TAXPAYERS' COMPLIANCE BEHAVIOUR UNDER SELF-ASSESSMENT BASIS: A STUDY OF SMALL AND MEDIUM ENTERPRISES (SMES) IN GOMBE STATE-NIGERIA

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Abstract

This study assessed the taxpayers' compliance behaviour under self-assessment basis of Small and Medium Enterprises (SMEs) in Gombe state. Specifically, it assessed the effects of tax knowledge, tax complexity (tax laws), and tax responsibility on the taxpayers' compliance behaviour of SMEs in Gombe states. A survey research design was used and a sample of one hundred and fifty (150) SMEs was drawn using purposive sampling technique from the population of one thousand one hundred and two (1,102) SMEs registered with Gombe State Ministry of Commerce and Industries as at December 2021. Data for the study were collected through the administration of questionnaire which was designed using a five-point Likert Scale ranging from Strongly Agree (5 points) to Strongly Disagree (1 point). This study employed simple percentages and ordinary least square (OLS) regression techniques for data analysis, and the study found that taxpayers' complexity (TPC) negatively and significantly affects the tax compliance behaviour of SMEs in Gombe state and that taxpayers' knowledge positively and significantly affects tax compliance behaviour of SMEs in Gombe state. The study recommends that a good SAS should be less cumbersome and simple to encourage tax compliance among taxpayers and that government and policymakers should consider taxpayers' views when reviewing new tax policy reforms in Nigeria.

Keywords: ***Self-Assessment, SMEs, Taxpayers Compliance Behaviour, Gombe State***
JEL Classification Code: H24, H25, H26

1. Introduction

Taxation plays an important role in promoting economic growth and development. Resources are channelled by the government towards carrying out important projects in the society which gives succour to the weak. However, tax plays significant role in stimulating economic growth and development but this has not been actualized because of poor tax administration. Taxes are used as a fiscal policy measure to sanitize the production of goods and services in order to protect the health of the people in the societies. Countries have tried to impose large taxes in order to raise higher revenue and finance the production of public goods and services (Abdu, Jibir & Muhammad, 2020).

Taxpayers, however, perceived imposition of taxes as a burden and as such there is increase in tax evasion and tax avoidance which weakens the share of tax revenue (Alm, Martinez-Vazquez & McClellan, 2016; Antinyan, Corazzini, & Pavesi, 2020). This has encouraged many countries to introduce some measures such as improvement in government service delivery, trust and power to decrease the level of tax avoidance and improve the share of tax revenue (Gangl, Hofmann, Hartl & Berkics, 2020). In addition, governments world over enact various laws to spring constitutional authority to collect taxes from all actors in the economy (Varotsis & Katerelos, 2020), yet, tax non-compliance, in the form of tax avoidance and evasion, is still prevalent in most of the nation states notwithstanding harsh penalties enforced on the culprits.

Tax non-compliance adversely affected many economies since it weakens the capacity of the government to provide public goods and services and, makes fiscal policy instruments less effective in managing the macroeconomic variables in an economy. Statistics have it that tax non-compliance behaviour has resulted in losses of high revenue from globally. It was estimated by Crivelli, de Mooij and Keen (2016) that the world's economies lose about US$650 billion annually only to profit shifting as one of the methods of non-complying with tax payment. In contrast, Cob-ham and Janskey (2017) re-estimated the losses to be at US$500 billion and stated that the vast majority of losses is greatest in lower and lower-middle income countries. Although non-compliance is prevalent in the developing countries including Nigeria, it seems more devastating when it comes to SMEs (Seidu, Abdul & Sebil, 2015; Gbadago, 2015). Consequently, effort to lessen the gap through enhancement in domestic revenue mobilisation initiative is an important policy decision that has to be contained by all nation-states.

