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Digitalization, Culture, and Taxpayers' Compliance in Nigeria

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ABSTRACT: This study investigated digitalization, culture, and taxpayers' compliance in Nigeria as the literature shows a paucity of studies on the subject. The study was guided by the economic deterrence theory and benefits theory of taxation (BRTT). Descriptive survey research was adopted. The study population comprised of selected staff at the Federal Inland Revenue Service (FIRS) offices, in Ibadan. three hundred and eighty-four (384) respondents were drawn using the Taro Yamane formula. A self-constructed questionnaire was administered to the respondents (r=0.821). Data collected were analyzed using descriptive and inferential statistics. Results showed that tax digitization (x=2.98), tax culture (x=2.93), and tax compliance (x=3.05) are good. Results also showed a significant influence of tax digitalization and tax culture on taxpayers' compliance (F=22.551, p<0.05). Tax digitization (Beta = .095; t = 1.798) has a positive influence on taxpayer's compliance, while tax culture (Beta = -0.344; t = -6.546), has a negative influence on taxpayer's compliance. The study recommend that the government should consider adopting a tax policy that would facilitate tax digitalization, tax education, sensitization to promote tax culture, and the inclusion of e-transactions taxation in the tax laws.

KEYWORDS: Tax Compliance, Tax Culture, Tax Digitization, Taxpayer, Taxation.

INTRODUCTION

Taxation is a reliable source of revenue for expanding the economy and providing necessary services to the majority of a country's population. These taxes come in a variety of forms, including individual, corporate, and transactional levies (Salim, 2020). According to Olushlola, et al. (2020), the government uses tax revenue to perform its traditional tasks, such as providing public goods, maintaining law and order, defending against external attack, regulating commerce, and ensuring social and economic stability. This is because the major responsibility of every responsible government is to expand its economy and provide residents with the necessities that would raise their level of living (Olushlola et al., 2020). The compliance of taxpayers is crucial to the fulfillment of these tasks, which affects the amount of tax income earned for the government by various agencies (Adesunloro et al. 2020).

Taxes are taken quite seriously in many countries since they account for a sizable amount of a country's revenue. In many developing countries, such as Nigeria, tax collections have remained an important driver of economic growth and development because of the substantial contribution they make to the nation's general budget (Nchege et al. 2019). The Federal Inland Revenue Services claims that a tax compliance culture has numerous positive outcomes for both Nigeria as a country and all socially responsible and law-abiding individuals, groups, organisations, and corporations in Nigeria (Adesunloro et al., 2020). Thus, the country's tax revenue is used to sustainably finance and fund governance, public and social services, and economic development while discouraging less preferred activities and sectors, encouraging civic engagement and patriotism, rewarding good corporate citizens, and providing special privileges and rights to citizens and businesses.

According to Cipek and Ljutic (2021), tax digitization is a method of tax administration. The idea may have been considered crucial because of the substantial role it plays in facilitating efficient and transparent tax administration and compliance processes, reducing tax fraud and corruption, and increasing voluntary tax compliance. To "digitise" (translate into a computer-readable format) tax data means to transform it into a form that can be read and processed by a computer (Sadiq, 2021). The significance of digitising the tax administration cannot be overstated. To reduce the number of unnecessary audits of law-abiding taxpayers, it is used to single out those who have failed to pay their fair share of taxes. By streamlining the compliance process and increasing the transparency of tax matters in real time, tax digitization also improves the service provided to taxpayers (Cipek & Ljutic, 2021).

Digitalization, Culture, and Taxpayers' Compliance in Nigeria

More efficient methods of analysing tax data and uncovering omissions are made possible by digitalization, which can aid in the elimination of tax avoidance and evasion (Yusuf, 2022).

There have been a lot of attempts to describe the tax culture's structure as accurately as possible. A society's "tax culture" reflects its level of development in terms of its members' understanding of their rights and the importance of fulfilling their tax responsibilities responsibly and with an appreciation for the interconnectedness of these factors (Korostelkina et al., 2020). A tax culture is a set of shared norms and practices among a population based on their shared history, knowledge, and experience with taxation. These definitions imply that taxpayers have a common legal duty to be aware of, understand, and abide by tax laws and regulations. However, the government must collect sufficient tax revenue and spend it wisely (Korostelkina et al., 2020). Morality, knowledge, and practice are the three pillars of tax culture. The ethical actions of taxpayers and government officials are crucial to the existence of a healthy tax culture and tax discipline (Korostelkina et al. 2020). The taxpayer's level of tax discipline is indicative of their awareness of their statutory tax obligations. Moral and ethical standards and effective taxing principles form the basis for tax behavior (Yee et al.,2017; Korostelkina et al.,2020).

