

E-Tax System in Nigeria: Perceptions of Small-Scale Business Owners in Enugu State

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Abstract

The main purpose of the study was to determine the perceptions of Small-Scale Business Owners in Enugu state on e-tax system. The study was guided by two research question and two null hypotheses. The population was 494 Small-Scale Business Owners in Enugu State. Convenience Sampling was adopted since some members of the population operates in the rural areas believed to be characterized by insecurity and inadequate internet availability. The instrument used for data collection was a 19-item questionnaire developed by the researchers. The instrument was validated by three experts and the reliability of the instrument was determined using Crombach Alpha which yielded reliability index of 0.87. The instrument was administered to the respondents by the researchers via both online and offline. 201 out of 221 copies of questionnaire were well responded to, returned and used for data analysis representing 91 percent return rate. Mean and standard deviation were used for data analysis and t-test statistics was used to test the null hypotheses. Findings showed that Small-Scale Business Owners in their perceptions agreed that Business owners are aware of the tax e-filing system provided by the ESIRS, tax e-filing system is easier to use for business tax needs, tax e-filing system saves time compared to manual tax filing, e-filling system is compatible with everyday smart phones, tax e-filing makes tax compliance easier for small-scale businesses. The null hypotheses showed no significant difference between the mean scores of male and female Small-Scale Business Owners regarding their perceptions on e-taxation in Enugu State. Based on the finding it was recommended among others that the Enugu State Internal Revenue Service (ESIRS) should vigorously pursue continuous taxpayer sensitization programs, specifically targeting Small-Scale Business Owners and should collaborate with telecommunication and banking service providers to improve internet connectivity and quality banking service delivery, especially in semi-urban and rural parts of Enugu State where many small businesses operate.

Keywords: E-tax, Perception, Small-Scale Business Owners, Small-Scale Enterprise, E-filing, E-payment.

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INTRODUCTION

World over, taxation has remained one of the major sources of revenue to the governments at all levels. Tax constitutes all levies imposed by the government or its agency on the people and their business ventures not as punishment for any misdeed, but a means through which the governments generate funds to run the affairs of the state and further regulate economic activities therein. Tabet & Onyeukwu (2019) in Nnam, Maduabuchi, Igwe, Okeke & Chukwunwike (2022) opined that taxes are the compulsory levies imposed by the government on business profits, personal income, dividends, and commissions necessary for the infrastructural and social development of the country. Tax is imposed on a subject and any property that might be in one's name. It is described as a compulsory levy and used by the government to provide security, social amenities and create conditions for the economic well-

being of the society (Awai & Oboh, 2020). Manasseh (2018) posited that tax is generally referred to as a compulsory levy imposed by government upon various categories of assets for public purposes. For tax to achieve what it's meant to achieve, the system has to be very efficient.

Efficient tax system is when individuals and business ventures pay the least of amount of tax as required of them by the law. Efficient tax system gives the government opportunity to internally generate funds enough to subdue enormous infrastructural needs the government swore to deliver to the people. Maisiba & Atambo (2016) opined that efficient tax system would present an effective means of mobilizing a nation's internal resources while also lending itself as an avenue where an environment conducive to the promotion of economic growth can be created.

In Nigeria, like in many other developing countries, tax revenue forms a substantial part of the government's internal revenue used to fund critical sectors such as infrastructure, health, education, and security. However, the process of tax administration and collection has historically been marred by inefficiencies, corruption, lack of transparency, and a weak compliance culture among taxpayers, particularly in the informal and small business sectors. The loss of tax revenue in Nigeria is caused by tax evasion and tax avoidance due to inefficient and inept tax administration (Okoye and Olayinka, 2021). According to the authors, the large size of Nigeria's tax gap suggests that increasing the country's tax effort in an equitable and efficient way requires reforms of both tax policy and tax administration. It is with this idea in mind that tax administrators in Nigeria are looking the way of incorporating technologies into tax administration.