Fjeldstad (2013) pointed that a good tax system in most countries of the world is considered crucial for sustainable development because it mobilizes domestic revenue and reduced dependency on single resources, especially in emerging economies. This made it possible for the government to make use of tax to achieve its overall objectives. Many measures have been implemented by many countries to increase the revenue collection; these include change of the assessment system used by many countries from direct assessment to Self-assessment System (SAS). Tax system was surveyed in Africa and it was revealed that almost all the countries surveyed with the exception of South Africa, the taxpayers were issued with tax identification number and the tax system adopted by them was SAS (Carter & Cebreiro, 2011). Under SAS the taxpayers are expected to file their returns and pay the tax due without any enforcement action, as such, they are expected to have good tax knowledge and tax system should be simple (Isa, 2012; Saad, 2014; Abdul-Halim, Ahmad, Katmun & Jaafar, 2015; Terrefe, 2016).

However, the self-assessment system works to provide a steady flow of income to the government, as well as, ensure timely furnishing of information to guide in determining the level of risk of non-compliance of taxpayers. Tax officers are therefore enjoined to support the new direction to make the SAS a huge success (Oladipupo & Obazee, 2016). Nonetheless, in terms of tax compliance, African countries are left behind in spite their efforts to catch up with global standards by implementing SAS (Carter & Cebreiro, 2011). It has been established that the knowledge of the tax system and the complexity of the tax syems were among the notable factors that lead to tax non-compliance behaviour (Saad, 2014). Thus, Price Waterhouse Coopers-PWC (2014) reported that average the time taken to fulfil tax responsibility in Africa is over the global benchmark. Indeed, it shows that the time taken to fulfil tax responsibility in Africa is greater than that of Middle-East, European Union, North America, Central America, Asia Pacific and Central Asia.

In Nigeria where over 70% of contributors to the national GDP are Small and Medium Scale Enterprises (SMEs) whose activities are difficult to bring into the national tax net (Vincent, 2021), they are equally the major evaders of taxes for the reason that the economic and behavioural underlying forces of the sector players have not been properly captured in tax administration. There is also a great percentage of SMEs that form the population of taxpayers in any country of the world (Swistak, Wawrzak & Alinska 2015), which shows that compliance with tax payment has a direct influence on the tax revenues generated by governments (Maseko, 2014). Nevertheless, the contrary cannot be realer, as SMEs are the most tax non-compliant units in the world (Alshira'h, 2019), and simultaneously, they are the main stay of the economy of developing nations. Compared to big businesses, SMEs are managed by their owners, at which point they are quite reactive to personal and social factors (Swistak *et al.,* 2015); as such, SMEs' taxation has been one of the crucial issues undertaken by both the developed, as well as, developing countries ever since the beginning of the millennium.

SMEs being profit generating enterprises are ordinary expected to pay their dues. However, the question of how much tax should be levied on them remain a puzzle. SMEs are volatile by their nature, as such they need special consideration. A number of SMEs in Nigeria prefer to remain in the informal sector for they consider the cost of compliance to tax laws is extraordinary and even those that pay only do so because they are forced by the tax authorities. Taxing SMEs is vital because it provides revenue for the government to create an enabling environment that ease the running of all businesses including SMEs. Simultaneously, if SMEs are faced with high compliance costs, it has a propensity to evade paying taxes and the revenue that would have been used to create this enabling environment is weakened thereby decreasing the likelihoods of SMEs survival. Furthermore, in Nigeria, like most developing countries, non-compliance with tax legislation among businesses, particularly SMEs has been a gloomy task for government and revenue agencies.

Given the above background, this study is aimed at assessing the taxpayers' compliance behaviour under self-assessment basis of SMEs in Gombe state. That is to assess the effects of taxpayers' knowledge and taxpayers' complexity (tax laws) on tax compliance behaviour. The study is distributed into five sections. The introduction, which is section 1, is followed by section 2 which is the literature review which presents conceptual, empirical and theoretical issues related to tax compliance and self-assessment. Section 3 is the methodology which consists of data sources, model and tools of analysis. Section 4 provides the empirical analysis and section 5 provides the summary of findings of the study, as well as recommendations for policy implementation.

