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## ASSESSMENT OF PERSONAL INCOME TAX KNOWLEDGE AMONG THE UNIVERSITY OF ILORIN STAFF

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### Abstract

*Taxpayers' knowledge of what constitutes taxable income, claimable tax reliefs and allowance and applicable tax rates reduces uncertainty within the tax system. Inadequate knowledge of the tax system may affect tax compliance adversely. This study assesses personal income tax knowledge among the University of Ilorin Staff. Using proportional stratified random sampling technique, sample size of three hundred and sixty five (365) staff was chosen from both academic and non-academic staff. Data was collected through the use of a structured questionnaire; the study applies both descriptive and inferential statistics. The Mann-Whitney U and Kruskal-Wallis tests were used in testing the hypotheses of the study. Results indicate that staff of the University of Ilorin have relatively low knowledge of personal income tax. However, the personal income tax knowledge of the non-academic staff is higher than academic staff. The personal income tax knowledge of males and female staff are the same and also, there is significant difference in personal income tax knowledge levels across four different educational qualifications of the staff. Based on the findings, it is recommended that State Internal Revenue Service, which is charged with the responsibility of administering the personal income tax in Nigeria, should provide adequate personal income tax education to taxpayers.*

**Keywords:** Tax, Taxation, Tax Knowledge and Personal Income Taxation.

## 1. INTRODUCTION

Tax is now globally recognized as a sustainable source of government revenue because of its stability and certainty. Unlike other sources of revenue, taxes are constantly available in so far as economic activities are carried on within the society. Taxation is an important part of fiscal policy that can be used effectively by government for meeting its public expenditure. In many countries, taxation has often been used as a tool of promoting growth and development. Revenue collected from tax sources has become a major contributor towards the development of the nation for the benefit of its people (Shaharuddin, Palil, Ramli & Maelah, 2012).

Tax payment is a major outflow to the financial resources of individuals and therefore, has a significant impact on the level of disposable income, expenditure, saving and investment decisions of individuals. Every individual that resides in a particular state pays one form of tax or the other on a daily basis. For instance, indirect taxes are included in the prices of goods that are consumed by the final consumers. Direct taxes are paid by individuals and companies on the incomes generated by them. Considering the impact of tax payment on the income of individual taxpayers, the need for tax knowledge by individual taxpayers cannot be over emphasised.

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Barjoyai (1992) observed that knowledge of taxation is probably more important than knowledge of geography or geometry as taxation is a universal knowledge needed by each citizen with potential liability of paying tax one day. Tax knowledge is the ability of a taxpayer to know how his/her tax liability is determined by having the knowledge of tax legislation, what constitutes taxable income, permissible deductions, claimable tax reliefs and allowances, tax rate application to arrive at tax payable. However, the Chartered Institute of Taxation of Nigeria (CITN) (2002) observed that tax administration in Nigeria is hard because the level of tax knowledge is low. Nzotta (2007) supported this claim by pointing out that an average taxpayer in Nigeria does not understand the requirement of the different tax laws, the methods of tax assessments or the rights and duties of a taxpayer under the different tax laws. Olufemi (2016) also observed that average Nigerian lacks the shallow not to talk about the in-depth knowledge of principles of taxation in Nigeria.

In addition, inconsistencies have been found in the previous studies conducted to determine the difference in tax knowledge of taxpayers in respect of gender and academic qualification. Some studies found that males are more knowledgeable than females (Palil, 2010; Fallan 1996) while other studies found the other way round (Mohamad, Mustafa & Asri, 2007; Ruegger & King, 1992). In addition, a study conducted by Madi (1999) revealed that the level of taxpayers' academic qualification was linearly and significantly associated with the level of tax knowledge. However, Fazida (1996) found that teachers and lecturers who possess higher educational qualification were found to be unaware of their obligations to file tax returns.

