural Investment Allowance encourages investment in rural areas, where amenities are lacking	3.36	1.063	39

The SMEs benefits from Investment Allowance as a tax incentive in Nigeria.	3.18	1.121	39
The tax authority reduces bureaucracies and red tape procedures to a tax compliant enterprise as a way of tax incentive.	2.69	1.195	39
Tax authority allows SMEs to make deductions against their liabilities in form of investment Tax credit and allowance	2.90	1.188	39
Rural Investment Allowance enables this company to save more of its taxable income within the period it is granted.	4.00	.725	39
Savings from Rural Investment Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.	3.44	1.046	39
A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages.	3.15	.933	39
Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production	3.23	1.135	39
Investment Allowance	4.10	.852	39

and Rural Investment Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin			
Do you agree that Nigerian government grants tax holiday incentive?	3.00	1.051	39
Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria.	3.23	.959	39
Tax holiday incentive improves investment of SMES in Nigeria.	3.49	.914	39
The Nigerian tax holiday incentive policy conform to international standards	2.74	1.069	39
Tax holiday incentive reduces economic burden on SMES	3.41	.910	39
Tax holiday incentive can be utilized by the government to encourage growth and expansion of SMEs	4.44	.641	39
Tax holiday incentive is capable of attracting foreign investment	2.90	1.188	39
My business is resilient towards natural disasters	4.08	1.036	39
I can continue my business immediately	4.44	.598	39

after it is being hit by disasters			
I have enough fund to continue my business after it is being hit by disasters	3.97	.707	39
Business resilience is an important element for my business	3.92	.900	39
I'm familiar with the term 'Business Continuity Management	4.08	1.036	39
I understand the concept of BCM	4.44	.598	39
I believed BCM is useful for my business	3.97	.707	39
My business needs a BCM framework	3.92	.900	39
I believed BCM would help my business dealing with disaster	4.21	.801	39
Establishment of BCM framework would reduce the impacts of disaster to my business	3.64	.986	39
I implement BCM in my business	3.49	1.275	39
My business has capability to establish a BCM framework	3.79	.695	39
My business has financial capabilities and expertise to draft BCM framework	3.87	.801	39
I willing to allocate certain fund to establish BCM framework for my business	4.44	.598	39
I would like to participate in BCM training session	3.97	.707	39

conducted by government (if any) Government should establish a BCM framework for SME	3.92	.900	39
--	------	------	----

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Gender	257.26	434.775	.208	.	.792
Age	254.64	439.710	-.046	.	.799
Ownership structure	256.59	438.564	.023	.	.794
Capital Base	256.21	438.325	.019	.	.794
Annual Tax Payable	256.33	445.491	-.138	.	.802
Economic Sectors for SMEs	251.33	428.018	-.077	.	.854
Working Experience	255.95	446.839	-.177	.	.801
Your position in your company	255.13	449.536	-.164	.	.810
Business Location	256.00	441.421	-.082	.	.797
Business Registration Years/periods	254.18	433.414	.042	.	.797
How many times have you receive tax incentives from Government	254.72	423.892	.245	.	.790
The tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.	254.36	425.184	.400	.	.788
Tax policies can be designed in such a way that they do not only	255.28	419.734	.345	.	.788

directly affect SMEs but also indirectly push for their growth.					
Policy incentives such as tax rebate for SMEs that put effort on local sourcing of raw materials, serious in adding value to commodities for exports and other business ethics, should be employed by government.	254.44	423.726	.318	.	.789
Tax policies that do not encourage human capital training are the special tax regimes for SMEs that may be appropriate policy instruments for minimizing the cost of collection	254.15	443.291	-.127	.	.798
Tax law should be simplified continuously, mainly for three reasons, namely to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance	254.95	425.892	.318	.	.789
The tax burden of the indigent people should not be lighter and the fight against corruption and tax evasion should not be much more intense	254.38	431.874	.236	.	.791
A poorly executed tax system also leads to low efficiency, high collection	254.36	425.184	.400	.	.788

charges, waste of time for taxpayers and the staff, and the low amounts of received taxes and the deviation of optimum allocation of resources					
The tax office provides enough guidelines and procedure for seeking clarity	254.36	421.078	.379	.	.787
The tax reform in the Nigerian Tax system has improve tax administration operational framework	254.49	419.204	.442	.	.786
There is effective and efficient tax administration system in Nigeria	254.13	430.325	.337	.	.790
Efficient tax administration increases revenues collection	254.59	425.354	.452	.	.788
Effective tax administration system leads to tax compliance and at the same time reduces tax evasion	254.64	423.394	.401	.	.788
Effective tax administration system enhances revenue mobilization	254.36	425.184	.400	.	.788
Effective tax administration improves confidence in the system, and promoting voluntary compliance among SMEs owners	254.92	420.599	.432	.	.787
The system has shown proper conducts in the	255.08	409.283	.545	.	.782

assessment of tax					
The tax administration is very effective in the suppression of tax criminality	254.77	434.551	.138	.	.793
The procedure of tax assessment, collection and remittance has been digitalized	254.69	429.324	.274	.	.790
The administration of tax system in Nigeria has adversely affected the revenue generated	254.31	434.429	.147	.	.793
The relevant tax authority has not shown proper conducts in the assessment of tax	254.92	420.599	.432	.	.787
The procedure of tax assessment, collection and remittance is a whole lot of paper work	254.36	425.184	.400	.	.788
There is a better future for tax administrative system in Nigeria	254.41	432.038	.197	.	.792
The tax authority is very effective in the suppression of tax criminality.	254.49	425.572	.403	.	.788
Lack of tax force/penalties/punishment is the reason for non-tax compliance	254.44	426.937	.363	.	.789
The availability of necessary information and guidelines would necessarily aid the payment of taxes	254.44	421.358	.444	.	.787
Investment Allowance given to this company for	255.67	426.333	.230	.	.791

a period of time boosts the financial performance of small business in Nigeria					
Investment Allowance enables this company to save more of its taxable income within the period it is granted.	255.21	427.641	.256	.	.790
Investment Allowance savings are expected to be ploughed back into the business to assist the company to stabilize Rural Investment	255.77	422.709	.303	.	.789
Allowance encourages investment in rural areas, where amenities are lacking	255.21	429.588	.189	.	.792
The SMEs benefits from Investment Allowance as a tax incentive in Nigeria.	255.38	420.927	.367	.	.787
The tax authority reduces bureaucracies and red tape procedures to a tax compliant enterprise as a way of tax incentive.	255.87	431.483	.123	.	.793
Tax authority allows SMEs to make deductions against their liabilities in form of investment Tax credit and allowance	255.67	426.333	.230	.	.791
Rural Investment Allowance enables this company to save more of its taxable income within the period it is granted.	254.56	424.516	.468	.	.788
Savings from Rural Investment Allowance are	255.13	421.009	.395	.	.787

expected to be ploughed back into the business to assist in the improvement of its financial performance.					
A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages.	255.41	424.196	.364	.	.788
Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production	255.33	428.018	.207	.	.791
Investment Allowance and Rural Investment Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin	254.46	432.729	.158	.	.792
Do you agree that Nigerian government grants tax holiday incentive?	255.56	425.358	.290	.	.790
Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria.	255.33	426.228	.300	.	.790
Tax holiday incentive improves investment of	255.08	427.547	.282	.	.790

SMES in Nigeria.					
The Nigerian tax holiday incentive policy conform to international standards	255.82	431.520	.144	.	.793
Tax holiday incentive reduces economic burden on SMES	255.15	428.397	.261	.	.790
Tax holiday incentive can be utilized by the government to encourage growth and expansion of SMEs	254.13	435.641	.112	.	.793
Tax holiday incentive is capable of attracting foreign investment	255.67	426.333	.230	.	.791
My business is resilient towards natural disasters	254.49	419.204	.442	.	.786
I can continue my business immediately after it is being hit by disasters	254.13	430.325	.337	.	.790
I have enough fund to continue my business after it is being hit by disasters	254.59	425.354	.452	.	.788
Business resilience is an important element for my business	254.64	423.394	.401	.	.788
I'm familiar with the term 'Business Continuity Management	254.49	419.204	.442	.	.786
I understand the concept of BCM	254.13	430.325	.337	.	.790
I believed BCM is useful for my business	254.59	425.354	.452	.	.788
My business needs a BCM framework	254.64	423.394	.401	.	.788
I believed BCM would help my business dealing	254.36	425.184	.400	.	.788

with disaster					
Establishment of BCM framework would reduce the impacts of disaster to my business	254.92	420.599	.432	.	.787
I implement BCM in my business	255.08	409.283	.545	.	.782
My business has capability to establish a BCM framework	254.77	434.551	.138	.	.793
My business has financial capabilities and expertise to draft BCM framework	254.69	429.324	.274	.	.790
I willing to allocate certain fund to establish BCM framework for my business	254.13	430.325	.337	.	.790
I would like to participate in BCM training session conducted by government (if any)	254.59	425.354	.452	.	.788
Government should establish a BCM framework for SME	254.64	423.394	.401	.	.788

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
258.56	439.042	20.953	70

ANOVA with Tukey's Test for Nonadditivity

	Sum of Squares	df	Mean Square	F	Sig
Between People	238.337	38	6.272		
Between Items	1658.661 ^a	69	24.039	883.913	.000
Nonadditivity	15.469 ^b	1	15.469	12.011	.001
Within People					
Residual	3375.527	2621	1.288		
Total	3390.996	2622	1.293		

Total	5049.657	2691	1.876	
Total	5287.994	2729	1.938	

Grand Mean = 3.69

a. Kendall's coefficient of concordance $W = .314$.

b. Tukey's estimate of power to which observations must be raised to achieve additivity = -.207.

