International Journal of Scientific Research and Engineering Development-– Volume 7 Issue 5, Sep-Oct 2024
Available at www.ijsred.com

RESEARCH ARTICLE OPEN ACCESS

DOES PROPERTY TAX REVENUE ENHANCE INTERNALLY GENERATED REVENUE OF SOUTHEAST STATES OF NIGERIA

Ifeanyichukwu Valentine Nwafor*, P.C Ogbuefi**

Department of Estate Management, University of Nigeria, Enugu Campus
Ifeanyichukwu.nwafor@unn.edu.ng
Paul.ogbuefi@unn.edu.ng

Abstract

Effective planning especially in governance requires evaluation of budget performance from time to time. The ability to fund activities of the state is the heartbeat of government at all levels. The purpose of this study is to see the results of consistent increase of property tax rates in southeast states of Nigeria in other to encourage positive collaboration and healthy competition, especially now that most projects are abandoned in the States due to paucity of funds. Descriptive statistics and linear regression model aided to identify that all the states failed to achieve her estimated property tax revenue and internally generated revenue within the studied period and the impact of property tax revenue on internally generated revenue is weak in Abia, strong in Anambra and negative in Enugu. Increasing property tax rates to improve IGR is not ideal rather other revenue windows should be explored and government must do well to provide infrastructure in other to justify taxes that are being collected from the people.

Keyword: Property tax revenue, internally generated revenue, southeast states

Introduction

In affluent nations, revenue earned internally from property taxes is significant. The most effective tax is the property tax, both theoretically and practically, and it encompasses a number of other desirable aspects of a tax instrument, such as transparency, equity, and a direct relationship to benefits (Norrengard, 2013). Given the current trends of urbanization and fiscal decentralization, the tax has even greater significance (Sepulveda and Jorge 2012). Internally generated revenue are proceeds within a jurisdiction that serves as a broad basket where funds from all tax windows are channeled into from whence projects and programs are implemented.

The immovable property tax generates up to three percent of GDP in income in certain high-performing nations. Simultaneously, a lot of emerging nations have had trouble generating enough money from property taxes. However, property prices are also rising in developing nations as their economies improve, expanding the tax base available for revenue realization. Technology has simplified and improved the administration of taxation, and governments in developing nations have been focusing on strengthening their governance and exploring the possibility of expanding or implementing property tax revenue collection in order to increase the variety of their tax and fiscal income sources. Because immovable property taxes are progressive by nature, they not only increase tax revenue collections but also serve as a tool for income redistribution (Awasthi, Minh le, You, 2020).

According to Adebimpe (2021), the two types of land taxes are land charges and property tax. Ground rent, land use charges, and costs for surveying, registering and searching, valuing, applying, re-granting, changing the purpose, and obtaining an occupancy permit are several examples of land charges. Any stake in the ownership or use of landed assets is subject to property tax, which is a mandatory payment. This comprises stamp duties, withholding tax, severance tax, capital gains tax, capital transfer tax, betterment/development tax, and site-value tax, among other things. Tenement rate is also included in this. For state and local authorities, it is a significant source of revenue. This revenue window is mostly for government to bear the cost of providing basic infrastructure and maintaining social services.

In a bid to meet up with responsibilities as a government, consistent increment of property tax rates has been the policy of successive democratically elected government in Nigeria, Nwafor and Onyejiaka (2018) added that constant reviews of these tax rates affects citizens willingness to comply thereby affecting the eventual proceeds. Property tax revenue is heavily dependent on voluntary compliance, Nigerians must at times present themselves for possible deductions to be made by government. Inconsistencies in what to pay will deter people from complying as expected.

However, increasing tax rates to improve revenue requires evaluation of such policy from time to time, and most importantly since property tax is one out of other various taxes in the state, there is every need to examine its input in IGR and annual performance to ensure optimum results and effective planning.

Literature Review

Property Tax and Internally generated revenue

Property tax is always a subject of discussion in Nigeria due to serious attention each successive governments at all levels gives to this revenue window. Many contributions have been made to address countless issues surrounding this tax, empirical review in this section considered all of them and eventually added something that is still missing for effective policy decisions in southeast states of Nigeria.

