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The Effects of Pseudo-Taxation Politics on the Implementation of Tax Reform Policies: The Nigerian Experience

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Abstract- Taxation is a viable fiscal policy employed by government to attain economic stability and foster development. The world societal economies are under pressure to reduce poverty, create employment, maintain peace and foster development. With the government being the machinery through which all these could be accomplished, yet having insufficient fund to deliver these social services; there is need for the citizens to render financial support in proportion to their revenue to government, so that these obligations of the government will be rightly fulfilled. This is what taxation entails. However, there have been several cases of tax evasion, tax avoidance and complaints against Nigerian taxation system prompting the reformation of the Nigerian tax policies. In spite of these reforms, it seems the issue of tax evasion and avoidance is on the increase. Many previous literatures have studied the reasons for inefficiency of taxation system despite the tax policy reform, but not much has been said about how the influence of false taxation politics played by the politico-economic elites and tax revenue collectors affects the implementation of the tax reform policies.

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The Effects of Pseudo-Taxation Politics on the Implementation of Tax Reform Policies: The Nigerian Experience

Ideobodo Nwafor-Orizu [α] & Eze Kierian Tochukwu [σ]

Abstract- Taxation is a viable fiscal policy employed by government to attain economic stability and foster development. The world societal economies are under pressure to reduce poverty, create employment, maintain peace and foster development. With the government being the machinery through which all these could be accomplished, yet having insufficient fund to deliver these social services; there is need for the citizens to render financial support in proportion to their revenue to government, so that these obligations of the government will be rightly fulfilled. This is what taxation entails. However, there have been several cases of tax evasion, tax avoidance and complaints against Nigerian taxation system prompting the reformation of the Nigerian tax policies. In spite of these reforms, it seems the issue of tax evasion and avoidance is on the increase. Many previous literatures have studied the reasons for inefficiency of taxation system despite the tax policy reform, but not much has been said about how the influence of false taxation politics played by the politico-economic elites and tax revenue collectors affects the implementation of the tax reform policies. This paper attempts to fill this gap in literature by examining actions of revenue collectors and influence of the elites on tax reform policies. An analytical study on this was carried out and the findings indicate that strong-individual against strong-institution problem and tax collectors suboptimalization are what bedevil the implementation of the tax reform policies. This paper recommends institutional re-strengthening and tax collectors social re-engineering as a panacea to this problem.

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I. Introduction

Nigeria is a country that has operated a monolithic economy with absolute dependence on the oil sector until the current era of diversification into agriculture. Despite this diversification into agriculture that made the economy a dual centered one, the both Nigerian economy-dependent sectors hinges on exhaustible and often manipulative resources as a source of revenue generation for Nigeria. Furthermore, with the unfolding of events in contemporary times that has left most oil and some agriculturally dependent nation in shock and dumbfounded, the two sectors have been seen dwindling as major revenue sources following the incessant bombing of oil pipelines and the negative fluctuations in the price of oil and agro-products in the stock exchange market. This puts up the need for a long term and more sustainable economy driver, thus, presenting taxation as a qualitative option to augment these sectors in revenue generation since it is a non-exhaustible veritable source of revenue generation to the government (Oloyede, 2010). Taxation has rightly been identified as a major tool in the strengthening of domestic resource mobilization and consequently, the search for ways and means of expanding the tax base and strengthening tax administration has been intensified. Taxation is considered a genuine source of revenue for financing developmental as well as people oriented programmes in virtually all countries, irrespective of whether they are classified as developed or developing economies. That taxation has been one of the most important weapons available to government for marshalling financial resources is undisputable (Atta-Mills, 2002; Teidi, 2003 and Oloyede, 2010). In the light of the above, taxation is the process of collecting any monetary charge imposed by the federal government on persons, entities, transactions or properties to yield revenue within a particular location (Federal Ministry of Finance, 2012). It is both the imposition and collection of an enforced contribution exacted pursuant to legislative authority whether in the name of duty, levy, tax, fees or any other name as may be legally or constitutionally approved. The operation of taxation is virtually in all countries of the world of which Nigeria is not exempted. In Nigeria, taxation is highly instituted systemically in such a way that an apparatus is set up by government to manage tax affairs and the tax system within the country so as to ensure revenue generation, income and labour redistribution, economy control and stabilization, enhance property value, influence investment, provide social cum welfare services and stimulate economic growth and development (Ekwerike, 2014). This justifies the existence of Joint Tax Board, Federal Inland Revenue Services, State Inland Revenue Services, State Board of Internal revenue, Local Government Revenue Committee, Chartered Institute of Taxation of Nigeria and other taxation – responsible government institutions.