Recent observations indicate that tax income in Nigeria contributes insufficiently to the country's gross domestic product (GDP) (Oladipo et al., 2019). This is a result of the country's generally low rate of tax compliance. Numerous taxpayers evade taxes for a variety of reasons, including the unfriendly structure of the countries' tax systems, multiple taxes by various government levels, lack of simplicity and accuracy of the tax legislation, inflation, tax pressure, high rates, lack of promotional regimes (tax incentives, exemptions, and tax expenses), lack of dissemination regarding the use of tax revenues, lack of citizens' tax integrity, and inefficiency of the tax administration.

Despite the government's varied efforts to enforce tax rules, a significant number of taxpayers have continued to default. Governments had implemented several tax education campaigns, commercials, and threats and punishments, but to no avail. Most earlier studies have focused on methods to reduce tax evasion to increase compliance, but the area of implementing tax digitalization as a solution is still fresh, necessitating further research. Similarly, there have been earlier studies on enhancing the taxpaying culture; however, the majority of these studies are outdated, necessitating new research in light of the current decline in tax compliance in Nigeria. This study would investigate how these tax digitization and cultural factors effect tax compliance in Nigeria. The study aims to assess the effect of tax digitalization and tax culture on taxpayers' compliance in Nigeria.

LITERATURE REVIEW

Conceptual Review

Taxation

Taxation is the process of imposing financial obligations on individuals and businesses. According to Ojong et al. (2016), tax is a "required levy imposed by the government on the income and property of individuals and corporations in line with government Decrees, Acts, or Laws, regardless of the exact amount of service performed by the payer in return". Income taxes, payroll taxes, sales taxes, property transfer taxes, and other forms of taxation are all included in the broad category of "tax revenue," as described by Bach et al. (2013). The percentage of a country's GDP that is generated via taxation is known as its total tax revenue. It is a measure of how much the government has its hands in the economy's coffers. A tax is a governmental payment; it is a one-way flow of money from the private sector to the public sector according to predetermined rules (Ojong et al., 2016). Taxes are not just a means to an end anymore; they are used to shape the economy in ways that benefit society as a whole (Yahaya, 2019) Companies Income Taxes (CIT), Value Added Taxes (VAT), Petroleum Profits Taxes (PPT), Personal Income Taxes (PIT), Stamp Duties (SD), Withholding Taxes (WHT), Capital Gains Taxes (CGT), National Information Technology Development Levy (NITDL), and Tertiary Education Taxes (EDT) are the types of taxes paid in Nigeria, according to the Federal Inland Revenue Services (FIRS, 2022).

Companies Income Tax: The Companies Income Tax Act (CITA) of 1979 established CIT, which has its origins in the Income Tax Management Act of 1961 (Ashiedu et al., 2022). It is one of the taxes managed and collected by the Federal Inland Revenue Service (FIRS), and it makes a major contribution to the government's revenue profile (Yahaya, 2019).

Value Added Tax (VAT): This is a consumption tax charged at each level of the consumption chain and paid by the end consumer. Under the Value Added Tax Act of 1993, as amended, producer or supplier of goods, and services proivder are required to charge and collect VAT at a flat rate of 5 percent on all invoiced amounts for any goods and services not exempt from paying VAT (Ashiedu et al., 2022). The 5 percent was later increased in the 2019 Financial Act to 7.5 percent with effect from February 2020 (Cole et al., 2021).

Petroleum Profit Tax (PPT): This is the primary source of tax revenue in Nigeria. It is a system of indirect taxation imposed by the government on the operations of enterprises in the upstream subsector of the petroleum industry (Aminu et al., 2020). This pertains primarily to the rents, royalties, margins, and profit-sharing provisions of oil mining, prospecting, and exploring contracts.

