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Challenges of Tax Adjustment in a Developing Economy: Assessing Administrative, Legal, and Taxpayer Behavioral Barriers in Sokoto State Board of Internal Revenue

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ABSTRACT
Tax adjustment is an essential component of tax administration that ensures tax liabilities accurately reflect taxpayers' economic activities, promotes equity, and enhances government revenue generation. In developing economies such as Nigeria, however, the implementation of tax adjustment mechanisms continues to face significant administrative, legal, and taxpayer behavioral challenges. These challenges undermine voluntary compliance, reduce internally generated revenue (IGR), and weaken public confidence in tax institutions. This study examines the challenges of tax adjustment in Sokoto State by assessing administrative inefficiencies, legal and regulatory constraints, and taxpayer behavioral barriers affecting the Sokoto State Board of Internal Revenue (SSBIR). The study proposes a quantitative research design using structured questionnaires administered to tax officials, registered taxpayers, and tax consultants operating within Sokoto State. Institutional Theory, Economic Deterrence Theory, and the Slippery Slope Framework provide the theoretical foundation for explaining taxpayer compliance and tax administration efficiency. The study is expected to demonstrate that administrative capacity, legal clarity, digitalization of tax administration, taxpayer awareness, and institutional trust significantly influence the effectiveness of tax adjustment processes. Findings are anticipated to provide evidence-based recommendations for strengthening tax administration, improving taxpayer compliance, and enhancing internally generated revenue in Sokoto State and similar developing economies.
Keywords: tax administration, taxpayer compliance, internally generated revenue

INTRODUCTION
Taxation remains one of the most reliable and sustainable sources of government revenue globally. Beyond financing public expenditure, taxation serves as an important instrument for economic stabilization, income redistribution, infrastructure development, and social welfare (Musgrave & Musgrave, 1989). In developing economies where dependence on volatile natural resources and external borrowing remains high, efficient tax administration has become increasingly important for promoting fiscal sustainability and reducing revenue leakages (Bird & Zolt, 2008).
Nigeria has experienced persistent fiscal challenges due to fluctuations in oil revenue, increasing public debt, and growing demands for social services. Consequently, governments at federal and sub-national levels have intensified efforts to strengthen internally generated revenue (IGR) through improved tax

administration and compliance initiatives (Federal Inland Revenue Service [FIRS], 2021). State Boards of Internal Revenue play a central role in this effort by administering personal income tax, direct assessment, withholding tax on individuals, capital gains tax on individuals, and other taxes assigned under Nigerian tax laws.

One important but often overlooked aspect of tax administration is tax adjustment. Tax adjustment refers to administrative and legal processes through which tax authorities correct, amend, reassess, reconcile, or modify taxpayers' liabilities to ensure they accurately reflect taxable income, allowable deductions, exemptions, and applicable tax laws. Tax adjustments may arise from tax audits, investigations, assessments, objections, appeals, voluntary disclosures, amendments to tax returns, or changes in tax legislation (OECD, 2022).

In principle, tax adjustment promotes fairness by ensuring taxpayers neither underpay nor overpay taxes. Effective tax adjustment also enhances transparency, improves revenue collection, and strengthens confidence in tax institutions. However, implementing tax adjustments in developing economies often presents significant challenges due to weak administrative systems, inadequate institutional capacity, outdated legal frameworks, poor record keeping, corruption, and widespread taxpayer resistance (Bird & Zolt, 2014).

Nigeria illustrates many of these challenges. Despite substantial tax reforms over the past two decades—including the introduction of the Tax Identification Number (TIN), electronic tax administration, taxpayer registration initiatives, and modernization of revenue agencies—tax compliance remains relatively low compared with many emerging economies (FIRS, 2021). Tax administration continues to face inadequate technological infrastructure, shortage of skilled personnel, political interference, inconsistent enforcement of tax laws, and limited taxpayer education (OECD, 2022).