In order to achieve the objective of this study, the following research hypotheses, stated in the null form, were formulated and tested:

- H<sub>01</sub>: There is no statistically significant difference between the personal income tax knowledge of academic and non academic staff;
- H<sub>02</sub>: There is no statistically significant difference between the personal income tax knowledge of the male and female staff;
- H<sub>03</sub>: There is no statistically significant difference between the personal income tax knowledge based on the educational qualifications of staff.

## 2. LITERATURE REVIEW

Tax is defined as “a compulsory levy, imposed by government or other tax raising body, on income, expenditure, or capital assets, for which the taxpayer receives nothing specific in return” (Lymer & Oats, 2009, p.3). Bassey (2013) defined tax as “a compulsory payment made by individuals and organisations to the government in accordance with predetermined criteria for which no direct or specific benefit is received by the taxpayer” (p.2). A tax is a payment to central government, calculated by laid down rules, for which nothing specifically usable by that taxpayer alone is transferred (Pritchard & Murphy, 1988). Black (1990) defines tax as an enforced contribution of money or other property, assessed in accordance with some reasonable rule or apportionment by authority of a sovereign state on persons or property within its jurisdiction for the purpose of defraying the public expenses.

However, it is important to clarify that not all payments to government are considered tax payment. For example, fees, charges, tolls, levies, penalties and fines are paid to obtain a specific service or fulfill certain obligation; but not strictly tax payments. Soyode and Kajola (2006) emphasised that, the exaction of tax by government is not tied to any particular benefit

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to the taxpayer. They further distinguished a tax from other forms of exactions such as fees, penalties and fines. A fee is an amount paid in return for a specific and measurable service. An example of a fee paid to government includes payment for a certificate of occupancy. Fines and penalties are exactions by way of punishment for infringement of state laws or regulations. Thus, while fees are charged to defray the cost of service rendered, fines and penalties are punitive measures imposed against a law breaker.

Taxation is defined as a system of raising money for the purposes of government by means of contributions from individual person or corporate body (Soyode & Kajola, 2006). Akabike (2005) defines taxation as the concept and the science of imposing tax on the citizen. Agbetunde (2004) defines taxation as the process of imposing, assessing and collecting of a country for compulsory payment of money by the citizens of the country. ICAN (2014) defines taxation as the process of levying and collection of tax from taxpayers. Based on the foregoing, we can conclude that there are three basic features of tax: first, tax is the transfer of resources from private sectors to government. Second, tax payment is incurred without direct or commensurate rewards or benefits from government. Lastly, tax revenue generated will be judiciously utilized benefit of the citizenry.

The concept of tax knowledge can be used synonymously with the concept of tax literacy as both concepts are about the consciousness of taxpayers about the tax system. Tax knowledge is the level of awareness or sensitivity of the taxpayers to tax legislation (Oladipupo & Obazee, 2016). Tax literacy is defined as the ability to fill in the tax form and calculate tax liabilities independently (Bardai, 1992; Razman & Ariffin, 2000). Fallan (1999) describes tax knowledge as the combination of information about tax rules and tax policies with financial skills needed in the calculation of economic consequences for taxpayers. Nero and Amrizah (2005) argued that, the ability of taxpayers to know how to determine tax liability if they know what constitutes taxable income, deductible deductions, claimable tax reliefs and rebates. Bhushan and Medury (2013) define tax literacy as the knowledge which an individual should possess in order to manage the issues concerning personal taxation effectively.

Some empirical studies on tax knowledge in Nigeria and outside Nigeria are reviewed. Palil (2010) investigated the level of tax knowledge of individuals in Malaysia using the demographic variables of gender, age, income level and education level, religion, race/ethnicity and attended tax course. Data was collected through a large scale national postal survey resulting in 1073 responses. T-tests, ANOVA, Mann Whitney U, Wilcoxon W and Kruskal-Wallis were used to test for the statistical significance. The results of the test revealed that males' tax knowledge was significantly better than the females. In respect of educational qualifications, the results showed that tax knowledge appears to be not significantly associated with the level of taxpayers' education. Mohamad *et.al* (2007) conducted an experimental study on 42 respondents among postgraduate students in Malaysia Universities. The results of the study revealed that there was no significant difference between male and female's tax knowledge

