**ISSN: 2635-2966 (Print), ISSN: 2635-2958 (Online).**

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Original Research Article

**Taxpayers’ Registration and Personal Income Tax Compliance in Nigeria: A Review of Literature**

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Received: 27/04/2018 Accepted: 30/05/2018

**Abstract**

*This paper examines extant literature that is related to Taxpayers registrationandpersonal income tax compliance in Nigeria with a view to identifying gaps for further extensive empirical consideration. Taxpayers are always looking for means to reduce or avoid their tax liability, and this has led to some high-level of tax non-compliance in both advanced and emerging countries. The paper is centered on delinquency theory and fiscal psychology theory. This paper, therefore, present a review of extent of extant literature on taxpayers registration and personal income tax compliance. The methodology employed in the study was purely exploratory library and desktop study that is based on an in-depth review of existingliterature on the topical issues. The paper identified gaps that require hardcore empirical investigation to reduce mixed result observed in the results of literature reviewed.*

**Keywords:** Personal income tax, Tax awareness, Tax compliance, Tax education, Taxpayer registration, Taxpayer identification number.

1. **Introduction**

In the present day economy, revenue sustainability is the objective of every government (both advanced and emerging country) because of the need to carry out its fiduciary responsibilities to its citizens (Anyaduba & Modugu, 2013). To meet up with the requirements of social service, basic infrastructures and effective administration of the state require significant amount of finance (Eiya, Ilaboya, & Okoye, 2016). In the same way, Appah (2010), Ilaboya (2012) and Appah and Ese (2013)postulate that for any nation to experience economic growth and development, such a nation must create sustainable revenue which will be accurately used for the well-being of the general public via the provision of basic infrastructure and social amenities. However, the path to achieving this sustainable revenue has been a long term issues facing most developing countries especially Nigeria (Anyaduba & Modugu, 2013).

***JEL Classification Codes:*** *G32,M41, M48*

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Conversely, the expenditure and revenue gap in Nigeria is a very crucial problem affecting the three tiers of government in Nigeria (Ilaboya, 2012; Appah & Ese, 2013).

The present revenue generation in Nigeria is a current issue since Nigeria is a one-track product economy (Appah, 2010). The tax revenue generation imperfection in Nigeria is as a result of taxpayers’ compliance behavior which was below the expected level of output coupled with higher cost of running government administration (Nwanyanwu & Eiya, 2016). The fall in revenue base has left the governments to formulate strategies on how to revamp their revenue base (Kiabel & Nwokah, 2009). Tax compliance enhancement were considered as one of the salvage option available for these expectation gap (Eiya, 2012). In developed economics countries, taxes are one of their major sources of revenue (Alabede, 2001; Modugu, Eragbhe & Izedomi, 2012; Ilaboya, 2012; Aronmwan, Imabhio, & Izedonmi, 2015). As a result, “taxation can be viewed as the act by government authorities in imposing a charge on the income, profit, or wealth of corporate organization, individuals, and partnerships” (Anyaduba, 1999; Seyi, 2003; Eiya, 2012). Ola (2001) view taxation as “a process of assembling wealth needed for the execution of developmental project through government budget”. National Tax Policy (2016) defined taxation 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”. Aronmwan, Imabhio, and Izedonmi (2015) and Nightingale (2001) opine that “taxes are compulsory levies by government which tax payers may or may not receive any returns directly proportional to the amount paid”. At this juncture, we defined tax as an obligatory payment levy by the government of any country, through an appropriate agency, on all incomes, goods, services and properties of an individual, partnership, executor, trustee and a corporate body.

