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Looking Beyond Oil through Technological Based Property Tax Law in Nigeria

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Abstract

Nigeria's tax administration, including the current 2017 revised tax policy, has not taken the issue of enacting property tax law driven by technology seriously but used other unconstitutional means to collect property tax from her citizens'. However, this study seeks to unravel the nexus between enacting property tax law on technology-base and shifting the focus to non-oil sector for the expansion of the country's source of revenue: Identify the illegal tax practice or collection and the level of taxpayers' compliance in Nigeria. A sample of 630 respondents from selected agencies and institutions of the country was chosen. Analysis revealed that the propose property tax law driven by technology can expand the country's major source of revenue away from oil, that a combination of corporate income, investment and Securities laws are illegally adopted, leading to low viability and taxpayer's compliance. This study then suggests that Nigerian government should properly enact property tax legislation base on technology, with the help of Nigerian National Assembly (NASS), to expand the revenue base of the country away from oil revenue.

Keywords: Property Tax Law, Tax Administration, Technology-Base, Beyond Oil, Nigeria

Introduction

Nigeria has been an oil-dependent economy from where she derives most of her revenue, 40% of her Gross Domestic Product (GDP), 70% of her revenues and up to 90% of all her foreign exchange earnings, thus, neglecting other sources of revenue including agriculture, taxation, manufacturing, trade, transportation etc. However, following the rebasing of Nigeria's economy in 2014, the country's GDP appeared more diversified with non-oil sector contributing very low to the country's GDP. The above view was attested to by the Nigeria National Bureau of Statistics (NBS) report released on December

2018 which covered from 2011 to 2018. According to the report, non-oil sector contributed 5.31% in 2011, 4.21% (2012), 5.49% (2013), 6.22% (2014), 2.79% (2015), -1.58 % (2016), 1.40% (2017) and 1.81% in 2018 respectively (NBS report, 2018). More worrisome is the fact that NBS indicates that Nigeria's GDP stood N16.58 trillion in the second quarter of 2018 while the total government collection in taxes was barely N1.3 trillion in that quarter (NBS report, 2018). Corroborating the above view, though with a marginal difference, Muda Yusuf, who is the Director General of Lagos Chamber of Commerce and Industry (LCCI) noted that,

> Oil related receipts continue to dominate budget revenues (80% of total revenue in 2014). Non-oil revenue remained largely unchanged as a share of non-oil GDP at about 3.3% over the past 4 years to 2014. This has occurred despite a flourishing non-oil sector due largely to the existing tax system which comes across as cumbersome and ambiguous for tax payers to comply with (Yusuf, 2016, p.22)

Nevertheless, following the constant dwindling of oil prices since 2015 in the international oil market and the economic recession in Nigeria in 2016 which drastically affected Nigeria's budget, the country started to look beyond oil to insulate the economy from the risk of being vulnerable to shocks as a result of the single-oil-commodity. This gave rise to the National tax policy review committee of 2017 and the approval by the Nigeria federal executive council of multinational competent agreement that will enable Nigerian government to effectively manage her tax laws and prevent tax evasion. Despite the above measures, it is surprising, however, that less than 15million, out of the population of 198 million, pay taxes in Nigeria. The above view was attested to by the Chairman, Joint Tax Board of the Federal Inland Revenue Service in Abuja, Nigeria, Mr. Babatunde Fowler. According to him,

> A large percentage of Nigerians were defaulting in tax remittances to the federal government. From available records, the total number of individual taxpayers across the country was below 15million, with majority of those in the private sector, professionals and

> high net worth individuals defaulting in payment of relevant taxes (Fabiyi, 2017. p. 2).