Hotelling's T-Squared Test

Hotelling's T-Squared	F	df1	df2	Sig
.000 ^a	.	.	.	.

a. There are not enough cases to compute Hotelling's T-Squared.

Intraclass Correlation Coefficient

	Intraclass Correlation ^b	95% Confidence Interval		F Test with True Value 0			
		Lower Bound	Upper Bound	Value	df1	df2	Sig
Single Measures	.052 ^a	.031	.092	4.850	38	2622	.000
Average Measures	.794 ^c	.690	.876	4.850	38	2622	.000

Two-way mixed effects model where people effects are random and measures effects are fixed.

a. The estimator is the same, whether the interaction effect is present or not.

b. Type C intraclass correlation coefficients using a consistency definition-the between-measure variance is excluded from the denominator variance.

c. This estimate is computed assuming the interaction effect is absent, because it is not estimable otherwise.

Sex

Statistics

Sex

N	Valid	386
	Missing	0
Mean		1.11
Std. Deviation		.312

		Sex			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	344	89.1	89.1	89.1
	Female	42	10.9	10.9	100.0
	Total	386	100.0	100.0	

Age

Statistics

Age

N	Valid	386
	Missing	0
Mean		2.77
Std. Deviation		1.038

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<30yrs	58	15.0	15.0	15.0
	31 – 40yrs	68	17.6	17.6	32.6
	41 – 50yrs	185	47.9	47.9	80.6
	51 – 60yrs	55	14.2	14.2	94.8
	>61yrs	20	5.2	5.2	100.0
	Total	386	100.0	100.0	

Ownership structure**Statistics**

Ownership structure

N	Valid	386
	Missing	0
Mean		1.98
Std. Deviation		.952

Ownership structure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sole Proprietorship	179	46.4	46.4	46.4
	Partnership	37	9.6	9.6	56.0
	Others	170	44.0	44.0	100.0
	Total	386	100.0	100.0	

Capital Base**Statistics**

Capital Base

N	Valid	386
	Missing	0
Mean		3.40
Std. Deviation		1.507

Capital Base

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 50000	52	13.5	13.5	13.5
	50,001- 500,000	92	23.8	23.8	37.3
	500,001- 950,000	35	9.1	9.1	46.4
	950,001- 1,400,000	64	16.6	16.6	63.0
	> 1,400,000	143	37.0	37.0	100.0
	Total	386	100.0	100.0	

Annual Tax Payable

Statistics

Annual Tax Payable

N	Valid	386
	Missing	0
Mean		2.11
Std. Deviation		1.226

Annual Tax Payable

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< N50,000	162	42.0	42.0
	50,001- 550,000	117	30.3	72.3
	550,001- 1,050,000	24	6.2	78.5
	1,050,001- 1,500,000	70	18.1	96.6
	>1,500,000	13	3.4	100.0
	Total	386	100.0	

Economic Sectors for SM

Statistics

Economic Sectors for SMEs

N	Valid	386
	Missing	0
Mean		10.20
Std. Deviation		6.603

Working Experience

Statistics

Working Experience

N	Valid	386
	Missing	0

Mean	2.46
Std. Deviation	1.184

Working Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 yrs	122	31.6	31.6	31.6
6-10 yrs	66	17.1	17.1	48.7
Valid 11-15 yrs	98	25.4	25.4	74.1
>16 yrs	100	25.9	25.9	100.0
Total	386	100.0	100.0	

Your position in your company

Statistics

Your position in your company

N	Valid	386
	Missing	0
Mean		2.58
Std. Deviation		1.867

Your position in your company

	Frequency	Percent	Valid Percent	Cumulative Percent
CEO/Director	108	28.0	28.0	28.0
Manager	161	41.7	41.7	69.7
Accountant	45	11.7	11.7	81.3
Valid Operators	21	5.4	5.4	86.8
Marketers	8	2.1	2.1	88.9
IT personnel	6	1.6	1.6	90.4
Supervisor	24	6.2	6.2	96.6
Logistics, Supply and	13	3.4	3.4	100.0

Delivery				
Total	386	100.0	100.0	

Business Location by state

Statistics

Business Location by state

N	Valid	386
	Missing	0
Mean		1.97
Std. Deviation		.873

Business Location by state

	Frequency	Percent	Valid Percent	Cumulative Percent
FCT	110	28.5	28.5	28.5
Lagos	221	57.3	57.3	85.8
Valid Kano	12	3.1	3.1	88.9
Rivers	43	11.1	11.1	100.0
Total	386	100.0	100.0	

Business Registration Years/periods

Statistics

Business Registration

Years/periods

N	Valid	386
	Missing	0
Mean		3.05
Std. Deviation		1.733

Business Registration Years/periods

	Frequency	Percent	Valid Percent	Cumulative Percent
--	-----------	---------	---------------	--------------------

	Yet register	92	23.8	23.8	23.8
	In process	87	22.5	22.5	46.4
	< 1 year	52	13.5	13.5	59.8
Valid	2-5 years	68	17.6	17.6	77.5
	6-10 years	62	16.1	16.1	93.5
	11- 15 years	2	.5	.5	94.0
	>15 years	23	6.0	6.0	100.0
	Total	386	100.0	100.0	

How many times have you receive tax incentives from Government

Statistics

How many times have you
receive tax incentives from
Government

N	Valid	386
	Missing	0
Mean		2.52
Std. Deviation		1.937

How many times have you receive tax incentives from Government

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	213	55.2	55.2	55.2
1 -5 times	24	6.2	6.2	61.4
6-10 times	24	6.2	6.2	67.6
Valid 11- 15 times	38	9.8	9.8	77.5
15-20 times	33	8.5	8.5	86.0
> 20 times	54	14.0	14.0	100.0
Total	386	100.0	100.0	

Tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.

Statistics

Tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.

N	Valid	386
	Missing	0
Mean		4.08
Std. Deviation		.875

Tax policy needs to be designed such that the tax rates are appropriate and rational, the exemptions are lower in amount and the tax collection organizations are more efficient.

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	36	9.3	9.3	9.3
Neutral	25	6.5	6.5	15.8
Valid Agree	197	51.0	51.0	66.8
Strongly Agree	128	33.2	33.2	100.0
Total	386	100.0	100.0	

Tax policy is designed not only to directly affect SMEs but also indirectly push for their growth

Statistics

Tax policy is designed not

only to directly affect SMEs
but also indirectly push for
their growth

N	Valid	386
	Missing	0
Mean		3.30
Std. Deviation		1.338

**Tax policy is designed not only to directly affect SMEs but also indirectly push
for their growth**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	59	15.3	15.3	15.3
	Disagree	59	15.3	15.3	30.6
	Neutral	42	10.9	10.9	41.5
	Agree	158	40.9	40.9	82.4
	Strongly Agree	68	17.6	17.6	100.0
	Total	386	100.0	100.0	

**Tax policy on incentives such as tax rebate for SMEs that put effort on local sourcing of
raw materials, serious in adding value to commodities for exports and other business ethics,
should be employed by government.**

Statistics

Tax policy on incentives such
as tax rebate for SMEs that
put effort on local sourcing of
raw materials, serious in
adding value to commodities
for exports and other business
ethics, should be employed
by government.

N	Valid	386
	Missing	0
Mean		3.96
Std. Deviation		.974

Tax policy on incentives such as tax rebate for SMEs that put effort on local sourcing of raw materials, serious in adding value to commodities for exports and other business ethics, should be employed by government.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	16	4.1	4.1	8.3
	Neutral	46	11.9	11.9	20.2
	Agree	196	50.8	50.8	71.0
	Strongly Agree	112	29.0	29.0	100.0
	Total	386	100.0	100.0	

Tax policy encourages special tax regimes for SMEs and appropriate policy instruments to minimize compliance cost

Statistics

Tax policy encourages
special tax regimes for SMEs
and appropriate policy
instruments to minimize
compliance cost

N	Valid	386
	Missing	0
Mean		3.52
Std. Deviation		.868

Tax policy encourages special tax regimes for SMEs and appropriate policy instruments to minimize compliance cost

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	4.1	4.1	4.1
Disagree	37	9.6	9.6	13.7
Neutral	76	19.7	19.7	33.4
Agree	245	63.5	63.5	96.9
Strongly Agree	12	3.1	3.1	100.0
Total	386	100.0	100.0	

Tax policy guarantees simplification of tax laws, mainly for three reasons, namely: to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance

Statistics

Tax policy guarantees simplification of tax laws, mainly for three reasons, namely: to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance

N	Valid	386
	Missing	0
Mean		3.80
Std. Deviation		.948

Tax policy guarantees simplification of tax laws, mainly for three reasons, namely: to lower both compliance costs and administrative costs, to reduce uncertainty faced by taxpayers; and to improve the levels of voluntary compliance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	16	4.1	4.1	4.1
Disagree	25	6.5	6.5	10.6
Neutral	49	12.7	12.7	23.3
Agree	227	58.8	58.8	82.1
Strongly Agree	69	17.9	17.9	100.0
Total	386	100.0	100.0	