2. Literature Review

Here, the review of relevant literature on the concept of SMEs, concept of tax compliance, concept of tax complexity, as well as concept of tax knowledge. Other issues discussed were empirical review and the theoretical framework underpinning the study.

2.1 Conceptual Review

2.1.1 Concept of Small and Medium Scale Enterprises (SMEs)

Small and Medium Sized Entities (SMEs) have been defined in many ways by different authors. International Accounting Standards Board-IASB (2009) described SMEs as:

i Enterprises not having public accountability; and

ii Publish general purposes financial statements or follow generally accepted accounting principles (GAAP)**.**

In addition, Alternative Securities Market-ASEM for emerging businesses (2013) as cited in Ibrahim and Ibrahim (2015) described SMEs in the following ways:

i Any enterprise with an asset base excluding land and building of ₦10 million but less than ₦100 million and with total employees from 10-49, is described as “SMALL”.

ii Any enterprise with an asset base excluding land and building of ₦100 million but less than 1billion and with total employees from 50-199 is described as “MEDIUM”.

Furthermore, Section 25 of the Finance Act of Nigeria’ 2020 described small companies as a company that earns gross turnover of ₦25 million or less per annum, while it describes as medium any company that earns gross turnover greater than ₦25 million but less than ₦100 million per annum. Therefore, this study considers the definition provided by the Finance Act of Nigeria’ 2020.

2.1.2 Concept of Tax Compliance

Tax compliance is described as the response/outflow of the fiscal policy of the government to raise public revenue towards public expenditure and challenges that may face the taxpayer and revenue authorities in the process. Fakile (2011) canvassed that tax compliance could include the degree of willingness with tax laws and administration that can be achieved without the immediate threat or actual application of enforcement activity. Similarly, Mohd and Ahmed (2011) defined tax compliance as the taxpayer’s willingness to abide by the tax laws, declare accurate income timely, claim correct reliefs and allowances and pay all taxes due in a timely manner. Moreover, Palil and Mustapha (2011) defined tax compliance as a process of filling tax returns by declaring all income accurately and paying the exact tax liability using applicable tax laws and regulation.

Furthermore, Geibart (2014) stated that tax compliance is a means of directing a network of rules and regulations which rendered tax agent confused, disorientated and lost. In the same vein, Gangl, Hofmann and Kirchler (2015) looked at tax compliance from the perspective of taxpayer’s motivational position and asserted that tax compliance has to be seen in harmony with the following: i. Enforced Motivation - Taxpayer’s unwillingly pay taxes for fear of audits and fines or hold the view that there is no substitute to compliance. ii. Voluntary Motivation - taxpayer's willingly pay taxes by following due processes without any complaint in terms of law; and iii. Committed Motivation - taxpayers consider payment of tax as a moral obligation. More so, Ayuba, Saad and Ariffin (2016) pointed that tax compliance is the ability of the taxpayers and his willingness to abide by the tax laws, disclose their actual income and remit the right amount of taxes on the due date to the relevant tax authority.

From the definitions, the range of definition extends from the narrow law enforcement approach through wider economic definitions and on to even more comprehensive versions relating to taxpayer decisions to conform to the wider objectives of society as reflected in tax policy. It is also clear from the definitions that the taxpayers are to exercise care to lodge appropriate tax returns in line with the requirements of the tax legislation. This is to avoid unintentional evasion and also to prevent deliberate evasion of tax.

2.2 Empirical Review and Hypotheses Development

2.2.1 Tax Complexity and Tax Compliance

Tax complexity has been defined in different ways by different people and three different definitions were given by Evans and Tran-Nam (2013) which described tax compliance from the perspectives of tax accountants, tax lawyers and taxpayers. To tax accountant, it refers to time taken to prepare tax returns together with tax planning. To a tax lawyer, it can be seen from the viewpoint of complexity in analysis, comprehending, and inferring tax laws. To a taxpayer, it is seen from the viewpoint of time taken and the cost incurred in abiding by the relevant tax legislations. However, tax complexity was viewed by Gambo, Mas'ud, Nasidi and Oyewole (2014) as the time taken in complying with the relevant tax legislations by the taxpayers. Therefore, tax complexity can simply means time taken to comply with the relevant tax legislations by the taxpayers, as well as, complexity in analysing, comprehending, and inferring tax legislation.

