



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH

ADMINISTRATION AND MANAGEMENT

Volume 13 Issue 4 Version 1.0 Year 2013

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals Inc. (USA)

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Revenue Generation: It's Impact on Government Developmental Effort (A Study of Selected Local Council in Kogi East Senatorial District)

By Edogbanya, Adejoh & Mr. Ja'afaru G. Sule

Kogi State University, Anyigba Kogi State, Nigeria

Abstract - Local government is faced with varieties of difficulties to source adequate revenue from federal government, state government and internally generated revenue; such problems are cogwheel to the smooth running of local government administration. Thus, the objective of the research was to analyze the extent to which revenue generation had affected the development of the selected local Governments. The researcher used both primary and secondary methods of data collection to generate the needed data. The data obtained through secondary data were analyzed using simple least square regression method (spss version17). The following were some of the findings which included the following; there is a significant relationship between revenue generated and developmental effort of government, poor development of the areas, lack of basic social amenities to the rural people and lack of revenue to maintain the existing infrastructures. The researcher therefore recommended that the local government should provide basic amenities of high quality. By doing so, the people's interest would be geared towards giving their maximum support to the local government which would lead to the development of the rural area?

Keywords : development, projects, revenue, generation, government.

GJMBR-A Classification : JEL Code: E42



Strictly as per the compliance and regulations of:



Revenue Generation: It's Impact on Government Developmental Effort (A Study of Selected Local Council in Kogi East Senatorial District)

Edogbanya, Adejoh^a & Mr. Ja'afaru G. Sule^a

Abstract - Local government is faced with varieties of difficulties to source adequate revenue from federal government, state government and internally generated revenue; such problems are cogwheel to the smooth running of local government administration. Thus, the objective of the research was to analyze the extent to which revenue generation had affected the development of the selected local Governments. The researcher used both primary and secondary methods of data collection to generate the needed data. The data obtained through secondary data were analyzed using simple least square regression method (spss version17). The following were some of the findings which included the following; there is a significant relationship between revenue generated and developmental effort of government, poor development of the areas, lack of basic social amenities to the rural people and lack of revenue to maintain the existing infrastructures. The researcher therefore recommended that the local government should provide basic amenities of high quality. By doing so, the people's interest would be geared towards giving their maximum support to the local government which would lead to the development of the rural area?

Keywords : development, projects, revenue, generation, government.

I. INTRODUCTION

a) Background to the Study

Revenue generation in Nigeria local governments is principally derived from tax. Tax is a compulsory levy imposed by government on individuals and companies for the various legitimate function of the state (Olaoye, 2008). Tax is a necessary ingredient for civilization. The history of man has shown that man has to pay tax in one form or the other that is either in cash or in kind, initially to his chieftain and later on a form of organized government (Ojo, 2003). No system or rules can be effective whether foreign or nature unless it enjoys some measures of financial independence.

Local governments in Nigeria have developed over a number of years. Historically, the development of direct taxation in local government in Nigeria can be traced the British pre-colonial period Under this period, community taxes were levied on communities (Rabiu,

2004) recently the revenue that accrues to local government is derived from two broad sources, viz the external sources and the internal source

An effective Local Government system rests majorly on the availability of human and material resources which the nation could mobilize and harness for local governments development. In 1976, the Federal Military Government then issued guidelines on local governments reforms. The reforms which gave recognition to local governments as the third tier of government whereby government activities at the local level were taken care of. In 1988, another reform of local government was established. This gave a substantial and unprecedented reform of autonomy to the local governments in the country. With this autonomy, greater responsibilities devolved on the local government therefore, became a common knowledge that most of the local government are finding it difficult to cope with the present level of responsibilities. The principal aims of creating local governments were as follows:

1. To serve as the third tier of government through which appropriate services and development are made in response to the wishes of local community through their representatives.
2. To serve as an intermediary between government at the center and local communities.
3. To mobilize and utilize both human and material resources by engaging the people at the local level in the government activities.
4. To facilitate the exercise of democratic self – government closer to the grass root of the society and to exchange initiative and leadership potential.

Mostly, all local governments in Nigeria do no longer perform their responsibilities simply because of poor finances arises from adequate revenue generation drive. The bad financial situation is further aggravated by the prevailing inflationary situation in this country which erodes the value of funds available to render essential social services to the people. Development is highly associated with fund, much revenue is needed to plan, execute and maintain infrastructures and facilities at the local government level. The needed revenue generated for such developmental projects like construction of accessible roads, building of public schools, health care centers, construction of bridges

Author a : Department of Accounting Faculty of Management Sciences Kogi State University, Anyigba, Kogi State, Nigeria.

E-mail : Adejoh17@yahoo.com

Author a : Department of Business Administration Faculty of Management Sciences Kogi State University, Anyigba.

among others are sources generated from taxes, royalties, haulages, fines and grants from states, national and international governments. Thus, the Local government cannot embark, execute and possibly carryout the maintenance of these projects and other responsibilities without adequate revenue generation. This is the basic reason why development is skeletal at some Local Government councils in Nigeria. The generation is not exceptional to Kogi East Senatorial District. This has been one of the problems encountered by Local Government in Kogi State.

b) Statement of the Problem

The local government is faced with myriads of problems ranging from corruption and embezzlement, poor financing, mismanagement of funds to poor leadership. This has deterred the development of local government in Nigeria. The major issues are; what has contributed to the non-performance; is it because of total dependence on federal and state statutory allocation? Is it as a result of poor internally generated revenue drive? Is it because of ineffective utilization of available scarce resources or mismanagement by public office holder? Among others, certain percentage of the statutory allocation has always been deducted by the state government thereby causing the local government to underperform which includes;

- i. Dilapidated infrastructural facilities
- ii. Unavailability of social services to rural populace.
- iii. Underdevelopment of local communities.

Based on the above stated problems, it has become necessary to conduct an analysis on revenue generation in the Kogi East Senatorial District, Kogi State.

c) Objectives of the Study

The broad objective of this research is to evaluate the relationship between the total revenue generation by the local government and rural development.

The specific objectives are;

- To examine the relationship between statutory allocation to the local government and government developed effort.
- To ascertain the extent which value added tax has contributed to government developmental effort.
- To assess the benefit of allocation of excess crude Account to Local government projects.
- To evaluate the extent to which internally generated revenue has contributed to the Local government developmental and its various sources

d) Significance of the Study

From the outlook, there is need for the local government to improve their performance. However, the research is significantly considering the closeness of local government to the grassroots' people and the

need to utilize substantial revenue for its various sources in addition to federal and state statutory allocation for developmental purpose. The study will help to identify some means of generating revenue that has been neglected over years. It will also be beneficial to the grassroots because improved revenue generation means improved standard of living in form of provision of social amenities such as road, hospital, park, drinkable water, rural electrification etc. The study will be educative as it will be a reference point for researchers.

e) Research Hypotheses

A hypothesis is a theoretical conceptualization or an idea or guess regarding how researcher thinks the result of his study will look. It consists of a set of assumptions accepted previously as a basis of investigation. It is a proposition that is yet to be tested for its validity. For the purpose of this research study, four null hypotheses were formulated.