With the advent of technological advancements world over, governments worldwide, including Nigeria, have sought to reform their tax systems through the implementation of electronic taxation (e-tax) systems. Available statistics and experiences have shown that infusing ICT into tax administration and management constitutes a necessary positive metamorphosis in the revenue generation of the government.

Electronic taxation (e-taxation) is the system of collecting taxes by the relevant authorities electronically from the taxpayers with the aid of internet service (Aguagu, Asomba and Kalu 2023). E-tax system enables the taxpayers the opportunity to pay up their tax liabilities even within the convenience of their homes or offices through electronic means such as web, Card and USSD payment gateways. According to Oladele, Aribaba & Adekunle (2020), e-tax system is an online policy which avails taxpayers the opportunity to access the service porters through the internet and see all the services offered by the tax administration like the registration for generating personal identification number, filing of returns and application for a compliance certificate. As novel as e-tax system reforms is in Nigeria, it's believed that its potentials are yet to be fully appreciated by the taxpayers. The purpose of these reforms is to improve tax administration, reduce leakages, enhance transparency, and ultimately increase voluntary compliance among taxpayers, these the Federal Inland Revenue Service (FIRS) champions and assiduously working on.

The Federal Inland Revenue Service (FIRS) and various State Internal Revenue Services (SIRS) in Nigeria have in recent years embraced digital transformation by adopting e-tax platforms. These platforms enable taxpayers to register, file returns, pay taxes, and access relevant tax information online, thus reducing the need for physical interactions. According to Akpubi & Igbekoyi, (2019), The Federal Inland Revenue Service (FIRS) introduced Integrated Tax

Administration System (ITAS) in 2013 to improve tax administration in Nigeria and transform the tax compliance process away from the then manual system which was tedious and bureaucratic. The process of migrating to an electronic system commenced fully in 2015 with the Federal Inland Revenue Service (FIRS) in collaboration with Nigeria Inter-Bank Settlement System (NIBSS) introducing the following: e-Services; e-Registration, e-Payment, e-Filing, e-Receipt, e-Stamp Duty and e-Tax Clearance Certificate (e-TCC), (Oladele, Aribaba & Adekunle, 2020 in Aguagu and Asomba 2023).

At state level such as Enugu state, e-tax system is gaining serious ground in the state's tax administration. According to Nnamani (2025), the Executive Chairman of the Enugu State Internal Revenue Service in his speech presentation to the staff in one of the Board's Learning Series, "the ESIRS has incorporated e-tax system in it operational services where taxpayers can easily carryout e-filing and e-payment at the comfort of their homes or offices on ESIRS portal, making use of Flutterwave, Remita, E-tranzact, Moniepoint payment gateways after due assessment to clear their tax liabilities to the state". Accordingly, e-filing and e-payment are the two major components of e-tax system. e-filing component allows taxpayers to submit tax returns and related documents electronically. e-tax filing systems has been a global phenomenon, marked by a shift from traditional, paper-based methods to technologically advanced systems (Salawu, Adigun, Lawal, & Olaleye 2024). The introduction of e-tax filing system holds promise for enhancing tax compliance and streamlining tax filing processes among SMEs (Lumumba *et al.*, 2010). The very purpose of e-filing is to simplify tax compliance, reduce paperwork, minimize human contact, and improve accuracy and transparency in tax return submissions. E-filing system includes:

- Online registration and issuance of Tax Identification Number (TIN).
- Preparation and submission of tax returns (VAT, income tax, company tax).
- Uploading supporting documents.
- Automatic validation and acknowledgment of filings.

The e-payment component of e-tax system on the other hand facilitates the electronic payment of taxes through secure digital channels as programmed by the tax authority. According to Che-Azmi & Kamarulzaman (2014), e-tax payment system is one of the ways through which governments globally make use of information and communication technologies to enhance the provision of public services and the circulation of public administration information to the society. Upon filing tax returns, the system automatically sends an acknowledgement of receipt and payment confirmation to the taxpayer (Purba *et al.*, 2019). It is aimed at ensuring timely, traceable, and convenient tax payments,

reducing leakages, and enhancing government revenue collection. It includes:

- Integration with banks and payment gateways.
- Payment through debit/credit cards, internet banking, mobile money, fintech, etc.
- Instant generation of receipts and payment confirmations.

