



THE IMPORTANCE OF TAX AWARENESS IN BORNO STATE FOR EFFECTIVE AND EFFICIENT TAX REVENUE COLLECTION

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ABSTRACT

The research focuses on the importance of creating tax awareness in Borno state. Therefore the importance of taxation shouldn't be underrated as most developed countries do a lot with tax revenue generated. Tax awareness will therefore help with the overall economic performance of the state, as supposedly responsible will be will to pay right taxes due. Tax is a very important source of income regardless of other sources in a state. Therefore creating awareness about should be overemphasized to enhance overall achievement of economic activities.

KEYWORDS

Tax, Importance, Awareness ,Borno State, Effective , Revenue , Efficient .

INTRODUCTION

Importance of good tax system cannot be overemphasized taxation ensure that government secure stable flow of revenue which is used in providing infrastructure, creating employment, growing investment ETC which ultimately improves the well-being of its citizens. If all citizens of Borno state become more responsible to pay their tax dues

efficiently without tax evasion the less privilege will also benefit from revenue

generated from tax collected. The revenue generated from the taxes collected would be useful for the less privilege citizens in the state. Unfortunately some citizens are not aware of the right taxes that need to be pay and the reason why they need to pay those taxes.



What is Tax The tax is compulsory financial charge or some other type of levy imposed on taxpayer, individual or entity by a governmental organization in order to fund government spending and various public expenditure. In economic terms Taxation refers to wealth from the household or business to the government. Taxes can be Direct and indirect the first known taxation took place in the ancient Egypt around 302 2800 BC. Why tax awareness is important in Borno state It is a very important for Citizens to pay tax due as it will help the government in generating revenue that could be used in the development of the state there is an old saying mm goes “the only sure things in life are death and taxes” Taxation has been a future of society going back to the ancient times. For the purpose of this research I have spoken to different individuals about tax, unfortunately they are not aware of what is the right tax for them to pay and why do they have to pay taxes to the government. It can be for their property for their businesses or other forms of taxes. When the government imposes taxes on citizens, some think the government is just asking something extra from them; which ideally should be their responsibility to pay the right tax at the right time. The bottom line is citizen when asked about taxes, they are not sure of what is right and when to pay. Lack of awareness of the right tax they are suppose to pay is the major setback. Therefore it is important for the government to educate citizens and create a good awareness about taxes.

Types of taxes There are numerous types of types imposed by the Nigerian government, depending on which one is due on you, citizens should be

more responsible and pay tax due and the right time. Some of the types of taxes include the following:
.Value added tax (VAT).

- Custom duties.

- Excise duties.
- Property tax.
- Stamp duties.
- Capital gains tax.
- Police fund levy.
- Payroll contribution.
- Pension contributions.
- National housing fund contribution.
- Information technology levy.

Why is important to pay taxes It is very important for citizens to pay taxes due as it will help the government in generating revenue that could be used in the development of the state, some of the importance include these:

- Redistribution of income: Taxation ensure redistribution of income in the local economy, that is tax revenue generated from high income earners is used by the government to provide public infrastructure that serves the citizens, which the lowest income earners could also benefit from
- Promote fiscal responsibility: The taxes that are collected are judiciously used by the government to provide needed public infrastructure and service needed by citizens.
- Strives to achieve fairness and equity: Tax system in the state attempts to promote horizontal and vertical equity

Horizontally equity in this context implies that citizens are treated equally; whereas vertical equity ensures that fairness is maintained among various income groups.

- Aids in achieving stability in the state: In times when economy experience a volatile boom or when recession hits the economy, taxation usually plays complementary role in correcting such economic instabilities.



- Taxation addresses market failure in the state: Market imperfections and other distortions in the economic sector occur due to externalities and natural monopolies, taxation acts as an efficient tool to correct such anomalies. To correct these distortions in the economy taxation is either reviewed upward or downward as may be necessary.

CONCLUSION

Conclusively, after discussing tax meaning, types of taxes, importance of paying taxes and why creating awareness about tax is important; will not only improve revenue generation for the state but it will improve overall economic activities of the state. Therefore should focus on ways of creating tax awareness through different ways examples banners,

television programmes, in school curriculum as compulsory subject ,e .t. c As such revenue generated from taxes collected will be used improve the well-being of the citizens and surely the state will be a better place.

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