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Despite the existence and operation of these institutions, there have been several cases of against the tripartite Nigerian taxation system both in its tax policy, tax law and tax administration by the government, citizens, investors and even business organization. Odusola (2006) observed that the tax policy aspect of the Nigerian tax system is merely on paper and not implemented especially at the local government level, the tax law aspect is marred by non compliance, evasion, avoidance and highly non-punishment of culprits while the tax administration aspect is characterized with unreliability and inadequacy of data, paucity of administrative capacity, shortage of manpower, corruption among tax officials and tax collectors, complex tax code and the hydra headed monster of multiple taxation. It is in reaction to these malaises that has been bringing the Nigerian tax system to its knee that all those involved directly or indirectly in the Nigerian tax system had championed the call for tax system reform. Nigeria in response to this call has embarked on several tax reforms since 1991 in attempt to curb the deficiencies in tax administration and collection system, complex legislations and apathy on the part of those outside the tax net as noted by Ariyo (1991). Despite the several reformations in the Nigerian tax system, there still exists high paucity in the implementation of the new tax reform policies which prevents the objectives of the tax system reform from being duly accomplished. One would then ask what problem is it that lies with the Nigerian tax system, what causes this problem? Is it from the tax administrators and bodies, from the government or from the citizen? Recent happenings in Nigeria paints a speculative picture of the problem of non-implementation of tax policies being caused by both the government, the tax administrators who tend to negate the cannons of taxation and the Nigerian code of ethics for efficient tax administration when discharging their duties, the perceived strong politico-economic individuals who boycott, evade and avoid tax using their influence without being punished, the unenlightened citizenry who does not see the need to pay tax and finally the informal sector whose tax rate is often difficult to measure. In the view of Ekwerike (2016), the issue with the Nigerian taxation system is that of high centralization on basically oil (petroleum) and trade taxes with nothing being said about value-added tax which has the potential to expand. Nevertheless, the current regime of President Muhammadu Buhari has seen to the diversification of taxation and re-awakening of value added tax but the influence is little-felt because of the dominance of the informal sector. What this means is that the problem with the Nigerian taxation system as regards to reform policies is much more than diversifying the tax base, but hinges on the implementation of the tax reform policies. This implies that the hindrance to tax reform policies lies within implementation problems. According to Makinde (2005), implementation problem arises when the desired result on the target beneficiary is not achieved. In this case, implementation problem refers to when the much needed compliance, turnover, expected response and objectified impact is neither achieved nor witnessed. No problem emanates without a cause, therefore the problem of implementation of tax reform policies does not exist in isolation of a cause or causes. It is in cognizance of this, that this paper uses analytical methodology in attempts to discover and proffer solutions to the cause/ causes of non-implementation of tax reform policies in Nigeria from the factors in recent happenings especially as regards to behavioural attitude of tax administrators in tax administration and the influence of politico-economic elites on tax laws, tax policies and in tax evasion and avoidance – a term I choose to refer to as pseudo-taxation politics by the elites and tax administrators.

II. Conceptual Clarifications

For a comprehensive understanding of the discourse of this paper, operationalized below are some terminologies with which this work achieved its thrust:

Pseudo-taxation politics: This involves all actions, inactions and activities which are contradictory to the acceptable standards of taxation practice, but which a person (s) or party (ies) indulges in for a purpose that makes the aim of taxation suboptimal.