Though, the intentions of those who are incorporating e-technologies to tax administration is to simplify the tax process, eliminate opportunities for corrupt practices, and make compliance easier and more attractive. However, it seems that the implementation and effectiveness of e-tax systems have not been uniform across all states and sectors, particularly among small-scale businesses in states such as Enugu, as Small-Scale Businesses may not have been fully inundated with the workings and procedures of e-taxation to enable them appreciate the system. This therefore, requires that small-scale enterprises be carried along in this transformative move by the state government.

Small-scale enterprises according to Efobi, Ibukun & Tanankem (2018), are enterprises with an employee base of 10 to 199 individuals and an asset base of 5 million to 500 million naira. It is those business ventures with little startup investment operating to solve economic problems within its immediate environment. Accordingly, a Small-Scale Enterprise is an entity with a labour size of 1-100 workers or a total cost of not more than ₦50 million (122,000 USD) including working capital but excluding the cost of land (Tebet and Onyeukwu 2019). According to Finance Act (2020), small businesses for corporate tax liability, are companies with annual gross turnover of N25 million (61,000 USD) or less. Organization for Economic Cooperation and Development OECD (2022) provides that small businesses have been described as essential agents for delivering more inclusive globalization and growth, and key contributors to economic and social wellbeing. In Nigeria, a considerable fraction of the businesses are sole traders operating small scale business, locally owned and managed by individuals or families and often with very few employees working at a single location (Nigeria Development Bank Report, 1988 in Olayeye 2025). It is a type of business that is not gender dominated as male and female small-scale business owners co-exist to fairly compete for the survival of their ventures. In this study, gender includes male and female. Accordingly, Ugwu (2024) posited that gender refers to the fact of being a male or a female. It is the characteristic of women, men, boys and girls who are socially constructed (Ugwunwoti 2021). SSEs have good statistics of males doing the business just as females too since the success of the business lies in the ingenuity of the owner or manager, be it male or female.

Small-scale enterprises (SSEs) are crucial to the Nigerian economy. They contribute significantly to employment generation, poverty alleviation, and

grassroots economic development. According to Olayeye (2025), Small-scale Enterprises (SSEs) are considered the backbone of economic growth in all countries. Smaller enterprises represent over 90% of private businesses and they contribute to more than 50% of employment and GDP in most African countries (UNIDO, 2022). Small-Scale Enterprises greatly contribute to job creation, innovation, and economic diversification in Nigeria (PricewaterhouseCoopers (PwC) Nigeria, 2020). SSE is essentially a business that the young people can easily venture into without formal education or special skill set and expect return on investment within a short while. From the assertions above, it is reasonable to state that SSEs therefore have a crucial role to play in stimulating growth, generating employment and contributing to poverty alleviation, given their economic weight in Nigeria, even in Enugu state.

In Enugu, a state characterized by a vibrant informal economy and a growing number of small businesses, SSEs play an instrumental role in local development. However, these businesses often operate in a tax environment that is perceived as complex, bureaucratic, and sometimes hostile. In the words of Olayeye (2025), SSEs face several challenges particularly in the areas of government regulations and taxations. 80% of small businesses are not paying regular taxes to the government, while some SSEs pay taxes to local, state, and federal government agencies, many avoid paying structured taxes such as corporate and personal taxes (Umenzekwe, Ukachukwu, Okonewa, Uchegbu, 2023). It is very well believed that most of the SSEs do not even know the taxes they are to pay, where and how to pay.