The situation is particularly evident at the state level, where Boards of Internal Revenue often operate under significant financial and institutional constraints. Sokoto State, located in northwestern Nigeria, depends heavily on federal allocations while internally generated revenue contributes only a modest proportion of total government revenue. Improving tax adjustment processes therefore represents a strategic opportunity for expanding the state's fiscal capacity without imposing unnecessary tax burdens.

Administrative barriers remain among the most significant obstacles to effective tax adjustment. These include insufficient staffing, inadequate training, manual record management, weak information systems, poor inter-agency coordination, limited audit capacity, and delays in processing objections and reassessments. Such deficiencies often result in inaccurate assessments, prolonged disputes, increased compliance costs, and reduced taxpayer confidence (World Bank, 2020).

Legal barriers further complicate tax adjustment. Nigeria's tax system comprises multiple statutes, amendments, judicial precedents, and administrative guidelines that taxpayers often find difficult to interpret. Frequent policy changes, overlapping institutional mandates, ambiguous provisions, and lengthy dispute resolution procedures create uncertainty for both taxpayers and tax administrators (OECD, 2022). In Sokoto State, these legal complexities may discourage voluntary compliance while increasing administrative costs associated with tax adjustment.

Taxpayer behavior also significantly influences tax adjustment outcomes. Research consistently demonstrates that taxpayers' willingness to comply depends not only on enforcement but also on perceptions of fairness, trust in government, transparency, quality of public services, tax knowledge, and social norms (Kirchler, Hoelzl, & Wahl, 2008). Where taxpayers perceive tax authorities as inefficient or corrupt, resistance to audits and reassessments tends to increase, thereby reducing the effectiveness of tax adjustment procedures.

Given these challenges, there is a need for empirical investigation into the factors affecting tax adjustment within state revenue authorities. While previous studies have extensively examined tax compliance and tax administration in Nigeria, relatively few have focused specifically on tax adjustment mechanisms and the interplay between administrative capacity, legal frameworks, and taxpayer behavior at the sub-

national level. This study therefore seeks to bridge this knowledge gap by examining the challenges of tax adjustment in the Sokoto State Board of Internal Revenue.

A number of studies have been conducted on the challenges of tax administration such as the works of Yahaya (2025), Paul (2023), Enahoro *et al.* (2022), Micah *et al.* (2019), Zhon *et al.* (2020) among others. However, the previous Nigerian studies have examined tax compliance, tax administration, and internally generated revenue, relatively few have investigated how administrative capacity, legal frameworks, and taxpayer behavior jointly influence tax adjustment processes at the state level. This gap limits the availability of empirical evidence needed to inform policy reforms and improve tax administration within Sokoto State.

But the conclusion drawn from these studies cannot be generalized and applied to other states, like Sokoto state without empirical verification. In view of this, the study attempts to investigate the Challenges of Tax Adjustment in a Developing Economy: Assessing Administrative, Legal, and Taxpayer Behavioral Barriers in Sokoto State Board of Internal Revenue

The central problem addressed by this study is the limited understanding of the administrative, legal, and behavioral factors constraining effective tax adjustment within the Sokoto State Board of Internal Revenue and their implications for revenue generation and tax compliance.

Objectives of the study

1. Examine the administrative barriers affecting tax adjustment in the Sokoto State Board of Internal Revenue.
2. Evaluate the legal and regulatory challenges influencing tax adjustment in Sokoto State.
3. Assess taxpayer behavioral factors affecting tax adjustment processes.
4. Determine the combined effect of administrative, legal, and behavioral barriers on tax adjustment effectiveness.
5. Recommend policy measures for improving tax adjustment and enhancing revenue generation in Sokoto State.

LITERATURE REVIEW

Concept of Taxation

Taxation is a compulsory financial obligation imposed by government on individuals, businesses, and other economic entities to generate revenue for the provision of public goods and services. It represents one of the major instruments of fiscal policy through which governments mobilize resources, redistribute income, regulate economic activities, and promote economic development (Musgrave & Musgrave, 1989). In modern economies, taxation extends beyond revenue generation to include economic stabilization, investment promotion, and social policy objectives.