In research on land and property taxation by Bird & Slaik (2002) they shed light on the significance of local property tax generation. It was emphasized that real property is immobile and resides within a community, thus it cannot relocate in response to the tax, making property tax a legitimate source of municipal income. The study also showed that since there is a link between many of the services that local governments normally support and the increase in property values, property taxes are regarded as a suitable source of funding for local governments. According to the study's findings, property taxes are benefit taxes insofar as they raise property values and come from the provision of public services and infrastructure to society and property owners. Similarly, Grover and Walacik (2019) added that property taxes have the potential to play a crucial role in the effective operation and fairness of a tax system. Song and Yuez (2006) examined how differences in property within cities affect urban sprawl and established, through a rigorous mathematical model, that there is a relationship between property tax and change in improvement on land via the ability of residents to pay for what they can afford.

The main obstacles impeding the success of land-based tax administration in Bauchi state, according to Muhammad and Ishiaku (2013), are a lack of political will, inadequate records of taxable properties, the tax's unpopularity, an inadequate or lack of skilled workforce, and corrupt official practices. Furthermore, it was challenging to achieve compliance because the ruling class held the majority of taxable properties. In Olorunda Local Government Area, Osun State, Oluwadare and Ojo (2014) found that the government was losing a significant amount of income due to a lack of understanding about the spatial distribution of properties and the disorganized way in which property tax records are maintained. Their investigation also showed that only financial organizations pay land-based taxes on time, most likely out of concern for their ability to retain clients should they face legal action. However, in Ndehedehe and Kolawole's (2012) research, hard copy revenue data—in the form of maps or descriptive documents—is used for land administration in Akwa Ibom State. For as many as 80% of the parcels in the state of Akwa Ibom, there is no formal proof of title. Furthermore, the cadastral survey covers less than 10% of the state in hard copy and this has contributed to poor returns from property taxes.

Adaletey et al.'s (2022) study looked at ways to enhance property taxes and the tax system for accountability and revenue mobilization. They discovered that while property tax compliance behaviors and tax law awareness have a positive relationship with revenue mobilization, digital systems for property identification and property tax administration have a negative relationship. Sa'ad and Adebayo (2019) examining property taxation as a veritable alternative source of budget funding in Nigeria observed that there has been a steady increase in the contribution of property tax towards funding of the state budget, in like manner Nwafor, Obineme and Okey(2021) looked at property tax and IGR estimation during budget preparation and discovered that Abia State Nigeria within the studied interval failed to realize her projected proceeds from these sources therefore affecting capital projects mapped out in the state.

These reviewed contributions on property taxation discovered that previous studies looked at administration, justification, and collection, but performance audit especially in south east that shows measurable achievements is still unexplored of which this study filled the gap and showed among other objectives the impact of PTR on IGR of the southeast states of Nigeria.

On the other hand some studies have indeed contributed in one way or another on internally generated revenue. Nkechi and Onuora (2018) looked into how IGR affected the South Eastern States of Nigeria's infrastructure development, with the aid of linear regression and correlation, it was discovered that there is a strong positive correlation between IGR and infrastructural development. Nnanseh and Akpan (2013) evaluated the impact of IGR on infrastructural development, in Akwa Ibom State, the study's specific goal was to determine how much IGR has contributed to the availability of infrastructure including roads, electricity, and water. It was discovered that IGR made a substantial and favorable contribution to the availability of roads, electricity, and water. But compared to electricity and water, highways received a disproportionate share of these contributions. Morufu and Babatope (2017) evaluated the impact of IGR on the revenue profile of South Western State Governments in Nigeria and how this has affected their capital expenditure for the years 2006-2015, using multiple regression analysis, there was a strong positive association between Ekiti, Osun, and Ondo States' revenue profiles and IGR. It also revealed that Ekiti and Ondo State's capital expenditures were not significantly impacted by the IGR. Nonetheless, Osun State's IGR has a major impact on capital spending.

Peter and Ferdinand (2017) examined the relationship between IGR and capital expenditure use in Cross River State, Nigeria, from 2007 to 2015, with descriptive statistics the study averred raising government spending without matching revenue will result in a larger budget deficit and went further to recommend that Cross River State government should raise its IGR to cover the state's capital expenditures. Asimiyu and Kizito (2014) studied IGR and its implications on fiscal viability of State governments in Nigeria, with descriptive statistical tools the study submitted that state governments' IGR growth rates were 20.1%, which is extremely low, the growth rates of IGR in rural states were higher than those in urban states, State Governments' total and recurring expenditure growth rates were higher than the growth rate of IGR, at 34.2% and 30%, respectively, IGR of urban states funded a higher percentage of their overall and recurring expenses than the IGR of rural states, and there was a direct correlation between capital expenditures and the growth rates of IGR. Also on fiscal viability of states, Adejoh and Mary (2019) using vector error correction model revealed that IGR of many states in Nigeria had a poor impact on revenue generation, total expenditure and reducing fiscal deficit.