Many small-scale business owners are either unaware of their tax obligations, find the process of compliance too cumbersome, or actively avoid the tax system due to distrust in government institutions and fear of exploitation. Accordingly, higher tax rate increases the burden of the tax payer and reduces his disposable income hence; the probability of evading, avoiding tax or even winding up (Chipeta 2022).

This presents a challenge to tax authorities in their bid to widen the tax net and enhance revenue generation. In response to these challenges, the Enugu State Internal Revenue Service (ESIRS) has introduced digital reforms aimed at simplifying tax administration through the e-tax system. This includes platforms that allow for online registration, e-filing, e-payment, and automated receipt generation. Despite these efforts, there is still limited empirical data on how these reforms are perceived by small-scale business owners in the state. Are these business owners aware of the e-tax system? Do they find it user-friendly and beneficial? Has it influenced their willingness to comply with tax regulations? Or is it perceived to have simply added another layer of complexity to an already burdensome

process? The e-tax perceptions of small-scale business owners in Enugu State is important in answering the above puzzling questions.

Perception is a psychological concept that determines the view of individual using the five human sensory organs on an item, tool, situation or event (Ugwu 2024). If the Small Business owners' perception of e-tax technology is improved positively, they will appreciate and utilize it for filing returns, making payment, generating receipts and so on, especially as it is believed to be better than the traditional way of tax filing and payment.

The perception of small-scale business owners toward the e-tax system is a critical factor in determining the system's effectiveness. Technology adoption, especially in contexts with low digital literacy and infrastructural deficits, often faces significant resistance. The Technology Acceptance Model (TAM) according to Davis (1989), for instance, posits that perceived usefulness and perceived ease of use are key determinants of technology adoption, a theory upon which this study is anchored. If small-scale business owners perceive the e-tax system as complex, unreliable, or irrelevant to their needs, they are less likely to embrace it, regardless of its potential benefits. Conversely, positive perceptions can lead to increased adoption, better compliance, and improved revenue outcomes for the state. It is on this premise that the researchers sought to determine the perceptions of Small-Scale Business Owners on e-tax system in Nigeria.

Statement of the Problem

Taxation is a vital tool for revenue generation in any country, and the introduction of electronic tax (e-tax) systems is a strategic move aimed at enhancing tax administration, improving compliance, reducing corruption, and ensuring transparency. In Nigeria, the Federal Inland Revenue Service (FIRS) and relevant state tax authorities have adopted e-tax platforms to streamline the tax payment process and reduce the burden of manual filing. However, despite these advancements, small-scale business owners—who constitute a significant portion of Nigeria's informal sector—often encounter various challenges in adapting to the e-tax system. In Enugu State, where small-scale enterprises play a key role in economic development, the perceptions and experiences of business owners with the e-tax system remain underexplored.

Observation shows that many Small-Scale Business Owners in Enugu State express concerns about the complexity, accessibility, and usability of e-tax platforms. Issues such as low digital literacy, unreliable internet infrastructure, lack of awareness, and inadequate technical support hinder their effective engagement with the system. As a result, there seem to be a growing disconnect between the intended benefits of the e-tax system and its actual impact on the ground. It is observed

that non-compliance, either due to ignorance or technical challenges, remains a persistent problem, raising concerns about the system's inclusivity and effectiveness in capturing a broader tax base.

Moreover, there appears to be a gap in policy implementation, where small-scale business owners are not sufficiently carried along in sensitization and training efforts. This lack of engagement contributes to negative perceptions of the e-tax system as being cumbersome and overly bureaucratic, potentially discouraging voluntary compliance. If these issues are not adequately addressed, the goal of enhancing domestic revenue mobilization through digital tax reforms may be undermined. Given the significance of taxation to national development and the critical role of small-scale enterprises in the Nigerian economy, it is imperative to examine the perceptions of small business owners toward the e-tax system in Enugu State.