Eiya (2012) opines that the primary motive of government taxes imposition is to generate revenue and guarantee economy stability. Adebisi and Gbegi (2013) show that tax is a major source of government revenue, and any act against the payment of tax will lead to non-compliance which is as a result of delinquent behaviour among the taxpayer. Nzotta (2007) and Kiabel and Nwokah (2009), The Chartered Institute of Taxation of Nigeria (CITN) (2010) and Aronmwan *et al.*(2015) asserts that the ratio of personal income taxes to the total government’s revenue in Nigeria has declined and the key motives for this has been traced to the tax non-compliance among the taxpayer. Modugu *et al*. (2012) affirms that non-compliance bahavoiur among the taxpayers has become a major concern in both developing and under-developing countries. Tax compliance has become a debatable topics in Nigeria which has attracted academic researchers’ attention recently (Torgler, 2003; Alabede, Ariffin &Idris, 2011; Igbeng, Tapang, & Usang, 2012; Aronmwan*et al*., 2015). To address this problem, the Joint Tax Board (JTB) in association with the Federal Inland Revenue Service (FIRS) and the 36 State Board of Internal Revenue (SBIR) undertook series of reforms aimed at promoting efficiency in tax enforcement and compliance, one of which is the development and maintenance of an updated taxpayers database (Akhidime & Abusonwam, 2013; Ezegwu & Agbaji, 2014). The preparation of taxpayer’s database is an inherent part of tax system and tax administration (Radian & Richard, 2008).

Azubike (2009) argues that a good tax structure is an avenue for the government to collect more tax revenue to carry out its civic responsibility as the taxpayer data capturing will bring more taxpayers into the tax bracket. Contrarily, Radian and Richard (2008) opined that inadequate taxpayer data base could be a challenge that will disturbed the sustainability of tax revenue. In the same vein, Ola (2001) and Alabede*et al*.(2011) note that noncompliance to tax registration is a disloyalty to government as it indicates weakness in tax administration and revenue system. In view of these, Aladebe *et al.* (2011) and Ezegwu and Agbaji (2014) opine that a well-structured tax compliance policy that can safely measure the tax system and tax administration was the data capturing of eligible taxpayers. Therefore, taxpayers’ registration is an obligation set out in the law and or regulation that allowed eligible taxpayers to register with appropriate tax authority by completing tax filling return form and forwarding the same to the relevant tax authority through self- assessment system (Nwanyawu & Eiya, 2016). The use of taxpayer registration is confidently a significant improvement in tax administration as it prepares ways for taxpayer identification number which will improved tax system through accurate assessments and effective collection of taxes.

Though, few studies have been done in and outside Nigeria, (Okafor & Eiya, 2010; Norman & Marisa, 2012; Fagbemi, Ajibolade&Arowomole, 2013; Anyaduba & Modugu, 2013; Appah & Ese, 2013; Ibadin&Eiya, 2013; Ezugwu & Agbaji, 2014; Aronmwan*et al*., 2015; Nwanyanwu & Eiya, 2016), the paucity of researches in this area of interest in Nigeria constitutes a vacuum in academic which must be filled. It is against this backdrop that we defined Taxpayer registration as a process set out in law as obligation for every taxpayer to register their business and enterprise with appropriate tax authority. Thus, the main aim of taxpayer registration is to gather information about the taxpayers into a database for the proper tax administration. It also helps tax authority to gain the taxpayer’s confidence and integrity in respect of the self-assessment system presently in use in Nigeria, thereby improving voluntary tax compliance. Nevertheless, voluntary taxpayer registration has helped to enforce tax compliance among individuals (Suryadi, 2006; Mardiasmo, 2009). As for developing countries (Nigeria particular) not much has be done in the area of tax payers registration and personal income tax compliance. Therefore, this study seeks to review the impact of taxpayer registration and other quantitative qualities on personal income tax compliance in Nigeria.

1. **Literature Review**

This section centers on review ofrelated literature. Issuesexamined include concept of personal income tax compliance, taxpayers’ registration, theoretical framework and empirical studies on taxpayers’ registration and personal income tax compliance.

**2.1 Conceptual Framework**

**2.1.2 Personal Income Tax Compliance**

Tax compliance level in most countries has been a major obstacle to tax revenue sustainability as it creates “tax gap” (James & Alley, 2004). James (2005) views “tax gap” as unfavorable variances that arise between the governments budgeted tax revenue and the actual tax revenue. Andreoni, Erard and Feinstein (1998) argue that tax compliance problem is the integration of series of problem such as management design problem, ethical problem, employee problem, law prosecution problem and government finance problem. Brown and Mazur (2005) point out that tax compliance concept has three basic standard perspective such as compliance to payment, compliance to filling and compliance to reporting. According to Organisation for Economic Co-operation Development (OECD) (2007), tax compliance can be grouped into technical compliance and administrative compliance. Mohd (2011) view the words “tax compliance” as administration languages used by taxpayers to notifying the government about their tax status. The author opines that tax compliance requires taxpayers’ awareness, education and knowledge to discharge fairly, accurately, timely and honestly at the point of tax registering and filling of the tax returns. Kirchler, Hoelzl and Wahl (2008) argue that compulsory compliance is accomplished through the involvement of the government which may requires force in collection of tax liability.