Ruegger and King (1992) reported that females are more ethical than males in the perception of business ethical situations. Fallan (1996) found that men are more likely than women to perform well on a basic tax knowledge test, regardless of tax course exposure. Madi (1999) carried out a study on sole proprietors and partners on Sarawak. The results of the study revealed that, the level of taxpayers' academic qualification was linearly and significantly associated with the level of tax knowledge. James (1998) conducted a study on tax literacy among secondary school teachers in Lawas, Sarawak and found that the tax knowledge was

quiet low. Fazida (1996) investigated the literacy among ITM lecturers in Shah Alam and found that lecturers at a tertiary education institution were found to be unaware of their obligations to file tax returns despite the fact that lecturers possess higher educational qualifications. Siti -Nomala (1996) reported that the self-employed with very low educational standards were found to be ignorant of the tax law. Meanwhile, Nor -Saliah (1996) conducted a study on awareness of personal taxation among factory workers in Klang Valley and found that workers who possess lower educational qualifications were found to have a relatively high level of tax knowledge in respect of allowable tax relief. Based on the foregoing, it may be construed that those possessing higher academic qualification may not necessarily possess higher level of tax knowledge.

Madi, Kamaluddin, Janggu, Ibrahim, Samah and Jusoff (2010) carried out a study on the tax literacy among taxpayers in Sabah and Sarawak. The study selected samples randomly from taxpayers working in a few selected towns in Sarawak and Sabah. Statistical tests of t-tests and chi-square were applied onto the means of tax literacy scores by each state and the taxpayers' respective workplaces. The taxpayers in Sarawak were found to be more tax literate as compared to their counterparts in Sabah. Halim, Ahmad, Katmun and Jaafar (2015) conducted a study to assess the level of tax Knowledge among the non-accounting undergraduates in public and private Universities in Malaysia. A questionnaire was administered to non-accounting undergraduates from four universities. Results show that almost 40% of the respondents have low level of basic tax knowledge.

Loo and Ho (2005) conducted a study in Malaysia to examine salaried individual competency in Self-assessment system using a survey of 250 questionnaires and tax knowledge was measured in terms of chargeable income, exemptions, reliefs, rebates and tax credits. The study concluded that although, the respondents have tertiary education, their tax knowledge in relation to personal taxation was considered to be relatively low and therefore, making them incompetent and not ready to exercise appropriate compliance under self-assessment regime. Bhushan and Medury (2013) conducted a study to determine tax literacy level of salaried individuals based on various demographic and socio-economic factors. Findings of the study suggest that overall tax literacy level of respondents is not very high. The results suggest that level of tax literacy varies significantly among respondents. Also tax literacy level gets affected by gender, age, education, income, nature of employment and place of work whereas it does not get affected by geographic region. Oladipupo and Obazee (2016) investigated the impacts of taxpayers' knowledge on tax compliance amongst small and medium enterprises in Nigeria. The study used a survey research design with the use of structured questionnaire to obtain data from the respondents. Ordinary Least Square regression was used to analyse the data and the results showed that tax knowledge had a positive significant impact on tax compliance.

### 3. METHODOLOGY

This study employed a cross sectional survey research design to assess the personal income tax knowledge among the University of Ilorin staff. The target population comprised 4,264 staff of University of Ilorin as at the end of 2015/2016 Academic Session. The sample size was determined using the formula for sample size provided by Yamane (1967) as cited in Saad (2011) is expressed as:

$$n = \frac{N}{1 + N(e)^2}$$

In this formula, 'n' represents the sample size; 'N' is the population. The value of 'e' (standard error), the confidence level used is 95 percent.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{4264}{1 + 4264(0.05)^2}$$

$$\sim 365 \text{ respondents}$$

However, for adequate coverage of the sample, the proportionate stratified random sampling technique was used. The justification for the choice of the technique was that it allowed the heterogeneous population to be sub-divided into its homogeneous groups (strata) and guaranteed that each stratum of the population was adequately represented in the sample. Under this sampling technique, the target population was divided into two strata (Academic and Non-academic Staff). This was done to ensure that the sample estimate serves as an accurate representative of the population parameter for the purpose of generalisation.