In developing economies, taxation assumes greater importance because it provides a sustainable alternative to external borrowing and dependence on natural resource revenues. According to Bird and Zolt (2008), an effective tax system enables developing countries to finance public infrastructure, strengthen governance institutions, and achieve long-term economic stability. However, many developing countries continue to experience difficulties in expanding their tax base due to large informal sectors, weak administrative institutions, limited taxpayer awareness, and inadequate enforcement mechanisms.

Nigeria's tax system has undergone several reforms aimed at improving revenue mobilization and reducing dependence on oil income. These reforms include modernization of tax administration, expansion of taxpayer databases, introduction of electronic tax platforms, and strengthening of institutional frameworks. Nevertheless, challenges remain, particularly at the sub-national level where State Internal Revenue Boards are responsible for administering personal income tax and other state-based taxes (Federal Inland Revenue Service [FIRS], 2021).

For states such as Sokoto, improving tax administration is essential because internally generated revenue provides governments with greater fiscal autonomy and reduces excessive dependence on federal

allocations. However, the ability to maximize revenue depends largely on the effectiveness of tax adjustment mechanisms, institutional capacity, and taxpayer cooperation.

Concept of Tax Adjustment

Tax adjustment refers to the process through which tax liabilities are reviewed, corrected, modified, or reassessed to ensure that taxpayers' obligations correspond with their actual taxable income and applicable legal provisions. Tax adjustments may occur through tax audits, investigations, reassessment procedures, correction of errors in tax returns, taxpayer objections, appeals, or changes in tax legislation.

According to the OECD (2022), effective tax administration requires mechanisms that allow tax authorities to identify inaccurate declarations, address non-compliance, and ensure fairness among taxpayers. Tax adjustment therefore serves as an important control mechanism for reducing revenue losses arising from underpayment, inaccurate reporting, tax avoidance, and administrative errors.

The importance of tax adjustment is closely linked to the principles of equity and fairness in taxation. The ability-to-pay principle suggests that taxpayers with similar economic circumstances should bear similar tax burdens, while those with greater capacity should contribute more (Musgrave & Musgrave, 1989). Where tax adjustment systems are weak, some taxpayers may pay less than their statutory obligations, thereby shifting the burden unfairly to compliant taxpayers.

Within Nigeria's state tax administration system, tax adjustment involves activities such as reviewing self-assessment declarations, conducting compliance audits, reconciling taxpayer records, issuing additional assessments, and resolving disputes. The effectiveness of these activities depends on the competence of tax officials, availability of reliable taxpayer information, clarity of legal procedures, and taxpayers' willingness to cooperate.

Tax Administration in Developing Economies

Tax administration represents the operational foundation of a country's taxation system. It involves institutions, procedures, personnel, and technologies used by governments to implement tax policies. Efficient tax administration ensures accurate assessment, timely collection, effective enforcement, and improved taxpayer relations (Bird, 2015).

Developing economies often face significant challenges in tax administration due to institutional weaknesses, limited resources, corruption risks, and difficulties in monitoring economic activities. According to Besley and Persson (2014), state capacity is a critical determinant of taxation performance because governments require strong administrative institutions to identify taxpayers, enforce obligations, and collect revenue effectively.

One major challenge in developing countries is the prevalence of informal economic activities. A significant proportion of businesses operate outside formal registration systems, making it difficult for tax authorities to identify taxable persons and accurately assess liabilities. This problem reduces the effectiveness of tax adjustment because authorities lack sufficient information for determining taxpayers' true economic positions (Joshi, Prichard, & Heady, 2014).

In Nigeria, state tax authorities face additional challenges including inadequate funding, shortage of skilled personnel, outdated technology, and limited access to taxpayer information. These constraints affect their ability to conduct effective audits, monitor compliance, and implement fair adjustment procedures. According to Okoye and Ezejiofor (2014), weaknesses in tax administration have contributed significantly to Nigeria's low tax-to-GDP ratio compared with many developing and emerging economies.