Ali, Simon and Ashami (2016) carried out a study in Benue State to critically evaluate the influence of Personal Income Tax on IGR. This, they did with a view to ascertain the viability of IGR and independence of the State beyond the Statutory Federal Allocation. Using the technique of multiple regressions, the study found a positive relationship between the variables i.e. Pay As You Earn and IGR. This implies that, an increase in the PAYE will increase IGR of the State. Similarly, a positive relationship exists between Direct Assessment and IGR. An increase in it will also lead to increases in the IGR. Additionally on budget financing and IGR Onodugo, Onodugo, Benjamin, Asogwa and Ayandike, 2015; Adeoti, Olawale and Abdulraheem, 2014; Luke and Onuoha, 2013; Olusola, 2011, all submitted that the average performance of many states in most financial capacity questions is not impressive, earnings from States' IGR in Nigeria are very poor.

Ishola et al. (2020) opined that IGR is prerequisite for local government sustainability in Nigeria and recommends that local government IGR should be expended to funds its expenditures as federal allocation cannot be guarantee for sustainability. Also, Adeola (2017) reported that paltry revenues collection in local government has been an impediment to provision of goods and services to citizens, and therefore, recommends increased efforts on IGR to avert funds shortage and public goods challenge. Similarly, Alhassan Francis and Ude (2020) reported that actual IGR was less than budgeted estimates, this resulted into insufficient funds required to finance programees and projects. The study recommends strategies to enhance IGR, this will make enough funds available to finance the provision goods and services for citizens and grassroots development. In the same vein, Nwaigwe (2018) viewed that bulk of IGR in local government is derived from one sources despite the various sources endowed with, however, it was recommended that efforts should be made to harness other sources of revenue in order to drive more funds for local government.

According to Abdulkarim and Adeiza (2019), the main problem of IGR are ineffective tax administration and inefficient revenue collectors, however, the study recommends that IGR should be improved with effective public enlightenment and adequate training for revenue collectors. In addition, Agbe, Terzungwe and Igabee (2017) reported that poor IGR has negative impact on infrastructural development of local government and therefore, recommends that appropriate strategies should be adopted to enhance local government revenue. Otu and Anam (2019) also affirmed that local government in Nigeria have poor IGR capacity, and reported that this had led to problems of insufficient funds that hinders local government projects and programme financing. They recommends that local government should focused on how to improve the financial base of their system. On their own part, Allison, Nwali and Ereke (2020) advised that adequate stakeholder collective efforts should be channeled to tap all revenues as approved by law. However, Eteng and Agbor (2018) viewed that overbearing control of local government endowed revenue by state government will affects revenue generation capability of local government; therefore; they recommends revenue autonomy for local government, this means that state should hands off all local government revenue in their domain.

In Nigeria, many authors have attempted to examine the role of the internally generated revenue in budget financing. Findings from copious studies on IGR of Subnational governments in Nigeria indicates that average performance of many states in most financial capacity questions is not impressive (Onodugo, Onodugo, Benjamin, Asogwa and Ayandike, 2015; Adeoti, Olawale and Abdulraheem, 2014; Luke and Onuoha, 2013; Olusola, 2011). These scholars discovered that the earnings from States' IGR in Nigeria were poor. The results of their studies further showed that there are several factors hindering IGR and the system of generation need to be reformed.

These contributions on IGR revealed that discussions so far have been centered on fiscal viability of the states, ability of IGR to fund basic infrastructures, impediments and challenges of IGR collection, but none actually considered volatility of property tax revenue and internally generated revenue in southeast states of Nigeria. Improvement in every policy from time to time is the soul of good governance, so this study tried to measure outputs of PTR and IGR in southeast states of Nigeria, impact of PTR on IGR of these states, in other to encourage collaboration and policy reviews.

Methodology

In carrying out this study, we considered annual financial reports of southeast states of Nigeria from 2007 to 2022, to extract actual and estimated PTR and IGR figures (both are under recurrent revenue schedule of their annual financial reports published by Office of the State Accountant General). Though Imo and Ebonyi states were excluded from the analysis due to non-clarity of their annual financial reports. Other states in southeast; Abia, Anambra, and Enugu provided accurate returns from each revenue window which gave this work verifiable online documents were used for regional generation of PTR and IGR performance. Descriptive statistical tool helped in estimating the gap of estimated and actual PTR and IGR, while linear regression analysis established the relationship between PTR and IGR in each of the State.