The instrument of data collection was a structured questionnaire. The questionnaire was designed with adequate questions to cover all the variables of the study. The survey questionnaire was a closed ended type. The respondents were asked to indicate their opinions on five-point Likert-type scale which ranges from 'strongly disagree' to 'strongly agree', 'definitely wrong' to 'definitely correct', 'definitely unaware' to 'definitely aware'.

The questionnaire was divided into two sections. The first section contained questions on demographic information of the respondents. The second section focused on questions about the tax knowledge of the respondents. The research instrument (questionnaire) was subjected to reliability and validity tests. The reliability of the measures was established by testing the internal consistency of the measurement items. Cronbach's alpha was used in testing the internal consistency of the items. The content validity test was done through the evaluation of the instrument by three lecturers teaching taxation in postgraduate programme of the Department of Accounting, University of Ilorin. Pilot study was also conducted to further justify the content and the face validity of the instrument.

The descriptive statistics such as percentages, frequency count and cross tabulation were used for data analysis. Mann-Whitney U test of difference was used to test the hypotheses one and two of this study. This was considered appropriate based on the fact that the grouping variable for the test of difference in this case are in two categories. The third hypothesis of this study was tested using Kruskal-Wallis. This was considered appropriate because the grouping variable for the relevant data is more than two. The justifications for the use of non-parametric test are based on the fact that, firstly, the scale of measurement is a discrete choice type. Secondly, the test of normality showed that the data is not normally distributed. For the purpose of this study, 5% level of significance was used.

## 4. FINDINGS AND DISCUSSION

### 4.1 Data Analyses and Interpretation

In this section, the data used for this study were analysed using both descriptive and inference analyses. The data were subjected to preliminary tests such as normality, validity and reliability and the results were analyzed and interpreted. The descriptive statistics such as percentages, frequency count cross tabulation were used. For inferential statistical analysis, Mann-Whitney U test of difference was used to test the hypotheses one and two of this study. The third hypothesis of this study was tested using Kruskal-Wallis test. The obtained results were interpreted accordingly.

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## 4.2 Descriptive Analysis

To shed more light on tax knowledge of the respondents, staff category, gender and educational qualifications were related to one of the tax knowledge items in the questionnaire (TKLEG3). The justification for the use of item (TKLEG3) is based on the fact that it is the most required knowledge of the taxpayers under the PAYE system procedure.

### Staff category and Personal Income Tax Knowledge

**Table 1 Cross Tabulation: Staff category and Personal Income Tax Knowledge**

	Academic		Non-academic	
	Frequency	Percentage	Frequency	Percentage
Definitely unaware	96	86.5	150	74.62
Probably Unaware	0	0	10	4.97
Not sure	5	4.5	15	7.47
Probably aware	5	4.5	17	8.46
Definitely aware	5	4.5	9	4.48
<b>Total</b>	<b>111</b>		<b>201</b>	

Sources: Computed from the field survey data, (2018).

In the cross tabulation of the respondents' staff category, Table1 revealed that the tax knowledge exhibited by the majority of the academic and non-academic staff respondents (86.5% and 74.62% respectively) were under 'definitely unaware'. This suggests that most of the academic and non academic staff do not have knowledge of filling of Form 'A' (income tax form for return of income and claims for allowances and reliefs). In comparison, only 9% of the academic staff respondents have the knowledge of filling the form and the remaining 91% are not sure and unaware. For the non-academic staff, only 12.94% of the respondents have the knowledge of filling the form and the remaining 87.06% not sure and unaware. Comparatively, this suggests that non-academic staff have more knowledge than academic staff.