The above view was corroborated by the International Monetary Fund (IMF) report of 2018, which noted that, out of the Nigerian labour force of 77 million persons, only 10 million persons registered for tax purposes (International Monetary Fund report, 2018). This adversely shrinks the tax base of the country and makes its contribution to the country's GDP to be less than 8%. This shows that Nigeria's tax administration is very low and cannot compete with other African countries, even in the Sub-Sahara Africa, where Nigeria belong to in the same level of economic development and growth. The above view was attested to by Yusuf (2016, p.12), who noted that,

> Nigeria is a low-taxed economy compared to its peers; we estimate tax to GDP at 8%, is the second lowest in Africa and fourth lowest in the world. Compared to an average of 16% for emerging markets and 18% for Sub-Sahara Africa economies

The informal sector that would have complemented the formal sector to boost revenue generation up to 50% -60% are still in chaos. Tax authorities are still grappling with the appropriate methodology for capturing the informal economy for tax purposes (cited in Maiye & Isiadinso, 2018). However, this will prove very difficult considering the fact that the Nigeria Federal Inland Revenue Services (FIRS) have no data base for the informal sector when the researchers visited most of their offices in the country. Then, the question is, what will Nigerian government do, apart from the informal sector, to boost revenue generation in Nigeria?

This brings the issue of enacting property tax, which is the focus of this study.If well harnessed through proper legislation and implementation, with the corresponding compliance has the potential to be both the primary source of Nigerian government revenue and a critical component effort to achieve the broader potential of not relying on oil. In fact, property tax legislation through technology base, is not only a tool to broaden the tax base of Nigeria, but also has the potential to expand the services of the given country's government to the people**.** The above view was corroborated by Bahl& Bird (2008), who noted that property tax promises, not only expanded service provision, but also greater decision-making autonomy for any government. Similarly, Bell & Bowman (2002) stressed that the potential role of property taxation in providing a highly visible foundation for tax bargaining between citizens and governments, thus supporting accountability and the strengthening of government public services. In fact, a growing chorus of scholars has noted the potential for the property tax to provide a foundation for expanded government accountability (Jiboa& Prichard, 2015; Bahl& Bird, 2008; Bell & Bowman (2002).

However, whereas most of the existing research limited themselves to states or local governments in Nigeria, especially, those that have property tax laws (Muhammad &Ishiaku, 2013; Babatunde& Sunday 2008; Nwachukwu&Emoh, 2010; Olawande, 2010; Sanni, 2010; Tomori, 2012; Ogbuefi, 2004; Ajayi, 2008), this research interrogates the relevance of property taxes on technology-base within the Nigeria context, to expand the tax base away from oil.

In this light, this study investigates the enactment of property tax law on technology base vis-à-vis pathway for looking beyond oil in Nigeria. Following this introduction, is the conceptualizing of tax, technology-driven and property tax, the theorizing of fiscal exchange and political legitimacy, the overview of property tax administration in Nigeria, the methodology, discussion and findings of the study have been presented in sections two, three, four and five, respectively. Unravelling the paradox, that is, understanding the enactment of property tax law within the context of Nigeria has been discussed in subsequent section and the last section concludes the discussion.

Conceptual Clarifications

Tax

There is no consensus among scholars on the definition of taxation. But one fundamental element remains very clear and distinct about taxation, that it is a tool for economic development. That explains why Ogundele (1999) defines taxation as a machinery or process in which society and communities or group of individuals are contributing into an agreed sum which is important for the resolution, development and administration of the public. Similarly, Amaechina (1998, p.9) defines tax “as a levy which a government imposes on the income of the citizens or corporation in a state for which the government gives no direct benefit to the taxpayer" or a non-punitive but yet a compulsory levy by government on the properties and income of individual and corporation." In the same vein, Agyei (1983) defines tax as the transfer of resources from the private sector to public sector in order to accomplish some of the nation's economic and social goals. Also, Okpe (1993) defines tax as the transfer of resources and income from the private sector to the public sector in order to achieve some of the nation's economic and social goals. This interpretation is similar also to the description of Egwa, Udu & Agu (1999), who define tax as a compulsory payment made by each eligible citizen towards the expenditure of the state. For Soyode and Kajola (2006), tax is defined as an obligatory exaction of money by a civic authority for public determinations and prosperity. Also, Nightingale (1997) sees taxes as essential contribution levied by the government on citizens and corporate institutions for the provision of public expenditure.