- H_0_1 : There is no significant relationship between statutory allocation to the Local Government and developmental effort.
- H_0_2 : Allocation from Value Added Tax (VAT) does not significantly contribute to government developmental effort.
- H_0_3 : Allocation to Local government from excess crude account does not have significant effect on Local government development projects.
- H_0_4 : There is no significant relationship between internally generated revenue and developmental project of the local government.

f) Scope of the Study

The study would appraise the revenue generation for the period of five years (2006-2010) in three local governments in the Kogi East Senatorial District. The research is intended to be carried out using secondary data. Secondary data will be obtained from the monthly allocation from the office of Accountant General of Kogi State.

g) Limitation of the Study

This study has some limitations most especially in the area of data collection which is to be covered and has time duration of five years (i.e. 2006-2010). Financial constraints as well as time available for the completion of the study are among other factors that would limit the scope of the study.

h) Operational Definition of Terms

Some concepts require proper explanations to enhance our understanding of the theme where necessary opinion of scholars will be cited to explain the terms. The researcher will also give some fundamental definition of terms.

i. Local Government

According to Lawal (2000) Local Government as a political sub-division of a nation in Federal system

which is constituted by law and has substantial control of local affairs which includes the power to impose taxes or exact labor for prescribed purpose. According to William Robson (2006) Defined Local Government as involving the conception of territorial, non-sovereign community possessing the legal right and the necessary organization to regulate its own affairs.

ii. *Revenue*

Public revenue could be defined as the funds generated by the government to finance its activities. In other words revenue is the total fund generated by government (Federal, state, local government/ to meet their expenditure for a fiscal year. This refers also to the grand total of money of income received from the source of which expenses are incurred. Revenue could be internal or external revenue.

iii. *Generation*

This is the process of sourcing revenue for the local government in carryout their aim and objectives.

iv. *Expenditure*

Public expenditure refers to the expenses which the government incurs for its own maintenance, in the interest of the society and the economy in order to help other countries.

v. *Tax*

Tax can be defined as a compulsory levy by government on goods, services, income and wealth. It provides definite source of revenue for government expenditure. (Udeh 2008). It is the way by which government obtain extra money. It spent from income of individual and companies. Tax could be direct or indirect tax. A tax is a payment made by the taxpayers and used by the government for the benefits of all the citizens.

vi. *Tax Evasion*

Tax evasion means illegal reduction in one's tax liabilities, thereby paying less than the appropriate amounts and not paying at all.

vii. *Tax Avoidance*

Tax avoidance is the act of streamlining one's financial affairs within the law so as to minimize the tax liabilities.

viii. *Development*

According to Ake (2001) Development is thus the process by which people create and recreate themselves and their life circumstances to realize higher levels of civilization in accordance with their own choice and values. It also a type of social change in which new ideas are introduced into a social in order to produce higher per-capital income and levels of living through more modern production methods and improved social organization.

II. LITERATURE REVIEW

a) *Introduction*

Etuk-udo (1973), defined revenue as an income from both the fixed asset and current asset. He further

describe fixed asset as an asset which is expected to last more than one year and it is for future benefit, the current asset as it is defined by Etuk-udo (1973) means those assets that last for less than a year and can be converted to cash immediately.

The Longman dictionary of contemporary English (1995), defined revenue as money that a business or an organization receives over a period of time especially from selling goods or services. It also described revenue as money that government received from tax.

Advance learning dictionary of current English (1992), defined revenue as the total annual income of the state collected for public use. It further described it as income, derived from taxation.

Oladimeji (1985), described revenue as the total income generated from federal, state and local government. He stated further that what makes local government as constitutional matters is the revenue sharing perspectives.

Hepworth (1976) described revenue as an income or funds raised to meet the expenditure. He added further that revenue is a raising resources needed to provide government services. He also stated that there are two aspect of finance – Income and Expenditure. In other words, the sources of fund and utilization.

Fayemi (1991) defined revenue as all tools of income to government such as taxes, rates, fees, fines, duties, penalties, rents, dues, proceeds and other receipt of government to which the legislature has the power of appropriation. He further classified government revenue into two kinds – recurrent revenue and capital revenue.

b) *Theoretical Framework*

Local government system in Nigeria needs a moderate amount of financial autonomy to be able to discharge its responsibilities effectively. Public revenue in a federal system assumes that there are benefits to be derived from decentralization. Public revenue decentralization occurs when lower tiers of government have statutory power to raise taxes and carry out spending activities within specified legal criteria. This is referred to as the Overlapping Authority Model propounded by Wright (1978) on Intergovernmental relationships. Public revenue decentralization occurs when much of the money is raised centrally but part of it is allocated to lower levels of government through some revenue-sharing formula otherwise known as administrative decentralization.

The main reason for decentralization is anchored on allocation sharing or efficiency grounds so it is possible to advance argument for decentralization in Nigeria where there are many ethnic groups. Oates (1993) contends that "there are surely reasons, in principle to believe that policies formulated for the provision of infrastructure and even human capital that

are sensitive to regional or local conditions are likely to be more effective in encouraging economic development than centrally determined policies that ignore these geographical differences" There is a great relationship between decentralization and economic growth and behaviour for economic fundamentals within the decentralized jurisdiction is a matter that remains an empirical issue and discussions must be country specific.

Kim (1995) quoted in Oates (1996) has shown that in his mode of explaining rates of economic growth, revenue decentralization that are positive and statistical significant change, using a sample of countries. His results also shows that, other things being equal, more public revenue decentralization was associated with more rapid growth in GDP per capita during 1974-1989 period. Prud'homme (1995) on the other hand, argues that decentralization can increase disparities jeopardize stability, undermine efficiency and encourage corruption. He maintains that local authorities, for example, have few incentives to undertake economic stabilization policies. The instrument of monetary and public revenue policies are better handled by the central government. Oates (1993) opines a contrary view that the principles of centralization is costly because it leads the government to provide public goods that diverge from the preferences of the citizens in particular areas (regions, provinces, states, local governments). He also argues that "when these preferences vary among geographical area, a uniform package chosen by a nation's government is likely to force some localities to consume more or less than they would like to consume.