**Table 2 Cross Tabulation: Gender and Personal Income Tax Knowledge**

	Male		Female	
	Frequency	Percentage	Frequency	Percentage
Definitely unaware	168	79.6	70	67.3
Probably Unaware	4	1.9	8	7.9
Not sure	13	6.2	10	9.9
Probably aware	16	7.6	7	6.9
Definitely aware	11	5.2	6	5.9
<b>Total</b>	<b>211</b>		<b>101</b>	

Sources: Computed from the field survey data, (2018).

The gender of the respondents was related to their personal income tax knowledge and the results are presented in Table 2 above. It revealed that the tax knowledge exhibited by the majority of the males and female staff respondents (79.6% and 67.3% respectively) were under 'definitely unaware'. This suggests that most of the males and female staff do not have knowledge of filling of Form 'A' (income tax form for return of income and claims for allowances and reliefs). In comparison, both male and female staff have 12.8% knowledge of filling the form and the remaining 87.2% are not sure and unaware. Comparatively, this suggests that there is no difference in tax knowledge of male and female staff.

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**Table 3 Cross Tabulation: Educational Qualification and Personal Income Tax Knowledge**

	Educational Qualification							
	Secondary School Certificate		Diploma/ NCE		First Degree		Postgraduate	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Definitely unaware	43	95.6	47	58.0	67	69.1	45	50.6
Probably Unaware	0	0	0	0	7	7.2	17	19.1
Not sure	0	0	9	11.1	8	8.2	11	12.4
Probably aware	1	2.2	17	21.0	7	7.2	10	11.2
Definitely aware	1	2.2	8	9.9	8	8.2	6	6.7
<b>Total</b>	<b>45</b>		<b>81</b>		<b>97</b>		<b>89</b>	

**Sources: Computed from the field survey data, (2018).**

The respondents of different educational background showed different personal income tax knowledge. As presented in the Table 3 above, over 95% of the respondents with Secondary School Certificate, 58% of respondents with Diploma/NCE certificate, over 60% of the respondents with degree certificate and over 50% of the respondents in the postgraduate category are not aware of the filling of Form 'A' (income tax form for return of income and claims for allowances and reliefs). This suggests that majority of the respondents do not fill Form 'A' that would provide information about the return of income and claims for allowances and reliefs. Overall, more respondents with Diploma/NCE certificate have the highest knowledge of the PAYE procedure.

### 4.3 Inferential Analysis

The preliminary tests carried out include normality test, validity and reliability tests as shown in Table 4 and 5 below:

**Table 4 Result for Normality Test**  
**Tests of Normality**

	Kolmogorov-Smimov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Tax knowledge	.177	312	.000	.870	312	.000

**Sources: Computed from the field survey data, (2018).**

Table 4 assesses the normality of the distribution of scores. The Sig. value for all the variable is .000, suggesting violation of the assumption of normality. Thus, the variables were not normally distributed.

**Table 5 Reliability Statistics**

Cronbach's Alpha	No. of items
.872	16

**Sources: Computed from the field survey data, (2018).**

To ensure reliability, the questions in the questionnaire were subjected to reliability test using Cronbach's Alpha test to determine if there was internal consistency among the questions to avoid the usage of the same construct. The overall value derived from testing all the questions

was 0.872, which implies an acceptable internal consistency. The content validity test was done through the evaluation of the instrument by three lecturers teaching taxation in postgraduate programme of the Department of Accounting, University of Ilorin. Pilot study was also conducted to further justify the content and the face validity of the instrument.

### Hypothesis One

The first hypothesis ( $H_{01}$ ) of this study which states that there is no significant difference between the personal income tax knowledge of academic and non academic staff is now tested using Mann-Whitney U test and the result is shown in Table 6 (a-c). A Mann-Whitney U test result in table 6 (a-c) revealed statistically significant difference in personal income tax knowledge levels of academic staff ( $Md = 2.00$ ,  $n = 111$ ) and non-academic staff ( $Md = 2.19$ ,  $n = 201$ ),  $U = 8198$ ,  $z = -3.883$ ,  $p = .000$ . ( $p < 0.05$ ). This suggests that there is a difference in personal income tax knowledge between academic staff and non-academic staff of University of Ilorin. The median score for the level of personal income tax knowledge was 2.00 for academic staff and for the non-academic staff was 2.19. Based on the foregoing, non-academic staff have more knowledge of personal income tax than the academic staff. Therefore, the hypothesis was rejected.