Furthermore, Oyedele (2016, p. 2) defines tax as any compulsory payment to government imposed by law without direct benefit or return of value or a service whether it is called a tax or not. This definition is important to distinguish between tax and non-tax payments to government or its agencies which are sometimes wrongly referred to as tax. Also, it means that government or its agencies cannot hide under the pretense of nomenclature such as "levies" or "charges" to impose tax without complying with the Policy. Anyanwaokoro (2004), on the other hand, defines tax as a compulsory payment imposed by the government on individuals and corporate bodies in governed area for which no direct goods or services are given in exchange of the payment made.

However, for the purpose of this study, the definition of tax by Arowone (1982) will be adopted for this study. According to him, tax is defined as a compulsory contribution made by companies, individual's residents in Nigeria and non-residents or person having earning or deriving taxable income in Nigeria.

Technology-Driven

Before defining technology driven, let us first define technology. Technology is the means of creating wealth and has three broad interlocked aspects namely: hardware, software and manpower (Adiele, 2011). The hardware aspect is prominent and generally the most expensive aspect of technology. It consists of tools, plants, equipment, land, materials facilities, etc, which are used to transform inputs into products. Software aspect comprises education, organizational structure, management, operational methods, research and all other services which are necessary to design, develop, install, start and sustain the operation. Manpower consists of the human beings who design, develop and research on technology and also make and carry out decisions on the efficient utilization of the soft and hardware. The problem of technology meaning different things to different people stems from a partial view of technology as hardware, software or manpower-aspect only. The result is incoherent and often conflict or confusing evaluations and policies. Any view of technology which does not incorporate the three aspects is not holistic and could be misleading (Adiele, 2011, p.13). Therefore, technology driven tax system is defined as the actual application of technological tools or equipment (hardware)- automated machines etc, for the process of collecting revenues either for the federal, state or the local councils. In other words, enacting property tax legislation through technological-driven tax system simply means jettisoning the previous analogue platform or traditional approach of collecting tax to an electronic driven technology.

Property Tax

There is no consensus among scholar on the definition of property tax. For instance, the Food and Agriculture Organisation (FAO) (2002), defines property tax as an annual tax imposed on real property usually by reference to an advalorem tax base (i.e., the tax is calculated according to the value of the property). Such taxes have been in existence for millennia and their benefits are well known. They are transparent, cheap to administer, efficient to collect and well understood by the taxpaying public. Similarly, Economic Times (2018, p. 2), defines property tax “as the annual amount paid by a land owner to the local government or the municipal corporation of his area. The property includes all tangible real estate property, his house, office building and the property he has rented to others.” Interestingly, this paper will adopt the definition of property tax by Bird and Slack (2002), who define property tax as tax generally levied on all types of properties- residential, commercial, industrial, as well as on farm properties. Sometimes certain classes of property, or property owner or uses of property, are exempt. Sometimes land portion of the property is taxed (e.g Kenya and some parts of Australia and South Africa). In Tanzania, unusually, only buildings are taxed. In countries where both land and improvements are taxed, the land portion is sometimes taxed more heavily than improvements.

Theorizing Political Legitimacy

Tax reform, among other objectives, increases revenue, and you cannot increase revenue without taking into cognizance taxpayer's behaviour and compliance. This simply means that tax reform must be generally acceptable by the people for easy taxpayer compliance in order to achieve greater revenue generation. Based on the on-going analyses, this study will adopt the political legitimacy theory that examines the relevant of enacting property tax law as the yardstick for looking beyond oil in Nigeria. The theory or modelis often used in management and social sciences for taxpayer behaviours and tax compliance in tax administration to achieve greater revenue generation. This study adopted the political legitimacy model. This theory simply postulates that tax compliance behaviour is influenced by "… belief or trust in the authorities, institutions, and social arrangements to be appropriate, just and work for the common good" (Fjeldstad, et al, 2012, p. 7 and Ali et al., 2013, p. 5). This is to say that where there is partiality and inequality, the behaviour to comply will be negative. On the other hand, where there is equity, the relationship of taxpayer and government will tend to improve on tax compliance (Mckerchar & Evans, 2009). The above view is corroborated by Tyler (1990), OED (2010) when they noted that it is normal to expect that the more citizens trust their government and social institutions, the more likely they will voluntarily abide by the decisions and rules set by such government and institutions, and this influences tax compliance decisions. Similarly, Tyler (2000) and Kirchler et al (2008) noted that legitimacy is positively related to tax compliance and perception about government on tax matters. People will comply and pay tax more easily when the government is politically legitimate and accountable towards taxation. Also, national pride and political affiliation in relation to political legitimacy play a role in tax compliance. The above was attested to by Tyler (2000) who argued that Tyler (2000) contended that national pride influences peoples' behavior in groups and provides a basis for encouraging cooperation, just as it positively impacts tax morale (Torgler and Schneider 2005; McKerchar and Evan, 2009). On the political affiliation, Palil (2010) also noted that identification with the ruling government party and its policies also influences tax compliance. He further argued that "…if an individual favors the current ruling government party, he might choose to be compliant because he believes that the government is trusted, efficient and equitable", while if he in favor of the opposition, he "…might be more noncompliant because he perceives that the government is not on his side" (p.204).