Researches were conducted on tax complexity and tax compliance behaviour, for example, Atawodi and Ojeka (2012) evaluated the factors encouraging non-compliance with tax obligations by SMEs in Nigeria. Data were collected from the primary source, using a questionnaire, Pearson product-moment correlation was employed as technique for data analysis. The study documented that high rate of tax and difficult filing processes are the factors influencing non-compliance behaviour among SMEs in Nigeria. Similarly, Nugent (2013) assess the effects of tax law complexity on the behaviour of taxpayers. The taxpayers are the students of Duquesne University, Robert Morris University, the University of Pittsburgh and Pennsylvania State University, McKeesport Campus, all in the US. Experimental survey design, ANOVA and regression analysis were used and the study reveals that complexity may affect social expectations and moral attitudes of taxpayers significantly. In contrast, Gambo *et al.* (2014) examine how tax complexity affect tax compliance behaviour in Africa under Self-Assessment by using correlation and OLS regression as techniques for data analysis and the result reveals that tax complexity has negative and significant effect on tax compliance behaviour in Africa as extra one day (19hours) was spent by taxpayers on tax compliance in self-assessment environment beyond the regional benchmark.

In another study in Nigeria, Vincent (2021) investigates the reliability and validity of a new version of the tax compliance scale (The extended Fischer's model of tax compliance) by drawing more constructs and questionnaire items from the literature review, results from previous studies, as well as, similar questionnaire items from different countries. A questionnaire comprising 37 questionnaire items classified into seven main constructs (tax system complexity, tax non-compliance opportunity, tax deterrence sanction, tax rate, tax attitude and fairness perception, tax compliance cost, and tax information) were distributed to managers/owners of three hundred and ninety two (392) SMEs selected across all the six geopolitical zones of Nigeria. It was revealed that all the seven constructs show a satisfactory level of internal uniformity and intra-class reliability. The principal component analysis, correlational and communality showed that the scale used for tax compliance behaviour is in line with the theoretical expectations, as well as, prior empirical results.

Aggregating all the viewpoints from the literature reviewed, this study is premised on the perspective that tax complexity might have negative influenced on SMEs' tax compliance behaviour because, when the tax system is not simple, taxpayers may see the unfairness in the system and at the end will lead to low compliance. Consequently, this study formulates the following hypothesis in a null form:

H_1: Taxpayers' complexity has no significant effect on the tax compliance behaviour of SMEs in Gombe state.

2.2.2 Tax Knowledge and Tax Compliance

Knowledge is the information known or recognized by someone (Bird, 2015). Knowledge is something that is known to be related with the learning process. This learning process is influenced by various factors from within such as motivation and external factors like the means of information available, as well as, socio-cultural circumstances proposed (Bird, 2015). This study considers tax knowledge to represent tax education, which is similar in meaning. Tax education means a general introduction to the concepts and principles of taxation including personal, business and corporation taxes, administration and assessment of taxes, appeal procedure, as well as, basic tax planning for both individuals and businesses (Lai, Zalilawati, Amran & Chong, 2013). Furthermore, the taxpayer's knowledge shows the understanding of the taxpayer in applying the tax rules, particularly on income tax. The taxpayer's degree of awareness of the tax rules and regulation is referred to as the tax knowledge (Oladipupo & Obazee, 2016). Therefore, tax knowledge is generally about understanding the established tax rules and regulation.

