

**STRENGTHENING THE SOCIAL CONTRACT:
GOVERNANCE AND TAX COMPLIANCE IN NIGERIA**

**A TÁRSADALMI SZERZŐDÉS MEGERŐSÍTÉSE:
KORMÁNYZÁS ÉS ADÓÜGYI MEGFELELÉS NIGÉRIÁBAN**

OHWO Kensington Onajero – AUDU Solomon Ibrahim

Keywords: *Governance, Tax Compliance, Social Contract Theory, Tax-to-GDP Ratio*

Kulcsszavak: *Irányítás, Adózási jogkövetés, Társadalmi szerződés elmélete, adóbevétel-GDP arány*

JEL-kód: H26, H11, D73, O17, O55

<https://doi.org/10.33565/MKSV.2025.02.03>

ABSTRACT

The study examines the impact of governance on tax compliance in Nigeria, framed through the lens of the social contract theory, which posits that effective governance fosters public trust and voluntary adherence to tax obligations. Nigeria, despite being Africa's largest economy, has one of the world's lowest tax-to-GDP ratios, largely attributable to weak governance, pervasive corruption, inadequate rule of law, and perceived inequities in resource distribution. The study uses an ex-post facto research design and analyses secondary time-series data from 2011 to 2023. Governance is measured via custom indices: public sector corruption, rule of law, access to justice, equal distribution of resources, and regime corruption (sourced from World Bank-related reports), with population as a control variable. Tax compliance is proxied using tax revenue as a percentage of GDP. Multiple regression analysis, adjusted for multicollinearity by excluding highly correlated variables (rule of law and access to justice), reveals that individual governance proxies (public sector corruption, equal distribution of resources, and regime corruption) do not have a significant effect on tax compliance. However, the aggregate model is statistically significant ($p = 0.007$), explaining approximately 63% of the variation in tax compliance (adjusted $R^2 = 62.70\%$). These findings show that governance influences tax compliance holistically rather than through isolated dimensions, likely due to interrelations among governance indicators and the challenges posed by Nigeria's large informal economy. Also, the findings align with social contract theory, underscoring the need for comprehensive governance reforms to rebuild trust and enhance voluntary compliance. The study concludes that a multidimensional approach to improving governance is essential for boosting tax revenue performance in Nigeria. Policy recommendations include pursuing holistic governance reforms across executive, judicial, and legislative arms; intensifying taxpayer sensitisation programs; and regularly updating tax laws to eliminate loopholes.

ABSZTRAKT

A tanulmány az irányítás (governance) adófizetési hajlandóságra gyakorolt hatását vizsgálja Nigériában, a társadalmi szerződés elméletének keretében, amely szerint a hatékony kormányzás elősegíti a közbizalom kialakulását és az adókötelezettségek önkéntes teljesítését. Nigéria – noha Afrika legnagyobb gazdasága – a világ legalacsonyabb adóbevétel/GDP arányai közé tartozik, ami nagyrészt a gyenge kormányzásnak, az átható korrupciónak, a jogállamiság hiányosságainak, valamint az erőforrás-elosztás igazságtalanságának észlelésének tulajdonítható.

A kutatás ex post facto kutatási tervet alkalmaz, és 2011–2023 közötti időszakra vonatkozó másodlagos idősoros adatok elemzésén alapul. Az irányítás mérésére egyedi (kompozit) indexeket használ: a közszektorbeli korrupció, a jogállamiság, az igazságszolgáltatáshoz való hozzáférés, az erőforrások egyenlő elosztása, valamint a rezsimkorrupció mutatóit (világbanki

forrásokra épülő jelentések alapján), míg a népesség kontrollváltozóként szerepel. Az adófegyelmet (tax compliance) az adóbevételek GDP-hez viszonyított arányával közelíti.

A többszörös regresszióelemzés – a multikollinearitás kezelésére az erősen korreláló változók (a jogállamiság és az igazságszolgáltatáshoz való hozzáférés) kizárásával – azt mutatja, hogy az egyes irányítási proxyk (közszektorbeli korrupció, erőforrások egyenlő elosztása, rezsimkorrupció) önmagukban nem gyakorolnak szignifikáns hatást az adófegyelmre. Ugyanakkor az aggregált modell statisztikailag szignifikáns ($p = 0,007$), és az adófegyelm varianciájának mintegy 63%-át magyarázza (korrigált $R^2 = 62,70\%$).