Andreoni*et al.* (1998) defined tax compliance as the “taxpayers’ willingness to obey tax laws in order to obtain the economy equilibrium” of a nation. Song and Yarbrough (1978) view tax compliance as an “ability and willingness to comply with tax laws” which are determined by ethics, legal factor, social factor and other institutional factors at a specific time and place. Ibadin and Eiya (2013) define tax compliance “as the process of reporting all incomes and payment of all taxes by fulfilling the provisions of laws, regulations and court judgments”. Against this backdrop, we defined tax compliance as a “willingness to pay taxes” as at when due.

Furthermore, Mohd (2011) opines that voluntary tax compliance is best attained through self-assessment scheme in which taxpayer will assess and determine his own tax liabilities based on laid down procedures. James and Alley (2004) argue that the inherent risk of introducing self-assessment tax administration is over enforcement which is a main obstacle in the new system of assessment. However, the effectiveness of self-assessment implementation is based on some critical issues that need to be considered: the method of deciding tax returns to be audited so that taxpayers may not be motivated to engage in delinquent behaviour. Furthermore non-compliance to tax should be dealt with quickly to encourage taxpayers’ compliance. Sarker (2003) asserts that tax filling and computation of tax liability is the sole obligation of taxpayers under the self-assessment scheme. The author point out that the philosophy behind the self-assessment scheme is to promote voluntary tax compliance among the taxpayers since they are in best position to give the true and fair view of their activities. Kirchler*et al.*(2008) notes that self-assessment scheme is the most economical method of assessing individual tax liabilities as it reduces tax administration cost and improves tax compliance.

Prior studies on personal income tax compliance behaviour have identified various determinants of tax compliance (James & Alley, 2004; Mohd, 2011; Modugu*et al*., 2012; Aronmwan*et al.*, 2015). However, there is absence of consistence in previous literature for the arrangement of elements that affect personal income tax compliance behaviour. The prior studies documented and used compliance variable such as economic factors, psychological factors, institutional factors, social factors, awareness, education, culture, age, gender, religiosity and income level. As an end result, the study will examine and review the use of taxpayer identification number together with awareness and education to assess the influence of taxpayer’s registration on personal income tax compliance.

**2.1.3 Taxpayer Registration**

As an effort and commitment of Nigeria tax authorities to increase the revenue generation and eliminate the leakage of the taxes through evasion and avoidance, the Joint Tax Board (JTB) has laid emphasis on compulsory taxpayer registration by the relevant tax authority (JTB, 2013). One of the main duties of tax administrators is to register and record taxpayer information as this will drive personal income tax compliance (Terry, 2013). Terry (2013) opines that incorrect taxpayer record will certainly lead to unsuccessful compliance programs. The accurate and timely recording and collection of taxpayer data will allow the tax authority to understand its taxpayer level of education and awareness about tax system which will assist the tax authority to plan ahead the nature and medium of public enlightenment and campaign that will enhance personal income tax compliance (Asade, 2005). However, tax administrator cannot administer its taxpayers if it does not know their existence (i.e. are they active or inactive), who they are, area they are located, and whether they are located (Terry, 2013). Adekanlola (1997) opines that tax authority should be provided with adequate and clear information during taxpayer registration, and tax authority should simplify the information requirement to minimized time and stress-free as possible. However, tax administrator should also take actions to ensure the integrity of taxpayer’s information (Terry, 2013).