The knowledge of tax is an essential factor influencing tax compliance behaviour. People not only find it difficult to understand the tax laws, but they also have poor knowledge about the rates of taxes and the basic principles of taxation. Tax education is vital for tax compliance and it becomes pertinent for the tax authority to consider the issue of taxpayers' education and other compliance variables for real tax compliance. Without the knowledge of tax, there is possibility for non-compliance with the tax legislations by the taxpayers either. Knowledge of tax and fiscal policies is considered as one of the critical factors in determining taxpayers' compliance behaviour (Newman, Charity & Ongayi, 2019; Olaoye, Rafiat & Peter, 2017). Pratama (2018) states that when taxpayers have higher degree of tax awareness, they follow high moral behaviours and Newman *et al.* (2019) posit that taxpayers with sound formal education and knowledge are probable to have sufficient information about tax and fiscal policies because of their level of learning and experience. In addition, Olaoye *et al.* (2017) investigate the effect of information, administration, and knowledge on taxpayers' compliance of moulding firms in Ekiti State, Nigeria. Data was collected based on primary sources using questionnaires. Ordinary least square was used as a technique for data analysis and the study documents that there is positive and significant impact of tax information and knowledge on tax compliance.

Similarly, Bernard, Memba and Oluoch (2018) examine how tax understanding and knowledge impact on tax compliance behaviour of shareholders in export oriented production areas in Kenya. The study reveals that tax knowledge and awareness have a positive and significant relationship with taxpayers' ability to understand tax laws and thus increase tax compliance. Moreover, Prasetyarini, Rusmana, and Putri (2019) examine the effect of taxpayers' knowledge on self-assessment in Indonesia. Data was collected from primary source using questionnaire and multiple regressions were used for data analysis. The study result showed that knowledge and penalties influence the effectiveness of self-assessment system implementation. In the same vein, Oladipo, Nwanji, Eluyela, Godo and Adegboyegun (2022) examine how tax fairness and tax knowledge influence tax compliance behaviour of listed manufacturing companies in Nigeria using questionnaire survey and the Laffer Curve Theory was employed as underpinning theory. Correlation, analysis of variance (ANOVA), and multiple regression analyses were also employed for data analysis. The results show among others that tax knowledge influenced tax compliance positively and significantly. Considering the results from the literature reviewed, this study is premised on the perspective that taxpayers' knowledge might have positive influenced on SMEs' tax compliance behaviour. Consequently, this study formulates the following hypothesis in a null form:

Ho_2: Taxpayers' knowledge has no significant effect on tax compliance behaviour of SMEs in Gombe state.

2.3 Theoretical Framework

There are many theories on tax compliance, however, this study is anchored on equity theory and the Slippery Slope Framework (SSF). The equity theory has been explained by social psychology framework as a vital theory in explaining tax compliance behaviour (Fjeldstad, 2013). This theory stated that when tax system is cumbersome, its fairness might be questioned by the taxpayers and the more complex the tax system is the taxpayers can perceive that there is unfairness in it.

Also, a framework that is useful to understand tax compliance is the SSF, which was developed within the tax compliance works (Kirchler, Hoelzl & Wahl, 2008). According to Kirchler *et al.* (2008) slippery slope is a concept integrating economic and psychological factors of tax compliance. The SSF suggests that the effectiveness of economic and non-economic factors depends on the association between taxpayers and tax authorities. Basically, the slippery slope spelled out the interaction between taxpayers and tax authorities in order to increase tax compliance. This framework notes that the tax environment can vary on a continuum between an antagonistic climate (i.e., where taxpayers and the tax authority work against each other) and a synergistic climate (i.e., where taxpayers and the tax authority work together). In antagonistic climates, the tax authorities believe that taxpayers evade taxes whenever they can and they should be carefully monitored; taxpayers, for their part, is of the opinion that they are victimized by the tax authority and it is good to hide. In synergistic climates, taxpayers see tax authorities as providing a service for the community, and as being part of the same community, the taxpayers fit in.