When applied to looking beyond oil through technology-based property tax law, the theory suits the analysis because it is model or theory which influences positively or negatively tax payers' behaviour and tax compliance in tax administration. No proper tax legislation can take place without taking into cognizance the taxpayer's compliance. So, for the proposed property tax law to be successfully enacted through legislation, the theory must be taken into account. If Nigerian government, in their bid to enact property tax law takes the model into consideration through massive provision of goods and services and being accountable to the public, the propose tax law driven by technology will receive popular support which will facilitate its passage in the NASS. But, if there is no provision of goods and services or evidence to show for the past taxes collected, Nigerians will look at it as another avenue Nigerian government wants to use to exploit them. In fact, not everybody is keen in performing his/her civic responsibility. That explains why Owens (2006) noted that only a few people are enthusiastic about paying tax. However, explaining the best possible way for tax compliance, Fjeldstad, Herzenbery and Sjursen (2012) as a caveat, strongly contended that compliance may be significantly greater where tax payers feel that their government are accountable, that the receive valued services in return, and that the tax system is fair.

Overview of Property Tax Administration in Nigeria

Tax administration in Nigeria is managed by an organ of government known as the federal Inland Revenue services (FIRS) for the federal, State Board of Internal Revenue (SBIR) and Joint Tax Board (JTB) for the state government. These agencies of government are charged with the day-to-day running of tax administration in Nigeria. In fact, tax administration, though cuts across the three-tiers of government, has been cumbersome and characterized by multiple taxation, tax evasion and tax waivers. For instance, in 2012 alone, some states had over 69 taxes on their desks and local government had the worst case for the collection of taxes which contributed to the challenges currently facing multinationals in Nigeria (Yeken, 2017, p. 3). However, the 2017 National tax policy has streamlined the above confusion on multiple taxation and has warned states and local governments to abide strictly on the above law. According to the policy,

> The states and local governments are forbidden to introduce their own series of taxes as the laws already prescribed the type of taxes to be collected by all levels of government. Federal government had about seven (7); states with 13 and local government council with 21 taxes and levies (cited in Yeken, 2017, p.3)

Interestingly, property tax law in Nigeria existed only in some states not at the federal level. For instance, Lagos State has land use charge law (LUCL) which was first introduced in 2001, recently replaced with a new law enacted on 8 February 2018; Edo State followed by signing Edo State land use charge Act 2012; Enugu State also followed by introducing land use charge law No 7 2016, etc. Nevertheless, almost all the states in Nigeria are operating one form of the below property taxes or another. They are: (1)Transfer taxes, (i) stamp Duty, (ii) consent fees (2) Capital Gain Tax/ Profit Tax, (3) Withholding Tax on Rent, (4) Inheritance and Gift Taxes, (5) Betterment Tax, (6) Planning Rates, (7) Tenement Rates (8) Land Use Charge (9) probate tax The above list was also consistent with the list under the Common Wealth of Nations statute books of legislations following property land taxation: Transfer Taxes, Capital Gains Tax, Inheritance and Gift Taxes and Withholding Taxes, Property Rating, Development Tax, Land Use Charge, Betterment Tax and Planning Charges (Ogbuefi, 2004; Tomori, 2012; Babatunde and Sunday, 2008; Nwachukwu and Emoh, 2010; Ajayi, 2008).