According to Tanzi (1995) the interpretation of both Oates and Prud'homme assumes that subnational government levels already exist, hence the crucial problem becomes which of the existing government levels ought to be responsible for particular forms of spending. The function of government can be divided into three-allocation, distribution and stabilization function (Musgrave 1959). Using this stratification, stabilization and distribution functions are expected to be under the periphery of the central government while lower government undertakes allocative functions. Hence, any spending and taxing decisions that will affect the rate of inflation, level of unemployment, etc. are better handled at the centre, while other activities that will affect social welfare are more efficient if undertaken by sub national governments. Theoretically, the scope of benefit is the basis for allocating responsibilities governments. Public goods and services which are national in nature (foreign affairs, environment, immigration and defense) should be provided by the central government while those whose benefits are mainly localized should be assigned to the lower levels of government. Quasi-private goods or intermediate goods and services such as administration, health and welfare services should on account of efficiency

delivery, be assigned to lower levels of government. Vincent (2001), Studies on tax and public revenue mobilization in Nigeria have shown a high degree of centralization. According to Emenuga (1993), the allocation of revenue to the tiers of government has no adhere strictly to the expenditure requirements of each tier, thus the federal government has become a surplus-spending unit while other functions, he proposes the determination of a tier's share through the aggregation of its basic expenditure needs. To reduce the gap between tax power ad responsibilities, two types of revenue sources are allocated to each tier. These are independent revenue sources and direct allocation from the federation to which centrally collectable revenues are paid. Local government also receives allocations from state Internal Revenues. An agreed formula for vertical revenue sharing is used in sharing funds from the federation account.

Another key issue in the practice of public revenue mobilization in Nigeria is how to distribute the bloc share from the federation account among the constituent units of each tier i.e. among the 36 states and the 774 local governments. This is called horizontal revenue sharing. In Nigeria, there are four categories in the vertical allocation list – federal, state, local governments, and the special fund. The allocation to the Federal Capital Territory (FCT) is accounted for under the special fund which is administered by the federal government.

Public revenue mobilization is one of the most keenly contested issues in Nigeria. A comprehensive review of the reports of the various commissions and government policies from the 1946 Philipsons commission to the activities of the National Revenue Mobilisation, allocation and fiscal commission established in 1989 could be found in Kayode (1993), Emenuga (1993) and Ekpo (1994). Local governments in Nigeria receive statutory allocations from the two higher tiers of government (federal and states). At the present, revenue sharing formula, local governments receive 20 per cent from the federation account. They are also statutorily entitled to 10 per cent of states' internally generated revenue. As regards to Value Added Tax, local governments receive 30 percent in 1998. This was shared to local governments, on the following basis: equality (50 per cent): population (30 percent) and derivation (20 per cent). In 1999, local governments received 35 per cent of the VAT proceeds. The federal government controls all the major sources of revenue like import and Excise duties, mining rents and royalties, petroleum sales tax, petroleum profit tax and companies income tax among other revenues sources. Local Government taxes are minimal hence this limits their ability to raise independent revenue and so they depend solely on allocation from the federation account. Much of the revenue collected by the federal government and distributed among the different tiers of government

using the vertical revenue allocation formula is from the federation account. But the federal government seems to exercise too much control over its distribution. So many deductions are made from the total revenue collected before the rest is distributed according to the sharing formula.

The federal allocation to local governments for the period 1976 to 1997. The federal allocation showed steady increases during the periods. In nominal terms, the allocation which stood at N100 million in 1976 jumped to N352.6 million in 1980, reflecting a compound growth rate of almost 29%. During the structural adjustments programme (SAP), federal allocation to local governments increased remarkably by 45.7%. This jump could be as a result of the increase in the number of local governments.

Hofer and Schedal (1978), described strategy as a game plan through which aims and objectives of an organization are achieved. They further defined strategy as revenue generation as the fundamental pattern of present and planned resources department, and environmental interaction that indicate how the organization will achieve its aims and objectives. They added further that it is the skill employed in managing any affairs, which includes the local government affairs especially in the means of generating revenue.

According to Hofer and Schedal (1978), depicted that strategy of revenue generation must aim on the following:

- i. Ensuring the survival of local government as it relates to determine priorities and decision making.
- ii. Enhancing the viability of local government objectives.
- iii. De-emphasizing on federal and statutory allocation.
- iv. Tapping all available opportunities in their areas.
- v. Ensuring effective and efficient management of financial resources.
- vi. Maximizing revenue while minimizing the cost of collection.

However, for effective revenue generation, Hofer and Schedal (1978), suggested the following strategies:

- i. Introduction of additional sources of revenue.
- ii. Providing an incentive for extra efforts of the revenue generation staffs.
- iii. Tapping all available opportunities in the areas.
- iv. Periodic raiding by officer of the revenue generation.
- v. Efficient and effective collection of existing taxes.
- vi. Taking advantages of business or commercial opportunities in their local areas.
- vii. Public enlightenment and campaign that will educate the tax payer on the importance of prompt payment.

According to Adeosun (1991), stated that strategy to generate more revenue should be given an adequate attention in local government system. This is because the federal and state statutory allocations are prone to external influence. He finally stated that the

local government should respond promptly and adequately to the changing in the needs of their communities, decides the relative priorities, articulate plan and programmes, set target and standard, monitoring measures and mobilize financial resources with emphasis on those generated internally to accomplish agreed goals. He concluded that the failure of strategy of revenue generation would be blamed on the following:

- i. That the caliber of people employed for the task in terms of their education, status, mentality, knowledge, sincerity honest and experience.
- ii. The type of training and orientation given to the people on field of revenue generation.
- iii. Remuneration or reward and other benefit enjoyed by the staffs.
- iv. How committed are the people to taxes, fees and other dues, because some of the tax payer sees government facilities as free goods to be enjoyed by all at no cost rate, while other people believed that government should provide those sequestration basic amenities before asking people to pay for such services.
- v. The actual remittance of revenue generated to the local government account. This is because not all revenue generated will be remitted to the account of local government.
- vi. Doubts the people on whether the payment are actually go into government purse or not, because there are several fraudulent practice by revenue officials.

Adeosun (1991) described the strategy of revenue generation as the bed-rock of any local government. The viability of any local government to the level at which the services are rendered and the quality of those services are inextricably linked with the financial resources available to them. He equally believed that if there is fund, then the ability of local government to perform will depend on the quality of staffs and equipment need to be recognized as the third tier of government – as the one which is closer to the people, therefore things at the local level can be easily noticed and perhaps has some impact on the people. If this idea is constantly brought, the consciousness of officer and members of the local government council, then there is tendency for them to act more responsibly and feel accountable to the public.