Tax policy encourages lighter tax burden for SMEs and simplified compliance process

Statistics

Tax policy encourages lighter tax burden for SMEs and simplified compliance process

N	Valid	386
	Missing	0
Mean		3.76
Std. Deviation		1.114

Tax policy encourages lighter tax burden for SMEs and simplified compliance process

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	43	11.1	11.1	11.1

Neutral	37	9.6	9.6	20.7
Agree	231	59.8	59.8	80.6
Strongly Agree	75	19.4	19.4	100.0
Total	386	100.0	100.0	

A poorly designed tax policy leads to high operational cost, low efficiency, high collection charges, waste of time for taxpayers, and the low amounts of received taxes

Statistics

A poorly designed tax policy leads to high operational cost, low efficiency, high collection charges, waste of time for taxpayers, and the low amounts of received taxes

N	Valid	386
	Missing	0
Mean		3.85
Std. Deviation		1.357

A poorly designed tax policy leads to high operational cost, low efficiency, high collection charges, waste of time for taxpayers, and the low amounts of received taxes

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	56	14.5	14.5	14.5
Disagree	10	2.6	2.6	17.1
Valid Neutral	22	5.7	5.7	22.8
Agree	146	37.8	37.8	60.6
Strongly Agree	152	39.4	39.4	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

Tax policy provides enough guidelines and procedure for seeking legal clarity without additional cost to SME

Statistics

Tax policy provides enough guidelines and procedure for seeking legal clarity without additional cost to SME

N	Valid	386
	Missing	0
Mean		3.48
Std. Deviation		1.055

Tax policy provides enough guidelines and procedure for seeking legal clarity without additional cost to SME

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	27	7.0	7.0	7.0
Disagree	39	10.1	10.1	17.1
Neutral	87	22.5	22.5	39.6
Agree	187	48.4	48.4	88.1
Strongly Agree	46	11.9	11.9	100.0
Total	386	100.0	100.0	

Tax reform in the Nigerian Tax system has improved tax administration operational framework

Statistics

Tax reform in the Nigerian Tax system has improved tax administration operational framework

N	Valid	386
---	-------	-----

Missing	0
Mean	3.99
Std. Deviation	.924

**Tax reform in the Nigerian Tax system has improved tax administration
operational framework**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	34	8.8	8.8	8.8
Neutral	65	16.8	16.8	25.6
Valid Agree	159	41.2	41.2	66.8
Strongly Agree	128	33.2	33.2	100.0
Total	386	100.0	100.0	

There is an effective and efficient tax administration system in Nigeria

Statistics

There is an effective and
efficient tax administration
system in Nigeria

N	Valid	386
	Missing	0
Mean		3.18
Std. Deviation		1.180

There is an effective and efficient tax administration system in Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	34	8.8	8.8	8.8
Disagree	90	23.3	23.3	32.1
Valid Neutral	80	20.7	20.7	52.8
Agree	135	35.0	35.0	87.8
Strongly Agree	47	12.2	12.2	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

The more efficient tax administration system is, the higher the chances of continuity of business

Statistics

The more efficient tax administration system is, the higher the chances of continuity of business

N	Valid	386
	Missing	0
Mean		3.87
Std. Deviation		.988

The more efficient tax administration system is, the higher the chances of continuity of business

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	28	7.3	7.3	7.3
Neutral	48	12.4	12.4	19.7
Valid Agree	228	59.1	59.1	78.8
Strongly Agree	82	21.2	21.2	100.0
Total	386	100.0	100.0	

High tax compliance and tax evasion reduction is a result of efficient tax administration system

Statistics

High tax compliance and tax evasion reduction is a result of efficient tax administration system

N	Valid	386
	Missing	0
Mean		4.03

Std. Deviation	.767
----------------	------

High tax compliance and tax evasion reduction is a result of efficient tax administration system

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	17	4.4	4.4	4.4
Neutral	57	14.8	14.8	19.2
Valid Agree	210	54.4	54.4	73.6
Strongly Agree	102	26.4	26.4	100.0
Total	386	100.0	100.0	

Effective tax administration system enhances business continuity

Statistics

Effective tax administration system enhances business continuity

N	Valid	386
	Missing	0
Mean		4.09
Std. Deviation		.799

Effective tax administration system enhances business continuity

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	16	4.1	4.1	4.1
Neutral	59	15.3	15.3	19.4
Valid Agree	185	47.9	47.9	67.4
Strongly Agree	126	32.6	32.6	100.0
Total	386	100.0	100.0	

Effective tax administration improves confidence in the system, and promoting productivity among SMEs owners

Statistics

Effective tax administration
improves confidence in the
system, and promoting
productivity among SMEs
owners

N	Valid	386
	Missing	0
Mean		4.13
Std. Deviation		.913

**Effective tax administration improves confidence in the system, and promoting
productivity among SMEs owners**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	2.8	2.8	2.8
Disagree	16	4.1	4.1	7.0
Neutral	24	6.2	6.2	13.2
Agree	194	50.3	50.3	63.5
Strongly Agree	141	36.5	36.5	100.0
Total	386	100.0	100.0	

Tax system has shown proper conducts in the assessment of tax

Statistics

Tax system has shown proper
conducts in the assessment of
tax

N	Valid	386
	Missing	0
Mean		3.70
Std. Deviation		1.003

Tax system has shown proper conducts in the assessment of tax

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	2.8	2.8	2.8
Disagree	41	10.6	10.6	13.5

Neutral	81	21.0	21.0	34.5
Agree	174	45.1	45.1	79.5
Strongly Agree	79	20.5	20.5	100.0
Total	386	100.0	100.0	

Tax administration is very effective in the suppression of tax criminality

Statistics

Tax administration is very effective in the suppression of tax criminality

N	Valid	386
	Missing	0
Mean		3.50
Std. Deviation		1.154

Tax administration is very effective in the suppression of tax criminality

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	11	2.8	2.8	2.8
Disagree	91	23.6	23.6	26.4
Neutral	62	16.1	16.1	42.5
Agree	138	35.8	35.8	78.2
Strongly Agree	84	21.8	21.8	100.0
Total	386	100.0	100.0	

The procedure of tax assessment, collection and remittance has been digitalized

Statistics

The procedure of tax assessment, collection and remittance has been digitalized

N	Valid	386
---	-------	-----

Missing	0
Mean	3.84
Std. Deviation	1.029

The procedure of tax assessment, collection and remittance has been digitalized

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	16	4.1	4.1	4.1
Disagree	28	7.3	7.3	11.4
Neutral	60	15.5	15.5	26.9
Agree	180	46.6	46.6	73.6
Strongly Agree	102	26.4	26.4	100.0
Total	386	100.0	100.0	

The administration of tax system in Nigeria has adversely affected business continuity

Statistics

The administration of tax system in Nigeria has adversely affected business continuity

N	Valid	386
	Missing	0
Mean		3.56
Std. Deviation		.966

The administration of tax system in Nigeria has adversely affected business continuity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	12	3.1	3.1	3.1
Disagree	38	9.8	9.8	13.0
Neutral	117	30.3	30.3	43.3
Agree	161	41.7	41.7	85.0
Strongly Agree	58	15.0	15.0	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

The relevant tax authority has not shown proper conducts in the assessment of tax
Statistics

The relevant tax authority has not shown proper conducts in the assessment of tax

N	Valid	386
	Missing	0
Mean		3.13
Std. Deviation		1.206

The relevant tax authority has not shown proper conducts in the assessment of tax

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	22	5.7	5.7	5.7
Disagree	129	33.4	33.4	39.1
Neutral	74	19.2	19.2	58.3
Agree	98	25.4	25.4	83.7
Strongly Agree	63	16.3	16.3	100.0
Total	386	100.0	100.0	

The procedure of tax assessment, collection and remittance is a whole lot of paper work
Statistics

The procedure of tax assessment, collection and remittance is a whole lot of paper work

N	Valid	386
	Missing	0
Mean		3.00
Std. Deviation		1.101

The procedure of tax assessment, collection and remittance is a whole lot of paper work

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	38	9.8	9.8	9.8
Disagree	103	26.7	26.7	36.5
Neutral	84	21.8	21.8	58.3
Agree	144	37.3	37.3	95.6
Strongly Agree	17	4.4	4.4	100.0
Total	386	100.0	100.0	

There is a better future for tax administrative system in Niger

Statistics

There is a better future for tax administrative system in Nigeria

N	Valid	386
	Missing	0
Mean		3.93
Std. Deviation		.883

There is a better future for tax administrative system in Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	37	9.6	9.6	9.6
Neutral	53	13.7	13.7	23.3
Agree	195	50.5	50.5	73.8
Strongly Agree	101	26.2	26.2	100.0
Total	386	100.0	100.0	

Tax authority is very effective in the suppression of tax criminality

Statistics

Tax authority is very effective in the suppression of tax criminality

N	Valid	386
---	-------	-----

Missing	0
Mean	3.34
Std. Deviation	.921

Tax authority is very effective in the suppression of tax criminality

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	97	25.1	25.1	25.1
Neutral	83	21.5	21.5	46.6
Valid Agree	183	47.4	47.4	94.0
Strongly Agree	23	6.0	6.0	100.0
Total	386	100.0	100.0	