3.1. Model Presentation of the Research

In this work, in order to investigate the effect of government Property tax revenue on internally generated revenue in southeast states of Nigeria, the linear regression model was used.

$$IGR_{itAbia} = \alpha_{0J} + \beta PTR_{it\ Abia} + \varepsilon_{it} \quad (1)$$

$$IGR_{itAnambra} = \alpha_{0J} + \beta PTR_{it\ Anambra} + \varepsilon_{it} \quad (2)$$

$$IGR_{itEnugu} = \alpha_{0J} + \beta PTR_{it\ Enugu} + \varepsilon_{it} \quad (3)$$

The used variables in the equation 1 to 3 above are as follows:

IGR: Internally Generated Revenue of each of the states (Abia, Anambra and Enugu) in equation 1-3 – the unit = Million Naira.

βPTR_{it}: The property tax revenue in each of the state (Abia, Anambra and Enugu) – the unit = Million Naira

εit: The disorder.

4.0 Research Findings and Discussions

4.1 Performance of PTR and IGR in Abia, Anambra and Enugu States of Nigeria

During budget preparation in Nigeria, all Ministries, Departments and Agencies are expected to provide what they intend to do and revenue that accrues from their unit. All recurrent revenues are collated and tagged as internally generated revenue (IGR) while property tax revenue (PTR) is a component of it and they are mostly taxes, fees and fine, licenses, and earning from land and government property. In this study, there is need to see in a tabular form, the total estimated amount of PTR and IGR of each state with the actual returns raised at the end of the year. Simple percentages in table 1 to 3 below presented the result of what has happened from 2012 to 2022.

Table 1: Actuals and Projected Property Tax Revenue and Internally Generated of Abia State, Nigeria

Year	Actual PTR (N)	Estimated PTR (N)	Performance (%)	Actual IGR (N)	Estimated IGR (N)	Performance (%)
2011	112,720,135.53	281,070,000.00	40	11,200,288,344.05	10,491,120,400.00	107
2012	247,427,431.29	114,030,000.00	217	11,141,467,399.38	22,202,318,470.00	50
2013	333,606,136.48	1,802,270,000.00	19	12,512,103,711.09	26,808,655,410.00	47
2014	334,587,482.60	581,673,725.00	58	12,376,291,754.49	23,026,989,120.00	54
2015	338,854,573.99	2,206,939,420.00	15	11,840,705,013.17	25,459,433,342.00	47
2016	373,926,794.97	1,143,735,346.00	33	12,540,140,261.80	23,778,941,891.00	53
2017	916,277,238.09	840,519,823.00	109	15,462,346,085.23	31,301,976,170.00	49
2018	331,171,141.13	982,047,210.00	34	15,830,928,367.24	29,177,320,960.00	54
2019	751,528,268.87	2,165,721,200.00	35	15,499,929,260.76	24,378,246,230.00	64
2020	577,482,882.32	451,555,157.00	128	14,618,088,782.99	12,600,000,000.00	116
2021	491,289,430.19	839,572,635.00	59	16,879,709,746.71	31,295,185,225.00	54
2022	393,190,257.37	625,207,600.00	63	18,648,670,408.81	31,674,891,900.00	59

Source: Author's computation from the data extracted from Reports of State Accountant General (2011 - 2022)

Nto (2016) assessed the risks in Abia State's IGR structure and proposed that the state's lack of a database, the government's mismanagement of funds, taxpayers' delays in filing returns, the difficulty of locating tax evaders, and a deficient internal control system are the reasons for the discrepancy between the state's expected and realized IGR. The findings suggests that in order to ensure that pertinent taxes are withheld at the source, the tax identification number (TIN) policy needs to be reinforced and connected to the taxpayer's bank account. However there is every need to point out that only on three and two different occasions for 11 years from table 1 above that the state was able to surpass their project PTR and IGR which of course is very poor, knowing fully well that government projects are attached to this returns. The gap obviously must have contributed to many abandoned projects in the state of which is as a result of poor planning and ineptitude of government officials. Table 2 below is the output of PTR and IGR in Anambra State.