Az eredmények arra utalnak, hogy az irányítás az adófegyelmet holisztikus módon, nem pedig elkülönült dimenziókon keresztül befolyásolja, ami valószínűleg az irányítási indikátorok közötti kölcsönhatásokkal, valamint Nigéria kiterjedt informális gazdasága által támasztott kihívásokkal magyarázható. A megállapítások összhangban állnak a társadalmi szerződés elméletével is, hangsúlyozva az átfogó kormányzási reformok szükségességét a közbizalom helyreállítása és az önkéntes adómegfelelés erősítése érdekében.

A tanulmány arra a következtetésre jut, hogy az irányítás javítására irányuló többdimenziós megközelítés elengedhetetlen Nigéria adóbevételei teljesítményének növeléséhez. A szakpolitikai ajánlások közé tartozik az átfogó kormányzási reformok végrehajtása a végrehajtó, igazságügyi és törvényhozó hatalmi ágakban; az adózói tájékoztató és szemléletformáló programok intenzifikálása; valamint az adótörvények rendszeres aktualizálása a jogbészagok felszámolása érdekében.

INTRODUCTION

Taxes are a fundamental source of revenue for governments worldwide. They enable the provision of essential public services such as infrastructure development, healthcare, and daily operations (Usman, 2019). However, tax compliance remains a major challenge in developing economies like Nigeria. Although Nigeria's economy is the biggest in Africa, it has one of the lowest tax-to-GDP ratios in the world, which highlights ongoing problems with tax compliance (Agbara, 2023). The low tax-to-GDP ratio in Nigeria indicates a substantial problem with tax compliance, which is often attributed to weak governance and limited trust in public institutions (Adekoya et al., 2023). This problem is exacerbated by widespread corruption, ineffective legal systems, and inequitable distribution of resources, which undermine the government's ability to mobilise domestic resources effectively.

Globally, tax compliance is influenced by various governance factors. In developed countries, strong governance structures, characterised by transparency, accountability, and effective legal systems, contribute to higher tax compliance

rates. In contrast, many developing countries, particularly in Africa, struggle with governance issues that hinder tax compliance. For instance, in different monetary zones across Africa, the effectiveness of governance varies significantly, impacting tax revenue performance. Various governments have implemented measures to address tax compliance issues. Globally, initiatives such as anti-corruption campaigns, legal reforms, and public awareness programs have been employed to enhance governance and improve tax compliance. In Africa, efforts include regional collaborations to harmonise tax policies and strengthen governance frameworks. In Nigeria, specific actions include the establishment of the Federal Inland Revenue Service (FIRS) and various reforms aimed at improving tax administration and compliance.

The relationship between governance and tax revenue performance can be understood through the lens of the social contract theory. This theory posits that citizens agree to submit to the authority of the state in exchange for the protection of their rights and access to public goods. Effective governance, characterised by transparency, fairness, and accountability, strengthens this social contract, thereby enhancing tax compliance. Conversely, widespread corruption and poor legal systems violate the social contract, leading to reduced willingness to pay taxes.

The link between governance and tax compliance is subject to debate. While some scholars argue that improving governance metrics such as the rule of law and corruption control can significantly enhance tax compliance, others contend that these measures alone are insufficient. Critics highlight the need for a holistic approach that addresses various facets of governance simultaneously to achieve meaningful improvements in tax compliance. Empirical studies show mixed results: Salaudeen & Abdulwahab (2022) link corporate governance to compliance; Oladipo (2020) stresses public trust; Adekoya et al. (2023) highlight corruption barriers. Despite this, gaps remain in how specific World Bank WGI indicators individually and collectively affect Nigeria's tax compliance. This study fills that gap.

Therefore, the main objective of this study is to examine the impact of governance on tax compliance in Nigeria. The central question is whether improvements in governance indicators can significantly enhance tax revenue performance relative to GDP. The hypothesis draws from social contract theory: effective governance builds trust and compliance. It states:

H₀: Governance does not have a significant effect on tax compliance in Nigeria. This study employs an ex-post facto research design, focusing on Nigeria from 2011 to 2023. Secondary data on governance indicators are sourced from the

World Bank, while GDP and tax revenue data are obtained from the Central Bank of Nigeria and the Federal Inland Revenue Service. A multiple regression model is used to analyse the influence of governance on tax compliance. The paper is divided into the following sections: introduction, literature review, methodology, results, discussion, limitations, conclusion, and recommendations.