Lack of tax force/penalties/ punishment is the reason for non-tax compliance

Statistics

Lack of tax force/penalties/
punishment is the reason for
non-tax compliance

N	Valid	386
	Missing	0
Mean		3.79
Std. Deviation		1.115

Lack of tax force/penalties/ punishment is the reason for non-tax compliance

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	71	18.4	18.4	18.4
Neutral	76	19.7	19.7	38.1
Valid Agree	103	26.7	26.7	64.8
Strongly Agree	136	35.2	35.2	100.0
Total	386	100.0	100.0	

The availability of necessary information and guidelines would necessarily aid good tax system and business continuity

Statistics

The availability of necessary

information and guidelines
would necessarily aid good
tax system and business
continuity

N	Valid	386
	Missing	0
Mean		4.19
Std. Deviation		.770

The availability of necessary information and guidelines would necessarily aid good tax system and business continuity

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	16	4.1	4.1	4.1
Neutral	36	9.3	9.3	13.5
Valid Agree	191	49.5	49.5	63.0
Strongly Agree	143	37.0	37.0	100.0
Total	386	100.0	100.0	

Capital Allowance given to companies for a period of time boosts the financial performance of SME in Nigeria

Statistics

Capital Allowance given to
companies for a period of
time boosts the financial
performance of SME in
Nigeria

N	Valid	386
	Missing	0
Mean		3.87
Std. Deviation		.956

Capital Allowance given to companies for a period of time boosts the financial performance of SME in Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	52	13.5	13.5	13.5

Neutral	48	12.4	12.4	25.9
Agree	184	47.7	47.7	73.6
Strongly Agree	102	26.4	26.4	100.0
Total	386	100.0	100.0	

Capital Allowance enables companies to save more of its taxable income within the period it is granted.

Statistics

Capital Allowance enables companies to save more of its taxable income within the period it is granted.

N	Valid	386
	Missing	0
Mean		4.00
Std. Deviation		.735

Capital Allowance enables companies to save more of its taxable income within the period it is granted.

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	16	4.1	4.1	4.1
Neutral	56	14.5	14.5	18.7
Valid Agree	226	58.5	58.5	77.2
Strongly Agree	88	22.8	22.8	100.0
Total	386	100.0	100.0	

Capital Allowance savings are expected to be ploughed back into the business to assist the company to stabilize

Capital Allowance savings are expected to be ploughed back into the business to assist the company to stabilize

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	38	9.8	9.8	9.8
Valid Neutral	41	10.6	10.6	20.5
Agree	239	61.9	61.9	82.4

Strongly Agree	68	17.6	17.6	100.0
Total	386	100.0	100.0	

Capital Allowance encourages investment in production assets

Statistics

Capital Allowance
encourages investment in
production assets

N	Valid	386
	Missing	0
Mean		4.04
Std. Deviation		.710

Capital Allowance encourages investment in production assets

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	16	4.1	4.1	4.1
Neutral	41	10.6	10.6	14.8
Valid Agree	239	61.9	61.9	76.7
Strongly Agree	90	23.3	23.3	100.0
Total	386	100.0	100.0	

The SMEs benefits from Capital Allowance as a tax incentive in Nigeria

Statistics

The SMEs benefits from
Capital Allowance as a tax
incentive in Nigeria

N	Valid	386
	Missing	0
Mean		3.85
Std. Deviation		.841

The SMEs benefits from Capital Allowance as a tax incentive in Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	32	8.3	8.3	8.3

Neutral	73	18.9	18.9	27.2
Agree	201	52.1	52.1	79.3
Strongly Agree	80	20.7	20.7	100.0
Total	386	100.0	100.0	

Tax authority reduces bureaucracies and red tape procedures to claim capital allowance incentive

Statistics

Tax authority reduces
bureaucracies and red tape
procedures to claim capital
allowance incentive

N	Valid	386
	Missing	0
Mean		3.72
Std. Deviation		.797

Tax authority reduces bureaucracies and red tape procedures to claim capital allowance incentive

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	37	9.6	9.6	9.6
Neutral	82	21.2	21.2	30.8
Valid Agree	221	57.3	57.3	88.1
Strongly Agree	46	11.9	11.9	100.0
Total	386	100.0	100.0	

Tax authority allows SMEs to make deductions against taxable income in form of capital allowance

Statistics

Tax authority allows SMEs to
make deductions against
taxable income in form of
capital allowance

N	Valid	386
---	-------	-----

Missing	0
Mean	3.94
Std. Deviation	.775

Tax authority allows SMEs to make deductions against taxable income in form of capital allowance

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	.3	.3	.3
Disagree	12	3.1	3.1	3.4
Neutral	87	22.5	22.5	25.9
Agree	197	51.0	51.0	76.9
Strongly Agree	89	23.1	23.1	100.0
Total	386	100.0	100.0	

Capital Allowance enables this company to save more of its taxable income within the period it is granted

Statistics

Capital Allowance enables this company to save more of its taxable income within the period it is granted

N	Valid	386
	Missing	0
Mean		3.91
Std. Deviation		.927

Capital Allowance enables this company to save more of its taxable income within the period it is granted

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	4.1	4.1	4.1
Disagree	12	3.1	3.1	7.3
Neutral	52	13.5	13.5	20.7
Agree	216	56.0	56.0	76.7
Strongly Agree	90	23.3	23.3	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

Savings from Capital Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.

Statistics

Savings from Capital Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.

N	Valid	386
	Missing	0
Mean		4.05
Std. Deviation		.856

Savings from Capital Allowance are expected to be ploughed back into the business to assist in the improvement of its financial performance.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	4.1	4.1	4.1
Neutral	36	9.3	9.3	13.5
Valid Agree	231	59.8	59.8	73.3
Strongly Agree	103	26.7	26.7	100.0
Total	386	100.0	100.0	

A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages

Statistics

A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages

N	Valid	386
	Missing	0
Mean		3.84
Std. Deviation		.876

A consistently high Net Profit Margin is often indication that a company has one or more competitive advantages

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	2.8	2.8
	Disagree	16	4.1	7.0
	Neutral	69	17.9	24.9
	Agree	217	56.2	81.1
	Strongly Agree	73	18.9	100.0
	Total	386	100.0	100.0

Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production

Statistics

Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production

N	Valid	386
	Missing	0
Mean		3.75
Std. Deviation		.907

Higher Net Profit Margin can be encouraged by the purchase and utilization of qualifying equipment and machinery which boost production thereby reducing the cost of production

	Frequency	Percent	Valid Percent	Cumulative Percent
--	-----------	---------	---------------	--------------------

Valid	Strongly Disagree	16	4.1	4.1	4.1
	Disagree	10	2.6	2.6	6.7
	Neutral	93	24.1	24.1	30.8
	Agree	203	52.6	52.6	83.4
	Strongly Agree	64	16.6	16.6	100.0
	Total	386	100.0	100.0	

Capital Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin

Statistics

Capital Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin

N	Valid	386
	Missing	0
Mean		3.97
Std. Deviation		.774

Capital Allowance can encourage business owners to invest in qualifying non-current assets which boost production thereby reducing the cost of production and paving way for higher Net Profit Margin

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	30	7.8	7.8
	Neutral	32	8.3	16.1
	Agree	245	63.5	79.5
	Strongly Agree	79	20.5	100.0
	Total	386	100.0	100.0

Do you that Nigerian government grants tax holiday incentive?

Statistics

Do you agree that Nigerian government grants tax holiday incentive?

N	Valid	386
	Missing	0
Mean		3.71
Std. Deviation		.905

Do you agree that Nigerian government grants tax holiday incentive?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	3.1	3.1
	Disagree	26	6.7	9.8
	Neutral	79	20.5	30.3
	Agree	213	55.2	85.5
	Strongly Agree	56	14.5	100.0
	Total	386	100.0	100.0

Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria

Statistics

Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria

N	Valid	386
	Missing	0
Mean		3.94
Std. Deviation		.769

Tax holiday incentive is capable of improving the operational efficiency of SMES in Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	26	6.7	6.7
	Neutral	48	12.4	19.2
	Agree	235	60.9	80.1

Strongly Agree	77	19.9	19.9	100.0
Total	386	100.0	100.0	

Tax holiday incentive improves investment of SMES in Nigeria

Statistics

Tax holiday incentive
improves investment of
SMES in Nigeria

N	Valid	386
	Missing	0
Mean		3.72
Std. Deviation		1.032

Tax holiday incentive improves investment of SMES in Nigeria

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	64	16.6	16.6	16.6
Neutral	82	21.2	21.2	37.8
Valid Agree	138	35.8	35.8	73.6
Strongly Agree	102	26.4	26.4	100.0
Total	386	100.0	100.0	

The Nigerian tax holiday incentive policy conforms to international standards

Statistics

The Nigerian tax holiday
incentive policy conforms to
international standards

N	Valid	386
	Missing	0
Mean		3.23
Std. Deviation		1.045

The Nigerian tax holiday incentive policy conforms to international standards

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	16	4.1	4.1	4.1

Disagree	65	16.8	16.8	21.0
Neutral	182	47.2	47.2	68.1
Agree	60	15.5	15.5	83.7
Strongly Agree	63	16.3	16.3	100.0
Total	386	100.0	100.0	