All corporate entities are mandated to register with the Federal Inland Revenue Services (FIRS) while self-directed entities and general public are to register with the State Internal Revenue Service Board (SIRB) of the state, in which they are resident (Oyebanji, 2011). Institute of Chartered Accountants of Nigeria (ICAN) (2014) asserts that all incorporated entities are required to register with SIRB of the states where their employees and suppliers are resident for Pay as You Earn (PAYE) and withholding tax purposes. Odewale (2004) points out that at the beginning of each year of assessment, every taxable person (within the meanings of the PITA) is required by the relevant tax authority of the state in which the taxpayer is resident to register, prepare and deliver a true and original statement in a specified form of his total earns from all sources together with the particulars of applicable deduction due. Every employer is required to register and make returns to the relevant tax authority not later than January 31st each year of the total pay, tax deductions and other particulars in respect of all employees for whom he has used any tax deductions card during the year ended, the previous 31st December under Pay as You Earn (PAYE) scheme (Oyebanji, 2011).

Terry (2013) defines tax registration as an “obligation set out in the law of state or regulation that mandates every single taxpayer or corporate entity that voluntary compel to tax payment and file a self-assessment return to resister with the appropriate tax authority”. ICAN (2014) view taxpayer registration as an official registration of business in the manner pronounced below: the owner (s) is mandated by law to provide adequate information on his business entity his employee and partners to the relevant tax authorities before commencing a business activity. Furthermore, tax authority must indulge the taxpayer to submit any mandatory information under the tax law and any further information that was deemed necessary that will allow taxpayer compliance assurance (Ola, 2001). ICAN (2014) outlines the following checklist as the minimum key data required at the time of tax registration: (i) taxpayer name and contract details; (ii) legal entity forms; (iii) details of a new business registration; (iv) details of partner if partnership business; (v) nature of business activity; (vi) financial year end; (vii) annual turnover both estimated and actual; and (viii) form of taxes, for which the individual taxpayer is liable.

Seyi (2003) and Oyebanji (2010) outline the following as the benefits that taxpayer will be derived from proper filling of tax registration: (i) claim of capital allowances on the assets that generate the taxable income; (ii) the taxpayer will be known by the tax authorities; (iii) individual taxpayer will be entitled to personal income tax relief and allowance; (iv) access to tax clearance certificate; (v) obtaining access to financial assistance by way of credits and loans; (vi) assess to taxpayer identification numbers. Jocet (2014) asserts that upon completion of taxpayers’ registration, tax authority will make available to the eligible individual taxpayer registration certificate and a unique identification number. FIRS (2009) examined taxpayer identification number (TIN) as the end products of taxpayer registration.

According to FIRS (2009) Taxpayer Identification Number (TIN) is a unique number assigned and issued by the tax authority to a duly registered taxpayer in Nigeria. The taxpayer identification number (TIN) is a 10 digit serial number generated by the tax authority through electronic means to all the registered taxpayer whether they are companies, enterprises or individuals as a measure of the tax registration (Ezegwu & Agbaji, 2014). Oriakhi and Ahuru (2014) opine that tax payer identification number will increase the nation’s tax base and to expand tax revenue generation opportunity that will upgrade the Nigeria tax administration system with the best global practices. The authors further asserted that taxpayer identification number main objective is to unified people and nation so as to view taxation as a government partnership.

Taxpayer identification numbers facilitates tax authority to effectively and efficiently link the information involved in its different archives with references to individual taxpayer (JTB, 2013). Taxpayer identification number was a vital instrument for the interchange of tax information amongst tax authority and taxpayers and also with employers and others relevant authority who have a withholding obligation or an obligation to provide third party information to the tax authority and also for the exchange of information between tax administrations and other governmental bodies and with tax administration from other countries (Ezegwu & Agbaji, 2014). Taxpayer identification number has improved the management information efficiency and facilitates personal income tax compliance (Jocet, 2014). Terry (2013) opines that taxpayer identification numbers was established primarily to harmonize taxpayer records in the country and to aid effective tax administration.

JTB Bulletin (2013) examines the main objective of taxpayer identification number as the means to identify and generate data base of all the taxable Nigerians and to facilitate platform for sustainable revenue generation that will support the government to generate significant amount of fund to accomplish its civic responsibility to its citizens. The following are the benefit to be derived from the implementation of TIN: it will enhance voluntary tax compliance; it will facilitate efficient tax system of tax assessment; it will reduce the issues of multiple taxation; it will bring more taxpayer into the tax bracket; it will reduce the rate of tax evasion and avoidance; it will reduce the level of corruption in the tax system; to minimize the error and mistake associated with manual registration; to improve the level of information communication technology literacy and capacity building among the staff of state board of internal revenue; to enable tax authorities to determine budgeted and actual tax income of all registered taxpayers and lastly, to improve tax audit and investigation.