LITERATURE REVIEW

Governance

- Governance encompasses the systems, institutions, and practices through which a legitimate government exercises authority and delivers public services (Atawodi & Ojeka, 2012). Governance is conceptualised in this study using the five key indicators from the World Bank governance database:
- Public Sector Corruption Index: This index measures the misuse of public office for personal gain (Anja et al., 2017). High corruption discourages compliance by lowering taxpayer trust, as there will be fewer funds to invest in critical infrastructure that will positively impact the citizenry (Anja et al., 2017; Usman, 2019; Amadou et al., 2021; Agbanyo et al., 2024). However, there is a lack of empirical studies directly linking public sector corruption to tax compliance in Nigeria, highlighting a gap in the literature.
- Rule of Law Index: Assesses how contracts are enforced, property rights, legal institutions, and the justice system (Gberegbe & Umoren, 2017; Saruji et al., 2019; AlRahamneh et al., 2023). A weak rule of law reduces the likelihood of tax enforcement (Saruji et al., 2019; Anthony & Oludare, 2019; Agbara, 2023; Appah & Ogbomah, 2024). The interaction between the rule of law and other governance indicators, such as public sector corruption, is not well-explored in the literature.
- Access to Justice: This refers to equitable legal redress for all citizens. Inaccessibility to justice discourages legal compliance and tax engagement (Momoh, 2018; Olurankinse & Oloruntoba, 2021; Edeh, 2021; Saleem et al., 2025). There is a need for more empirical studies examining how access to justice influences tax compliance in different regions of Nigeria.
- Equal Distribution of Resources Index: This index evaluates the fairness in the allocation of national wealth (Atawodi & Ojeka, 2012; Akintoye et al., 2019; Oyedele et al., 2025). Moreover, Yahaya et al. (2022), Adekoya

et al. (2023), Oladiran et al. (2024), and Anaman et al. (2024) opined that perceived inequity reduces tax morale and negatively impacts tax compliance. Comparative studies with other countries are needed to understand the broader implications of resource distribution on tax compliance.

- Regime Corruption: This index captures institutionalised corruption at the highest levels of government (Ayuba et al., 2016; Salaudeen & Abdulwahab, 2022). Endemic corruption among top and senior officials of any government erodes public trust and weakens the social contract (Adekoya & Enyi, 2020; Abu et al., 2022; Chigonu, 2023).
- The associated literatures lack detailed analysis of how each of the governance indicators interacts with other governance indicators to influence tax compliance. This gap is, however, addressed in this study.

Tax Compliance

Tax compliance is the willingness to meet tax obligations (Agbara, 2023). Macroeconomic studies commonly proxy it as a percentage of GDP (Oladipo, 2020; Odukwu et al., 2023; Onukelobi et al., 2025). This ratio reflects the government’s ability to collect taxes relative to the size of the economy. Olurankinse & Oloruntoba (2021) opine that a low tax-to-GDP ratio suggests weak compliance, inefficiencies in tax administration, or widespread evasion and avoidance. In contrast, a rising ratio may indicate improved tax collection efforts, administrative efficiency, or enhanced voluntary compliance—often driven by better governance.

THEORETICAL FRAMEWORK

Social Contract Theory

The social contract theory postulates that citizens agree to submit to the authority of the state in exchange for the protection of their rights and access to public goods. This mutual obligation forms the foundation of a functional tax system. The theory was extensively developed by philosophers such as Thomas Hobbes, John Locke, and Jean-Jacques Rousseau, each offering distinct perspectives (D’Agostino et al., 2024). Where governance is effective and characterised by transparency, fairness, and accountability, citizens are more likely to perceive their tax obligations as justified, thus increasing compliance. Conversely, widespread corruption, poor legal systems, and inequitable governance violate the social contract, leading to reduced willingness to pay taxes.