However, for local government to perform their statutory functions both the executive and the legislative arms of the local government have to meet and share ideas, opinions, set goals and objectives through which strategies to revenue are developed and enduring the implementation of such strategies so that the targeted revenue are achieved.

c) *Means of Government Revenue*

i. *Sources of Revenue to Federal Government*

According to Oladeji (1995), stated that the main sources of government revenue could be broadly classified as follows:

Petroleum Profit Tax: This form the major source of revenue to the Nigeria government. It is the revenue or income derived from crude oil which represent more than 75% of the source of revenue to the government of recent time, the excess proceed from crude oil were been shared between the three tiers of government.

Taxation: This is also one of the important sources of government revenue. In a capitalist world like Europe, tax is the major source of their revenue. Unlike the developing countries like Nigeria, Ghana, Gambia where tax evasion and tax avoidance prevail. Therefore, tax does not form the major source of revenue to government. The tax includes – direct and indirect taxes.

Rent, Royalties and Profit: These are income derived from the use of government properties, profit from government business enterprises and income from mining right.

Fees, Fines And Specific Charges: These are incomes derived from payment for the use of government services like vehicle licenses, water rates, stamp duties, tax clearance etc. It is income generated by federal Inland Revenue department (FIRD).

Grants: These are income received in form of aid from other countries or from international organizations like the World Bank, IMF etc. Within a country, government may also receive grant from another government e.g. local government council receives grants from federal and state government.

LOANS: These are incomes generated by borrowing from private individuals or from foreign countries to finance projects.

The local government in Nigeria was established for the purpose of rendering services and supplying amenities to the people in both rural and urban area according to the document establishing the local government reforms 1976.

Federal government cannot perform all the activities of the rural areas by themselves, but this can only be done if the people elected in that, does not prevent or stop the federal government from implementing their roles by providing all the social amenities. Such as construction of roads, provision of pipe borne water, hospitals, good education for the youth, stadium, electricity and museum etc. All these social amenities are made available from the revenue generated from the people.

Moreover, a lot has been written and said on the finances of local government in Nigeria. Most of the contributors identified inadequate finance as a major problem hindering the efficient performance of the functions of local government in Nigeria (Adedeji, 2006). In fact, the so called independent sources of revenue

are not really independent because they require government authorization before they can be collected. No local authorities can increase the rate of local tax (community tax). Independently there must be legal provisions for local fees and all these are approved by government before inclusion in the estimates. Whereas, the following responsibilities are assigned to local government in Nigeria

Economic Planning and Development, Health Services, Land use, Control and Regulation of Advertisements, Pets, Small business Markets, Public Conveniences, Social Welfare Sewage and Refuse Disposal, Registration of Births, Deaths, Marriages, Primary, Adult, Vocational Education, Development of Agriculture and Natural Resources (Olaoye, 2008).

ii. *Impacts of Internally Generated Revenue in Local Government*

There are a lot of benefits people enjoy from the internally generated revenue of the local government;

- Provision of clean water for the people in the local government area.
- Construction of good roads for easy movement of transportation.
- Provision of a well-equipped health centre in the community to reduce the death rate of the people.
- Provision of free education in the community to reduce the level of illiteracy in the society.
- Stability of electricity in the community.

iii. *Ways of Improving Local Government Revenue Generation*

Many of the problems facing the generation of revenue in the local governments are those that can be corrected to improve their generation.

According to Herbert, a dependable tax base for the local authorities is essential shortage of framed valuation staff will make taxes on real property difficult to assess for sometime to come. The system of graduated tax has been in unjustifiable dispute in recent years Olaoye (2008) also suggested the possibility of a Native Authorities' Loan Authority (NALA) as an agency to provide capital loan for the local government. However, some of the strategies for improvements are;

iv. *Good Infrastructure*

A location with good road net work will have every access to the coming and going out of the local government's cars and people, if they get to the local government and see good roads, pipe-borne water, hospitals, schools etc. they may decide to stay (Aderinto, 2005). This will increase the number of people and business that will be paying tax and that will definitely increase the revenue generation because more people will be paying tax, if the government can provide good infrastructure for the local government, there will be more business and people will see reasons to pay tax.

v. *Staff Motivation*

According to Henry Fayol, there are fourteen principles of management of which motivation is among the list. Henry Fayol however defined motivation as a driving force which stimulates a worker in action. Workers should be encouraged so that they can put in their maximum services and when this is done, there may be increase or solid improvements in revenue collection. Training of workers for knowledge enhancement should be one of such motivational factors (Adebisi, 2005). It is fervently hoped that when the above suggestions are fully implemented, the local government will not only improve internally but also with the outside world.

vi. *Establishment of Projects*

The local government should embark on the establishment of some minimize industries, which will provide employment opportunities to the people. It is happy to note that Lipakala farm industry has helped to solve some of the employment problems within the community. There should also be development and improvement in agricultural ventures like crop farming etc. the participation in agriculture will encourage the inhabitants of this local government to improve their standard of living.

vii. *Revenue Management*

There is a general trend going about most governmental establishment, there are mismanagement and embezzlement. The revenue so collected are mismanaged by the officer thereby not making the revenue to have any effect on the general populace of the local government.

This can be reduced by the centralization of the collection department and rotation of jobs and assignments. If a worker is occupying a particular position for a long time he tends to have all the ways by which he can fraud the department.

viii. *Loyalty of Tax Payers*

If people can change their attitude of tax evasion, more revenue will be generated. The number of people that pay up their dues (tax) as at when due are very small compare to the number of people that are suppose to pay. If the orientation can change, it will go a long way in increasing the amount of revenue that will be generated in the local government.

Oladeji (1995), stated the major sources of revenue to local governments; these are as follows:

- 20% of Federal Government statutory allocation.
- Internally generated revenue
- VAT – value added tax
- Loans and Advances
- Special capital grants
- Proceeds from Investment
- Financial aid and assistance from individual and organization.

The internally generated revenue are further grouped into the following headings:-

Market Sources:

- Market Stall fees
- Shop charges
- Hawking fees
- Motor parks charges

Social Sources:

- Registration of social organization
- Street naming registration fees
- Entertainment permit fees such as night and day parties.

Health Sources:

- Birth and death registration fees
- Dispensary and Maternity fees
- Burial fees
- Toilet fees
- Slaughter fees

Economic Sources:

- Traders' fees
- General Contractor registration fees
- Trade license fees
- Hotel registration fees
- Business Centre registration fees
- Bakery house fees
- Head tax
- Cattle tax
- Advertisement permit fees
- Restaurant registration fees
- Association registration fees
- Survey fees
- Barbering Salon license fees.