Administrative Barriers to Tax Adjustment

Administrative barriers are institutional and operational factors that limit the ability of tax authorities to effectively implement tax adjustment procedures. These barriers include inadequate human resources, poor record management, limited technological capacity, weak audit systems, and ineffective coordination among government agencies.

A major administrative challenge in developing economies is insufficient capacity among tax officials. Effective tax adjustment requires personnel with technical knowledge of taxation, accounting, auditing,

and information technology. Where tax officials lack adequate training, assessment errors, inconsistent decisions, and prolonged dispute resolution may occur (Bird, 2015).

Nigeria's tax system consists of multiple laws and regulations administered by different government institutions. Although reforms have attempted to simplify taxation, taxpayers and administrators often encounter difficulties interpreting changing provisions. Legal uncertainty can complicate tax adjustment procedures because both taxpayers and tax officials may have different interpretations of assessment rules.

Theoretical Framework

The study adopts four complementary theories: Economic Deterrence Theory, Institutional Theory, Fiscal Exchange Theory, and the Slippery Slope Framework of Tax Compliance. These theories provide explanations for how enforcement mechanisms, institutional capacity, government legitimacy, and taxpayer perceptions influence tax adjustment outcomes.

Economic Deterrence Theory

Economic Deterrence Theory is one of the earliest and most influential theories explaining taxpayer compliance behaviour. The theory originates from the economic model of crime developed by Gary Becker (1968) and was later applied to taxation by Michael Allingham and Agnar Sandmo (1972).

The theory assumes that taxpayers are rational economic actors who evaluate the potential benefits of tax evasion against the probability of detection and the severity of penalties. According to this perspective, taxpayers comply with tax obligations when the expected cost of non-compliance exceeds the potential financial gains from evasion.

Mathematically, the theory suggests that compliance is influenced by factors such as:

Probability of tax audit or detection; Size of penalties and sanctions; Frequency of enforcement activities; Effectiveness of tax monitoring systems.

Within the context of tax adjustment, Economic Deterrence Theory suggests that effective audit systems, accurate taxpayer assessments, and credible enforcement mechanisms encourage taxpayers to accept adjustments to their tax liabilities. Where taxpayers perceive a low likelihood of detection due to weak administrative systems, poor record keeping, or limited audit capacity, deliberate underreporting and resistance to tax adjustments may increase.

Institutional Theory

Institutional Theory explains how organizations and public institutions influence economic and social outcomes through established rules, norms, structures, and practices. The theory is associated with scholars such as Douglass North (1990), who argued that institutions determine the incentives and constraints that shape human behaviour.

According to Institutional Theory, the effectiveness of public organizations depends on the quality of institutional arrangements, including governance structures, accountability systems, legal frameworks, and administrative capacity. Strong institutions create predictable environments that encourage cooperation, while weak institutions generate inefficiency, corruption, and non-compliance.

Applied to tax adjustment, the theory suggests that the effectiveness of the Sokoto State Board of Internal Revenue depends on the strength of its institutional framework. Factors such as:

Professional competence of tax officials; Organizational independence; Transparency of procedures; Availability of technology; Clarity of administrative responsibilities;

Fiscal Exchange Theory

Fiscal Exchange Theory explains taxpayer compliance from the perspective of the relationship between taxation and government service delivery. The theory suggests that taxpayers are more willing to comply when they perceive that taxes are exchanged for valuable public services such as infrastructure, security, healthcare, education, and social development.

According to this perspective, taxation is not merely a compulsory obligation but part of a social contract between citizens and government. Where citizens believe that government uses tax revenue responsibly,

willingness to comply increases. Conversely, perceptions of corruption, poor service delivery, and lack of accountability may reduce tax morale.

The relevance of Fiscal Exchange Theory to tax adjustment is that taxpayers' acceptance of additional assessments or revised tax liabilities depends partly on their trust in government institutions. A taxpayer who perceives tax authorities as legitimate and public expenditure as beneficial may be more willing to cooperate during tax adjustment procedures.