However, the theory has faced criticism for its exclusion of marginalised groups, e.g., women and racial inequalities (Moloney & Lewis, 2023). These are relevant because perceived inequity in resource distribution or justice may weaken the contract more for vulnerable Nigerians, thereby reducing tax morale.

Despite the criticism, the theory robustly explains the relationship between governance and tax compliance in developing economies (McKerchar & Evans, 2009; Tengs, 2020; Dagan, 2024). The social contract theory serves as the theoretical underpinning for this study, as it explains the relationship between governance and tax compliance. This means that if the government exhibits a transparent tax administration where tax revenues are judiciously used for the benefit of the citizens, there will be optimal tax compliance.

EMPIRICAL REVIEW

Studies have been conducted over the years to examine the relationship between governance and tax compliance. For example, Salaudeen & Abdulwahab (2022) conducted a study to determine the effect of corporate governance on tax compliance and found that management ownership has a significant positive relationship with tax compliance. Additionally, the study discovered that institution ownership, gender diversity, ownership concentration, and auditor profile have no bearing on tax compliance, while board size has a negative correlation. It however, recommended that organisations should seek an effective mix of managerial and non-managerial ownership to ensure compliance. While Salaudeen & Abdulwahab (2022) perceived governance from the corporate lens, Oladipo (2020) took a holistic approach to governance from the government perspective. The study employed secondary data to determine the relationship between governance and tax compliance and concluded that increasing tax compliance requires building public trust in the government through accountability and effective use of tax revenue. Akintoye et al. (2019) and Olurankinse & Oloruntoba (2021) supported this view and recommended that the government should concentrate on gaining the trust of the citizens by upholding transparency and accountability.

Similarly, Adekoya et al. (2023) argued that the citizens are ready to comply with the tax laws and pay their taxes, but are constrained by institutional corruption across all levels of government. This position was buttressed by Amadou et al. (2021), who examined the relationship between perceived corruption and attitudes toward taxation across 36 African countries. Using Afrobarometer

survey data from 2011–2015, the study highlights how governance quality, particularly corruption perception in the president’s office, significantly influences citizens’ attitudes toward taxation. The study recommends that reducing perceived corruption at the highest levels of government can foster positive attitudes toward taxation, ultimately improving tax compliance and revenue generation. Although the study cuts across 36 African countries, it did not specify regional variations or country-level dynamics. Also, the study acknowledges potential reverse causality but did not fully address how governance might influence tax compliance quality or vice versa. However, Chigonu (2023) narrowed his study to the Nigerian petroleum sector, which was alleged to be shrouded in opacity and immersed in endemic corruption. The study concluded that the corruption scourge in the petroleum sector needs urgent attention and recommends that a strict petroleum tax regime that will ensure tax compliance and reduce fraud and corruption within the sector be implemented. Ayuba et al. (2016), Usman (2019), and Abu et al. (2022) in their various studies also concluded that there is a significant relationship between corruption in tax administration, governance, and tax compliance and recommended that tax authorities should put measures in place to improve its brand and reduce corruption among its ranks to the barest minimum as this will help to boost the public confidence on tax administration in the country. On the contrary, Anja et al. (2017) explored the impact of corruption on the capacity of a sovereign state to raise revenue using a comprehensive dataset for 147 countries spanning between 1995 and 2014. The study discovered that the relationship between corruption and tax compliance is primarily responsible for the negative correlation between corruption and overall tax revenue, as well as the majority of its components. The study also found that creating sizable taxpayer offices increases tax compliance by reducing the perception of corruption and increasing income.

Another important element of governance is access to justice. Anaman et al. (2024) employ survey research to examine the interplay between financial literacy, perceived justice in the tax system, and tax compliance behaviour among taxpayers in Ghana’s informal sector. The findings of the study revealed that there is a positive relationship between financial literacy, perceived tax justice, and tax compliance. Adekoya et al. (2023) argued that believing in government policies, transparency, and the rule of law are precursors to achieving effective tax compliance from the citizenry. However, the study did not describe and determine how each of the governance elements affects tax compliance. Also, the study is limited to only one state of the federation, thereby making it difficult to generalise.