Statutory allocation from the Federal Account in accordance with section 160(2) of the constitution of the Federal Republic of Nigeria (Promulgation) Decree 1989, Statutory allocation from each state government to the local governments in its areas of jurisdiction, Federal Grants-in-aid, State-Grants-in-aid, Borrowing from state government and other financial institutions, Local Rates on markets and shops, while internally generated source of finance includes; local rates, markets taxes and levies excluding any market where state finance is involved, Bicycle, truck, canoe, wheelbarrow and cart fees, other than a mechanical propelled truck, Permits and fines charged by Customary Courts Local Government Business Investment, Tenement Rate Fees from schools established by the local governments Shops and kiosks rate, on and off Liquor Licence fees, Slaughter slab fees, Marriage, birth and death registration fees.

Naming of street registration fee, excluding any street in the state capital, Right of occupancy fees on lands iii the rural areas, excluding those collectable by the federal and state governments excluding the state capital, Cattle tax payable by cattle farmers only, Merriment and road closure levy, Religious places establishment permit fees.

Signboard and advertisement permit fees, Radio and Television licence fees (other than radio and television transmitter), Vehicle radio licence fees (to be imposed by the local government of the state in which the car is registered), Wrong parking charges.

Public convenience, sewage and refuse disposal fees, customary burial ground permits fees. Fees collected from amusement centers established and operated by the local authority and that of Tourist centers and Tourist attractions, Rents, Fees on Private Institution, Motor park levies, Domestic and licence fees etc. In spite of the above sources of revenues, Local government is faced with varieties of difficulties to source adequate revenue from federal government, state government and the internally generated revenue, such problems is cogwheel to the smooth running of local government administration.

They are the dishonesty on the part of officers collecting the revenues, such as cases of printing receipts by the officers had been the major problem in releasing the expected revenues.

The machinery put in place for collection of revenue is inadequate hence, most of the government money is not collected and this is in case of the internally generated funds.

Meanwhile, as government is the means by which the common problems and needs of a community constituting a country are economically catered for, so as local community revolves jointly those common problems and needs, which could have been difficulty to solve individually.

The very objective of having local representation is in order that those who have an interest in body of their countrymen may manage that joint interest by themselves. This is why every state finds it desirable to create local government councils to provide and deliver local public goods and services hasten development (Olaoye, 2006) and bring government closer to the people.

d) Functions of Local Government

According to Oke (2004), the basic responsibilities of local governments are classified into two – exclusive functions and concurrent functions. The exclusive functions are task attached to the local government. These functions are as follows:

- Sanitary inspection, refuse and night soil disposal.
- Registration of births, deaths and marriage acts.
- Building of markets and motor parks.
- Naming of streets roads, and numbering of plots and buildings.
- Collection of vehicle parking charges, collection of properties charges and other rates.

The concurrent functions on the other hand are those tasks which are concurrently combine the federal, state and local governments. These functions are as follows:

- Maintenance of laws and orders.
- Control of water and atmospheric pollution.
- Information and public enlightenment.
- Building and maintenance of health; and maternity centres.
- Provision of scholarship and bursary awards.
- Nursery, primary and adult education.
- Provision of homes for destitute, in firms and orphans.
- Control of beggars or prostitution and repatriation of destitute.

e) Utilization of Revenue Generated By Local Government

Since there are revenue coming to the local government, there must be expenditure on which these revenue would be expended.

Oke (2004), considered local government expenditure under two major headings:

- Recurrent expenditures and
- Capital expenditures

Oke (2004), added further that the expenditure of local government can be considered from the point of its functions. The local government spent money in carrying out its functions, be it the function in the exclusive list or the functions in the concurrent legislative list.

Oke (2004) noted further that the recurrent expenditures of the local government are money spend on:

- Salaries and allowances of its workers, it is the duty of local governments to pay the salaries and allowances of its workers both administrative and political appointees.
- Each department in the local government are given imprest for its day to day running i.e. administration and general, treasury, education, medical and health, town planning and estate developments.

Oke (2004) stated that under capital utilization of local government revenue, the local government spends money on the execution of new projects for the development of the local government areas. Examples of such project includes building of new primary school, maternities and health centers, new feeder roads, culverts, boreholes and wells, new markets and motor parks etc.

f) Problems of Local Governments

The reason for establishing local governments cannot be over emphasized, but the extent to which they have justified the above assertion is left to be desired. Ordinarily, party politics should be an umbrella under which people can discuss development. But the Nigerian experience is far from the issue. Rather party politics is used as an instrument to create acrimony.

Subair and Oke (2005), described how federal government inaugurated a 10-man technical committee under the chairman of late Alhaji Umaru Ndayako to review the structure of local governments in Nigeria. The committee which composed a representative from the six geo-political zones of the country had a four-point terms preference which include examining the revenue generated and how it's been utilized in the last four years. The committee inaugurated on June 25, 2003, came out with the following problems:

- i. Weak financial base due to lack of independent sources of fund.
- ii. Embezzlement of funds, contracts and improper keeping of books of account.
- iii. Bribery and corruption are the scene of the day in some local councils and misappropriation of funds.
- iv. Poor leadership of local councils or absence of good leadership also constitutes problems.
- v. Dilapidated infrastructural facilities such as road, water, rural electrification etc.
- vi. Local government conditions of services are not attractive enough for the highly qualified staff that can turn round the local governments.
- vii. The machinery for tax or rate collection is grossly inadequate and inefficient.
- viii. Lack of independence in the traditional jurisdictional functions of the local governments for example primary education should not be ounces of the state nor federal governments.
- ix. Low caliber of the political functionaries in the local governments whereby most councilors are not better than illiterates.
- x. Political instability in the country lead to frequent changes in structure and functions of local government in Nigeria.
- xi. Uneven distribution of resources in the local governments. Some local government especially in urban areas find it easier to generate adequate revenue than those in the rural areas.
- xii. Too much interference from the federal governments whereby the true federalism is not applied in the relationship between the local government and other governments.

g) Strategies Adopted in Curtailing Revenue Generation Problems

There have been many debates, seminars and workshop put together to improve revenue generation. Scholars have suggested some useful strategies, which include the following: Okwoli (1983).

1. Retraining already employed personnel.
2. Selection of competent revenue collectors.
3. Undertaking in properly development.
4. Up word review of the share of the federation account.
5. Establishment of revenue monitoring committee and task force.

6. Procurement of modern communication gadgets, vehicles motor cycles and boats.
7. Enactment of clearly defined bye-laws.
8. Establishment of proper internal control and check of curtail fraud.