**Table 6 Mann-Whitney U test**

**Table 6a Test statistics**

	Tax Knowledge
Mann-Whitney U	8198.000
Wilcoxon W	14414.000
Z	-3.883
Asymp. Sig. (2-tailed)	.000

Sources: Computed from the field survey data, (2018).

**Table 6b Ranks**

	Staff category	N	Mean Rank	Sum of Ranks
Tax Knowledge	Academic	111	129.86	14414.00
	Non-academic	201	171.21	34414.00
	Total	312		

Sources: Computed from the field survey data, (2018).

**Table 6c Median**

Staff Category	TAX KNOWLEDGE
Academic	2.00
Non-academic	2.19
Total	2.13

Sources: Computed from the field survey data, (2018).



**Hypothesis Two:**

The second hypothesis ( $H_{02}$ ) of this study which states that there is no significant difference between the personal income tax knowledge of Male and Female staff is now tested using Mann-Whitney U test and the result is shown in Table 7 (a-c) below:

**Table 7 Mann-Whitney U test****Table 7a Test statistics**

	TAX KNOWLEDGE
Mann-Whitney U	10593.000
Wilcoxon W	15744.000
Z	-.084
Asymp. Sig. (2-tailed)	.933

**Sources: Computed from the field survey data, (2018).**

**Table 7b Ranks**

	Gender	N	Mean Rank	Sum of Ranks
TAX KNOWLEDGE	Male	211	156.80	33084.00
	Female	101	155.88	15744.00
	Total	312		

**Sources: Computed from the field survey data, (2018).**

**Table 7c Median**

Gender	Tax knowledge
Male	2.13
Female	2.13
Total	2.13

**Sources: Computed from the field survey data, (2018).**

A Mann-Whitney U test result in table 7(a-c) revealed no statistically significant difference in personal income tax knowledge levels of males ( $M_d = 2.13$ ,  $n = 211$ ) and female ( $M_d = 2.13$ ,  $n = 101$ ),  $U = 10593$ ,  $z = -.084$ ,  $p = .933$ . The probability value ( $p$ ) is not less than or equal to .05, so the result is significant. This suggests that there is no difference in personal income tax knowledge between males and female staff of University of Ilorin. The median score for the level of personal income tax knowledge was 2.13 for the male staff and for the female staff was 2.13. Therefore, the hypothesis was not rejected.

**Hypothesis Three:**

The third hypothesis ( $H_{03}$ ) of this study which states that; there is no significant difference between the personal income tax knowledge based on the educational qualifications of staff was tested using Kruskal-Wallis test and the result is shown in Table 8 (a-b). A Kruskal-Wallis Test revealed a statistically significant difference in personal income tax knowledge levels across four different educational qualifications (Secondary School Certificate,  $n = 45$ : Diploma/NCE,  $n = 81$ : Degree,  $n = 97$ : Postgraduate,  $n = 89$ .  $\chi^2 (3, n = 312) = 58.480$ ,  $p = .000$ .

**Table 8a Test Statistics**

	<b>Tax Knowledge</b>
Chi-Square	58.480
Df	3
Asymp.Sig	.000

Sources: Computed from the field survey data, (2018).

**Table 8b Ranks**

	<b>Educational Qualification</b>	<b>N</b>	<b>Mean Rank</b>
Tax Knowledge	Secondary School Certificate	45	139.74
	Diploma/NCE	81	222.15
	Degree	97	133.73
	Postgraduate	89	130.04
	<b>Total</b>	312	

Sources: Computed from the field survey data, (2018).