On the other hand, Gberegbe & Umoren (2017) postulated that there is a positive correlation between perceived fairness, the rule of law, equitable distribution of resources, and tax compliance. However, the study was limited by a lack of theoretical underpinning. While considering the rule of law as an enabler of good governance, Saruji et al. (2019), Agbara (2023), and Appah & Ogbomah (2024) concluded that the rule of law positively impacts tax compliance. Yahaya et al. (2022), Al-Rahamneh et al. (2023), and Oladiran et al. (2024) supported this view and stressed that in the absence of human rights, fairness, and justice, there will be no effective tax compliance.

METHODOLOGY

The ex-post facto research design is used in this study. It is considered suitable for this study as it enables examinations of past events. This study focuses on the timeframe which spans from 2011 to 2023, totalling thirteen years. This period is selected based on the availability of data, especially on the Federal Inland Revenue Portal, where earlier data are removed as data for more current years are added. Hence, due to this restriction in the availability of tax revenue data, the study is restricted to thirteen years. The geographical focus of this study is Nigeria, as there appears to be a paucity of empirical research output in respect of the theme of this study from Nigeria. Secondary data on the proxies of the independent variable are sourced from the World Bank 2023 accountability index report, while gross domestic product is sourced from the Central Bank of Nigeria statistical bulletin of 2023, and tax revenue is sourced from the Federal Inland Revenue Service website.

Diagnostic analysis is carried out on the data set to confirm the correctness of the model formulated in this study to predict the dependent variable. Since the multiple regression model makes it possible to ascertain the degree to which the independent variable impacts/influences the dependent variable, it is utilised to investigate the relationship between governance (independent variable) and tax compliance (dependent variable). The regression model used in this study is specified below:

$$TC = a + \beta_1 PSC_i + \beta_2 ROL_i + \beta_3 JUS_i + \beta_4 DIS_i + \beta_5 REG_i + \beta_6 POP_i + \epsilon_i$$

Where:

a = intercept where the independent variable is zero

TC = Tax Compliance (Dependent Variable)

β_1PSC_i = Public sector corruption index (Independent Variable)

β_2ROL_i = Rule of law index (Independent Variable)

β_3JUS_i = Access to justice (Independent Variable)

β_4DIS_i = Equal distribution of resources (Independent Variable)

β_5REG_i = Regime corruption (Independent Variable)

β_6POP_i = Population (Control Variable)

ϵ_i = Error Term

Table 1. Measurement of Variables

Variable	Measurement	Source
Tax Compliance TC (Dependent Variable)	Tax revenue/ Gross domestic product	Boateng et al (2022)
Public Sector Corruption PSC (Independent Variable)	It is defined by the World Bank perception measurement on bribery and public sector office abuse	World Bank (2024)
Rule of law index ROL (Independent Variable)	It is defined by the World Bank as an aggregate of fundamental rights, order/ security, regulatory enforcement, civil justice, government power, criminal justice and absence of corruption.	World Bank (2024)
Access to justice JUS (Independent Variable)	It is the aggregate of factors in which people can reach justice; it is an aggregate of fairness, affordability, complexity and awareness.	World Bank (2024)
Equal distribution of resources DIS (Independent Variable)	It is measured by weighing the proportion of resources allocated among different population groups in an economy	World Bank (2024)
Regime Corruption REG (Independent Variable)	It is an aggregate from the perspective of budget tracking and the legal framework.	World Bank (2024)
Population POP (Control Variable)	It is the total number of individuals (resident and non-resident) at a point in time.	World Bank (2024)

Source: Researchers Compilation (2025)

DATA ANALYSIS AND DISCUSSION OF FINDINGS

Descriptive Statistics

This section presents the results of both the descriptive and inferential analyses of the data collected for this study.

Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
TC	13	0.04692	0.01316	0.03	0.07
PSC	13	0.91692	0.0225	0.88	0.95
ROL	13	0.26385	0.02219	0.24	0.31
JUS	13	0.79231	0.04675	0.71	0.84
DIS	13	0.25231	0.17384	0.21	0.27
REG	13	0.91231	0.02166	0.86	0.93
POP	13	198.731	20.2671	167.7	227.9

Source: Researcher's Computation (2025)

The descriptive analysis in Table 2 reveals that the data spans thirteen years. The average rate of tax compliance ranges from 3% to 7%, with a mean of approximately 4%, which is low. The public sector corruption index ranges from 88% to 95%, averaging 92%. The rule of law index ranges from 24% to 31%, averaging 26%, indicating low performance. Access to justice ranges from 71% to 84%, averaging 79%, which is relatively high. The equal distribution of resources index ranges from 21% to 27%, averaging 25%, which is low. Regime corruption ranges from 86% to 93%, averaging 91%, which is high. The population ranges from 167 to 228 million, averaging 199 million. Overall, governance indicators suggest low performance in a highly populated economy.