In Sokoto State, taxpayer resistance to tax adjustments may be influenced not only by financial considerations but also by perceptions regarding government accountability and the benefits received from taxation. Improving transparency in revenue utilization and communicating the link between taxes and public services may therefore enhance taxpayer cooperation.

Slippery Slope Framework of Tax Compliance

The Slippery Slope Framework was developed by Kirchler, Hoelzl, and Wahl (2008) to provide a broader explanation of taxpayer compliance by combining enforcement power and trust in authorities.

The framework proposes that compliance is influenced by two major dimensions:

1. Power of tax authorities
2. Trust in tax authorities

Empirical Review

Tax administration challenges have been widely examined across developing economies, with scholars emphasizing the importance of institutional capacity, taxpayer behaviour, and regulatory quality in determining tax performance. Bird and Zolt (2008) examined taxation challenges in developing countries and found that weak administrative capacity, limited taxpayer information, and large informal sectors significantly reduce the ability of governments to assess and collect taxes effectively. The study emphasized that developing economies require stronger administrative institutions and improved information systems to enhance compliance and reduce revenue leakage. The findings are relevant to tax adjustment because accurate adjustment depends on the availability of reliable taxpayer information and competent tax administrators. Alm (2019) investigated taxpayer compliance behaviour and argued that compliance decisions are influenced by a combination of enforcement mechanisms, social norms, perceptions of fairness, and trust in government institutions. The study found that excessive reliance on enforcement without improving taxpayer relationships may reduce voluntary compliance. This finding supports the argument that tax adjustment procedures require both effective legal enforcement and taxpayer cooperation.The OECD (2022) conducted comparative research on tax administrations across developed and emerging economies and reported that digital transformation has become a major factor influencing tax administration effectiveness. The study found that electronic filing systems, automated risk assessment, and integrated taxpayer databases improve accuracy in assessment and reduce administrative costs. However, the report noted that developing countries often face challenges relating to infrastructure, funding, and technical skills. Besley and Persson (2014) examined the relationship between state capacity and taxation in developing economies. Their findings revealed that countries with stronger institutions tend to achieve higher tax revenue performance because effective institutions improve taxpayer identification, enforcement, and accountability. The study concluded that taxation challenges in developing countries are often institutional rather than purely economic. Joshi, Prichard, and Heady (2014) studied taxation of the informal economy in developing countries and found that informality creates substantial challenges for tax authorities. Their study showed that limited registration of businesses, inadequate accounting records, and weak enforcement mechanisms make accurate tax assessment difficult. These findings are relevant to tax adjustment because tax authorities cannot effectively adjust liabilities without reliable information about taxpayers' economic activities. Fjeldstad and Heggstad (2012) examined tax administration reforms in sub-Saharan Africa and found that institutional reforms, taxpayer education, and improved administrative procedures contribute significantly to revenue performance. However, the study observed that many African tax authorities continue to experience challenges including inadequate staffing, corruption risks, weak taxpayer databases, and

limited enforcement capacity. Mascagni, Moore, and McCluskey (2014) studied taxpayer behaviour in Africa and found that tax compliance is strongly influenced by perceptions of government legitimacy and fairness. Their research indicated that taxpayers are more willing to comply when they trust tax authorities and believe that tax revenue contributes to public welfare. This supports the relevance of Fiscal Exchange Theory and the Slippery Slope Framework in explaining taxpayer responses to tax adjustments. A study by Fjeldstad, Schulz-Herzenberg, and Sjursen (2012) investigated taxpayer attitudes in several African countries and found that perceptions of corruption and poor public service delivery negatively affect tax morale. The researchers concluded that improving compliance requires not only stronger enforcement but also improvements in governance and taxpayer–government relationships. Ariyo (1997), although an earlier study, examined taxation and economic development in Africa and found that weak tax administration structures limited revenue mobilization. The study recommended strengthening tax institutions, improving taxpayer registration systems, and developing professional tax administration capacity. Okoye and Ezejiofor (2014) examined the impact of tax reforms on revenue generation in Nigeria. The study found that tax reforms improved revenue performance but identified administrative inefficiency, inadequate taxpayer awareness, and weak enforcement as continuing challenges. The authors recommended strengthening tax institutions and improving taxpayer education. Olaoye and Alade (2019) investigated tax administration and revenue generation in Nigerian states. Their findings indicated that effective tax administration significantly influences internally generated revenue. The study identified inadequate manpower, poor taxpayer databases, and weak monitoring systems as major constraints affecting state revenue agencies.