**2.2 Review of Related Theories**

The theory underpinning this study is hinged on delinquency theory and fiscal psychology theory.

**2.2.1 Delinquency Theory**

The theory of delinquency was borrowed from theory of crime which is an improvement of sociological theory as it against the assumption of individual biological or pathology causes of crime. The delinquency theory explains and examines “how and under what circumstances individual learn delinquent behaviour”. In an attempt to tackle the issues of tax compliance behaviour, the theory of delinquency was developed. The delinquency theory holds that human bahaviour is the product of tax compliance. Delinquency theory was propounded by Sutherland (1949). The author explains that delinquent behaviour is a learning process which individual learned from communication and interactions with the peer group. Conklin (2007) opines that individual learns the delinquent bahaviour so as to obtain positive benefit from its action in the expense of the loophole in the law. Individual chooses delinquent behaviour in the expense of the excessive law definition which create avenue for the law breaker to gain from the loopholes (Regoli& Hewitt, 1991). Regoli and Hewitt (1991) assert that delinquent learning requires all instruments that can be found in any kind of learning environment and that society influences the type of association individual keeps. Therefore, delinquency is inserted as an expression of social association.

Delinquency theory could be employed by the tax authority to develop tax policy and strategy that will minimized or eradicate the tax evasion and avoidance in the society. The issue of taxpayer registration and establishments of unique taxpayer identification numbers together with tax awareness and education will serve as a panacea to control the level of tax delinquent and to encourage personal income tax compliance.

**2.2.2 Fiscal Psychology Theory**

The theory of fiscal psychology was used to explain the need and justification for tax compliance motivation. The theory was projected by Schmolders (1959). Schmolders (1959) emphasizes on tax administration as a major predicaments of taxpayer behaviour. The theory of fiscal psychology explains and predicts taxpayers’ behaviour towards tax compliance. The theory explored the impact of tax authority actions compared to taxpayer compliance with an effort to promote compliance within tax law and regulation. Hasseldin (1991) opines that theory of fiscal psychology was developed from the combination of social psychology and economic deterrence theory to examine compliance behaviour. However, the author asserts that tax authority should employ the use of tax motivation (such as tax awareness, tax education, tax rebate, quality tax services, tax identification numbers, tax fairness and decreasing tax fine and penalties) to maintain its friendly relationship with taxpayers.

The alliance between tax authorities and taxpayer is an implied bond or social (Lewis, 1982; Ajsen, 1991; James & Alley, 2004). James & Alley (2004) view psychology theory as “the relationship between the tax administration and taxpayer” which contains a robust passionate pledge and loyalty beyond transactional interactions. Rousseau (1993), Feld (2002) and Kogler (2013) have used the concept of psychological contract to investigate the degree of the relationship between tax authorities and the taxpayer. One of the factors considered in their studies, is taxpayer registration. Taxpayer’s registration was a vital factor that determines the level of correlation between the taxpayer and the tax authorities, as it will create a contact between the two parties. The contact between taxpayers and the tax authorities will improve tax compliance and also reduce the rate of tax avoidance and evasion.

**2.3 Review of Empirical Studies**

**2.3.1 Taxpayers’ Registration and Personal Income Tax Compliance**

There are quite a few empirical and theoretical studies on Taxpayer’s registration and personal income tax compliance. These studies provide mix reactions on the association among taxpayer’s registration and personal income tax compliance. Abubakari and Christopher (2013) examine the application of investigational methods to study the taxpayers compliance behaviour to a tax registration, and settle that the compliance level increases if a taxpayer knows he will be identified through the tax unique numbers and also through data and information’s submitted at the point of tax registration and the compliance level drops if taxpayer knows he will not be identified by the tax authorities. The finding suggests that in self-assessment systems (SAS), Taxpayer’s registration can play an important role and their main role is to increase voluntary compliance. The study by Nwanyanwu and Eiya (2016) on the assessment of productivity of personal income tax system in Nigeria used secondary data from the annual report of central bank of Nigeria from 2000-2013. The data were analyzed using regression analysis. The finding reveals that positive relationship exists between taxpayer’s registration and personal income tax compliance.