Diagnostic Statistic

The table below shows the test for multicollinearity

Table 3. Variance Inflation Factor

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 PSC	.285	3.504
ROL	.135	7.435
JUS	.160	6.242
DIS	.250	4.005
REG	.311	3.216

Source: Researchers Compilation (2025)

The result from Table 3 reveals that the rule of law and access to justice have a high level of collinearity, which might affect the overall result. Hence, based on this result, to improve the predictiveness of the research model, the variables with high collinearity were excluded.

Hypothesis Testing

The results of the hypothesis testing are presented below:

H₀: Governance does not have a significant effect on tax compliance in Nigeria.

Table 4. Hypothesis Testing Results

Dependent Variable: TC	Coeff.	Std. Err	T-Stat	Prob
Constant	-0.473	0.111	-4.25	0.002
PSC	0.268	0.152	1.763	0.112
DIS	0.243	0.148	1.636	0.136
REG	0.233	0.156	1.491	0.170
POP	-0.000	0.000	-0.77	0.471
Adjusted R ²		0.627		
R ²		0.720		
Number of Obs		13		
F-Stat		(6, 6) 4.07		
Prob > F		0.007		

Source: Researcher's Computation (2025)

The results in Table 4 indicate that none of the governance indicators—public sector corruption, equal distribution of resources, or regime corruption—has a significant individual influence on tax compliance in Nigeria. Population shows an inverse relationship with tax compliance, while other variables move in the same direction. The adjusted R^2 of 62.70% indicates that the model explains approximately 63% of the variation in tax compliance, with 37% attributed to factors outside the model. The overall p-value of 0.007 suggests that the alternate hypothesis, stating that governance does have a significant influence on tax compliance, is retained.

DISCUSSION OF FINDINGS

The results show that population has a non-significant inverse impact on tax compliance, while equal distribution of resources and regime corruption have a positive but non-significant impact. In tandem with expectations, public sector corruption has a positive effect on tax compliance. This may reflect strategic taxpayer behaviour, where compliance occurs due to the perception placed on the integrity of the government to judiciously use tax revenue. These findings align with Oladipo (2020) and Olurankinse & Oloruntoba (2021), who emphasise that building public trust through governance enhances tax compliance, consistent with social contract theory.

The divergence between the significant aggregate effect of governance ($p=0.007$) and the non-significant individual effects of its proxies may explain that governance as a whole (executive, judiciary and legislative) has an influence on tax compliance and that it is not limited to a part, as they are often interrelated (e.g., corruption and rule of law). Additionally, Nigeria's large informal economy, where many taxpayers operate outside formal tax systems, may dilute the impact of individual governance factors. This suggests that a holistic governance approach, addressing all indicators simultaneously, is necessary to improve tax compliance effectively.

LIMITATIONS

The study's reliance on a 13-year dataset (2011–2023) limits statistical power due to the small sample size, potentially affecting the significance of individual governance indicators. The Nigeria-specific focus may restrict generalizability to other developing economies. Future research could incorporate larger datasets, cross-country comparisons, or primary data collection to validate findings and explore regional variations within Nigeria.

CONCLUSION

This study assesses the impact of governance on tax compliance in Nigeria. The results indicate that while governance has a significant aggregate impact on tax compliance, individual proxies (public sector corruption, equal distribution of resources, and regime corruption) do not show significant effects. The study concludes that a holistic approach to governance is critical for improving tax compliance in Nigeria.

POLICY IMPLICATIONS AND RECOMMENDATION

The findings suggest that governance in Nigeria must be evaluated holistically rather than in isolation. The government should enhance overall governance systems to achieve desired tax compliance outcomes. Additionally, taxpayer sensitisation programs are needed to encourage compliance despite perceptions of corruption. Finally, tax laws should be regularly updated to align with best practices and close loopholes. The following recommendations are proposed:

- i. To enhance tax compliance, the executive arm of government should pursue a holistic governance system rather than focusing on individual subparts.
- ii. Government agents responsible for taxpayer sensitisation should actively engage taxpayers to ensure timely and accurate tax return filings.
- iii. The legislative arm and relevant stakeholders, such as accounting and tax practitioners, should regularly review tax laws to ensure they are up-to-date and loophole-free.