Similarly, Adebisi and Gbegi (2013) examined tax avoidance and evasion as challenges to revenue generation in Nigeria. The study found that taxpayer behaviour, lack of confidence in government, and weak enforcement mechanisms contributed significantly to non-compliance. The authors suggested that improving taxpayer education and institutional credibility would encourage voluntary compliance.Appah and Oyandonghan (2011) examined tax administration problems in Nigeria and found that poor record keeping, corruption, inadequate training of tax officials, and outdated administrative processes negatively affected tax collection. The study emphasized the importance of professionalizing tax administration and adopting modern technology. Adegbie and Fakile (2011) studied the relationship between tax compliance and revenue generation in Nigeria. Their findings showed that effective tax enforcement and improved taxpayer awareness significantly enhance revenue collection. However, the study noted that excessive enforcement without taxpayer engagement may create resistance. Modugu and Anyaduba (2014) investigated taxpayers' perceptions of taxation in Nigeria and found that fairness, transparency, and trust significantly influence compliance decisions. Their study suggested that improving taxpayer relationships should be a central component of tax administration reforms.

METHODOLOGY

This study is a survey research. It used questionnaires as the instrument of data collection. The questionnaires were administered on two hundred and fifty (250) purposively selected tax officials in Sokoto State Board of Internal Revenue of which two hundred and twenty (220) were successfully retrieved. The respondents cut across gender, occupational status, and areas of specialization/discipline, work experience, and responsibilities of the respondents. Data collected will be analyzed using descriptive and inferential statistical techniques.

Descriptive statistics, including:

Frequency distributions; Percentages; Mean scores; Standard deviations; will be used to summarize respondents' opinions.

Inferential statistics will include: Pearson correlation analysis; Multiple regression analysis; Analysis of variance (ANOVA).

The regression model is specified as:

TAE = \beta_0 + \beta_1AB + \beta_2LB + \beta_3TBB + \epsilon

Where:
TAE = Tax Adjustment Effectiveness
AB = Administrative Barriers
LB = Legal Barriers
TBB = Taxpayer Behavioural Barriers
β_0 = Constant
β_1–β_3 = Regression coefficients
ε = Error term

RESULTS AND DISCUSSION

Response Rate and Demographic Characteristics

(Illustrative format — replace with actual survey results)
A total of 250 questionnaires were distributed to respondents comprising tax officials, taxpayers, and tax practitioners. Out of the questionnaires distributed, 220 were correctly completed and returned, representing an 88% response rate. This response rate was considered adequate for statistical analysis.
The demographic analysis indicated that respondents possessed sufficient knowledge and experience regarding taxation activities. Tax officials represented respondents with direct experience in tax assessment and adjustment procedures, while taxpayers provided perspectives regarding compliance challenges and perceptions of tax administration.
Descriptive Analysis of Administrative Barriers
The study examined whether administrative factors constitute significant barriers to effective tax adjustment.
The findings revealed that respondents generally agreed that administrative limitations affect tax adjustment processes. The major challenges identified included:
Inadequate staffing; Limited technical training; Weak taxpayer information systems;
Manual documentation processes; Limited audit capacity.
These findings suggest that administrative capacity remains a major determinant of tax adjustment effectiveness.
The result supports Bird (2015), who argued that effective taxation in developing economies depends largely on the institutional ability of tax authorities to identify taxpayers, process information, and enforce compliance. Similarly, OECD (2022) emphasized that modernization of administrative systems improves accuracy, transparency, and efficiency in tax operations.
In the context of Sokoto State, inadequate administrative resources may reduce the ability of the Board of Internal Revenue to conduct timely assessments, identify inaccurate declarations, and implement effective reassessment procedures.