Ezegwu and Agbaji (2014), Jocet (2014)and Micheal (2015) argue taxpayer’s identification number awareness and thoroughness of the taxpayer’s identification number (TIN) at the point of taxpayer registration might inspire taxpayers to be more sensible and be transparent when filling its tax returns and to account for all incomes and to make provision for adequate and moderate deductions to determine their tax payment. In distinction, individual taxpayer who do not register and do not have identification number (TIN) might be tempted to tax avoidance and evasion tax by decreasing its incomes and make claim for higher deductions.

Internal Revenue Services (2013), Micheal (2015) and Nwanyanwu and Eiya (2016) studies also found that taxpayer’s registration have tendency to influence compliance attitudes of taxpayers from bad to good. These findings collaboratewith the studies of Putri (2012) and the Ezegwu and Agbaji (2014) studies. Ezegwu and Agbaji (2014) conducted a study on government internally generated revenue in Kogi State, Nigeria. The study reveals that taxpayer’s identification numbers (TIN) have a significant role in tax compliance.

Putri (2012) found a conflicting result. The author point out that taxpayer’s registration did not considerably associate with tax avoidance for all groups they studied. Taxpayer’s registrations were found of persuading taxpayers to claim higher tax deduction rather than inspiring taxpayer to suitably filling its tax return (Putri, 2012). A relational study of personal income tax compliance by Fagbemi and Abogun (2015) on Small, Medium size Enterprise (SMEs) tax compliance in Kwara state Nigeria, the study hypothesized that low personal income tax compliance was prompt among SMEs as this will motivate the tax authority to improve on taxpayer’s registration awareness and education.

Since the prior studies point out that taxpayer’s registration influence personal income tax compliance, the education and awareness of process and procedure need to be known to the tax payers, which might reduce their tendency to evade and avoid tax.

**2.3.2 Tax Registration Awareness and Personal Income Tax Compliance**

Tax awareness is an element in tax system that allows taxpayer understands reality and how they act or behave towards tax system. Palil (2010) explains that taxpayers’ registration awareness is a state of knowing or understanding tax system (Eriksenb & Fallen, 2006). Eriksen and Fallen (2006) note positive correlation between awareness and tax registration as it improve personal income tax compliance. Singh (2003) argues that tax awareness has a very close relationship with taxpayers’ ability to understand the laws and regulations of taxation, and their ability to comply with the tax procedure. Bahari and Ling (2009) argues that awareness is a vital instrument of tax compliance, as it provides a medium through which taxpayer can be well informed about the process and procedure of tax system which will facilitate taxpayers registration.

Palil (2010) investigated how Self-Assessment System (SAS) awareness influences personal income tax compliance behavior in Malaysia. The study found that taxpayer’s registration awareness impacts significantly on personal income tax compliance. Suryadi (2006) states that low public awareness of tax registration for personal income tax has often been the major challenge of personal income tax compliance. It has been demonstrated empirically that the higher the taxpayer awareness the higher the level of tax compliance (Torgler, 2003)

Conversely, Loo and Ho (2005) found that taxpayer’s registration awareness was considered to be relatively low in relation to self-assessment system thus making them incompetent and not ready for personal income tax compliance. Considering the facts that it was empirically proved, it is strongly recommended that having tax registration awareness is very important for the taxpayers. By understanding tax system, it will drive personal income tax compliance.

**2.3.3 Tax Registration Education and Personal Income Tax Compliance**

Tax education constitute any informal or formal programs organized by the tax authority or independent agencies that will facilitate taxpayers in completing tax registration form, tax returns correctly, behaved ethically and also to cultivate awareness of their responsibility in respect of the tax system (Erisen&Fallan, 2006; Mckerehar, 2007; IRB Annual Report, 2009). Harris (2009) opines that taxpayer registration will assist the relevant tax authority in carrying out proper education plan toward tax compliance always since taxpayers details had been known and documented; it will also help the tax authority to determine the medium through which tax information could be disseminated.