REFERENCES

1. Abu, N., Karim, A. M., David, J., Sakanko, M. A., Ben-Obi, O. A., & Gamal, M. A. (2022). The behaviour of tax revenue amid corruption in Nigeria: evidence from the non-linear ARDL approach. *Economic Studies*, 31(4), 55-76.
2. Adekoya, A., & Enyi, E. P. (2020). Control of Corruption, Trust in Government, and Voluntary Tax Compliance in South-West, Nigeria. *Management Studies*, 8(1), 84-97.
3. Adekoya, A. A., Olayinka, I., & Aina, O. (2023). Good governance and voluntary tax compliance behaviour in Lagos state, Nigeria: An empirical analysis. *International Journal of Management and Economics Invention*, 9(12), 3169-3180.

4. Agbanyo, R., Musah, G., Doku, J. N., Quarshie, J., & Dery, Y. N. (2024). Perceived political corruption and tax compliance intentions among private enterprises in emerging economies: The roles of tax morale and tax tolerance in Ghana. *Journal of International Development*, 36(4), 2063-2095. <https://doi.org/10.1002/jid.3894>
5. Agbara, O. D. (2023). Human rights of taxpayers in Nigeria: an evaluation of compliance of tax authorities with the constitutional rights of taxpayers. *Journal of Refugee Law and International Criminal Justice*, 2(1), 118-143.
6. Akintoye, I. R., Adegbe, F. F., & Awotomilusi, S. (2019). Determinants of tax revenue: A case of Nigeria. *The International Journal of Business & Management*, 7(4), 23-31.
7. Al-Rahamneh, M. N., Al Zobi, K. M., & Bidin, Z. (2023). The influence of tax transparency on sales tax evasion among Jordanian SMEs: The moderating role of moral obligation. *Cogent Business & Management*, 1-19.
8. Amadou, B., Maty , K., & Abebe , S. (2021). Corruption perception and attitude towards taxation in Africa. *Journal of African Economies*, 30(1), 140-157. <https://doi.org/10.1093/jae/ejab024>
9. Anaman, P. D., Ahmed, A. I., & Amanamah, R. (2024). Financial literacy, perceived justice in the tax system and tax compliance: a sub-Saharan African perspective. *SEISENSE Business Review*, 4(1), 217-232. <https://doi.org/10.33215/wf4g1e04>
10. Anja , B., Sanjeev , G., Elijah , K., & Sampawende , T. J. (2017). Corruption, taxes and compliance. *IMF Working Paper*, 4-30. <https://doi.org/10.5089/9781484326039.001>
11. Anthony, O. B., & Oludare, A. (2019). The role of Kogi state political office holders in tax administration. *European Journal of Social Sciences Studies*, 4(2), 16-27.
12. Appah, E., & Ogbomah, T. (2024). Rule of law and tax knowledge on tax compliance: the role of tax morale in Nigeria. *Irish International Journal of Law, Political Sciences and Administration*, 8(3), 90-111.
13. Atawodi, O. W., & Ojeka, S. A. (2012). Factors that affect tax compliance among small and medium enterprises (SMEs) in North Central Nigeria. *International Journal of Business and Management*, 7(12), 87-96. <https://doi.org/10.5539/ijbm.v7n12p87>
14. Ayuba, A., Saad, N., & Zaimah, Z. A. (2016). Does perceived corruption moderate the relationship between economic factors and tax compliance? A proposed framework for Nigerian small and medium enterprises.