Personal Income Tax: According to Chukwuma and Uwakwe (2020), PIT is guided by Personal Income Tax Act Cap P8 LFN 2004 (as amended). It is a direct tax on the income of individuals, corporations, towns, families, and trustees or executors of any settlement (Parth et al., 2022). The rate of income tax payable is proportional to the amount of taxable income a person has.

The Stamp Duty (SD): Stamp Duties Act, CAP S8, LFN 2004 governs this (as amended). It is exclusively administered on written documents, and it is administered by both the FIRS, the Federal Capital Territory Inland Revenue Service (FCT-IRS), and the individual states' internal revenue services. FIRS evaluates and collects duties on contracts entered into between a corporation and an individual, organisation, or body of individuals.

Withholding Tax (WHT): This tax entails the collection of Income Tax in advance. WHT is deducted at variable rates ranging from 5% to 10% based on the kind of transaction (Oyedokun et al., 2021). The due date for WHT returns is the 21st of each consecutive month.

The Tertiary Education Tax: This is an allowable deduction in computing the assessable profits of companies engaged in petroleum operations (Upstream) (Ashiedu et al., 2022). Funds derived from the tax are used for the rehabilitation, restoration, and consolidation of tertiary education in Nigeria by the Tertiary Education Trust Fund (TETFUND).

Tax Compliance

Olaniyan (2020) defined tax compliance as the capacity to meet tax payment obligations in accordance with applicable tax laws. Timely tax compliance entails declaring and paying any tax burden owed to the appropriate government agency without delay. According to Aladejebi (2018), paying taxes may be more of a behavioral issue than a legal one; a taxpayer pays either voluntarily or under pressure. Compliance with tax requirements is considered voluntary when it is the taxpayer's own free will to do so. However, taxpayers will only comply with tax legislation if they believe they are being forced to do so by a higher authority (Aladejebi, 2018). In this regard, the punitive nature of audits and penalties imposed by tax authorities seems to be effective. Government spending, the prevalence of fraud and corruption among government employees, and government efforts to reduce fraud and corruption all have a substantial impact on the level of taxpayer compliance (Aladejebi, 2018)

Tax Digitalization

One of the main purposes of tax digitization is to modify the existing framework of the tax system so that it more effectively accomplishes its objectives (Bird & Wilkie, 2013). Bentley (2020) argues that tax authorities ought to embrace digitalization to foster voluntary compliance and offer taxpayer services across several platforms. The ultimate goal is to increase tax compliance, hence the system is designed to be user-friendly and adaptable for different types of taxpayers, tax administrators, and tax agents. In developing countries like Nigeria, where potential taxpayers look for loopholes to avoid paying taxes, digitising the tax administration process is vital (Ajala & Adegbie, 2020). Greater transparency, lower costs, higher revenues, increased efficiency and effectiveness, improved controls, the fight against corruption, electronic cooperation, interoperability (the capacity to exchange and use information), and single-window access are some of the major advantages of tax digitalization (Ajala & Adegbie, 2020). Consensus exists that digitising tax administration has its benefits, but it also has several drawbacks, including the high cost of acquiring the necessary technologies, the training of digital tax administrators, slow internet networks, and uneven standards (Ajala & Adegbie, 2020). The use of digital technology has been pivotal in several countries, including Malaysia, Japan, South Korea, Zambia, India, and South Africa. Tax collection and administration have been much improved as a result, which has contributed greatly to the advancement of these countries. There is widespread agreement that digitization is crucial to achieving long-term success in both international tax administration and management and economic growth. Digitalization and tax administration have boosted GDP and tax revenue, while also fostering job growth, facilitating trade and investment, and facilitating the harmonisation of domestic and international tax policies (Ajala & Adegbie, 2020).

Digitisation of the Nigerian Tax Administration

Following the model established by the developed countries for the computerization of tax systems, the Nigerian Finance Act of 2017 authorised the use of technology to enhance tax administration (Sani et al., 2021). This falls in accordance with the six primary electronic solutions (e-Services) introduced by FIRS to improve the processing and payment of taxes in Nigeria in a manner that is more convenient, transparent, and seamless around the clock e-Registration, e-Stamp Duty, e-Tax Payment, e-Receipt, e-Filing, and e-TCC are the solutions which may now be accessed online as a result of the digitalization of the Nigerian tax administration (Olushola, 2018). This programme by FIRS is designed to ensure that critical tax processes are automated in order to enhance the transparency, simplicity, and speed of tax administration for both taxpayers and tax administrators (Ajala & Adegbie, 2020).