III. RESEARCH METHODOLOGY

a) Introduction

This chapter attempts to provide information on general method and procedure for data collection, research design, instrument used, sample selection, administration and method of data analysis.

b) Research Design

The research design used in this thesis is descriptive design which seek to describe the existing status of what is being investigated and it will also help the researcher to know where the variable are gotten and how the objectives could be achieved. The research design includes the research population, research sample plan, method of data collection, procedure for data collection and technique of data processing and analysis.

c) Population of the Study

The targeted population for this research work was the entire nine local governments that made up the Kogi East Senatorial District.

d) Sample Size and Technique

Three (3) local governments were sampled from the total population to serve as a representative of the remaining local governments. Stratified sampling is used in the selection of the sample. The sampled local governments were Dekina, Omala and Bassa Local Government council representing the urban, semi urban and rural local government respectively.

e) Method of Data Collection

Secondary source of data were embarked upon, comprises of the revenue books, research work on similar subject, text books, newspapers. Information was also collected from Board of Inland Revenue in the Local Government and published allocation to local government from federation account sourced from office of Accountant General of Kogi State.

f) Method of Data Analysis

The model adopted for this study is the Ordinary Least Square (OLS) Method to test all the hypotheses formulated. The SPSS package version 17 was employed.

The formula for the method is $Y = a + bx$

Where Y = dependent variables

A = the vertical intercept of the line.

B = variable unit of activities

X = independent variables.

This model could be summarized as follows $y = bx_1, bx_{ii}, bx_{iii}, bx_n$. In specifying the model for this

research the regression analysis was used, that is simple regression where the revenue generated and the total capital expenditure were related.

IV. DATA PRESENTATION AND ANALYSIS

This chapter deals with the presentation of data collected in the course of the study. In analyzing the

data collected, tables were used in the presentation of data and simple statistical method of frequencies and percentage were applied in analysis of the table and simple least square in analyzing the data presented.

a) Data Presentation

Revenue Generated by the Following Selected Local Government from Federation Account.

Table 4.1 : Statutory Allocations (2006 – 2010)

Year	Dekina	Bassa	Omala
2006	648,895,799.06	515,740,231.06	485,326,130.48
2007	808,207,865.27	622,352,472.62	567,994,259.72
2008	1,430,016,045.50	860,078,419.77	672,009,709.78
2009	758,678,2566.1	615,812,530.10	524,721,045.44
2010	789,576,128.29	628,676,312.81	582,624,112.45
Total	4,435,374,094.73	3,240,659,966.36	2,832,675,257.87

Source : Statutory Allocation, January 2006-December, 2010

Table 4.1 shows the total amount of revenue generated from federation account as statutory allocation to the local government under study. The total

amount to Dekina, Bassa and Omala, were N4, 435,374,094.73, N3,240,659,966.36, N2,832,675,257.87 respectively.

Table 4.1.2 : Vat from Federation Account (2006-2010)

Year	Dekina	Bassa	Omala
2006	91,346,446.82	56430,159.4	58,423,506.55
2007	115,961,680.47	74,821,111.11	82,318,598.05
2008	154,432,205.47	97,212,620.05	103,108,418.63
2009	210,820,540.99	141,002,112.5	151,476,372.10
2010	235,209,220.14	165,019,009.1	179,921,465.16
Total	807,770,093.89	534,485,012.16	575,248,360.49

Source : Allocation from VAT (January 2006-December, 2010)

Table 4.1.2 shows the total amount of revenue generated through from federation account as VAT allocation to the local government under study. The total

amount to Dekina, Bassa and Omala were N807,770,093.89, N534,485,012.16, 575,248,360 respectively.

Table 4.1.3 : Excess Crude Account's Allocation From Federation Account (2006-2010)

Year	Dekina	Bassa	Omala
2006	132,684,118.16	94,509,057.01	89,389,926.39
2007	188,430,850.87	131,045,051.47	93,418,753.24
2008	560,941,298.48	426,700,652.81	431,498,216.14
2009	267,298,348.89	143,401,157.0	305,403,886.11
2010	275,080,099.11	228,000,115.11	201,317,181.51
Total	1,424,434,715.51	2,314,266,446.4	1,121,027,963.39

Source : Allocation from Excess Crude Account (January 2006-December,2010)

Table 4.1.3 shows the total amount of revenue generated through from federation account as VAT allocation to the local government under study. The total amount to Dekina, Bassa and Omala were N1,424,434,715.51, N2,314,266,446.4, N1,121,027,963.39 respectively.

Table 4.1.4 : Internally Generated Revenue

Year	Dekina	Bassa	Omala
2006	30,000,000	15,000,000	16,000,000
2007	34,287,481	17,280,000	21,000,000
2008	45,000,128	19,290,000	25,000,290
2009	61,000,248	25,000,000	27,281,982
2010	75,821,210	30,000,000	32,000,000
Total	246,109,067	106,570,280	121,282,270

Source : Board of Internal Revenue (2001-2010)

Table 4.1.4 shows the total amount of revenue generated through from federation account as VAT allocation to the local government under study. The total amount to Dekina, Bassa and Omala were N1,424,434,715.51, N2,314,266,446.4, N1,121,027, 963.39 respectively.

Summary from all Sources of Revenue (2006-2010)

Local Govt.	Statutory Allocation	Vat	Excess Crude Acct	Internal Revenue	Total Revenue
DEKINA	4,435,374,094.73	807,770,093.89	2,424,434,715.00	246,109,067.00	7,913,687,970
BASSA	3,240,659,966.36	534,485,012.16	2,314,266,446.64	106,570,280	6,195,981,704
OMALA	3,724,129,906.26	575,248,360.49	1,121,027,963.39	121,282,270	5,541,688,499

Table 4.1.5 : Capital Project Undertaken By The Below Local Government Between (2006 – 2010)

PROJECT	DEKINA	BASSA	OMALA
No of PHC built	8 beg capacity PHC in eight villages, 3 cottage Hospital	4 health centres	3 health centre
No of schools built	4 block of class room in 15 villages	4 block of class room in 5 villages	2 classroom constructed
No of mkt built	200 unit built in 4 districts.	Nil	100 unit mkt built
Housing programme	Ultra modern legislative storey building. Housing for legislature and Head of Dept.	Legislative chamber build. Secretariat renovated	Modern legislative chamber built. Housing scheme for employee
Provision of water	3 borehole drilled	1	1
Electricity.	7 villages electrified. Transformers to 15 villages	Nil	Transformer to 2 villages
Scholarship	200 students benefit from UTME fees	Nil	Nil
Training of employee	10	5	5
Total Development Expenditure 2006-2010 (in Billions)₦	6.2	3.1	4.2

Source : Field Survey, 2012

b) Data Analyses

This section is concerned with the analysis of data collected from various sources of revenue to the local government.