- Mediterranean Journal of Social Sciences*, 7(1), 402-409.
<https://doi.org/10.5901/mjss.2016.v7n1p402>
15. Chigonu, E. J. (2023). Corruption perception and tax compliance in the Nigerian petroleum industry. *Readings in Law and Contemporary Issues*, 244-262.
 16. Dagan, T. (2024). Tax and globalisation: Toward a new social contract. *Oxford Journal of Legal Studies*, 44(3), 487-512.
<https://doi.org/10.1093/ojls/gqae010>
 17. D'Agostino, Fred, Gerald , G., & John, T. (2024). Contemporary Approaches to the Social Contract. *The Stanford Encyclopedia of Philosophy*. Retrieved from <https://plato.stanford.edu/archives/spr2024/entries/contractarianism-contemporary>
 18. Edeh, H. (2021). Assessing the equity and redistributive effects of taxation reforms in Nigeria. *ICTD Working Paper 130*, 3-55.
<https://doi.org/10.19088/ICTD.2021.020>
 19. Gberegbe, B. F., & Umoren, A. (2017). The perception of tax fairness and personal income tax compliance of SMEs in Rivers State. *Journal of Research in Business and Management*, 5(2), 40-51.
 20. McKerchar, M., & Evans, C. (2009). A conceptual review of tax compliance studies of some selected developing countries. *European Journal of Accounting, Auditing and Finance Research*, 9(5), 16-35.
 21. Moloney, K., & Lewis, R. (2023). The Flawed Foundations of Social Equity in Public Administration: A Racial Contract Theory Critique. *Perspectives on Public Management and Governance*, 6(4), 131–136.
<https://doi.org/10.1093/ppmgov/gvad009>
 22. Momoh, Z. (2018). Federal Inland Revenue Service (FIRS) and tax compliance in Nigeria: challenges and prospects. *International Journal of Multidisciplinary Research and Publications*, 1(1), 18-22.
 23. Odukwu, C. V., Eke, P., Effiong, U. E., & Karimo, P. E. (2023). Tax compliance and economic growth of Nigeria: The moderating effect of tax morale. *Journal of Corporate Finance Management and Banking System*, 3(4), 42-53.
 24. Oladipo, O. N. (2020). The effect of tax compliance and good governance in Nigeria. *KIU Interdisciplinary Journal of Humanities and Social Sciences*, 1(2), 303-319.

25. Oladiran, A. M., Adegbe, F. F., & Agugom, A. T. (2024). Tax justice and tax compliance: Empirical evidence from South West Nigeria. *Journal of Management World*, 4(1), 159-171.
26. Olurankinse, F., & Oloruntoba, R. S. (2021). Good governance and personal income tax compliance in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 9(5), 16-35.
27. Onukelobi, C. P., Okwuego, S. P., & Chidiebere, O. J. (2025). Effect of tax revenue on economic growth in Nigeria. *International Journal of Economics and Financial Management*, 10(3), 72-92.
28. Oyedele , P., Alao , M., & Ifayemi , O. (2025). Tax justice, tax administration and tax compliance of small and medium enterprises in Lagos state. *International Journal of Accounting, Finance and Risk Management*, 10(1), 72-85. <https://doi.org/10.11648/j.ijafmr.20251001.15>
29. Salaudeen, Y. M., & Abdulwahab, S. S. (2022). Corporate governance mechanism and tax compliance: The Nigerian experience. *European Journal of Business and Management Research*, 7(1), 45-54. <https://doi.org/10.24018/ejbmr.2022.7.1.1222>
30. Saleem, R. A., Bano, N., Ahmad, B., Ashraf, Z., & Shahbaz, M. (2025). Access to Justice through Mediation in Tax Disputes: A Case Study of Pakistan. *Indus Journal of Social Sciences*, 3(1), 1066 – 1079.
31. Saruji, C. S., Mohdali, R., & Nadzirah, N. (2019). Trust in government and perceptions of tax compliance among adolescents. *Journal of Advanced Research Design*, 61(1), 19-22.
32. Tengs, E. (2020). Taxation as a social contract: public goods and collective action in Sub-Saharan Africa. *Working Paper. Quality of Government Institute*, 1-28.
33. Usman, A. (2019). The impact of taxpayers' perception of competence and integrity of tax officials on companies' income tax compliance level in Nigeria. *Journal of Humanities and Social Science*, 24(2), 35-45.
34. Worldwide Governance Indicators. (2024). *2024 Update*. World Bank. Retrieved April 13, 2025, from www.govindicators.org
35. Yahaya, L., Turmin, Z. S., Johari, J., & Osman, M. H. (2022). Understanding the effect of government attitudes on voluntary tax compliance in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 12(3), 71-85.