Tax: This involves a compulsory tariff imposed on persons, properties, products and other things by the government with which essential services are provided.

Taxation: This involves all processes of collecting taxes. It also means tax. Hence, the two words are used interchangeably.

Tax evasion: This is the outright refusal of an individual to pay tax.

Tax avoidance: This is the illegal reduction of an individual's tax rate by the individual and/or payment of tax on a rate that is below your tax rate and commensurate with your tax base.

Tax policy reform: This involves the changing or improvement of the exiting government guideline and plan of actions on taxation sector.

Tax reform policy: This consists of the newly formulated guideline and government action plan gotten through the changing or improvement of an old one as regards taxation.

Strong individuals: These consists of political and economic affluent individuals whose influence and status has placed in a position where they can easily influence anybody into doing things in the ways that suits them.

III. Theoretical Framework

The issue of policy implementation in Nigerian is an age-long one that dwells on translating established policies into action. This however has been reported to lag behind policy expectations (Barrett, 2005). It is in view of this that there is a need to put forward theoretical support and evaluation that will evaluate the tax reform policy scenario and establish a panacea in terms of translation and execution as accurately as possible (Hyndman, Benson and Telford, 2014). In cognizance of this, this paper adopts two theories: the Elite theory and the Rational choice theory.

The elite theory propounded and developed by Vilfredo Pareto (1848 – 1923), Gaetano Mosca (1858 – 1941), Karl Marx, Robert Michel, Wright .C. Mills etc. holds an accurate view of reality of power relationships in contemporary society. The theory posits that a small minority consisting of members of politico-economic elite and policy planning networks holds the most power and that this power is independent of the states' democratic election process; thus creating a power bourgeoisie-proletariat society. This implies that the society is stratified with the masses at the bottom and the ruling class elite at the top (Mosca in Dlakwa, 2008). These elites are the strong individuals of the society, they are wealthy and share common belief; they have strong political affluence if they themselves are not politicians and as a result, they use their influence to dictate both the formulation and implementation of policies of which the tax policies are not exempted. Deductively, any policy be it tax policy or not, which goes against this class could be predicted to fail either in its formulation or in its implementation. The theory holds that these elites are usually public regarding and displays a sense of noblesse oblige, thus, they easily manipulate the citizenry with philanthropic acts. Philanthropy then becomes an instrument with which they reduce the negative thinking of the masses towards them either evading and avoiding taxation or influencing tax policies for their self interest; instead, the masses are seen laying ignorant blames on the government of the day on gross inefficiency of tax administration and poor implementation of tax reform policies. In application.

The Rational choice theory of 1960's on the other hand, was propounded by are George Homans, Gary Becker, William Stanley Jevron amongst others. This theory holds that individuals always make prudent and logical decisions. These decisions provide people with greatest benefit or satisfaction given the choices available and also in their highest self interest. The implicit of this in the practice of tax administration and the implementation tax reform policy reveals that policy influencers, initiators, makers and implementers pursue their own self interest instead of any national interest in the tax policy formulation and implementation process. Hence, in application of the theory to taxation, the strong individuals of the society having logically reasoned the adverse effect a tax policy will bring on them, with neither considering the level of revenue it will generate to the government nor the development it will bring to the citizenry and the country in general especially in PAYE tax, will suboptimally place his interest ahead and will assiduously strive to influence the PAYE tax policy to suit his interest. This will make the tax policy ineffective in objective as taxation is meant to reflect the words of Nick Montagu – a British tax administrator who said that "taxation is the means by which civilized societies sometimes performs uncivilized task of taking money from one group in order to give it to another". This means that, the wealthy no matter how logical is neither supposed to influence tax policies nor evade and avoid tax because he prefers international or private sector treatment and intentionally don't want to use the services provided with tax fund. Rather, whether or not he is willing to use the tax fund developed projects, he must pay as other citizens who are not as economically buoyant as he is and who cannot afford luxurious treatment of the private sector will use the tax funded projects. Again, the application of the theory stipulates that tax administrators place the tax reform policies goal subordinate to their self interest. Hence, in the field of tax administration, they tend to look at how much their salaries are worth and how much the tax payers can give them to evade their taxes for a couple of months. The theory in application holds that the tax administrators considers how the money they can corruptly gain through their positions will solve certain problems for them even at the detriment of the implementation of the goal of the tax reform policies.