This study sort to fill that gap by exploring how small-scale business owners understand, experience, and respond to the digital transformation of tax administration. It is on this premise therefore, that this study examined the perceptions of small-scale business owners in Enugu State regarding the e-tax system, identify the challenges they face, and explore the implications for tax compliance and policy effectiveness since understanding their viewpoints is crucial for improving the system's design, accessibility, and acceptance among a critical segment of the Nigerian economy.

Purpose of the study

The major purpose of this study was to evaluate the perceptions of small-scale business owners in Enugu state on e-tax system. Specifically, the study sought to determine the:

1. perceptions of small-scale business owners in Enugu state on tax e-filing system.
2. perceptions of small-scale business owners in Enugu state on tax e-payment system.

Research Questions

The following research questions guided the study:

1. What are the perceptions of small-scale business owners on tax e-filing system in Enugu state?
2. What are the perceptions of small-scale business owners on tax e-payment system in Enugu state?

Statement of Hypotheses

H₀₁ There is no significant difference between the mean scores of male and female small-scale business owners regarding their perceptions on tax e-filing system in Enugu state.

H₀₂ There is no significant difference between the mean ratings of male and female small-scale business owners

regarding their perceptions on tax e-payment system in Enugu state.

METHOD

The design adopted for this study was a descriptive survey research design. A descriptive survey research design according to Nworgu (2015) is one in which a group of people or items are studied by collecting and analyzing data from only a few people or items considered to be representative of the entire population. This design was used because it involves the assessment of public opinion using questionnaire and sample methods. The study was conducted in Enugu Metropolis. The population of the study comprised of 494 Small-Scale Business Owners in Enugu State (Source: Enugu Chamber of Commerce, Industries, Mines and Agriculture (ECCIMA)). Sampling was adopted by the researchers since some of the Business Owners were operating from far away rural areas considered to be infested with insecurities and non-availability of internet connectivity. Sampling is a process of selecting a subdivision of the population in any research (Shorten & Moorley, 2014). In determining the sample size, the researchers employed the Convenience Sampling which yielded a sample of 221 SSE owners. According to Rahi (2017), Convenience Sampling describes the data collection process from a research population that is effortlessly reachable to the researcher. The technique was used because according to Golzar, Noor & Tajik (2022), convenience sampling is a good fit for a study when it plans to obtain people's perceptions and attitudes.

The instrument for data collection was a structured questionnaire designed by the researchers. The instrument was divided into two categories (A and B); category A contained the personal data of the respondents while B contained 19 items grouped into two sub-sections according to the research questions that guided the study. The instrument was based on four-point rating scale of Strongly Agree (4), Agree (3), Disagree (2) and Strongly Disagree (1)

The instrument was validated by three experts. Two experts from the Department of Accountancy and one expert from Measurement and Evaluation in the

Department of Science and Computer Education all in Enugu State University of Science and Technology. A reliability test was conducted using 100 Small-Scale Business Owners from Awka in Anambra State. Anambra State was used because the State has similar economic ideology and taxation policy as Enugu State. The reliability of the instrument was conducted using Cronbach Alpha and the reliability co-efficient yielded 0.87. The questionnaire items were on one hand organized in a Google form and sent out to the respondents via their WhatsApp and email handles by the researchers, while on the other hand, it was structured in printed copies and served to the remaining respondents who at that moment had no active email or WhatsApp. Out of the 221 copies administered, 201 copies were properly responded to and therefore used for data analysis representing 91% return rate. Mean and Standard Deviation were used for answering the research questions. While t-test statistics was used to test the null hypotheses at 0.05 level of significance. The decision for the mean was based on the principle of real limits.

Thus:	3.50 - 4.00	Strongly Agree
	2.50 - 3.49	Agree
	1.50 - 2.49	Disagree
	1.00 - 1.49	Strongly disagree

The Standard Deviation was used to determine the homogeneity or deviation of the respondents' mean scores. The t-test statistics was used to test the null hypothesis at .05 level of significance, that is: if there is a significant difference between the mean responses of the 2 groups of male and female business owners. In testing the hypotheses, when the t-test showed a "significant difference" value, the null hypothesis was rejected, otherwise do not reject.