Electronic Tax Clearance Certificate (e-TCC): Thisis a new system of issuing Tax Clearance Certificates (TCC). It replaces the old paper and manually processed Tax TCC (Ajala & Adegbie, 2020). The Electronic Tax Clearance Certificate (e-TCC) offers many advantages to both the Federal, State Governments and individual taxpayers.

E-Stamp Duty: E-stamp duty is for the payment of stamp duties on qualifying documents.

E-Filing: E-filing enables taxpayers to file their tax returns through the FIRS' Integrated Tax Administration System (ITAS).

E-Registration: This is for the registration of new taxpayers with the Internal or Inland Revenue Service for various taxes.

E-Receipt: This is for receiving and verifying receipts generated for taxes paid through the new e-payment.

However, Ajala and Adegbie (2020) pointed out various challenges of tax digitization. They include; illiteracy, difficulties in comprehending computer language, insufficient use of electronic tax systems in tax administration, internetfraud, compliance cost.

Tax Culture

Different academics have used different approaches in studying tax culture. According to Chuenjit (2014), the word encompasses not only the economic, social, cultural, political, and financial domains but also the psychological world. The tax culture reflects the soul and the inventiveness of the human race. According to Gaber and Gruevski (2018), this framework is founded on the cultural norms of each culture as well as the interplay between individual and collective values. Awareness of one's tax obligations is part of the tax culture (Gaber & Gruevski, 2018). Additionally, tax culture has been defined by Vehovar et al., (2018) as the web of formal and informal institutions, both new and old, and the interdependencies and ties that result from their ongoing interaction, all related to the national tax system and its practical implementation, which are historically ingrained in the culture of the country.

The tax culture of a country can differ from that of another due to the many variables that contribute to and modify it. New variables on the dimension of tax culture are the focus of the most significant research in this area. This includes the cultures of authority, interpersonal skills, education, and success. They make it possible to boost the efficiency of tax procedures. The concept of "the state can only collect taxes to the degree that citizens are ready to pay" is central to a tax culture. Honesty, responsibility, and justice are all part of the tax culture that permeates most developing countries (Gaber & Gruevski, 2018). According to Korostelkina (2020), tax culture is the result of ongoing interactions between taxpayers and tax authorities.

Theoretical Review

The theoretical framework for this study economic deterrence theory and benefits theory of taxation (BRTT). Allingham and Sandmo introduced the economic deterrence theory based on Becker's economics of crime model project (Gitonga & Memba, 2018). This hypothesis is founded on the premise that if the repercussions of committing a crime outweigh the benefits of the crime, the individual will refrain from performing the crime. According to the economic deterrence theory, taxpayer behavior is impacted by factors that determine the rewards and costs of tax evasion, such as the tax rate, the likelihood of detection, and the fines for fraud (Gitonga & Memba, 2018). The approach stresses the benefits that might come to law-abiding persons. The model anticipates then significant non-compliance.

Review of Empirical Studies

In a work by Al-Sharea (2020) to access the impact of tax culture on tax activity. The study's overarching objective is to illuminate how tax culture affects the effectiveness of tax activities at the General Authority for Taxation, which serves as a service provider to individual taxpayers and businesses. According to the findings, tax culture significantly affected tax behavior. Contributing to an understanding of the overall variance is a strong indicator of the impact of tax culture on the outcomes of the study's participants.

Ripol-Saragosi and Gomeleva (2021) worked on the application of digital tools to enhance tax administration processes. This article explores strategies for streamlining the tax administration process, and it sheds light on the challenges and opportunities presented by modern digital tax instruments. In this study, the authors examined the theoretical features of tax administration, defined the subject and subjects of tax administration, and identified the functions and conditions for implementing administration operations. Notable issues with tax administration that have a direct impact on tax output are discussed, such as the challenges of integrating digital tools into the Russian tax environment and coordinating the flow of data between tax authorities in real-time.