Methodology

The objective of this study is to look beyond oil through technological based property tax law in Nigeria. The study employed a cross-sectional survey design for this work. It involves gathering of data about the propose enactment of property tax law base on technology vis-à-vis panacea for looking beyond oil. The population of the study is made up of staffs of the Federal Inland Revenue Services (FIRS), Nigeria National Assemble (NASS), Nigeria Bar Association (NBA) and Civil Society Organizations (Civil society legislative advocacy (CISLAC); Centre for Democracy and Development (CDD); Zero Corruption Coalition (ZCC); State of the Union (SOTU) and Centre for Information Technology and Democracy (CITAD). To have a sizeable number for this study, judgemental method of sampling was adopted as only people with knowledge and experience in the area under this study were selected. A total of six hundred and forty-five (645) respondents were randomly selected for the study. A total number of 210 questionnaires (70 each) were distributed to FIRSin the three geopolitical regions of Nigeria comprising South East, South West and North Central. While 80 questionnaires (40 each to the members of House of Representatives and Senate) and 340 questionnaires (68 each were distributed to the five CSO's). At the end, 630 copies of self-administered questionnaires representing 95% were successfully filled and retrieved from the study locations, whereas 15 questionnaires representing 5% were not retrieved. The chi-square (X^2) statistical analysis was used to test the hypotheses stated. Also, the chi-square showed the relationship between the independent and dependent variables.

The chi-square test statistics is:

$$X^2 = \frac{\sum (fo-fe)^2}{\sum fe}$$

Where X^2 = Chi-square

Fo = Observed frequency

Fe = expected frequency

The null hypothesis is accepted at 0.05 probability level if the critical/tabular X^2 value is greater than the calculated X^2 value and there will be no significant difference ($P > 0.05$). But null hypothesis is rejected if the critical/tabular X^2 value is lesser than the calculated X^2 value.

Table 1: Distribution of Respondents by Educational Qualifications

Responses	Frequencies	Percentages (%)
WAEC	10	1.6
OND	120	19.0
B.Sc./HND	220	35.0
MBA. M.Sc. & Above	280	44.4
Total	**630**	**100**

Source: Field Work, 2019.

Hypothesis One:

Ho[1]: There is no significant relationship between enacting property tax law on technology-based and shifting the focus to non-oil sector for economic development/growth.

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H$_R$^{1}: There is significant relationship between enacting property tax law on technology-based and shifting the focus to non-oil sector for economic development/growth.

Table 2a: Respondents view on whether enacting property tax law on technology-based will result in shifting the focus to non-oil sector for economic development/growth.

Responses	Frequencies	Percentages %
Strongly Agreed	310	49.2
Agreed	230	36.5
Disagreed	75	11.9
Strongly Disagreed	15	2.4
Total	630	100

Source: Field Work, 2019

Table 2b: Chi-Square Computation of Hypothesis One

Fo	Fe	Fo-fe	$(fo\text{-}fe)^2$	$(fo\text{-}fe)^2/fe$
310	49.2	260.86	68.02	1.3825
230	36.5	193.5	37.44	1.0258
75	11.9	63.1	3.98	0.3345
15	2.4	12.6	158.76	66.15
Total				**68.89**

Source: Field Work, 2019

Calculated x^2 = 68.89

Degree of Freedom

DF = (r-1) (c -1) = (4-1) (2-1) = (3) (1) = 3

Research Decision

Calculated x^2 = 68.89

Critical x^2 = 7.815

$\alpha = 0.05$

Research Result

Calculated x^2 > critical x^2 $\alpha = 0.05$. Therefore, data are statistically significant at 0.05% sampling. Therefore, the null hypothesis Ho is rejected. This means that we should accept H$_R$.