YEAR	Y	SRA	EXCESS	IGR	VAT
2006	2.900000	2.800000	0.517000	0.101000	0.356000
2007	3.600000	3.300000	0.689000	0.126000	0.449000
2008	2.600000	3.800000	2.300000	0.164000	0.611000
2009	5.000000	9.900000	1.100000	0.186000	0.718000
2010	4.500000	3.200000	0.967000	0.224000	0.968000

Regression Result from all the Parametre
Dependent variable: Y

Variable	Coefficient	Std Error	T-Statistics	Prob
SRA	0.91905	0.013800	6.659685	0.0949
EXCESS	1.201855	0.058925	20.39650	0.0312
IGR	71.97584	3.547486	20.28925	0.0314
VAT	11.10879	0.785830	14.13638	0.0450

R-SQUARED (R2) 0.998927
Durbin Watson Statistics 2.443913
Recall that:

Y= Development effort
SRA = Statutory Revenue Allocation
Excess = Excess Crude Revenue
IGR = Internally Generated Revenue
VAT = Value Added Tax

c) Discussion of Findings

From the regression result, the Durbin Watson (DW) of 2.443913 shows that there are no positive autocorrelation among all the variables. The coefficient of determination (R2) at 99% indicates a positive relationship between the dependent variables (the development effort of government) and the explanatory variables. This suggests that 99% of the changes in development efforts of the government are explained by the changes in the Statutory Revenue Allocation, Excess Revenue, Internally Generated Revenue and Value Added Tax (VAT). The remaining 1% is explained by the variables not included in the model.

With regards to Statutory Revenue Allocation, a unit change induces 0.09 unit increase in development effort of government. A unit change in excess crude revenue induces 1.2 unit increases the development efforts of the government while a unit change in Internally Generated Revenue induces 71.9 unit increase in the development efforts of the government. As for Value Added Tax (VAT), a unit change induces 11.1 unit increases in the development efforts of the government.

d) Testing of Hypotheses

Essentially worthy of note in the result is that there is generally significant positive relationship between all the independent variables and the development efforts in all the sampled local governments as indicated by t-statistics deductively, most of the development efforts in the local governments are purely a function of all this important variables. Hence all the null hypotheses are thus rejected while the alternative stands accepted.

e) Summary of Findings

Based on the analysis carried out in this study, the following findings were made.

1. It empirically showed that there is a significant relationship between statutory allocation to local government and the government developmental effort.
2. Revenue from Value Added Tax has significant impact on government capital projects.
3. Government development project is strongly influenced by allocation from excess crude account.
4. There is also a relationship between internally generated revenue and government capital projects.
5. It showed also that government could generate more internal revenue if proper machineries are put in place to complement statutory allocation.

6. It shows that employees of local government need to be trained in revenue generation area.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

a) Summary

This research on the revenue generation in the local council and rural development in the kogi East Senatorial District is opened with an introduction; it is followed by the statement of the problems, purpose and significance of the study and some relevant terms as used in the study. The importance of revenue to the overall development of the local government in Nigeria cannot be over emphasized. The study indicated that there is a relationship between revenue and developmental effort of the local government. It also showed that government could generate more internally generated revenue if monitoring is put in place.

b) Conclusion

This study has examined local governments' tax mobilization and utilization in Nigeria. Local Governments in Nigeria receive statutory allocation from both the federal and state governments. They also generate internal revenues through taxes and fees, etc. It is opined that expenditure assignment should match with revenue generating powers in order for local governments to discharge their functions effectively. In essence, revenue and expenditure decentralization must support local government public revenue profile. Local government's revenue generation in Nigeria needs restructuring so that taxing powers be given to local authorities and also she should be allowed to share major tax bases with other levels of government to enable enough independent funds for development. Local governments should strive towards improving internally generated revenue and instill transparency and accountability in their management structure. This can be effectively carried out through community participation in their various activities. Need to carry people along in the execution of the projects would encourage administrative openness and accountability. Local governments which constitute the areas mostly endowed with natural resources should be allowed to woo foreign investors for the development of their abundant resources. This will improve their revenue generation base and create job opportunities for the people.

c) Recommendations

The Local Government as the tiers of government constituted by law has certain obligation to offer to the people at the grass root level. In order to fulfill such obligation the 1999 constitution has made available source of revenue to local government. In spite of this constitution provision the Local Governments still suffer much problem of revenue collection, hence; the following are therefore recommended from the study.

- i. Machinery should be set to draft bye – laws with expediency for possibly legislation.
- ii. The local government chairman should ensure that machinery be in place to generate more revenue internally to enable them do more development projects.
- iii. The local government authorities should not be over dependent on statutory allocation from the federal government.
- iv. Training and re-training programmes for the revenue officials should be organized to enable them meets the challenge of the new millennium.
- v. Competent hands should be employed in the revenue section.
- vi. Enlightenment campaigns on the revenue to be paid by individual should be carried out.
- vii. Control measure should be put in place to check possible frauds and embezzlement.
- viii. Communication gadget, vehicle and motor cycles should be provided for the revenue personnel.
- ix. Revenue monitoring committee should be formed to check revenue collection.
- x. PROVISION OF GOOD INCENTIVE AND REMUNERATION TO WORKERS: This will encourage and boost their morale in discharging their duties. Also, there is need for adequate training of revenue staff so as to know how to manage public funds.
- xi. The management need to establish a good internal control system to monitor and control the activities of the organization. This will also ensure that all money collected are accounted for and all money are expended for the purpose which it meant to serve.
- xii. The management should also exploit all revenue sources to the local government.
- xiii. There should be periodic monitoring of project so as to ensure that contractors do what is expected of them. And also, political consideration in the allocation of contracts should be discouraged.
- xiv. Local government should embark on meaningful project so as to improve the standard of living of the community level or the local populace. This can be done through the provision of bore-hole, portable water, health services, schools and libraries e.t.c.
- xv. The local government can also parties with big manufacturing companies to establish factories, this not only in increasing it revenue drive but provide employment opportunities for the indigenes of the local government.
- xvi. Financial regulations, financial instructions and procedures should be kept as simple as possible. As an interim measure, a massive and short duration training packages designs for the various cadres within the hierarchy and aimed at improving knowledge base and enhancing performance at higher level should be provided.
- xvii. Finally, state government should however adopt policies of consciously involving more budgetary power and responsibilities to local authority and develop a sense of political control of the local people by making them aware of the important of local prudent financial management and their welfare. With these numerous suggestions and recommendations, the researcher believes that the performance of local government can be highly improved and this will go a long way to contribute to the economic development of the country.