Ritei (2021) sought to establish the effects of tax compliance strategies on government tax revenue. The results indicated a positive and significant relationship between taxpayer education strategy and tax revenue in Kenya ($\beta = 1.128$, $p = 0.012$). There was a positive and significant relationship between law enforcement strategy and tax revenue in Kenya (β= 0.429, p= 0.007). Technology adoption strategy had a positive and significant relationship with tax revenue in Kenya (β= 0.199, p= 0.003). Lastly, taxpayer services strategy revealed a positive and significant relationship with tax revenue in Kenya (β= 0.490, p= 0.002).

Aladejebi (2018) analyzed business characteristics, tax administration, and tax compliance by SMEs in Nigeria. This research analyses the extent to which small firms in Nigeria are complying with tax laws, taking into account both administrative factors and the unique nature of each company. Also taken into account is the idea of tax education as a tool for smoother tax administration. The findings are consistent across both business and individual taxes, demonstrating that tax education increases tax compliance behavior among small enterprises. Also, due to inefficiency and corruption, the Nigerian tax administration system as a whole has little effect on tax compliance among the country's small enterprises. Small firms in Nigeria are more likely to comply with tax regulations if they have a certain type of ownership structure, are legally recognised, and have qualified and experienced management.

Methodology

This research employed a descriptive research design. The target population for this study consists of selected staff at the Federal Inland Revenue Service offices in Ibadan. Three hundred and eighty-four (384) respondents were drawn using the Taro Yamane formula. The formulated null hypothesis for this study is; H_01: Tax digitalization and tax culture have no joint significant effect on taxpayers' compliance in Nigeria.

For this study, the independent variables are tax digitization whose proxies are e-TCC, e-stamp duty, e-filing of return, and tax culture which was operationalized using the culture of force, the culture of human relations, culture of learning, and culture of achievement while the dependent variable is tax compliance which proxies are increased amount of taxes paid, timely payment of taxes, timely filing of tax returns.

Model Specification

$Y= \beta_o + \beta_1 X_1 + \beta_2 X_2 + e$

Where:

Y = Taxpayer Compliance (Dependent Variable)

X_1 = Tax Digitization (Independent Variable)

X_2 = Tax Culture (Independent Variable)

β_o = Intercept of the Model

β_1 and β_2,= Co-efficient of the independent variables

e = error term

RESULTS

Table 1: Tax Digitization

S/N	Items	SA (%)	A (%)	D (%)	SD (%)	M	SD	Remark
1	e-TCC, e-Stamp Duty, e-filing are possible because of the level of technological improvement in the world.	41 (12.8)	270 (84.4)	9 (2.8)	0 (0)	3.10	0.38	Agree (Good)
2	Digitalization of tax in Nigeria pave way for efficient taxation.	45 (14.1)	259 (80.9)	16 (5)	0 (0)	3.09	0.43	Agree (Good)
3	e-TCC, e-Stamp Duty, e-filing has reduced the rate of corruption and malpractice in tax revenue generation.	0 (0)	254 (79.4)	59 (18.4)	7 (2.2)	2.77	0.47	Agree (Good)
4	e-TCC has improved the tax revenue generated in the Nation.	131 (40.9)	168 (52.5)	21 (6.6)	0 (0)	3.34	0.60	Agree (Good)
5	There is an effective compliance in payments of taxes with e-tax thus affect the tax revenue yield of the economy of Nigeria.	15 (4.7)	185 (57.8)	103 (32.2)	17 (5.3)	2.61	0.66	Agree (Good)
	Weighted Mean = 2.98; S.D = 0.51; Overall Decision = Agree (Good)							

Source: Fieldwork, 2023

KEY: *SA = Strongly Agree (4), A = Agree (3), D = Disagree (2) and SD = Strongly Disagree (1); S.D = Standard Deviation*
******Threshold:*** *mean value of 0.000-1.499 = Strongly Disagree (Very Bad); 1.500-2.499 = Disagree (Bad); 2.500-3.499 = Agree (Good); 3.500 to 4.500 = Strongly Agree (Very Good)*

Table 1 reveals that the influence of Tax digitization is good (**Weighted Mean = 2.83; S.D = 0.49**) which is good.