Interpretation

There is significant relationship between enacting property tax law on technology-base and shifting the focus to non-oil sector for economic development/growth. Therefore, enacting property tax law on technology-base will result in shifting the focus to non-oil sector for economic development/growth in Nigeria.

Hypothesis Two

H$_O$^{2}: There is no significant relationship between using corporate income law, investment/ security law and low taxpayers' compliance in Nigeria.

H$_R$^{2}: There is significant relationship between using corporate income law, investment/ security law and low taxpayers' compliance in Nigeria.

Table 3a: Respondents view on whether using corporate income law, investment/ security law results in low taxpayers' compliance in Nigeria.

Responses	Frequencies	Percentages %
Strongly Agreed	299	47.5
Agreed	241	38.3
Disagreed	78	12.4
Strongly Disagreed	12	1.9
Total	360	100

Source: Field Work, 2019

Table 3b: Chi-Square Computation of Hypothesis Three

Fo	Fe	Fo-fe	$(fo\text{-}fe)^2$	$(fo\text{-}fe)^2/fe$
299	47.5	251.5	63.251	1.3316
241	38.3	202.7	41.09	1.0728
78	12.4	65.6	4.30	0.3468
12	1.9	10.1	102.01	53.6895
Total				**56.44**

Source: Field Work, 2019

Calculated $x^2 = 56.44$

Degree of Freedom

DF = (r-1) (c -1) = (4-1) (2-1) = (3) (1) = 3

Research Decision

Calculated $x^2 = 56.44$

Critical $x^2 = 7.815$, $\alpha = 0.05$

Research Result

Calculated $x^2 >$ critical x^2, $\alpha = 0.05$. Therefore, data are statistically significant at 0.05% sampling. Therefore, the null hypothesis Ho is rejected. This means that we should accept H_R.

Interpretation

There is significant relationship between using corporate income law, investment/security law and low taxpayers' compliance in Nigeria. Therefore, using corporate income law, investment/security law results in low taxpayers' compliance in Nigeria.

Hypothesis Three

H_O^3: There is no significant relationship between government constant provision of necessary services and quick popular support for the enactment of property tax law to expand the tax away from oil in Nigeria.

H_R^3: There is significant relationship between government constant provision of necessary services and quick popular support for the enactment of property tax law to expand the tax away from oil in Nigeria.

Table 4a: Respondents view on whether government constant provision of necessary services will lead to quick popular support for the enactment of property tax law to expand the tax away from oil in Nigeria.

Responses	Frequencies	Percentages %
Strongly Agreed	305	48.4
Agreed	239	37.9
Disagreed	73	11.6
Strongly Disagreed	13	2.1
Total	**630**	**100**

Source: Field Work, 2019

Table 4b: Chi-Square Computation of Hypothesis Three

Fo	Fe	Fo-fe	$(fo-fe)^2$	$(fo-fe)^2/fe$
305	48.4	256.6	65.84	1.3603
239	37.9	201.1	40.44	1.0670
73	11.6	61.4	3.77	0.325
13	2.1	10.9	118.81	56.5762
Total				**59.33**

Source: Field Work, 2019

Calculated $x^2 = 59.33$

Degree of Freedom

DF = (r-1) (c -1) = (4-1) (3-1) = (2) (1) = 3

Research Decision

Calculated $x^2 = 59.33$

Critical $x^2 = 7.815$, $\alpha = 0.05$

Research Result

Calculated $x^2 >$ critical x^2, $\alpha = 0.05$. Therefore, data are statistically significant at 0.05% sampling. Therefore, the null hypothesis Ho is rejected. This means that we should accept H_R.

Interpretation

There is significant relationship between government constant provision of necessary services and quick popular support for the enactment of property tax law to expand the tax away from oil. Therefore, government constant provision of necessary services will lead to quick popular support for the enactment of property tax law to expand the tax away from oil.