According to Osazuwa, Enofe and Mgbame (2013), tax education was one of the key factors that determine tax compliance level. They go further to assert that tax education provides a medium over which principle of ethics can be communicated in the society and in return will improve taxpayers’ attitudes. Eriksen and Fallan (2006) argue that education about tax law will improve and maintain taxpayer’s registration compliance bahaviour, which will change taxpayer attitude from negative to positive. Osazuwa*et al*. (2013) pointed out that government public campaigns and enlightenment through mass media will influence taxpayer morale toward tax registration and will improve information gap between the taxpayer and tax authority. Lubiana and Zarri (2011) opine that education about tax filling and registration will enhance the ways and manners at which tax authority and taxpayers will discharge their civic responsibilities without any negotiation. Chen (2010) argues that taxpayer with higher level of education might have deep knowledge of tax law which will encourage tax compliance.

On the other hand, Torgler and Schalte (2007) pointed out that extremely educated taxpayer might use his education knowledge to indulge or minimized his tax liability through abusive use of tax planning program. Richardson (2000) study also asserts that there is a negative association between education and compliance. The survey result of Demissie (2011) reveals that taxpayers’ poor knowledge of tax law and regulations was the most deterring factor of personal income tax voluntary compliance. In conclusion, Kasipillai, Aprin and Amran (2003) conducted a study on impact of tax knowledge on tax compliance. Kasipillia*et al.* (2003) used primary data to investigate the influence of education on tax compliance. The finding reveals a negative relationship between tax education and tax compliance and the author deduced that education empower taxpayer to comprehend the tax avoidance and evasion chances in the tax system and also will transform taxpayer bahaviour from positive to negative.

It is strongly recommended that having tax education is very essential for the taxpayers as this will help in tax registration, tax filings, tax computation and tax returns and in other hand lead to personal incomes tax compliance.

**3.0 Conclusion and Recommendation**

This**objective of this paper is** to find the relationship between taxpayers’ registration and personal income tax compliance through a review of the extant literature. There is a paucity of literature on taxpayer’s registration because the issue seems to be relatively new but attractive and a fast growing one. In the developed countries of Europeand America, some empirical attempts have been made, but the issue is still open for further discussion in undeveloped countries like Nigeria. The major defy in our opinion is the conflict in research findings on the relationship between taxpayer’s registration and personal income tax compliance. Another issue is finding an appropriate measure of taxpayers’ registration. In one aspect of literature, taxpayers’ registration has been measure by tax identification numbers (TIN) issued to the registered taxpayers, in another aspect of literature, taxpayers registration was measure using taxpayers filing return. It’s therefore, important for researchers to find an appropriate measure for taxpayers’ registration.

Another important revelation in our literature review is that the bulk of empirical studies on the dynamics of taxpayers registration and personal income tax compliance are from developed economics, none of the empirical studies reviewed focused on taxpayers registration issues in Nigeria. Therefore, empirical studies on taxpayers’ registration and personal income tax compliance in Nigeria will aid fiscal policy and also enhance generality on the subject of taxpayers’ registration in developing counties with Nigeria as a reference point.

In the light of the above, the study recommends the following:

1. Tax authorities should leverage taxpayer identification number on the database of Nigeria Communication Commission (NCC), National Identity Management Commission (NIMC), Bank Verification Number (BVN), Corporate Affairs Commission (CAC), Federal Road Safety Commission (FRSC), Nigeria Immigration Service (NIS) and other relevant sources.
2. Strong collaboration is required between the Joint Tax Board (JTB) and the Central Bank of Nigeria (CBN) to promulgate legal provision that mandate every deposit account for businesses and individuals to bear Tax Identification Number (TIN)..
3. The joint tax board should ensure periodic reconciliation of its TIN database with that of commercial banks showing the accounts and TIN number of the banks’ customers.
4. Tax authorities should impose fines and penalties on any taxpayer who fails to register for tax.
5. Government should ensure that all self-employed individuals and traders register their businesses to ensure maximum personal income tax compliance.
6. Finally, to complement these policy interventions, the Federal Inland Revenue Services (FIRS) and State Board of Internal Revenue Services (SBIRS) must also provide adequate tax awareness and education on correct procedures that will help taxpayers to timely file their annual income tax returns.

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