RESULTS

The results are presented in tables 1 to 4 according to the research questions and null hypotheses that guided the study.

Research Question 1

What are the perceptions of small-scale business owners on tax e-filing system in Enugu state?

Table 1: Mean and standard deviation of the respondents on the perceptions of small-scale business owners on tax e-filing system in Enugu state,

SN		Male N=187		Female N=34		Overall \bar{X}	Overall SD	Decision
		\bar{X}	SD	\bar{X}	SD			
1	Business owners are aware of the tax e-filing system provided by the ESIRS.	3.19	2.61	3.06	2.80	3.13	2.71	Agreed
2	The tax e-filing system is easier to use for business tax needs.	2.88	2.51	3.12	2.77	3.00	2.64	Agreed
3	Tax e-filing system saves time compared to manual tax filing.	2.91	2.41	2.91	2.34	2.91	2.38	Agreed

SN		Male N=187		Female N=34		Overall X̄	Overall SD	Decision
		X̄	SD	X̄	SD			
4	The e-filing system is compatible with everyday smart phones.	3.02	2.35	3.03	2.41	3.02	2.38	Agreed
5	Tax e-filing will make tax compliance easier for small-scale businesses.	3.41	2.82	3.12	2.63	3.26	2.73	Agreed
6	Business information is secured when using the e-filing platform.	3.17	2.65	3.26	2.65	3.22	2.65	Agreed
7	Using the tax e-filing system has improved perception of government tax processes.	3.01	2.53	3.09	2.68	3.05	2.60	Agreed
8	Business owners have received adequate training on the use of the tax e-filing system.	1.81	1.27	1.94	1.57	1.87	1.42	Disagreed
9	The e-filing system has reduced significantly the incidences of multiple taxation in Enugu State	2.82	2.07	3.32	2.93	3.07	2.50	Agreed
10	Tax e-filing system is recommendable to other small business owners in Enugu State.	3.43	2.97	3.21	2.74	3.32	2.86	Agreed
Grand mean/standard deviation		2.96	2.42	3.01	2.55	2.98	2.49	Dis/Agreed

The result of data analysis presented in Table 1 above shows that the respondents agreed in all the items with mean responses ranging from 2.91 to 3.32. However, the respondents disagreed in item 8 with a mean of 1.87. The grand mean of 2.98 further shows that the respondents agreed to 9 items as the perceptions of small-scale business owners on tax e-filing system in Enugu state. The low standard deviation shows that the respondents have similar opinion to the items as

the perceptions of small-scale business owners on tax e-filing system in Enugu state.

Hypothesis 1

There is no significant difference between the mean scores of male and female small-scale business owners regarding their perceptions on tax e-filing system in Enugu state.

Table 2: t-test statistics of the mean responses of small-scale business owners on their perceptions of tax e-filing system in Enugu state

	Male	Female
Mean	2.966	3.006
Variance	0.209	0.154
Observations	10	10
Hypothesized Mean	0	
df	18	
t Stat	-0.222	
P(T<=t) one-tail	0.413	
t Critical one-tail	1.734	

The result of t-test statistical analysis in Table 2 reveals that the p-value at 0.05 level of significant is 0.413. It is observed that P>0.05 level of significance and as such, aligns with our null hypothesis. Therefore, there is no significant difference in the mean scores of male

and female small-scale business owners regarding their perceptions on tax e-filing system in Enugu state.

Research Question 2

What are the perceptions of small-scale business owners on tax e-payment system in Enugu state?

