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THE ADMINISTRATION OF INCOME TAX OF SELF-EMPLOYED PERSONS IN ENUGU STATE OF NIGERIA

BY

**NWABUIKE GLORIA CHINENYE
PG/MBA/09/53772**

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**DEPARTMENT OF ACCOUNTANCY
FACULTY OF BUSINESS ADMINISTRATION
UNIVERSITY OF NIGERIA
ENUGU CAMPUS**

ABSTRACT

This study is prompted by the Meager Federal Revenue receivable by Enugu State as result of its low position on the scale of federal revenue allocation among states in Nigeria. Consequently, the state has to rely on internally generated revenue for its projects. To boost this internal revenue generation, the present structure in the state Board of Internal Revenue in relation to income tax of self-employed was critically analyzed to ascertain its effectiveness or otherwise in harnessing the abundant revenue in the sector. A survey research design was adopted for the study. Data were collected from both primary and secondary sources by percentage tables while the hypotheses were tested using Chi-square method. Findings from the study include the following: That the self-employed are not making adequate contribution to the internal revenue of the state, having contributed only 2.7% to the income tax revenue of the state in the past ten years. That the state Board of Internal Revenue is not effective in carrying its functions in relation to income tax of self-employed probably because it is lacking highly skilled staff adequate data base of the self employed and equipment and other logistics. The following main recommendations were made; That a special drive should be undertaken to arouse public consciousness on tax obligations by enlisting the co-operations of opinion leaders and traditional rulers in the various communities and cities. That the Board of Internal Revenue. should be completely removed from the civil service structure to gibe it greater autonomy and enable it operate with the efficiency typical of a commercial outfit. That the tax enforcement machinery should be strengthened and the level of deterrent punishment made stricter. That the data for tax administration should be computerized. In conclusion, the researcher advised the State Government to combat apathy, and stimulate voluntary compliance by maintaining fiscal transparency and accountability for it to achieve optimal collection of income tax from self-employed.