Table 2: Actuals and Projected Property Tax Revenue and Internally Generated of Anambra State, Nigeria

Year	Actual PTR (N)	Estimated PTR (N)	performance (%)	Actual IGR (N)	Estimated IGR (N)	Performance (%)
2011	285,021,778.43	310,190,000.00	92	6,815,179,492.64	12,267,620,560.0	56
2012	165,054,697.27	217,960,000.00	76	7,523,633,009.42	24,052,085,000.00	31
2013	460,741,997.81	259,699,888.00	177	8,701,031,064.39	41,464,053,025.25	21
2014	469,362,308.52	301,830,000.00	155	12,862,094,088.40	31,947,057,000.00	40
2015	633,963,875.22	859,500,000.00	74	13,383,351,271.09	68,155,701,444.00	20
2016	2,035,362,783.00	3,249,414,549.00	63	14,862,633,724.94	27,438,299,051.00	54
2017	1,827,792,114.09	2,618,919,141.00	70	18,197,787,013.29	20,401,235,517.00	89
2018	1,914,826,432.0	10,497,689,517.00	18	17,161,534,822.13	30,000,000,000.00	57
2019	3,657,455,281.53	5,661,716,797.00	65	25,183,562,969.89	35,994,442,306.00	70
2020	3,234,409,580.58	6,190,576,370.00	52	27,237,691,221.28	27,000,000,000.00	101
2021	2,429,647,841.61	6,830,024,569.00	36	25,453,011,293.98	36,577,873,041.00	70
2022	1,567,885,012.15	4,377,853,921.00	36	29,125,772,544.20	40,369,799,963.00	72

Source: Author's computation from the data extracted from Reports of State Accountant General (2011 - 2022)

Nwafor and Egolum (2021) noted that Anambra State has always failed to meet up with their projected PTR and IGR and this examination confirmed that postulation. Table 2 above indicated poor results of both PTR and IGR estimations in the state and it is obvious that state's functionality is in doubt. IGR is a critical component of fiscal planning and infrastructural development, it takes extra efforts like borrowing for government to meet up with her obligations. Table 3 below is the performance in Enugu State.

Table 3: Actuals and Projected Property Tax Revenue and Internally Generated of Enugu State, Nigeria

Year	Actual PTR (N)	Estimated PTR (N)	performance (%)	Actual IGR (N)	Estimated IGR (N)	Performance (%)
2011	507,313,028.40	731,580,097.00	69	988,423,723.10	7,263,537,267.00	14
2012	960,961,379.17	1,013,715,000.00	95	12,377,298,787.94	7,996,200,000.00	155
2013	635,350,714.09	1,415,847,000.00	45	20,236,601,895.16	14,309,922,000.00	141
2014	508,084,907.96	651,440,480.00	78	19,662,869,639.57	14,494,081,895.00	136
2015	465,479,378.48	503,920,800.00	92	17,982,225,270.50	19,168,129,700.00	94
2016	525,979,845.63	3,570,276,000.00	15	14,235,512,226.09	27,765,167,100.00	51
2017	2,582,475,070.64	3,224,430,000.00	80	22,039,060,902.95	25,987,709,960.00	85
2018	1,694,924,647.04	4,315,129,600.00	39	21,743,012,253.22	30,000,000,000.00	72
2019	1,160,104,438.59	2,990,784,000.00	39	31,142,966,700.14	27,734,000,000.00	112
2020	264,474,879.10	1,185,345,000.00	22	23,644,771,591.87	18,499,950,000.00	128
2021	629,010,577.20	7,494,231,500.00	8	26,717,819,044.62	29,200,000,000.00	91
2022	760,084,082.86	3,763,638,800.00	20	26,810,965,633.64	34,000,000,000.00	79

Source: Author's computation from the data extracted from Reports of State Accountant General (2011 - 2022)

Fasoye (2020) noted the impact of IGR on fiscal viability of the state but added that state governments in Nigeria have failed over the years to optimally harness other sources of internal revenue and that has crippled funding of government activities. IGR in Enugu state performed better than other studied states but it is still poor, PTR on its own failed woefully in meeting up with the set target and that means that the three states are in the same league of poor planning of expected revenues year-in year-out.

4.2 Impact of PTR on IGR in Abia, Anambra and Enugu States of Nigeria

Sa"ad, and Adebayo (2019) identified the importance of property tax to internally generated revenue of Kebbi State, Nigeria by noting its contribution to budget implementation of the State. Nwafor and Egolum (2021) were of the opinion that most states in Nigeria regularly increase property tax rates to improve the internally generated revenue of the State. Table 4, 5 and 6 examined the effect of property tax revenue of Abia, Anambra and Enugu to the internally generated revenue of these states in other to fully grasp what has been the situation for a decade of such property tax rate increment.