Table 3: Mean and standard deviation of the respondents on the perceptions of small-scale business owners on tax e-payment system in Enugu state

SN		Male N=187		Female N=34		Overall \bar{X}	Overall SD	Decision
		\bar{X}	SD	\bar{X}	SD			
11	Tax e-payment system of the ESIRS is easy to use.	3.09	2.66	2.71	2.20	2.90	2.43	Agreed
12	The e-payment system of the ESIRS has made tax payment more convenient for businesses.	2.51	1.68	3.32	2.98	2.92	2.33	Agreed
13	The e-payment system has reduced corruption in tax payment significantly.	3.04	2.36	3.06	2.41	3.05	2.39	Agreed
14	It saves time and effort using the ESIRS e-payment system.	3.01	2.44	2.85	2.25	2.93	2.35	Agreed
15	The e-payment system is highly preferred over the traditional payment system.	3.48	2.97	2.59	2.39	3.03	2.68	Agreed
16	Business owners would be willing to continue to use the e-payment system even in the future.	3.16	2.75	3.26	2.84	3.21	2.80	Agreed
17	Instability of internet access in Enugu affects ability to use the e-payment platform.	2.89	2.25	3.15	2.70	3.02	2.47	Agreed
18	The security architecture of the e-payment system of ESIRS is trustworthy.	2.78	2.18	2.62	2.20	2.70	2.19	Agreed
19	The ESIRS e-payment system is recommendable to other business owners.	2.99	2.66	2.82	1.98	2.91	2.32	Agreed
	Grand mean/standard deviation	2.99	2.44	2.93	2.44	2.96	2.44	Agreed

The result of data analysis presented in Table 3 above shows that the respondents agreed in all the items with mean responses ranging from 2.70 to 3.21. The grand mean of 2.96 further shows that the respondents agreed to the 9 items as the perceptions of small-scale business owners on tax e-payment system in Enugu state. The low standard deviation obtained shows that the respondents have similar opinion to the items as the

perceptions of small-scale business owners on tax e-payment system in Enugu state.

Hypothesis 2

There is no significant difference between the mean scores of male and female small-scale business owners regarding their perceptions on tax e-payment system in Enugu state.

Table 4: t-test statistics of the mean responses of small-scale business owners on their perceptions of tax e-payment system in Enugu state.

	Male	Female
Mean	2.994	2.931
Variance	0.069	0.077
Observations	9	9
Hypothesized Mean Difference	0	
df	16	
t Stat	0.487	
P(T<=t) one-tail	0.317	
t Critical one-tail	1.746	

The result of t-test statistical analysis in Table 4 reveals that the p-value at 0.05 level of significant is 0.317. It is observed that P>0.05 level of significance and as such, aligns with the null hypothesis. Therefore, there is no significant difference in the mean scores of male and female small-scale business owners regarding their perceptions on tax e-payment system in Enugu state.

DISCUSSION OF FINDINGS

The findings of this study were discussed in line with the responses to the research questions and hypotheses tested for the study. The findings of the study

according to research question one showed that the SSE owners in their perception agreed that Business owners are aware of the tax e-filing system provided by the ESIRS, The tax e-filing system is easier to use for business tax needs, Tax e-filing system saves time compared to manual tax filing, The e-filing system is compatible with everyday smart phones, Tax e-filing makes tax compliance easier for small-scale businesses, Business information is secured when using the e-filing platform, Using the tax e-filing system has improved perception of government tax processes, The e-filing system has reduced significantly the incidences of

multiple taxation in Enugu State and Tax e-filing system is recommendable to other small business owners in Enugu State. Although, the respondents are in disagreement with one of the items; business owners have received adequate training on the use of the tax e-filing system. The findings from this study are in tandem with Salawu, Adigun, Lawal, and Olaleye (2024) who opined that e-filing system enables a more secure, efficient and convenient tax submission experience for individuals and companies. The authors continued that e-filing is helpful in boosting participants' commitment to disclose their tax returns and to fulfill their tax obligations voluntarily. In similar opinion, Nwamgbebu, Oketa, Odom, Nwambe, and Nweke–Charles (2019) posited that the integration of information technology in tax administration in the form of e-tax known as electronic taxation has been proved to be master tool in combating the challenges of any tax system as it provides adequate tax records for easy communication of information and efficiently minimize cost of administration which has led to enhancement in tax revenue.