Based on the SSF, tax authorities secure cooperation from taxpayers through two different factors, namely, power and trust. Power underscores the power of tax authorities to monitor the behaviour of taxpayers so as to increase tax compliance by using deterrence method such as audits and penalties. Trust stresses on the association between taxpayers and tax authorities with more polite and considerate method. Further, Kogler, Muehlbacher and Kirchler (2013) suggest that authorities' power and trust in authorities affect tax compliance. More specifically, when authorities' power and trust in authorities are low, tax compliance will also be low because taxpayers will act rationally by avoiding taxes and maximizing their profits. In contrast, when power and trust increase, tax compliance will also likely increase. In addition, based on the framework, increasing trust in tax authorities and enhancing taxpayers' perception of tax authorities' power will potentially increase tax compliance. Furthermore, Kogler *et al.* (2013) posit that trust in tax authorities and tax authorities' power enhance tax compliance, but with different magnitude. Trust will lead to voluntary compliance while increased authorities' power increases enforced compliance. Similarly, Mas'ud, Manaf, and Sa'ad (2015) state that high degree of trust in authorities joined with high authorities' power might probably lead to greater tax compliance.

3. Methodology

For this study, survey research was used and all the one thousand one hundred and two (1,102) SMEs registered with Gombe State Ministry of Commerce and Industries as at December 2021 were considered. Purposive technique of selecting sample was used to select a sample of one hundred and fifty (150) SMEs. The data for the study was gathered through the administration of questionnaire which was designed using a five-point Likert Scale ranging from Strongly Agree (5 points) to Strongly Disagree (1 point). Generally, the questionnaire items are related to taxpayers' complexity, taxpayers' knowledge, as well as taxpayers' compliance behaviour. Five (5) questions each were used to measure taxpayers' complexity, taxpayers' knowledge and taxpayers' compliance behaviour as presented in Appendix I. This study used Cronbach alpha to measure the consistency of the instruments used. The Cronbach alpha of all the questionnaire items is 0.82, since the benchmark for reliability coefficient is 0.67-0.70 (Oladipo *et al.*, 2022), it shows that the instruments used are reliable. However, in other to establish the content validity, the study reviewed previous studies and identified possible items used by other studies which was included in the scales used. Expert opinions was sought from researchers that have interest in the field of this research study. The scales was then developed and tested on a group of respondents similar to the sample in the study. With opinions and feedback from previous studies and research experts, the measurements were modified. With the modification, a rational level of assurance in content validity was achieved. This study employed simple percentages and ordinary least square regression techniques for data analysis, while Statistical Package for Social Sciences (SPSS) 25.0 was used for the analysis.

4 Results and Discussion

For this study, one hundred and fifty (150) copies of questionnaire were distributed to the respondents out of which one hundred and twenty (120) copies were returned (a response rate of 80%). Thus, the analysis and discussion are based on the one hundred and twenty (120) copies returned.

4.1 Demographic Characteristics of the Respondents

The bio-data of the respondents are presented in Table 1.

Table 1: Demographic Characteristics of the Respondents

		Frequency	Percentage
Qualification	Primary Cert.	20	17
	SSCE	40	33
	OND	35	29
	BSc/HND	20	17
	M Sc.	5	4
	Total	**120**	**100**
Years in Business	Below 2 Years	25	21
	2-4 Years	70	58
	5 Years & Above	25	21
	Total	**120**	**100**

Source: Field Survey (February, 2022)

Table 1 showed the distribution of the demography of the SMEs in Gombe state. It shows that 20 (17%) of the respondents obtained primary school certificates, 40 (33%) of the respondents are having SSCE, 35 (29%) of the respondents obtained OND as their highest qualification, 20 (17%) of the respondents obtained B. Sc./HND, while 5 (4%) of the respondents obtained M Sc. It is evidenced from Table 1 that most of the SMEs owners are attain some level of educational qualifications and therefore, they can be able to understand tax laws. Table 1 also showed that 25 (21%) of the respondents spent less than 2 years in their businesses, 70 (58%) of the respondents spent between 2-4 years in their businesses, while 25 (21%) of the respondents spent 5 years and beyond in their businesses. This implies that most of the respondents have been in business for a long time thereby making them conversant with the tax laws due to their experience.

4.2 Analysis of Regression Result

The regression results on how taxpayer's complexity and taxpayers' knowledge affect tax compliance behaviour are shown in Table 2.