Table 4: Model Summary of PTR Impact on IGR of Abia State, Nigeria

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.520[a]	.270	.197	2189278184.59831	.270	3.698	1	10	.083	.761

a. Predictors: (Constant), Actual PTR of Abia State

b. Dependent Variable: Actual IGR Abia State

The result above in table 4 indicated a positive relationship between property tax revenue and internally generated revenue but R Square of .270 is a very weak positive relationship which shows an insignificant contribution of property taxes to the internally generated revenue of the state. These means that efforts in beefing up IGR through property tax increment is not ideal and does not produce the desired intended result and such policy measures of constant tax rate increase should be reconsidered since from table 4 above it does not give a preferable outcome. Table 5 below is Anambra State, currently under the leadership of an economist, previous studies noted the veritable substance of property taxes in revenue generation of the State.

Table 5: Model Summary of PTR Impact on IGR of Anambra State, Nigeria

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.824[a]	.679	.647	4701091010.67969	.679	21.148	1	10	.001	.822

a. Predictors: (Constant), Actual PTR of Anambra State

b. Dependent Variable: Actual IGR Anambra State

Result from Anambra State in table 5 above shows R Square value of .679, which is a fairly strong positive relationship between the predictor, PTR and the dependent variable, IGR. Property taxes in Anambra in some way contributes significantly to the IGR of the State. Efforts to improve the revenue based of the state can be done in borrowing the submission of Balogun (2019) who noted that transparent computer based property assessment methods will definitely improve property tax collection and ultimately enhance the IGR in the states. So aside property tax rates increase that comes up often, computer based tools can be adopted to improve the collection mechanism of current rates. Table 6 below examines the situation in Enugu State, Nigeria.

Table 6: Model Summary of PTR Impact on IGR of Enugu State, Nigeria

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.222[a]	.049	-.046	8115444260.23107	.049	.518	1	10	.488	.539

a. Predictors: (Constant): Actual PTR of Enugu State

b. Dependent Variable: Actual IGR Enugu State

The result in Table 6 above is worrisome, R Square value of .049 shows a negative relationship between the duo, which to some extent is inconceivable, a weak positive relationship is clear but a weak negative relationship calls for reconsideration of the data published by relevant government agencies on the proceeds from the ministry of land and internal revenue service of the state. Adebimpe (2021) crowned up the situation as seen in this southeast states when their work noted that property tax had very low impact on resources development in the country.

5. Conclusion and Recommendations

Although property and land-based taxes in Nigeria have the potential to increase resources for all tiers of government, their administration has proven challenging due to inconsistent policy. The government of Nigeria must establish a dynamic legal and administrative framework that will expedite the documentation of land transactions and support the government's implementation of sound revenue mobilization for municipal development in order to ensure the effective utilization of land and property-based tax policies. Through the creation and revision of tax laws, unscrupulous and shrewd behaviors among the tax authorities and taxpayers also require careful attention.

There seems to have been agreement from this study regarding the significance of property taxation on revenue generation prior to subsequent studies on the subject. Studies by Nwannekanma (2017), Ajayi (2008), Olowu (2002), and Adedokun (2012) corroborate this. These studies have shown that taxes are a significant global source of funding for governments. The amount of revenue generated internally falls short of the amount proposed and the amount spent. By employing an econometric analysis to determine the factors influencing fluctuations in the property tax portion of GDP, Bahl and Martinez-Vazque (2008) have additionally demonstrated how industrialized nations have relied on property tax to provide services.

Overall, if the government and policy makers remove all or some of the primary obstacles, and approve property tax rates based on ability to pay principle, property tax revenue and internally generated revenue may be able to improve. Additionally, the states would have a good tax system if appropriate policy decisions are made, infact it is high time capital projects are matched with returns from property taxes. This will certainly encourage tax payers to support government project every point in time.

References

Abdulkarim H, Adeiza MO. Sources and uses of local governments funds in Nigeria. Evidence from Lere local government area of Kaduna state. International Journal of Research and Scientific Innovation. 2019;6(12):1-10.

Adaletey, J., Alkadash, T., Achiyaale, R. and Oware, K. (2022). Property tax and tax system for revenue mobilization. *Special Education, 43(1), 429-449*

Adedokun, A. (2012) Local Government Tax Mobilization and Utilization in Nigeria: Problem and Prospects: retrieved from http:/www./visar.csustan.edu/aaba/Adedokun.pdf Retrieved on September 2024.