Tax holiday incentive reduces economic burden on SME

Statistics

Tax holiday incentive reduces
economic burden on SMES

N	Valid	386
	Missing	0
Mean		3.61
Std. Deviation		1.064

Tax holiday incentive reduces economic burden on SMES

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	16	4.1	4.1	4.1
Disagree	58	15.0	15.0	19.2
Neutral	52	13.5	13.5	32.6
Agree	194	50.3	50.3	82.9
Strongly Agree	66	17.1	17.1	100.0
Total	386	100.0	100.0	

Tax holiday incentive can be utilized by the government to encourage growth and expansion of SME

Statistics

Tax holiday incentive can be
utilized by the government to
encourage growth and
expansion of SMEs

N	Valid	386
	Missing	0
Mean		4.12
Std. Deviation		.738

Tax holiday incentive can be utilized by the government to encourage growth and expansion of SMEs

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.3	.3	.3
Disagree	10	2.6	2.6	2.8
Neutral	49	12.7	12.7	15.5
Agree	209	54.1	54.1	69.7
Strongly Agree	117	30.3	30.3	100.0
Total	386	100.0	100.0	

Tax holiday incentive is capable of attracting foreign investment

Statistics

Tax holiday incentive is
capable of attracting foreign
investment

N	Valid	386
	Missing	0
Mean		4.17
Std. Deviation		.807

Tax holiday incentive is capable of attracting foreign investment

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.3	.3	.3
Disagree	10	2.6	2.6	2.8
Neutral	62	16.1	16.1	18.9
Agree	162	42.0	42.0	60.9
Strongly Agree	151	39.1	39.1	100.0
Total	386	100.0	100.0	

My business is resilient towards natural disasters

Statistics

My business is resilient
towards natural disasters

N	Valid	386
	Missing	0

Mean	2.84
Std. Deviation	1.042

My business is resilient towards natural disasters

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	38	9.8	9.8	9.8
Disagree	120	31.1	31.1	40.9
Neutral	105	27.2	27.2	68.1
Agree	112	29.0	29.0	97.2
Strongly Agree	11	2.8	2.8	100.0
Total	386	100.0	100.0	

I can continue my business immediately after it is being hit by disasters

Statistics

I can continue my business
immediately after it is being
hit by disasters

N	Valid	386
	Missing	0
Mean		2.74
Std. Deviation		1.061

I can continue my business immediately after it is being hit by disasters

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	39	10.1	10.1	10.1
Disagree	149	38.6	38.6	48.7
Neutral	83	21.5	21.5	70.2
Agree	102	26.4	26.4	96.6
Strongly Agree	13	3.4	3.4	100.0
Total	386	100.0	100.0	

I have enough fund to continue my business after it is being hit by disasters

Statistics

I have enough fund to
continue my business after it
is being hit by disasters

N	Valid	386
	Missing	0
Mean		2.19
Std. Deviation		.787

I have enough fund to continue my business after it is being hit by disasters

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	57	14.8	14.8	14.8
Disagree	227	58.8	58.8	73.6
Neutral	74	19.2	19.2	92.7
Agree	26	6.7	6.7	99.5
Strongly Agree	2	.5	.5	100.0
Total	386	100.0	100.0	

Business continuity plan is an important element of my business

Statistics

Business continuity plan is an
important element of my
business

N	Valid	386
	Missing	0
Mean		3.60
Std. Deviation		1.113

Business continuity plan is an important element of my business

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	38	9.8	9.8	9.8
Disagree	10	2.6	2.6	12.4
Neutral	90	23.3	23.3	35.8
Agree	180	46.6	46.6	82.4
Strongly Agree	68	17.6	17.6	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

I am familiar with the term "Business Continuity Management"

Statistics

I am familiar with the term
"Business Continuity
Management"

N	Valid	386
	Missing	0
Mean		3.71
Std. Deviation		.899

I am familiar with the term "Business Continuity Management"

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	48	12.4	12.4	12.4
Neutral	84	21.8	21.8	34.2
Valid Agree	186	48.2	48.2	82.4
Strongly Agree	68	17.6	17.6	100.0
Total	386	100.0	100.0	

I understand the concept of Business Continuity Management

Statistics

I understand the concept of
Business Continuity
Management

N	Valid	386
	Missing	0
Mean		3.62
Std. Deviation		.943

I understand the concept of Business Continuity Management

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	50	13.0	13.0	13.0
Neutral	121	31.3	31.3	44.3
Valid Agree	139	36.0	36.0	80.3
Strongly Agree	76	19.7	19.7	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

I believed Business Continuity Management is useful for my business

Statistics

I believed Business
Continuity Management is
useful for my business

N	Valid	386
	Missing	0
Mean		4.01
Std. Deviation		.728

I believed Business Continuity Management is useful for my business

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	26	6.7	6.7	6.7
Neutral	23	6.0	6.0	12.7
Valid Agree	260	67.4	67.4	80.1
Strongly Agree	77	19.9	19.9	100.0
Total	386	100.0	100.0	

My business needs a Business Continuity Management framework

Statistics

My business needs a Business
Continuity Management
framework

N	Valid	386
	Missing	0
Mean		4.03
Std. Deviation		.855

My business needs a Business Continuity Management framework

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	38	9.8	9.8	9.8
Neutral	21	5.4	5.4	15.3
Valid Agree	218	56.5	56.5	71.8
Strongly Agree	109	28.2	28.2	100.0

Total	386	100.0	100.0
-------	-----	-------	-------

I believe Business Continuity Management would help my business dealing with disaster

Statistics

I believe Business Continuity Management would help my business dealing with disaster

N	Valid	386
	Missing	0
Mean		3.92
Std. Deviation		.826

I believe Business Continuity Management would help my business dealing with disaster

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	26	6.7	6.7	6.7
Neutral	69	17.9	17.9	24.6
Valid Agree	199	51.6	51.6	76.2
Strongly Agree	92	23.8	23.8	100.0
Total	386	100.0	100.0	

Establishment of Business Continuity Management framework would reduce the impacts of disaster on my business

Statistics

Establishment of Business Continuity Management framework would reduce the impacts of disaster on my business

N	Valid	386
	Missing	0
Mean		3.98
Std. Deviation		.843

Establishment of Business Continuity Management framework would reduce the impacts of disaster on my business

	Frequency	Percent	Valid Percent	Cumulative Percent
--	-----------	---------	---------------	--------------------

	Disagree	26	6.7	6.7	6.7
	Neutral	63	16.3	16.3	23.1
Valid	Agree	190	49.2	49.2	72.3
	Strongly Agree	107	27.7	27.7	100.0
	Total	386	100.0	100.0	

I implement Business Continuity Management in my business

Statistics

I implement Business
Continuity Management in
my business

N	Valid	386
	Missing	0
Mean		3.45
Std. Deviation		.953

I implement Business Continuity Management in my business

	Frequency	Percent	Valid Percent	Cumulative Percent
	12	3.1	3.1	3.1
	48	12.4	12.4	15.5
Valid	124	32.1	32.1	47.7
	159	41.2	41.2	88.9
	43	11.1	11.1	100.0
Total	386	100.0	100.0	

My business has technical capability to establish a Business Continuity Management framework

Statistics

My business has technical
capability to establish a
Business Continuity
Management framework

N	Valid	386
	Missing	0
Mean		3.40
Std. Deviation		1.040

My business has technical capability to establish a Business Continuity

Management framework

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	12	3.1	3.1	3.1
Disagree	70	18.1	18.1	21.2
Neutral	113	29.3	29.3	50.5
Agree	135	35.0	35.0	85.5
Strongly Agree	56	14.5	14.5	100.0
Total	386	100.0	100.0	

My business has financial capabilities and expertise to draft Business Continuity Management framework

Statistics

My business has financial capabilities and expertise to draft Business Continuity Management framework

N	Valid	386
	Missing	0
Mean		3.18
Std. Deviation		.967

My business has financial capabilities and expertise to draft Business

Continuity Management framework

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	12	3.1	3.1	3.1
Disagree	93	24.1	24.1	27.2
Neutral	119	30.8	30.8	58.0
Agree	139	36.0	36.0	94.0
Strongly Agree	23	6.0	6.0	100.0
Total	386	100.0	100.0	

I am willing to allocate certain fund to establish Business Continuity Management framework for my business

Statistics

I am willing to allocate certain fund to establish

Business Continuity
Management framework for
my business

N	Valid	386
	Missing	0
Mean		3.50
Std. Deviation		1.096

**I am willing to allocate certain fund to establish Business Continuity
Management framework for my business**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	6.2	6.2
	Disagree	54	14.0	20.2
	Neutral	69	17.9	38.1
	Agree	182	47.2	85.2
	Strongly Agree	57	14.8	100.0
	Total	386	100.0	100.0

**I would like to participate in Business Continuity Management training session conducted
by government (if any)**

Statistics

I would like to participate in
Business Continuity
Management training session
conducted by government (if
any)

N	Valid	386
	Missing	0
Mean		3.96
Std. Deviation		.856

**I would like to participate in Business Continuity Management training
session conducted by government (if any)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	32	8.3	8.3	8.3

Neutral	53	13.7	13.7	22.0
Agree	199	51.6	51.6	73.6
Strongly Agree	102	26.4	26.4	100.0
Total	386	100.0	100.0	

Government should establish a Business Continuity Management framework for SME Statistics

Government should establish
a Business Continuity
Management framework for
SME

N	Valid	386
	Missing	0
Mean		4.20
Std. Deviation		1.093

Government should establish a Business Continuity Management framework for SME

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	12	3.1	3.1	3.1
Disagree	38	9.8	9.8	13.0
Neutral	13	3.4	3.4	16.3
Agree	120	31.1	31.1	47.4
Strongly Agree	203	52.6	52.6	100.0
Total	386	100.0	100.0	

NEW FILE.