BIBLIOGRAPHY

1. Adedeji A and Rowland C. (1992); *Finance Problems and Prospect*: Heinemann Edu BKS Nigeria Ibadan.
2. Adefila, J.J (2008); *Research Methodology in Behavioural Sciences*, Loud Book.Publisher, Ibadan.
4. Ariwodola, A.J. (2000); *Companies Taxation*, third edition, Lagos: JAA Nigeria Limit.
5. Asika, N. (2000); *Research Methodology in the Behavioural Sciences*, Nigeria: Longman Publisher.
6. Aborisade Oladimeji (1985); *Financial Management of Local Government in Nigeria*, Obafemi Awolowo University Press, Ile – Ife.
7. Adamolekun, L.D (1988); *Local Government in West Africa since Independent*, University of Lagos Press Nigeria.
8. Adedeji A. and Rowland (1972) *Local Government Finance in Nigeria, Problem and Prospect*, Obafemi Awolowo University Press, Ile – Ife, Nigeria.
9. Adedeji, A (2006) *Nigeria Federal Finance*. Afican publishing company, New York.
10. Aderinto, W (2005) *Principles and Practice of Taxation in Nigeria*, Cobat publishing Ibadan.
11. Adeosun, M.C. (1999); *Budgeting on Local Government*, Taiwo Road, Box 724, Ilorin – Kwara State.
12. Abba, E.U. *Local Government Adminisrtation in Nigeria* , Onitsha: Abbot Book Ltd.
13. Anyanwu, A. (2000); *Research Methodology on Business and Social Sciences*, Owerri: Camum Publishers.
14. Adebisi, Y. (2005); *Management for Beginners*, Adeyemo Publishing House, Akure.
15. Adedeji, A., (2006). *Nigeria Federal Finance*, African Publishing Co., New York.
16. Aderinto, W., (2005); *Principles and Practice of Taxation in Nigeria*, Codat Publication, Ibadan.
17. Balsley, H.O. and Clover, V.N. (1988): *Research for Business Decision*, Ohio-Publishing Horizon Ltd.
18. Chiedozie, A.O. (2004); *Local Government Administration and Rural Development in Nigeria*, Aba: Kelu Press.
19. Campbell. M.L. (1989); *Local Government Administration in a Development*.

20. Constitution of Federal Republic of Nigeria (1999).
21. Dandago K.I. and Alabede J.O (2001); *Taxation and Tax Administration in Nigeria*, Triumph Publishing Company Limited.
22. Ejinso J.A (1983); *Financial Memorandum for Nigeria Local Government Treasuries for Instruction Purpose*, Ayo Printing Press, Lagos.
23. Eckestom, H. (1983); *Public Finance*, New Jersey, 4th edition Published by Prentice Hall International Englewood.
24. ETUK-Uda (1973); *Principle of Account for West Africa*, Oxford University Press, Nigeria.
25. Fayemi, O. A. (1991); *Principle of Local Government Accounting Chapter ten* Publication Ltd, Yaba – Lagos.
26. Harry F. and Steven C.A. (1995); *Statistics Concepts and Application*: University Press, Cambridge.
27. Hepworth, N.P. (1976); *the finance of local government*, Gorge Allen, London.
28. Ikejiani, C (1999) *Nigeria, Current Challenges*. Academy Press Plc, Lagos.
29. Olofasu S.A.A. (1985); *Essay in Local Government* Onyehole Jalegu Printers Kaduna.
30. Okoli F.C. (1987); *Rural Development in Nigeria* Ndutusi Press Aba P. 7.
31. Obina O.E (1988); *Public Finance*, Pacific Collage Press Nigeria.
32. Ola C.S. (1987); *Nigeria Income Tax Law and Practice*, London, 2nd edition Macmillan Publisher.
33. Olaoye, C.O. (2006) *Analysis of Local Government Finance*. 1st Edition, clemart.Publishing, Ijagbo, kwara. State
35. Osita Aguolu (2004) *Taxation and Tax Management in Nigeria*, 3rd edition, Enugu, Published by Meridan Associates.
36. Oladele Ojo (2003); 'A' Level Economics Textbook for West Africa.
37. Okeke, M.T. (2002); *Studies in Public and Local Government Administration in Nigeria*, Enugu: John Jacob's Classic Publishers.
38. Okoli, F.C. et al (2006); *Foundations of Government and Politics*, Ibadan: Intec Printers Ltd.
39. Okolie D.O. et al (2004); *Local Government Administration in Nigeria*, Enugu: John Jacob's classic publishers Ltd.
40. Okoli, F.C. (2000); *Theory and Practice of Local Government Enugu*. Intec Printers Ltd.
41. Ojo, S., 2003. *Principles of Nigeria Taxation*, Sagriba Tax Publication, Lagos.
42. Olaoye, C.O., (2006); *Analysis of Government Finance*, 1st Ed, Clemart Publishing, Kwara State.
43. Olaoye, C.O., (2008); *Concepts of Taxation Nigeria*, Clemart Publishing, Kwara State.
44. Nnamani, W. (2004); *Research Process*, Enugu: Owolu Publishing Company.
45. Nwachukwu, G.E. (2000); *Theory and Practice of Local Government Nigeria*, Kano: Publishers of K.C. Classical Printers Ltd.
46. Nwankwo, B.C. (2002); *Authority in Government, Onitsha*: Abbot Book Ltd.
47. Nwatu, Raph. (2004); *Nigeria Government and Local Government Administration*, Enugu: Nerce Publications.
48. Toluchi J.O (2001); *Fundamental of Research Methodology* Victory Publication Ibadan.
49. Rabiu, S.A. (2004); *Personal Income Tax in Nigeria procedures and Problem*, 1st Edn., Adebanjo Publishers Ltd., Lagos.

JOURNALS

1. Emenuga, C (1993); *the Search for an Acceptable Revenue Allocation Formula: The National Question and Economic Development in Nigeria* Ibadan, Nigerian Economic Society.
2. Ekpo, AH. (1994); *Fiscal federalism: Nigeria Post-Independence Experience, 1960-90*, World Development Vol. 22, No. 8.
3. Ekpo, AH. And John N (1998); *Local Fiscal Operations in Nigeria*, Research paper 73, AERC Nairobi, Kenya.
4. Haday C. (2008) *Problems and Prospect of Tax Collection*, Published January 16, 2008 www.firs.gov.ng.
5. Kayode, M.O. (1993). *The National Question and Revenue Allocation: An Articulation of some of the problems and issues*. The National Questions and Economic Development in Nigeria Ibadan: Nigerian Economic Society.
6. Orewa G.O. (1999) *Taxation in West and Mid-West Nigeria*, 2nd Edition, Institute of Social and Economic Research.