Hypothetically, findings also showed that there was no significant difference in the mean scores of male and female small-scale business owners regarding their perceptions on tax e-filing system in Enugu State. The implication of the finding was that the gender of the respondents had no significant influence on the identified items regarding Small-Scale Business Owners' perceptions on tax e-filing system in Enugu State.

In furtherance, findings of the study according to research question two showed that Small-Scale Business Owners in Enugu State agreed totally in their perception that Tax e-payment system of the ESIRS is easy to use, The e-payment system of the ESIRS has made tax payment more convenient for businesses, The e-payment system has reduced corruption in tax payment significantly, It saves time and effort using the ESIRS e-payment system, The e-payment system is highly preferred over the traditional payment system, Business owners would be willing to continue to use the e-payment system even in the future, Instability of internet access in Enugu affects ability to use the e-payment platform, The security architecture of the e-payment system of ESIRS is trustworthy and The ESIRS e-payment system is recommendable to other business owners. In support of the above opinion, Nwamgbebu, Oketa, Odom, Nwambe, and Nweke–Charles (2019) argued that tax e-payment system reduces time wasting because there are various channels through which taxpayers can pay their taxes and they can also communicate with the tax authorities online when remitting their taxes unlike the manual tax system which was tiring and burdensome.

Moreso, in hypothesis; findings showed that there was no significant difference in the mean scores of male and female small-scale business owners regarding their perceptions on tax e-payment system in Enugu

State. The implication of the finding was that the gender of the respondents had no significant influence on the identified items regarding Small-Scale Business Owners' perceptions on tax e-payment system in Enugu State.

CONCLUSION

The advent of the e-tax system in Nigeria actually ushered in very important steps toward modernizing tax administration, improving transparency, and widening the tax net. For small-scale business owners in Enugu State, the system has the potential to simplify tax processes, reduce the burden of physical interactions with tax officials, and enhance compliance. However, the extent to which these benefits are realized depends largely on taxpayers' perceptions of the system's usefulness, ease of use, and reliability. Findings of the study suggest that while some small business owners view the e-tax system as a positive innovation that saves time and promotes accountability, others remain skeptical due to challenges such as poor digital literacy, unstable internet connectivity, inadequate awareness, and lingering distrust in government institutions. These factors significantly affect adoption rates and voluntary compliance. Therefore, for the e-tax system to achieve its intended goals, policymakers and tax authorities must prioritize taxpayer education, strengthen digital infrastructure, and ensure that the platform is user-friendly and accessible to all categories of business owners. Building trust through transparency, reducing multiplicity of taxes, and providing effective support services are equally critical. It is therefore, viewed that the success of the e-tax system in Enugu State lies not merely in its technological availability but in its acceptance and consistent usage by small-scale business owners; and this can only be sustained by aggressively addressing existing barriers and fostering a culture of trust and compliance.

Recommendations

Based on the findings of the study, the following recommendations were made:

1. The Enugu State Internal Revenue Service (ESIRS) should vigorously pursue continuous taxpayer sensitization programs, specifically targeting small-scale business owners through workshops, radio broadcasts, market outreach campaigns, social media and other digital tutorials aimed at demystifying the tax e-filing system, highlighting its benefits, and providing step-by-step guidance on e-filing. It is viewed that such actions will not only reduce misconceptions around the ESIRS e-taxation but also encourage voluntary compliance.
2. To ensure effective adoption of the e-payment system, ESIRS should collaborate with telecommunication and banking service providers to improve internet connectivity and quality banking service delivery, especially in semi-urban and rural parts of Enugu State where many small businesses operate. Additionally, ESIRS should establish

functional helpdesks, hotlines, and online chat support to provide immediate assistance to taxpayers encountering difficulties in making payments while also ensuring that the platform is mobile-friendly and easy to navigate as to encourage wider usage.

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