Table 2: Tax Culture

S/N	Items	SA (%)	A (%)	D (%)	SD (%)	M	SD	Remark
1	Tax culture affect timely submission of tax returns and payment of taxes.	128 (40)	161 (50.3)	31 (9.7)	0 (0)	3.30	0.64	Agree (Good)
2	Since payment of tax is compulsory, there would be more compliance rather than voluntary.	65 (20.3)	255 (79.7)	0 (0)	0 (0)	3.20	0.40	Agree (Good)
3	The level of education have any impact on attitude to pay tax.	23 (7.2)	32 (10)	265 (82.8)	0 (0)	2.24	0.57	Disagree (Bad)
4	The basis of assessment of tax comply with Nigeria tax law.	34 (10.6)	277 (86.6)	9 (2.8)	0 (0)	3.08	0.36	Agree (Good)
5	The opinion of friends and relations influence willingness to pay tax.	39 (12.2)	180 (56.3)	101 (31.6)	0 (0)	2.81	0.63	Agree (Good)
	Weighted Mean = 2.93 S.D = 0.52; Overall Decision = Agree (Good)							

Source: Fieldwork, 2023

KEY: *SA = Strongly Agree (4), A = Agree (3), D = Disagree (2) and SD = Strongly Disagree (1); S.D = Standard Deviation*
******Threshold:*** *mean value of 0.000-1.499 = Strongly Disagree (Very Bad); 1.500-2.499 = Disagree (Bad); 2.500-3.499 = Agree (Good); 3.500 to 4.500 = Strongly Agree (Very Good)*

Table 2 showed that the influence of tax culture is good (**Weighted Mean = 2.93; S.D = 0.52**).

Table 3: Tax Compliance

S/N	Items	SA (%)	A (%)	D (%)	SD (%)	M	SD	Remark
1	Effective tax compliance can be achieved when digital tax and net of taxpayers is put in place in Nigeria.	22 (6.9)	256 (84.4)	29 (9.1)	13 (4.1)	2.90	0.56	Agree (Good)
2	Introduction of information technology will bring about effective tax compliance in Nigeria.	186 (58.1)	103 (33.2)	7.5 (24)	7 (2.2)	3.46	0.73	Agree (Good)
3	It is easy to generate tax revenue using digital taxation.	14.4 (46)	234 (73.1)	40 (12.5)	0 (0)	3.02	0.52	Agree (Good)
4	Tax digitization and good tax culture improves revenue accountability and tax compliance.	110 (34.4)	143 (44.7)	67 (20.9)	0 (0)	3.13	0.73	Agree (Good)
5	Tax culture encourages and improves tax payers tax self-reporting and timely submission of tax returns and payment of taxes.	38 (11.9)	159 (49.7)	123 (38.4)	0 (0)	2.73	0.66	Agree (Good)
	Weighted Mean = 3.05; S.D = 0.64; Overall Decision = Agree (Good)							

Source: Fieldwork, 2023

KEY: *SA = Strongly Agree (4), A = Agree (3), D = Disagree (2) and SD = Strongly Disagree (1); S.D = Standard Deviation*

******Threshold:*** *mean value of 0.000-1.499 = Strongly Disagree (Very Bad); 1.500-2.499 = Disagree (Bad); 2.500-3.499 = Agree (Good); 3.500 to 4.500 = Strongly Agree (Very Good)*

Presentation of Hypothesis

H$_0$1:Tax digitalization and tax culture have no joint significant effect on taxpayers' compliance in Nigeria

Table 4: Model Summary of Joint Influence of Tax Digitalization and Tax Culture on Taxpayers' Compliance)

Model Summary

					Change Statistics				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**R Square Change**	**F Change**	**df1**	**df2**	**Sig. F Change**
1	.353[a]	.125	.119	.97963	.125	22.551	2	317	.000

a. Predictors: (Constant), Tax Culture, Tax Digitization

Source: Researchers' Computation, 2023

Table 5: ANOVA Table of Joint Influence of Tax Digitalization and Tax Culture on Taxpayers' Compliance)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.282	2	21.641	22.551	.000[b]
	Residual	304.215	317	.960		
	Total	347.497	319			

a. Dependent Variable: Compliance

b. Predictors: (Constant), Tax_Culture, Tax_Digitization

Source: Researchers' Computation, 2023

F-value is significant at 0.05*

Tables 4 and 5 show the model summary and ANOVA of multiple regression analysis for the joint influence of tax digitalization and tax culture on taxpayers' compliance in Nigeria. The model summary in Table 4 shows the R^2 value of 0.125 which implies that a 12.5% variation in tax compliance in Nigeria (dependent variable) could be explained by the independent variables (tax digitalization and tax culture). The remaining 87.5% is explained by other factors outside the model and the error term. Furthermore, the very little difference between the R^2 value and the Adjusted R^2 value (that is, .125 - .119 = .006) indicates a very good fit of the model because the closer the R^2 value is to the adjusted R^2, the better the fit of the model.