Research Findings

The findings of the study show that there is a significant relationship between enacting property tax law on technology-based and shifting the focus to non-oil sector for economic development/growth. The above findings are consistent with the findings of (Bird and Slack, 2002; Dillinger, 1991; Rhoads and Bird, 1970; Doebele and Grimes, 1978), with particular reference to the expansion of the tax base of countries that have enacted property tax law such as Sierra Leone, South Africa, Colombia, Indonesia, Kenya, Canada, Hungary, United Kingdom, etc. In fact, enacting property tax law will not only simplify the tax system; raise more revenue for the country, but will also remove inequities in the tax system. No wonder, the introduction of property tax reform in Sierra Leone in 2006 grew roughly twice as quickly as other revenue sources, increasing from an average of 15 percent of total revenue collection across the four councils in 2006 to 31 percent in 2011 (Jiboa & Prichard 2015, p. 413). That explains why in almost all cases of property tax, particular attention was paid to the reform of the assessment system, either because it was seriously out of date or because there was a desire to move to a valued-based system (Bird and Slack, 2002). Also, the study explicitly showed that there was no significant relationship between corporate income law, investment/security law and property tax law in Nigeria. The above view was corroborated by the former minister of Finance, Mrs. Kemi Adeosun, who raised alarm in 2017 insisting that there is no specific law regulating the Real Estate Investment tax or property tax in Nigeria. According to her,

> Nigeria currently has no legislation or regulation that specifically deals with the taxation of Real Estate Investment Trusts (REITs). Hence, there is no clarity of tax treatment of REITs--- Specific REIT legislation must be enacted rather than using a combination of corporate income law, investment and Securities law as well as trust law to determine the correct (and often unfavourable) treatment for REITs. The current situation encourages non-compliance with the current law and is a disincentive to investment in sector that has clearly generated significant benefits in other jurisdictions (National Tax Policy and Tax Laws and Regulations, 2017, p.25).

This implies that it is unconstitutional to use corporate, income law, investment and securities law to determine property tax. Furthermore, the study revealed that there was significant relationship between using cooperate income law, investment/security law and low taxpayers' compliance in Nigeria. No wonder, the real estate services contribution to the country's GDP is very low. For instance, the sector contributed 6.79% to real GDP in third quarter of 2017, lower than the 7.18% it recorded in the corresponding quarter of 2016 and lower than the 7.21% in the preceding quarter (NBS, 2017, p.16).

Finally, the result showed that there was a significant relationship between government constant provision of necessary services and quick popular support for the enactment of property tax law to expand the tax base away from oil in Nigeria. This view is consistent with that of Spicer &Lundtstedt (1976); Smith (1992); Alm (1999); Palil (2010); Torgle (2003), who stated that tax payers' will be willing to comply when they are satisfied with the provision of services from the government, even in the absence of detection and punishment. Conversely, they are also likely to adjust their terms of trade, by reducing compliance when they are dissatisfied with services provision from the government, or even when they dislike the way their taxes are spent.

Unravelling the paradox: understanding the enactment of property tax law within the Nigerian context.

Several explanations can be constructed for successive Nigerian government inability to enact property tax law in Nigeria. Specific reasons abound, but they are imbedded in fiscal exchange and political legitimacy models. Tax payer's compliance depends on the provision of goods and services to the people and the trust the tax payers' have on the government in power. Corruption in Nigerian government is rife. Hardly any day passes without the dailies reporting of looting in millions/billions of Naira or dollars either by government officials or their cronies. For instance, Nigeria's anti-corruption agency- Economic and Financial Crime Commission (EFCC) in 2018 reported that between 2016 and 2018, they have recovered looted funds to the sum of ₦794 billion, $261 million (about ₦77.8 billion), £1.1 million and 407 mansions from looters. The report also stated that the commission has convicted no fewer than 703 corrupt persons and institutions within the period under review (Soni, 2018). This constant surge of corruption every day in Nigeria has discouraged most of the tax payers who believe that paying tax to Nigeria government is not necessary because the money will be frittered away as usual by top government officials or their cronies. This explains why there is low tax compliance for other taxes enacted in the country as succinctly captured by the Chairman Joint Tax Board of the Federal Inland Revenue Services in Abuja, Nigeria - Mr. Babatunde Fowler in 2017 (See page 2). As such, this will definitely affect tax compliances in Nigeria.