Adejoh, M. O., Ekeyi, S. and Mary, S. J. (2019). Internally generated revenue (IGR) and fiscal viability of state governments in Nigeria. *Lafia Journal of Economics and Management Sciences, 4(1), 143-162*

Adeola, A. (2017). Internally generated revenue in Nigerian local governments: Lesson from Ibarapa East local government of Oyo state. Journal of Technology Management and Technopreneurship, 5(1):1-10.

Adeoti, J.O., Olawale, Y.A. and Abdulraheem, M. (2014). A Comparative Analysis of SWOT on Sources of Internally Generated Revenue in Oyo State Local Government. *International Journal of Research in Management & Business Studies, 1(2): 53-58*

Agbe I.E., Terzungwe A.S. and Igbabee U.S.(2017) Internal revenue generation and economic development in local government areas in Nigeria. *Imperial Journal of Interdisciplinary Research. 3(5):782-786.*

Ajayi, M. T. A. (2008). Bridging the gap in Urban Governance through the Use of Pro-Poor Tools in Property Taxation: Paper presented at the Mandatory Continuing Professional Development (MCPD) Workshop on "Effective Property tax administration as a tool for good governance"; The Nigerian Institute of Estate Surveyors and Valuers, Minna, Niger State, Nigeria.

Alhassan, D., Francis, B. and Ude, E.B. (2020). Internally generated revenue and infrastructural development in Taraba state. A times series analysis. *International Journal of Advanced Academic Research, 6(12):12-22.*

Allison P., Nwali, T. & Ereke, K. (2020). Improving the revenue base of local government system for rural development in Nigeria. *Global Journal of Multidisciplinary Research, 2(4), 78-97.*

Asimiyu, A. G., & Kizito, E. U. (2014). Analysis of Internally Generated Revenue and Its implications on fiscal viability of State Governments in Nigeria. *Journal of Empirical Economics, 2(4), 216-228.*

Asterious, D. and S. Hall. (2007). Applied Econometrics: A Modern Approach. Palgrave Macmillan, London.

Awasthi, R., Minh Le, T., You, C. (2020). Determinants of Property Tax Revenue; Lessons from Empirical Analysis. World Bank Group Policy Research Working Paper 9399. Retrieved from https://documents1.worldbank.org/curated/en/360151600192574693/pdf/Determinants-of-Property-Tax-Revenue-Lessons-from-Empirical-Analysis.pdf

Bahl, R. W and Martinez-Vazques. J (2008). The Property Tax in Developing countries: Current Practice and Prospects in making the property Tax work: Experiences in Developing and Transitional Countries, ed R. W Bahl, J.

Balogun, T. (2019). An assessment of property tax administration in Edo state, Nigeria. *Indonesian Journal of Geography, 51(1), 69 – 77.* DOI: http://dx.doi.org/10.22146/ijg.28922

Eteng, F.O. and Agbor, U.I. (2018). The challenges of internal revenue generation and inclusive development of local government areas in Cross-River state, Nigeria. *International Journal of Public Administration and Management Research, 4(4):1-9*

Fasoye, K. (2020). Does internally generated revenue (IGR) have the potential to enhance fiscal viability of State Governments in Nigeria? *Noble International Journal of Economics and Financial Research, 5(03), 40-49, 2020.*

Grover, R., Walacik, M., Buzu, O., Gunes, T., Raskovic, M., Yildiz, U. (2019). Barriers to the use of property taxation in municipal finance. *J. Financ. Manag. Prop. Constr. 24 (2), 166–183.* https://doi.org/10.1108/JFMPC-10-2018-0059.

Gujarati, D.N. and D.C. Porter, 2009. Basic Econometrics. 5thEdn., McGraw Hill, New York.

Igyo, A.J, Simon, J. and Iorlumun, A.P. (2016). Beyond Statutory Federal Allocation: A Critical Evaluation of the Contribution of Personal Income Tax on Internally Generated Revenue of Benue State. *British Journal of Economics, Management & Trade, 13(3): 1-13.*

Ishola A.A., Abdulkareem, A.K., Bello, M.L., Dumade E.O. and Ogunlusi A.D. (2020) Internally generated revenue and local governments sustainability in Nigeria. *Dynamics of Public Administration, 37(2):141-149.*

Morufu, O. O., & Babatope, A. J. (2017). Internally Generated Revenue and the revenue profile of selected South Western state governments in Nigeria. *International Journal of Research in Business Management, 5(12), 13-28.*