Legal and Regulatory Barriers

The study further examined the influence of legal challenges on tax adjustment.
The findings indicated that respondents perceived legal complexity as a significant obstacle. Major issues included: Difficulty interpreting tax regulations; Frequent changes in tax policies; Limited taxpayer awareness of legal obligations; Delays in resolving tax disputes.
These findings confirm the argument of Bird and Zolt (2008) that unclear and complex tax laws increase compliance costs and create uncertainty for both taxpayers and administrators.
A weak legal environment may negatively affect tax adjustment because taxpayers may challenge assessments, delay payment obligations, or exploit regulatory gaps. Therefore, simplified tax legislation and effective dispute resolution mechanisms are necessary for improving tax administration.

Taxpayer Behavioural Barriers

The findings also revealed that taxpayer behaviour significantly affects tax adjustment effectiveness.
Respondents identified the following behavioural challenges:

Low tax knowledge; Poor record keeping; Negative attitudes toward taxation; Lack of trust in government; Resistance to reassessment procedures.

This finding supports Kirchler, Hoelzl, and Wahl (2008), whose Slippery Slope Framework explains that taxpayer compliance depends on both enforcement power and trust in tax authorities. Where taxpayers perceive tax authorities as unfair or government services as inadequate, resistance to tax adjustments may increase. Therefore, improving taxpayer education and institutional trust is essential.

Regression Analysis

(Illustrative format)

A multiple regression analysis was conducted to determine the combined influence of administrative barriers, legal barriers, and taxpayer behavioural barriers on tax adjustment effectiveness.

The regression results indicated that the three independent variables significantly explain variations in tax adjustment effectiveness.

The model showed that:

Administrative barriers had a significant negative relationship with tax adjustment effectiveness.

Legal barriers negatively influenced tax adjustment outcomes.

Taxpayer behavioural barriers significantly reduced the effectiveness of tax adjustment procedures.

The findings imply that improvements in administrative capacity, legal clarity, and taxpayer cooperation will enhance tax adjustment effectiveness.

Discussion of Findings

The study demonstrates that tax adjustment challenges in Sokoto State are multidimensional, involving institutional, legal, and behavioural factors.

The finding that administrative barriers affect tax adjustment confirms previous research emphasizing the importance of institutional capacity in developing-country tax systems. Without adequate personnel, technology, and information systems, tax authorities may struggle to conduct accurate assessments.

The significance of legal barriers highlights the importance of regulatory simplicity and consistency. Tax systems that taxpayers cannot easily understand may encourage disputes and reduce voluntary compliance.

The influence of taxpayer behaviour reinforces the argument that taxation is not only an administrative process but also a social relationship between government and citizens. Taxpayers are more likely to cooperate when they perceive tax authorities as fair, transparent, and accountable.

Overall, the findings support Institutional Theory and the Slippery Slope Framework by demonstrating that effective tax adjustment requires both strong institutional capacity and taxpayer trust.

CONCLUSIONS AND RECOMMENDATIONS

The study concludes that effective tax adjustment requires a balanced approach that combines institutional strengthening, legal reform, digital transformation, taxpayer education, and trust-building measures. For Sokoto State and similar developing economies, improving tax adjustment systems is essential for increasing internally generated revenue, reducing dependence on external funding, and promoting sustainable fiscal development.

Based on the findings, the study recommends the following measures:

1. Strengthening Administrative Capacity

The Sokoto State Board of Internal Revenue should invest in continuous training and professional development of tax officials. Tax officers should receive regular training in taxation laws, auditing techniques, data analysis, digital tax systems, and taxpayer relationship management.

The government should also improve staffing levels by recruiting qualified personnel with backgrounds in accounting, economics, taxation, and information technology. Adequate human resources will enhance the accuracy and efficiency of tax assessment and adjustment procedures.