Table 5 shows that the F-value is 22.551 and the p-value is 0.000 (F= 22.551, P<0.05) which is much less than 0.05 and highly significant. The F-test rejects the null hypothesis that states "tax digitalization and tax culture have no joint significant effect on taxpayers' compliance in Nigeria" and it can be concluded that there exists a significant variation in tax compliance in Nigeria due to tax digitalization and tax culture which means that the regression model is a good fit of the data. This suggests that tax digitalization and tax culture significantly influence taxpayers' compliance in Nigeria.

Table 6: Coefficients of Combined Influence of Tax Digitalization and Tax Culture on Taxpayers' Compliance in Nigeria.

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**	**Lower Bound**	**Upper Bound**
1	(Constant)	20.143	.911		22.119	.000	18.352	21.935
	Tax_Digitization	.083	.046	.095	1.798	.001	.175	.008
	Tax_Culture	-.249	.038	-.344	-6.546	.000	-.324	-.174

a. Dependent Variable: Compliance

Source: Researchers' Computation, 2023

Table 6 shows the coefficients of multiple regression analysis for the joint influence of tax digitization and tax culture on taxpayers' compliance. The table reveals that the beta coefficient (β) and t-values for tax digitization (Beta = .095; t = 1.798; Significance = .001), tax culture (Beta = -0.344; t = -6.546; Significance = .000), which all are significant at P>0.05. These results imply that tax digitization and tax culture explained the variance in taxpayers' compliance. From the Table 6, tax digitization has a positive relationship with taxpayers' compliance as depicted by the positive B value (.095). This result implies that as tax digitization increases, the taxpayers' compliance also increases. A unit rise in tax digitization will lead to a .095 increase in taxpayers' compliance as depicted by the positive value of B. It was also observed from Table 6 that tax culture has a negative relationship with taxpayers' compliance as depicted by their negative B value of -.344. It, therefore, means that tax culture negatively influenced taxpayers' compliance. For a unit change in tax culture, a -.344 decrease in taxpayers' compliance is depicted by the negative value of B.

Tables 4 and 5 revealed that the level of significance was 0.000 ($p<0.05$) this implies that the regression model is significant in predicting the correlation between the independent (tax digitization and tax culture) and the dependent variable (taxpayer compliance). With the test, it was discovered that tax digitalization and tax culture have a substantial influence on taxpayers' compliance in Nigeria. Tax digitization has a positive relationship with taxpayers' compliance and tax culture negatively influenced taxpayers' compliance. This in turn help maximizes the collection of revenue which enables the government to address developmental projects that will benefit its citizenry on the part of the taxpayer, it serves as a check on the proffers guiding tax administration and also helps in strengthening the activities of the taxpayer. These results partly corroborate the findings of Sani (2022) who reported that electronic tax administration systems establish a clear link between time to comply and tax payments, and they allow tax authorities to check transactions in real-time rather than depending on manual tax reports. This study is partly consistent with Yamen, et al. (2020). Their findings showed that there's a negative and significant relationship between tax evasion and digitalization adoption.

CONCLUSION AND RECOMMENDATIONS

This study, investigated the influence of tax digitization and tax culture on taxpayers' compliance in Nigeria. It was concluded that tax digitization and tax culture are important tools that can aid effective tax compliance and increase government revenue.

The study however found that tax digitization and tax culture statistically and significantly predict taxpayers' compliance. Hence, there exists a significant joint effect of tax digitalization and tax culture on taxpayers' compliance in Nigeria.

The study recommends that the government should consider adopting a tax policy that would facilitate tax digitalization, tax education, sensitization to promote tax culture, and the inclusion of e-transactions taxation in the tax laws, all of which will increase tax compliance.

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