IV. Analytical Methodology Of Some Tax Reform Policies In Nigeria

The Nigerian state in a bid to ensure efficient and effective tax system has established and witnessed numerous tax reforms. According to Alli (2009) and as adapted from Federal Inland Revenue Handbook (2012), the objectives of tax reforms in Nigeria are to bridge the gap between the national development needs and the funding of the needs, to ensure taxation as a fiscal policy instrument and to achieve other fiscal objectives, to achieve improved service delivery to all, to reduce and/ or manage tax evasion and avoidance; and to improve the tax administration in a manner that makes it more responsive, reliable, skillful and taxpayer friendly. However, a closer look shows that all tax reforms in Nigeria are usually geared towards the attainment of seven principal objectives which are: a) The protection and promotion of local industries (b) Promotion of the use of local raw materials (c) Improvement of the value of locally Nigerian-made products (d) Promotion of greater geographical distribution of domestic manufacturing activities (e)

Boosting of non-oil tax revenue (f) Increase in government revenue generation and (g) Improvement of tax compliance through the curtailing of tax evasion and tax avoidance. In truism, the taxation reform policies cover a wide spectrum of areas usually spanning through guidance of the operation and review of the tax system; the provision of the basis for future tax legislation and administration; serving as a point of reference for all stakeholders on taxation; provision of the benchmark on which stakeholders shall be held accountable; and provision of clarity on the roles and responsibilities of stakeholders in the tax system. Taxation reform in Nigeria is an age-long event starting from 1904; however, instituting taxation policy reform in Nigeria took place in 2012. This does not mean that taxation policy reform started in 2012. In cognizance of this, this paper listed below some taxation reforms in Nigeria from the colonial era till this present time:

1. The 1904 personal income tax introduction reform.
2. The 1917-1927 reform on establishment and transfer of native revenue ordinance of 1917 to all regions of the country.
3. The 1945 reform that granted autonomy to Nigerian Inland Revenue.
4. The 1957 tax reform by the Raisman Fiscal Commission.
5. The 1958 reform that established inland revenue board.
6. The 1959 reform that saw the promulgation of petroleum profit tax through ordinance no 15 of 1959.
7. The 1961 reform that promulgated income tax management Act.
8. The Gen. Shehu Musa Yar'adua taskforce reform on tax in 1978 that saw the introduction of withholding tax/companies income tax in 1979.
9. The 1990-1993 establishment of VAT and tax reform on tax laws.
10. The 1991/92 reform that established the federal inland revenue service.
11. The 1998/99 reform on establishment of taxes and levies Act and mineral and mining Act.
12. The 2001 tax policy and administration reform.
13. 2002 reform that established study group on Nigeria tax system.
14. The 2003/2004 reform on all tax laws in Nigeria.
15. The income tax Act amendment reform of 2011.
16. The 2012 national tax policy reform.
17. The 2017 national tax policy reform.