2. Improvement of Tax Information Management Systems

The Board should strengthen its taxpayer database and adopt integrated digital platforms for taxpayer registration, assessment, monitoring, and reporting.

Electronic tax administration systems should be expanded to reduce dependence on manual processes, minimize errors, improve transparency, and enhance the ability of tax officials to identify inconsistencies in taxpayer declarations.

Collaboration with other government agencies and financial institutions should also be encouraged to improve access to reliable taxpayer information while respecting relevant data protection requirements.

3. Simplification of Tax Laws and Regulations

Government authorities should review existing tax laws and regulations to reduce complexity and improve clarity.

Tax rules should be written in a manner that can be easily understood by ordinary taxpayers, particularly small business owners who may lack professional tax knowledge.

Tax authorities should provide simplified tax guides, frequently asked questions, and taxpayer assistance services to improve understanding of tax obligations.

4. Strengthening Tax Dispute Resolution Mechanisms

Efficient and transparent dispute resolution mechanisms should be established to address disagreements arising from tax adjustments.

Taxpayers should have access to fair objection and appeal procedures without unnecessary delays. Effective dispute resolution will improve confidence in the tax system and encourage voluntary compliance.

5. Enhancing Taxpayer Education and Awareness

The Board should implement continuous taxpayer education programmes through workshops, social media platforms, community engagement, and collaboration with business associations.

Taxpayer education should focus on:

Understanding tax obligations; Benefits of compliance; Tax filing procedures; Rights and responsibilities of taxpayers; Procedures for challenging tax assessments.

Improved awareness will reduce misunderstanding and resistance during tax adjustment processes.

Promoting Trust and Transparency

Government should strengthen public confidence by demonstrating accountability in the use of tax revenue.

Taxpayers are more likely to accept tax adjustments when they perceive that government provides valuable public services and manages resources responsibly.

Publishing information on revenue utilization and development outcomes may improve taxpayer trust and tax morale.

7. Balancing Enforcement with Voluntary Compliance

While enforcement remains necessary for addressing deliberate tax evasion, tax authorities should adopt a balanced approach that combines monitoring with taxpayer support.

The use of risk-based auditing, taxpayer segmentation, and compliance assistance programmes can improve compliance without creating unnecessary conflict between taxpayers and authorities.

Policy Implications

The findings of this study have important implications for taxation policy and public financial management in developing economies.

First, policymakers should recognize that increasing tax revenue requires more than introducing new taxes or increasing tax rates. Revenue improvement depends largely on the effectiveness of tax administration institutions. Therefore, investment in administrative capacity should be considered a priority component of fiscal policy.

Second, the study highlights the importance of institutional reforms within State Boards of Internal Revenue. Revenue agencies require operational independence, adequate funding, professional staffing, and modern technology to perform their responsibilities effectively.

Third, tax policy reforms should focus on simplicity and transparency. Complex tax systems increase compliance costs and create opportunities for misunderstanding and disputes. Simplified legal frameworks can improve both administrative efficiency and taxpayer cooperation.

Fourth, policymakers should incorporate behavioural considerations into tax reforms. Tax compliance is influenced by perceptions of fairness, trust, and government legitimacy. Therefore, policies aimed at improving compliance should include taxpayer engagement strategies rather than relying exclusively on penalties and enforcement.

Fifth, digital transformation should become a central component of tax administration reform. Digital platforms can improve taxpayer identification, reduce revenue leakages, strengthen monitoring, and enhance accountability. However, digital reforms must be supported by investment in infrastructure, personnel capacity, and public awareness.

Suggestions for Further Research

Future studies may expand this research by:

1. Conducting comparative studies between different Nigerian states.
2. Examining the effect of digital tax administration on tax adjustment efficiency.
3. Investigating the relationship between tax officials' professional competence and revenue performance.
4. Exploring the role of political factors in sub-national tax administration.
5. Using longitudinal research designs to assess changes in tax adjustment effectiveness over time.

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