The Diploma/NCE recorded the highest median score ( $Md = 2.44$ ) followed by secondary school with ( $Md = 2.13$ ), postgraduate with ( $Md = 2.00$ ) while degree has the lowest with ( $Md = 1.94$ ). Based on the foregoing, the Diploma/NCE recorded the highest median score, followed by secondary school, postgraduate and the staff with degree certificate has the lowest score. Therefore, the hypothesis was rejected.

**Table 8c****Median**

<b>Educational Qualification</b>	<b>Tax knowledge</b>
Secondary School Certificate	2.13
Diploma/NCE	2.44
Degree	1.94
Postgraduate	2.00
Total	2.13

Sources: Computed from the field survey data, (2018).

From the analysis of descriptive statistics, majority of the respondents across the three variables of the study (staff category, gender and educational qualification) had very low PAYE personal income tax knowledge procedure. Although, a large majority of the respondents had tertiary education, their tax knowledge in relation to PAYE personal income tax knowledge as reflected in the findings are relatively low. This is consistent with findings of James (1998), but contrary to the findings of Madi (1999) and Siti-Nomala (1996).

However, based on the results of the inferential analysis of hypothesis one, non-academic staff have more knowledge of personal income tax than the academic staff. Thus, this study contributes to the existing literatures by finding statistically significant difference in the personal income tax knowledge of the respondents based on their staff category and therefore, affirms that non-academic staff tax knowledge is better than academic staff. This result could have been as a result of the staff of the bursary department of the University of Ilorin being part of the non-academic responses analysed. The bursary staff engage in the

preparation of monthly payrolls for the University and compute PAYE deductions on a monthly basis.

The result of inferential analysis of hypothesis two, revealed no statistically significant difference between the personal income tax knowledge levels of male and female respondents. This suggests that there is no difference in personal income tax knowledge between males and female staff of University of Ilorin. The finding of this study is consistent with the finding of Mohamad *et.al.* (2007). However, it does not appear to support Palil (2010) and Fallan (1996) which found significant difference between males and females taxpayers' knowledge. However, this study contributes to the existing literature by finding no statistically significant difference in personal income tax knowledge of male and female taxpayers.

The result of inferential analysis of hypothesis three indicated that the respondents in the Diploma/NCE category of educational qualification have the highest personal income tax knowledge. The respondents with the secondary school certificate was the second highest, followed is respondents with the postgraduate certificate while the respondents with degree certificate have the lowest personal income tax knowledge. The finding of this study is consistent with the finding of Palil (2010). However, this study contributes to the existing literatures by finding statistically significant difference in the personal income tax knowledge of taxpayers based on their educational qualification.

## 5. CONCLUSION AND RECOMMENDATIONS

Based on the discussion of the findings, it can generally be concluded that the staff of the University of Ilorin have relatively low knowledge of personal income tax knowledge. Consequently, these individuals may not understand how the figure for the income tax item in their pay-in-slips is arrived at. However, the following specific conclusions are drawn are:

- i. The personal income tax knowledge of the non-academic staff is higher than academic staff;
- ii. The personal income tax knowledge of males and female staff are the same;
- iii. There is significant difference in personal income tax knowledge levels across four different educational qualifications of the staff.

In order to realize adequate tax compliance, taxpayers need to have adequate tax knowledge which has been found to be very low in this study. Therefore, it is important for the State Internal Revenue Service, which is charged the responsibility of administering the personal income tax in Nigeria to provide adequate personal income tax knowledge to the taxpayers. This can be done by conducting seminars on tax education where proper guidance on how the tax return forms are to be completed accurately.

However, the following specific recommendations are given:

- i. The Kwara State Internal Revenue Service should organize a sensitization workshop in which the relevant provisions of Personal Income Tax Act would be discussed. This would go a long way in equipping the individual taxpayer to gain adequate tax knowledge required of them to discharge their civic responsibilities.
- ii. Tax education should be included in the curriculum at the post secondary level of education in Nigeria.

- iii. The tax education drive should not be gender biased as both male and female taxpayers have low level of tax knowledge.

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