DATASET NAME DataSet2 WINDOW=FRONT.

SAVE OUTFILE='C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav'

/COMPRESSED.

DATASET ACTIVATE DataSet2.

SAVE OUTFILE='C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav'

/COMPRESSED.

REGRESSION

/MISSING LISTWISE

/STATISTICS COEFF OUTS R ANOVA COLLIN TOL CHANGE

```

/CRITERIA=PIN(.05) POUT(.10)
/NOORIGIN
/DEPENDENT F
/METHOD=ENTER B
/RESIDUALS DURBIN NORMPROB(ZRESID)
/CASEWISE PLOT(ZRESID) OUTLIERS(3).

```

Regressi

Notes

Output Created	04-NOV-2024 23:39:02
Comments	
Data	C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav
Input	DataSet2
Active Dataset	
Filter	<none>
Weight	<none>
Split File	<none>
N of Rows in Working Data File	386
Definition of Missing	User-defined missing values are treated as missing.
Missing Value Handling	Statistics are based on cases with no missing values for any variable used.
Cases Used	REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS R ANOVA COLLIN TOL CHANGE /CRITERIA=PIN(.05) POUT(.10)
Syntax	

Resources		/NOORIGIN /DEPENDENT F /METHOD=ENTER B /RESIDUALS DURBIN NORMPROB(ZRESID) /CASEWISE PLOT(ZRESID) OUTLIERS(3).
	Processor Time	00:00:00.78
	Elapsed Time	00:00:05.91
	Memory Required	1436 bytes
	Additional Memory Required for Residual Plots	312 bytes

[DataSet2] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	TAX POLICY ^b	.	Enter

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.376 _a	.141	.139	7.917	.141	63.104	1	384	.000	2.104

a. Predictors: (Constant), TAX POLICY

b. Dependent Variable: BUSINESS CONTINUITY OF SMEs

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3955.267	1	3955.267	63.104	.000 ^b
	Residual	24068.622	384	62.679		
	Total	28023.889	385			

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

b. Predictors: (Constant), TAX POLICY

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	40.674	2.012		20.214	.000		
	TAX POLICY	.526	.066	.376	7.944	.000	1.000	1.000

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	TAX POLICY
1	1	1.980	1.000	.01	.01
	2	.020	9.886	.99	.99

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Casewise Diagnostics^a

Case Number	Std. Residual	BUSINESS CONTINUITY OF SMEs	Predicted Value	Residual
14	-3.223	32	57.51	-25.513
47	-3.223	32	57.51	-25.513
76	-3.223	32	57.51	-25.513

134	-3.223	32	57.51	-25.513
168	-3.223	32	57.51	-25.513
197	-3.223	32	57.51	-25.513
237	-3.223	32	57.51	-25.513
266	-3.223	32	57.51	-25.513
335	-3.223	32	57.51	-25.513
375	-3.223	32	57.51	-25.513

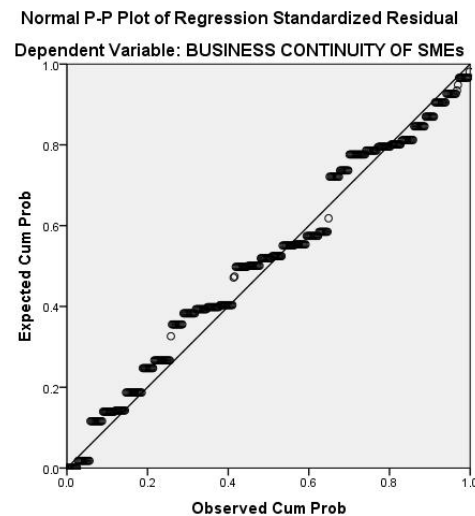
a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	46.99	61.72	56.33	3.205	386
Residual	-25.513	16.434	.000	7.907	386
Std. Predicted Value	-2.916	1.681	.000	1.000	386
Std. Residual	-3.223	2.076	.000	.999	386

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Charts



NONPAR CORR
/VARIABLES=C F
/PRINT=BOTH TWOTAIL NOSIG

/MISSING=PAIRWISE.
Nonparametric Correlations

Notes

Output Created	04-NOV-2024 23:51:35	
Comments		
	Data	C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav
Input	Active Dataset	DataSet2
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	386
	Definition of Missing	User-defined missing values are treated as missing.
Missing Value Handling	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax		NONPAR CORR /VARIABLES=C F /PRINT=BOTH TWOTAIL NOSIG /MISSING=PAIRWISE.
	Processor Time	00:00:00.02
Resources	Elapsed Time	00:00:00.06
	Number of Cases Allowed	174762 cases ^a

a. Based on availability of workspace memory

[DataSet2] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav

Correlations

		TAX ADMINISTR ATION	BUSINESS CONTINUIT Y OF SMEs
Kendall's tau_b	TAX	Correlation	1.000
			.350**

Spearman's rho	ADMINISTRATION	Coefficient		
		Sig. (2-tailed)	.	.000
		N	386	386
		Correlation	.350**	1.000
	BUSINESS	Coefficient		
	CONTINUITY OF SMEs	Sig. (2-tailed)	.000	.
		N	386	386
		Correlation	1.000	.458**
	TAX	Coefficient		
	ADMINISTRATION	Sig. (2-tailed)	.	.000
		N	386	386
		Correlation	.458**	1.000

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

NONPAR CORR

/VARIABLES=C F

/PRINT=KENDALL TWOTAIL NOSIG

/MISSING=PAIRWISE.

Nonparametric Correlations

Notes

Output Created	04-NOV-2024 23:52:35
Comments	
Data	C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES
Input	xlsx.sav
Active Dataset	DataSet2
Filter	<none>
Weight	<none>

	Split File	<none>
	N of Rows in Working Data File	386
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax		NONPAR CORR /VARIABLES=C F /PRINT=KENDALL TWOTAIL NOSIG /MISSING=PAIRWISE.
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.02
	Number of Cases Allowed	174762 cases ^a

a. Based on availability of workspace memory

[DataSet2] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav

Correlations

			TAX ADMINISTR ATION	BUSINESS CONTINUIT Y OF SMEs
Kendall's tau_b	TAX	Correlation Coefficient	1.000	.350**
	ADMINISTRATION	Sig. (2-tailed)	.	.000
		N	386	386
	BUSINESS	Correlation Coefficient	.350**	1.000
	CONTINUITY OF SMEs	Sig. (2-tailed)	.000	.
		N	386	386

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

NONPAR CORR

/VARIABLES=D F

/PRINT=KENDALL TWOTAIL NOSIG

/MISSING=PAIRWISE.

Nonparametric Correlations

Notes

Output Created	04-NOV-2024 23:55:00	
Comments	C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav	
Data	DataSet2	
Input	Active Dataset	<none>
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	386
	Definition of Missing	User-defined missing values are treated as missing.
Missing Value Handling	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
		NONPAR CORR
		/VARIABLES=D F
		/PRINT=KENDALL
		TWOTAIL NOSIG
		/MISSING=PAIRWISE.
Syntax	Processor Time	00:00:00.02
Resources	Elapsed Time	00:00:00.02
	Number of Cases Allowed	174762 cases ^a

a. Based on availability of workspace memory

[DataSet2] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav

Correlations

	CAPITAL	BUSINESS
--	---------	----------

		ALLOWANCE INCENTIVES	CONTINUITY OF SMEs
Kendall's tau_b	CAPITAL	Correlation	1.000
	ALLOWANCE	Coefficient	.327**
	INCENTIVES	Sig. (2-tailed)	.000
		N	386
	BUSINESS	Correlation	.327**
	CONTINUITY OF SMEs	Coefficient	1.000
		Sig. (2-tailed)	.000
		N	386

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

REGRESSION

/MISSING LISTWISE

/STATISTICS COEFF OUTS R ANOVA COLLIN TOL CHANGE

/CRITERIA=PIN(.05) POUT(.10)

/NOORIGIN

/DEPENDENT F

/METHOD=ENTER E

/RESIDUALS DURBIN NORMPROB(ZRESID)

/CASEWISE PLOT(ZRESID) OUTLIERS(3).