Closely related to the above is the fact that Nigeria, which is the most populous black country in the world, with an estimated population of 198 million (Nigeria National Population Commission, NPC, 2018), is an oil-dependent economy with over 90% of her revenue from oil. The group Managing Director of Nigeria National Petroleum Corporation (NNPC), Dr. MaikantiBaru, disclosed this in 2018 that the country's oil and gas reserves has increased to 37 billion barrels and 192 trillion cubic feet of gas reserves (cited in Jeremiah, 2018). The revenue from this oil and gas in billions of dollars accrue daily to the federation, accounts for the country's neglect of other sources of revenue including property tax.

Furthermore, Nigeria is bedevilled with lack of basic infrastructures such as good road, pipe burn water, electricity etc., to facilitate sustainable development. Successive administrations in the country have neglected to maintain and finance these critical infrastructures which have affected the developmental projects in the country. The maintenance of these infrastructures is estimated to cost the country $3trillion to put them on the way to achieve development. This is despite the fact that the country has been collecting taxes and huge revenue from oil. This will definitely discourage most of the taxpayers, even the propose property tax if it is passed into law. Fortunately for Nigeria, African Development Bank (AFDA) has offered to partner Nigeria to bridge the $3 trillion infrastructure gap. Attesting to the above fact, the Senior Director of AFDB, Mr. EbrimaFaal, on July 10 2018, said that AFDB would assist the Nigerian government to bridge its infrastructure gap estimated to cost about 3 trillion dollars in the next 26 years (cited in Waram, 2018).

Finally, enactment of property tax law will pass a lot of hurdles in the country's National Assembly before it is passed into law if Nigerian government sends the bill to the National Assembly. This is because property tax is seen as targeting the elites in the society. Since all of them in the National assembly are some of the elites in the society and have many properties spread all over the country, it will be difficult for them to pass the bill. As such, the possibility of the bill being dead on arrival at the Nigeria's National Assembly is quite obvious and clear.

Conclusion

From the foregoing discussion, it is quite evident that there is a growing recognition of property tax as a major source of government revenue in providing the necessary goods and services in low-income countries. In other words, enacting property tax in Nigeria requires taken into cognizance government transparency in expenditure and the trust of the people on the government in power. This will guarantee maximum tax compliance from the masses. Interestingly, this study is among the first to empirically analysis the relevance of enacting property tax law on base on technology in Nigeria, to broaden the tax base of the country, and most importantly, minimize inequities for a comprehensive tax reform away from oil revenue. In fact, the summary of all the analyses and findings reveal that enacting property tax law on technology-based will result in shifting the focus to non-oil sector for economic development/growth. Also, corporate income law, investment/security law is not the same with property tax law in Nigeria. Furthermore, using corporate income law, investment/ security law results in low taxpayers' compliance in Nigeria. Finally, the study observed that government constant provision of necessary services will lead to quick popular support for the enactment of property tax law to expand the tax away from oil in Nigeria.

Therefore, to be successful in enacting property tax for the expansion of the tax base of Nigeria, urgent steps need to be taken by Nigerian government through FIRS to carry most of the Nigerians along. First, Nigerian government should try to unbundle/eliminate series of minor taxes that clash with each other among the states, local and federal government levels which most of the Nigerians and international investors see as discouraging investors. The above 2017 review by FIRS should be re-visited as there are a lot of misunderstandings to be corrected. In fact, tax administration should be made simple in the country. Second, there should be intensification of taxpayers' education to trust the current government in power coupled with the promises of provision of goods and services. Third, Nigerian government should collaborate with the National Assembly to pass the required property tax law base on technology to expand the tax base of Nigeria. Fourth, this should be followed by the political will to enforce compliance from the tax payers. Finally, Nigerian government should as well ensure that they provide the necessary infrastructure, because mountain evidence suggests that tax compliance may be significantly greater where taxpayers feel that their government are accountable, that they receive valued services in return and that the tax system is fair.

If these suggested measures are taken seriously by Nigerian government, it will not only address the huge challenges of borrowing money from abroad to the finance the country's budget but will also increase the efficiency of revenue mobilization in Nigeria.

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