Table 2: Regression Result

Variable	Coefficient	T-Value	Beta-Value	P-Value
Constant	.229	.974		.332
TPC	-.336	-4.031	.505	.000
TPK	.364	3.992	.319	.000
R^2	.369			
Adjusted R^2	.353			
F – Value	25.252			
P-value	0.000			

Source: Output from SPSS 25.0

Table 2 showed R^2 of 0.369 which means that taxpayer's complexity and taxpayers’ knowledge account for about 37% variation in tax compliance behaviour under self-assessment basis of SMEs in Gombe state, while the remaining 63% is accounted for by other variables not captured in this model. It also showed that the model is fit as shown by the P-value of F-statics of 0.000. This implies that the independent variables can jointly predict the taxpayers' compliance behaviour.

It is evidence from Table 2 that taxpayers' complexity shows a coefficient value of -0. 336 and P-value of 0.000. This indicated that taxpayers' complexity (TPC) negatively and significantly affects the tax compliance behaviour of SMEs in Gombe state. From the foregoing result, the null hypothesis which states that taxpayers’ complexity has no significant effect on tax compliance behaviour of SMEs in Gombe state is rejected. This result is supported by the study of Gambo *et al.* (2014) who documented a negative and significant effect of tax complexity on tax compliance behaviour. Moreover, taxpayers’ knowledge exhibits a coefficient value of 0.364 and a p-Value of 0.000. This implies that taxpayers' knowledge (TPK) has positive and significant effect on tax compliance behaviour of SMEs in Gombe state at 5% level of significance. It can be deduced that the null hypothesis which states that taxpayers' knowledge has no significant effect on tax compliance behaviour of SMEs in Gombe state was rejected. Therefore, taxpayers' knowledge has a positive and significant effect on the tax compliance behaviour of SMEs in Gombe state. The positive and significant effect of taxpayers' knowledge suggests that the provision of adequate tax education to taxpayers will enhance tax revenue of the government. Tax training would lead to tax compliance behaviour of the taxpayers, because when required tax knowledge is acquired in the field of tax legislations, perfect filing of tax returns, and prompt payment of tax due on time (Nagel, Rosendahl, van Praag & Goslinga, 2019). This finding concurs with the findings of Prasetyarini *et al.* (2019) and Oladipo *et al.*

(2022) who found that tax knowledge positively and significantly affects tax compliance behaviour.

5. Summary and Conclusion

Self-assessment System (SAS) is a system which allows taxpayers to file their returns in line with the provision of tax legislations. However, prevalent issues of tax non-compliance among taxpayers have been recognized by researchers as the main difficulty hampering the attainment of SAS, particularly in African countries. Therefore, this study assesses the effects of tax complexity and tax knowledge on tax compliance behaviour under SAS of SMEs in Gombe state, Nigeria. Results show that taxpayers' complexity (TPC) negatively and significantly affect the tax compliance behaviour of SMEs in Gombe state and that taxpayers' knowledge has a positive and significant effect on the tax compliance behaviour of SMEs in Gombe state. The study recommends that a good SAS should be less cumbersome and simple to encourage tax compliance among taxpayers and that government and policymakers should consider taxpayers' views when reviewing new tax policy reforms in Nigeria. There is also the need to identify the non-tax payers and collect money from the compliant taxpayers that lead to data-driven decision-making that will burst revenue for the country.

This study is constrained by the sample for the study, which is restricted only to SMEs in Gombe state, as such the study's findings may not be extended beyond the study population and therefore, is of help to all the SMEs in Gombe state even though SMEs in other states in Nigeria may benefit because they have the same features. This study assesses the effects of tax complexity and tax knowledge on tax compliance behaviour under SAS of SMEs in Gombe state, Nigeria. Future studies may look at other factors influencing tax compliance behaviour that are not used in the present study such as tax commitment, tax amnesty programs, power of the tax authorities and corruption. Also, future studies should consider all SMEs in Nigeria whether same result can be obtained.

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