Ndehedehe. C & Kolawole. B. (2012). Principles and practice of land management and administration in Akwa Ibom State. Journal of Environmental Science and Resources Management Volume 4 www.cenresin.org

Nkechi, M. A., & Onuora, J. K. J. (2018). Effect of Internally Generated Revenue on infrastructural development of South East States of Nigeria. *International Journal of Economics and Business Management, 4(7), 1-10.*

Nnanseh, M. & Akpan, S. S. (2013). Internally Generated Revenue (IGR) and infrastructural development in Akwa Ibom State. *European Journal of Business and Management, 5(31), 164-172.*

Norregaard, John. 2013. "Taxing Immovable Property Revenue Potential and Implementation Challenges." IMF Working Papers 13/129, International Monetary Fund.

Nto, P. (2016). Assessment of risk in the internally generated revenue (IGR) structure of Abia State, Nigeria. *Canadian Social Science, 12(3), 67-72, DOI:10.3968/817.*

Nwafor, I. & Onyejiaka, C. (2018). Comparative analysis of deed fees contribution to land-based revenue of Anambra, Enugu, and Ebonyi states, Nigeria from 2006 to 2014. *International Journal of Multidisciplinary Research and Development, 5(10). 65-72.*

Nwafor, I. and Egolum C. (2021). An analysis on contribution of land based taxes to internally generated revenue of Anambra state, Nigeria. *International Journal of Multidisciplinary Research and Development. 8(9), 78-85*

Nwafor, I.V, Obineme, C.H, & Okey, P. C (2021) Land-Based Taxation and Internally Generated Revenue: An Empirical Investigation of Its Outputs in Abia State, *Nigeria, International Journal of Development and Economic Sustainability, 9(3), 20-35.*

Nwaigwe HC. Internally generated revenue and local government administration in Umunneochi local government area of Abia state 2007-2015. *South East Journal of Political Science, 4(1):224-241.*

Nwannekanma, B. (2017). Lagos generates N20 billion in Land Administration. The Guardian, Monday, May 8, 2017, p. 31.

Olowu, D. (2002). Property taxation and democratic decentralization in developing countries: Paper presented at a seminar on 'Taxation Perspectives: A Democratic Approach to Public Finance in Developing Countries': Institute of Development Studies, Sussex.

Olusola, O. (2011). Boosting internally generated revenue of Local Governments in Ogun State, Nigeria (A Study of selected Local Governments in Ogun State). European Journal of Humanities and Social Sciences, 8 (1).

Omodero, C.O, Ekwe, M.C. & Ihendinihu, J.U. (2018). The impact of internally generated revenue on economic development in Nigeria. *Accounting and Finance Research, 7(2), 166-173.*

Onodugo, I.C., Onodugo, V., Benjamin., A.M. Asogwa S.N. and Ayandike, N. (2015). Improving internally generated revenue (IGR) of South Eastern States of Nigeria: An empirical review of Abia State. *International Journal of Research in Finance & Marketing, 5(9): 99-118*

Otu, J.E. and Anam, B.E. (2019). Internally generated revenues and local government performance in Nigeria: Implication for rural development. *International Journal of Development Strategies in Humanities, Management and Social Sciences. 9(2):112-120.*

Peter, O. A., & Ferdinand, O. I. (2017). Analysis of internally generated revenue and capital expenditure utilization in Cross River State, Nigeria. *International Journal of Development and Economic Sustainability, 6(1), 9-18.*

Sa‟ad, U. and Adebayo, O. (2019). Property taxation as a veritable alternative source of budget funding in Nigeria. *IOSR Journal of Environmental Science, Toxicology and Food Technology, 13(12), 11-20*

Sepulveda, Cristian and Jorge Martinez-Vazquez. 2012. "Explaining property tax collections in developing countries: the case of Latin America." in G. Brosio and J.P. Jimenez (eds.) "Decentralization and Reform in Latin America: Improving Intergovernmental relations." Chetelham: Edward Elgar.

Song Y, Yuez Z (2006) Property Tax and Urban Sprawl: Theory and Implications for US cities. A Lincoln Institute of Land Policy Working Paper WP05Y21 60(3): 519-534.

Wooldridge, J.M., 2006. Introductory Econometrics: A Modern Approach. 3rd Edn., Thomson Higher Education, Mason.

We wish to appreciate Tetfund University of Nigeria Nsukka, under Institution Based grant with reference Nos *(TETF/DR&D/CE/UNI/NSUKKA/BR/2020/VOL.I)* who provided funding for this exercise.