Regression

Notes

Output Created	04-NOV-2024 23:56:56
Comments	
Data	C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES
Input	xlsx.sav
Active Dataset	DataSet2
Filter	<none>
Weight	<none>
Split File	<none>
N of Rows in Working Data File	386
Missing Value Handling	User-defined missing

Syntax	Cases Used	values are treated as missing. Statistics are based on cases with no missing values for any variable used.
		REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS R ANOVA COLLIN TOL CHANGE /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT F /METHOD=ENTER E /RESIDUALS DURBIN NORMPROB(ZRESID) /CASEWISE PLOT(ZRESID) OUTLIERS(3).
Resources	Processor Time	00:00:00.45
	Elapsed Time	00:00:03.04
	Memory Required	1436 bytes
	Additional Memory	
	Required for Residual Plots	312 bytes

[DataSet2] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	TAX HOLIDAY INCENTIVES ^b		Enter

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin - Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.588 ^a	.346	.344	6.911	.346	202.802	1	384	.000	2.029

a. Predictors: (Constant), TAX HOLIDAY INCENTIVES

b. Dependent Variable: BUSINESS CONTINUITY OF SMEs

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9685.219	1	9685.219	202.802	.000 ^b
	Residual	18338.670	384	47.757		
	Total	28023.889	385			

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

b. Predictors: (Constant), TAX HOLIDAY INCENTIVES

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			
1	(Constant)	27.539	2.052		13.418	.000	
	TAX HOLIDAY INCENTIVES	1.086	.076	.588	14.241	.000	

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	TAX HOLIDAY INCENTIVES

1	1	1.985	1.000	.01	.01
	2	.015	11.583	.99	.99

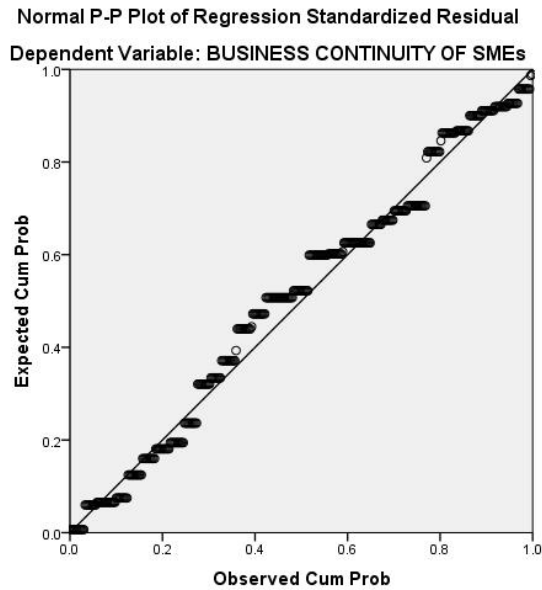
a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	42.75	64.48	56.33	5.016	386
Residual	-17.134	15.952	.000	6.902	386
Std. Predicted Value	-2.708	1.624	.000	1.000	386
Std. Residual	-2.479	2.308	.000	.999	386

a. Dependent Variable: BUSINESS CONTINUITY OF SMEs

Charts



FREQUENCIES VARIABLES=A B C D E F
 /STATISTICS=MEAN
 /HISTOGRAM NORMAL
 /ORDER=ANALYSIS.

Frequencies

Notes

Output Created	05-NOV-2024 00:04:56
Comments	
Data	C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav
Input	Active Dataset Filter Weight Split File N of Rows in Working Data File
Missing Value Handling	Definition of Missing User-defined missing values are treated as
	386

Cases Used		missing.
		Statistics are based on all cases with valid data.
Syntax		FREQUENCIES
		VARIABLES=A B C D E F
		/STATISTICS=MEAN
		/HISTOGRAM
		NORMAL
		/ORDER=ANALYSIS.
Resources	Processor Time	00:00:02.01
	Elapsed Time	00:00:04.75

[DataSet2] C:\Users\USER\Documents\MR. KUNLE SPSS DATA COLLECTED FOR HYPOTHESES.xlsx.sav

Frequency Table

DEMOGRAPHY

	Frequency	Percent	Valid Percent	Cumulative Percent
1	162	42.0	42.0	42.0
2	34	8.8	8.8	50.8
3	150	38.9	38.9	89.6
18	2	.5	.5	90.2
20	1	.3	.3	90.4
22	1	.3	.3	90.7
23	1	.3	.3	90.9
25	1	.3	.3	91.2
26	2	.5	.5	91.7
27	1	.3	.3	92.0
28	1	.3	.3	92.2
29	1	.3	.3	92.5
30	1	.3	.3	92.7
31	1	.3	.3	93.0
32	3	.8	.8	93.8
33	2	.5	.5	94.3
34	1	.3	.3	94.6
35	1	.3	.3	94.8

36	2	.5	.5	95.3
37	2	.5	.5	95.9
38	2	.5	.5	96.4
40	3	.8	.8	97.2
42	1	.3	.3	97.4
43	1	.3	.3	97.7
44	1	.3	.3	97.9
45	1	.3	.3	98.2
46	2	.5	.5	98.7
47	2	.5	.5	99.2
48	2	.5	.5	99.7
55	1	.3	.3	100.0
Total	386	100.0	100.0	

TAX POLICY

	Frequency	Percent	Valid Percent	Cumulative Percent
12	16	4.1	4.1	4.1
14	16	4.1	4.1	8.3
24	19	4.9	4.9	13.2
26	22	5.7	5.7	18.9
28	11	2.8	2.8	21.8
29	62	16.1	16.1	37.8
30	34	8.8	8.8	46.6
31	44	11.4	11.4	58.0
32	54	14.0	14.0	72.0
33	26	6.7	6.7	78.8
34	15	3.9	3.9	82.6
35	10	2.6	2.6	85.2
36	35	9.1	9.1	94.3
37	11	2.8	2.8	97.2
40	11	2.8	2.8	100.0
Total	386	100.0	100.0	

TAX ADMINISTRATION

	Frequency	Percent	Valid Percent	Cumulative Percent
29	16	4.1	4.1	4.1
48	12	3.1	3.1	7.3
50	13	3.4	3.4	10.6
51	10	2.6	2.6	13.2
52	11	2.8	2.8	16.1
54	22	5.7	5.7	21.8
55	27	7.0	7.0	28.8
56	13	3.4	3.4	32.1
57	12	3.1	3.1	35.2
58	12	3.1	3.1	38.3
59	20	5.2	5.2	43.5
Valid 60	11	2.8	2.8	46.4
61	13	3.4	3.4	49.7
62	60	15.5	15.5	65.3
64	22	5.7	5.7	71.0
65	25	6.5	6.5	77.5
66	10	2.6	2.6	80.1
67	22	5.7	5.7	85.8
68	12	3.1	3.1	88.9
69	23	6.0	6.0	94.8
70	19	4.9	4.9	99.7
74	1	.3	.3	100.0
Total	386	100.0	100.0	

CAPITAL ALLOWANCE INCENTIVES

	Frequency	Percent	Valid Percent	Cumulative Percent
22	16	4.1	4.1	4.1
Valid 36	10	2.6	2.6	6.7
37	16	4.1	4.1	10.9
39	12	3.1	3.1	14.0

40	10	2.6	2.6	16.6
41	13	3.4	3.4	19.9
43	17	4.4	4.4	24.4
44	10	2.6	2.6	26.9
45	12	3.1	3.1	30.1
46	21	5.4	5.4	35.5
47	33	8.5	8.5	44.0
48	56	14.5	14.5	58.5
49	23	6.0	6.0	64.5
50	21	5.4	5.4	69.9
51	24	6.2	6.2	76.2
52	25	6.5	6.5	82.6
53	1	.3	.3	82.9
54	11	2.8	2.8	85.8
55	23	6.0	6.0	91.7
56	11	2.8	2.8	94.6
58	21	5.4	5.4	100.0
Total	386	100.0	100.0	

TAX HOLIDAY INCENTIVES

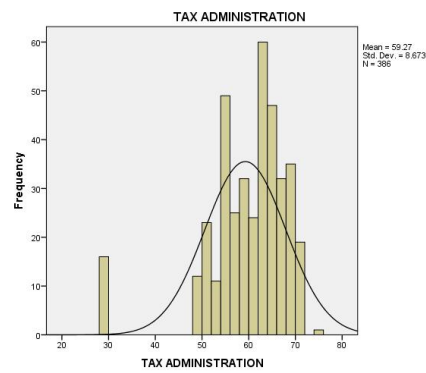
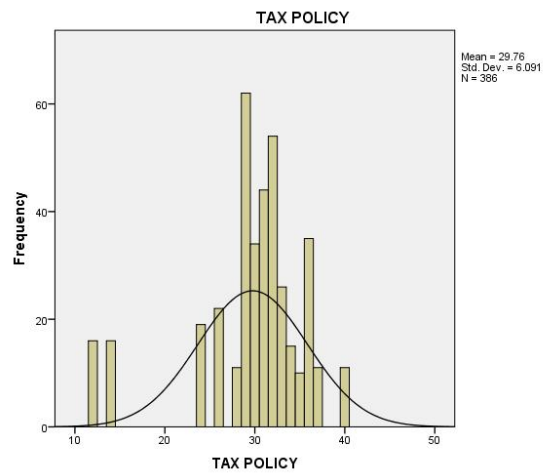
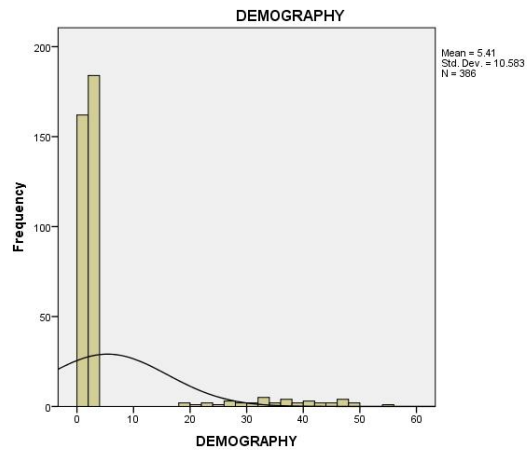
	Frequency	Percent	Valid Percent	Cumulative Percent
14	10	2.6	2.6	2.6
18	10	2.6	2.6	5.2
20	44	11.4	11.4	16.6
22	28	7.3	7.3	23.8
24	24	6.2	6.2	30.1
25	12	3.1	3.1	33.2
26	23	6.0	6.0	39.1
27	45	11.7	11.7	50.8
28	66	17.1	17.1	67.9
29	22	5.7	5.7	73.6
30	23	6.0	6.0	79.5
31	23	6.0	6.0	85.5

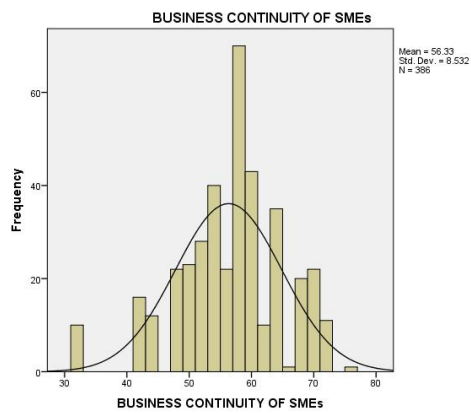
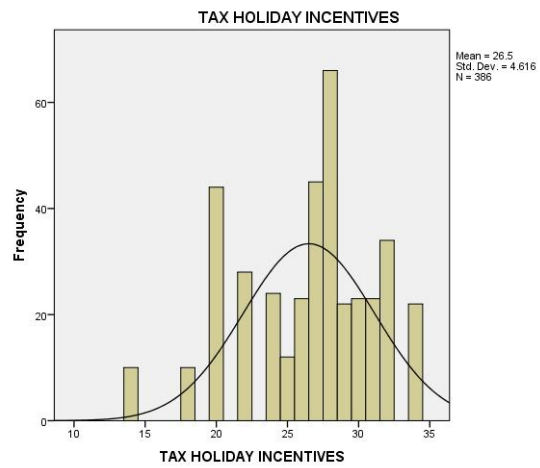
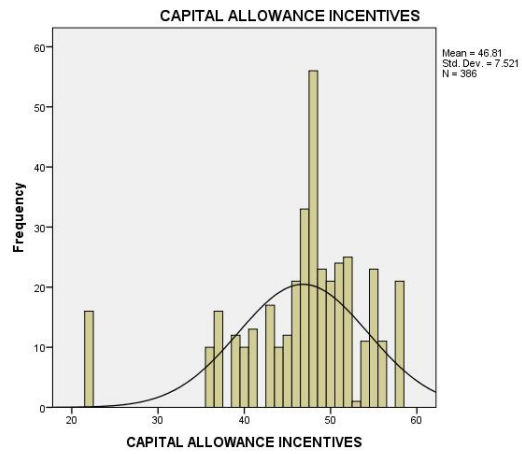
32	34	8.8	8.8	94.3
34	22	5.7	5.7	100.0
Total	386	100.0	100.0	

BUSINESS CONTINUITY OF SMEs

	Frequency	Percent	Valid Percent	Cumulative Percent
32	10	2.6	2.6	2.6
41	16	4.1	4.1	6.7
43	12	3.1	3.1	9.8
47	12	3.1	3.1	13.0
48	10	2.6	2.6	15.5
50	23	6.0	6.0	21.5
51	16	4.1	4.1	25.6
52	12	3.1	3.1	28.8
53	27	7.0	7.0	35.8
54	13	3.4	3.4	39.1
55	10	2.6	2.6	41.7
56	12	3.1	3.1	44.8
57	24	6.2	6.2	51.0
58	46	11.9	11.9	63.0
59	22	5.7	5.7	68.7
60	21	5.4	5.4	74.1
62	10	2.6	2.6	76.7
63	12	3.1	3.1	79.8
64	23	6.0	6.0	85.8
65	1	.3	.3	86.0
68	20	5.2	5.2	91.2
69	10	2.6	2.6	93.8
70	12	3.1	3.1	96.9
72	11	2.8	2.8	99.7
75	1	.3	.3	100.0
Total	386	100.0	100.0	

Histogram





Bio-data

A Personal Data

Full Name

Olawale, Matthew Kunle

Email

Kunlematthew.olawale@gmail.com

Address

Block 13, Plot 24, Omobolanle Oke Street, Oroki housing extension, Osogbo, Osun State, Nigeria

Phone Number +2348062458504

Date and Place of Birth: 4th April, 1977
Oyo, Attiba L.G. A, Oyo State

Nationality: Nigerian

Name & Address of Next of Kin: Aderonke Motunrayo Olawale
Block 13, Plot 24, Omobolanle Oke Street, Oroki housing extensio

Marital Status: Married

No of Children & their Ages: Four (4); Victor Olawale (16yrs); Victoria Olawale (13yrs); Victory Olawale (11yrs); Victorious Olawale (9yrs)

Date of Assumption of Duty in Current Establishment: 12th September 2012

Status on First Appointment in Current Establishment: Assistant Manager (Tax)

Present Position: Manager (Tax)

Date of last Promotion: 1st January 2020

Date of Confirmation of Appointment: 1st September 2013

B Educational Background and Qualifications with Dates

Local Authority Primary School
1984 -1990
Isale Oyo, Oyo town (FSLC)

Isale-oyo Community 1991-1996

Grammar School, Oyo (SSCE)

Federal Polytechnic, Offa

Kwara State, Nigeria

National Diploma in Accounting (ND)	2000
--	------

**The Polytechnic, Ibadan,
Nigeria**

Higher National Diploma in Accounting (HND)	2004
--	------

**Lead City University, Ibadan,
Nigeria**

B.Sc Accounting	2018
-----------------	------

**Ladoke Akintola University,
Ogbomoso, Nigeria**

MBA (Finance)	2015
---------------	------

**Lead City University, Ibadan,
Nigeria**

MS.c Accounting	2020
-----------------	------

**Lead City University, Ibadan,
Nigeria**

PhD Accounting	In-view
----------------	---------

C Work Experience with Dates

**Federal Inland Revenue
Service, Lagos:**

Senior Manager (Tax)	2012 to date
----------------------	--------------

**Reynolds Construction
Company Limited, Abuja**

Accountant March, 2008 to August 2012

**Value Discovery Nigeria
Limited, Lagos, Nigeria**

Accountant January, 2007– February, 2008

**Rabbi Consult Lagos –
Nigeria**

Audit Trancee May, 2005 -December,2006

**D Membership and Professional
Bodies**

**Institute of Chartered
Accountant of Nigeria**

Fellow, Chartered Institute 2011
Accountant of Nigeria (FCA)

**Chartered Institute of 2014
Taxation of Nigeria**

Fellow, Chartered Institute of
Taxation of Nigeria (FCITN)

E Publication

M. K. Olawale, G. E. Oyedokun. *Capital Allowance Incentives, Tax Holiday Incentives and Continuity of Small and Medium Scale Enterprise in Nigeria*. **International Journal of Accounting, Finance and Social Science Research (IJAFSSR)**. 3(3), 2025, 14- 46

G. E. Oyedokun, M. K. Olawale. *Effect of Tax Policy and Tax Administration on Business Continuity of Small and Medium Enterprises in Nigeria*. **International Journal of Accounting, Finance and Social Science Research (IJAFSSR)**. 3(3), 2025, 47- 82

F Major Conferences, Training and Workshop Attended with Dates

Management Information System	2000
Banking Operation, Treasury Management, Credit Operation and Corporate Finance	2007
Customer Service Excellence	2018
Taxpayer Service Management	2014
Tax Audit and Investigation	2017
Preliminary Inspectors of Taxes	2016
Use of Accounting Packages and Audit Software	2011
Research Methods and Academic Writing	2022
Academic & Industry EDGE Workshop	2022
Personal Effectiveness & Influencing Skills	2023
Advanced Diploma in Forensic Accounting and Fraud Investigation	2024
Other seminars organized by CITN	2019, 2021, 2022, 2023 & 2024
Other Seminars Organized by ICAN	2019, 2021, 2022, 2023 & 2024

G Others

Technical:

- Tax Administration
- Tax audit and Investigation
- Financial Management

Leadership:

- Provide strategic direction
- Provide necessary support to my colleagues
- Training
- Team Management
- Enhanced problem-solving capacity
- Interpersonal & Communication
- Flexibility, Adaptability, Target Orientation.

Paper Presentations

- Tax Audit Process
- Overview of Withholding Tax Regulation
- Tax audit process of SME
- Risk Profiling for Effective Tax Audit
- Review of General Ledgers and Balance sheet Items
- Review of Cost of Sales of Manufacturing Companies

Software Application

Good Proficiency in Microsoft Office Suite, SAP Application and Tax Promax Software Package

H References

Engr. Olawale A.M	Chief Technical Officer Osun State University. Osogbo, Nigeria +2348060186247
Mr. Fasipe Olutunde	Bursar, Nigeria Baptist Seminary, Ogbomoso, Nigeria +2348024277772
Barr. Bada Abimbola	Head of Audit, Federal Inland Revenue Service, Osun State +2348038265832

Signature

Date

The University Compliance Certification

This is to verify with thesis written by Matthew Kunle OLAWALE with matriculation number LCU/PG/002443 in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, in full Compliance with the approved University format and style

Signature

Date

Lead City University Ibadan DO NOT COPY