However, for the purpose of accomplishing the thrust of this paper, the 2004, 2012 and 2017 tax reform policies were selected and studied analytically in correlation to pseudo-taxation politics below:

The 2004 Nigerian tax law reform: The 2004 tax reform was an outright result of the wild consultations and nine (9) bills recommendation of the 2002 and 2004 tax study and working group respectively which were submitted to the national assembly for ratification and approval by the Federal Executive Council (FEC). This tax group was headed by Ifueko Omoigie Okauru who was the chairman of the group and their recommendation was a milestone improvement in tax system and administration in Nigeria and were specifically in regards to taxation Acts. The reform constituted an indispensable part of the National Economic Empowerment and Development Strategies (NEEDS). The reform bill also recommended the establishment of national tax policy that is principally directed towards national development. Such national policy will constitute a means of attracting foreign direct investment, providing direction and focus on general tax practices, blending various opinions on taxes of different kinds as well as the issues surrounding those opinions, consolidation of several policy documents into a single document for easy reference (FIRS Hand Book, 2012). The reform though proposed for national tax policy, never established it rather it established some other policies which include that:

1. Taxation should hence forth be regarded as an obligation for any Nigerian citizen that expects the government to provide basic amenities and meet other statutory obligations.
2. Taxation should be solely collected by authorized tax administrators; hence there is prohibition of the act of using consultants and ad hoc tax administrators.
3. The country will shift from direct taxation to indirect taxation with less distortionary effect.
4. There should be compilation of registers for individuals and corporate tax payers, and also the issuance of smart tax identity cards for all tax payers.
5. There should be reduction of company income tax from 30 percent to 20 percent and personal income tax from 25 to 17.5percent.
6. The introduction of fuel tax at 1.50 per litre.

Despite this proposed paradigm shift by the Nigerian tax reform policies of 2004, the Nigerians saw the lope-sided aspects of the reform in pseudo-taxation political nature especially as regards to the introduction of fuel tax which the then President Olusegun Obasanjo presented alongside the reform bills to the joint session of the national assembly as a special levy which would be used for road maintenance. Most notable Nigerians saw this as influence on the taxation reform policy which was corruptly geared towards extortion and exploitation of Nigerians. Little wonder, in the words of Alhaji Abdulkadir Balarabe Musa, "Nigerians should come together irrespective of political, religious and social differences and save themselves from the tyranny of Obasanjo's administration exacted through inhumanity and tax extortion especially in the stopping of this proposed fuel tax". From another perspective of the prevalence of pseudo-taxation politics on the policy of the 2004 tax system reform was the issue of little or non-implementation of the positive policies of this taxation. For instance, the shift from direct taxes to consumption-based taxes (VAT) was not fully actualized because of the poor performance of implementers, the policy of issuing tax payers with smart tax identity card was merely on paper and could be said to have been theoretically rather than practically approached. What reason could have led to such problem that would not be linked to the tax administrators who are responsible for the implementation of this tax reform policy? Obviously none. What about the policy of compiling the tax payers register? That one was never achieved until 2017 when the former minister of finance Mrs Kemi Adeosun started working towards the new VAID tax policy.

The 2012 national tax policy reform: The 2012 national tax policy which was officially launched as national tax policy (NTP) document by Goodluck Ebele Jonathan's administration on April 7, 2012 was an offshoot of the recommendations of the tax study group of July 2003. The policy seek to provide a set of guidelines, rules and modus operandi that would regulate Nigeria's tax system and provide a basis for tax legislation and tax administration in Nigeria and thus, was established to tackle such issues such as:

- The increased demand to grow internally generated revenue, which has led to the exercise of powers of taxation to the detriment of the taxpayers who suffer multiple taxation and bear a higher tax burden than anticipated,
- Insufficient information available to tax payers on tax compliance requirements which created uncertainty and room for leakages in the tax system,
- Multiple taxation by government at all levels, which impacted negatively on the investment climate in Nigeria. Elimination of multiple taxation is therefore of major concern at all levels of government,
- Lack of accountability for tax revenue and its expenditure,
- Lack of clarity on taxation powers of each level of government/encroachment on the powers of one level/ state by another,
- Lack of skilled manpower and inadequate funding, which led to the delegation of powers of revenue officials to third parties, thereby creating uncertainty in the tax system and increasing the cost of tax compliance,
- Use of aggressive and unorthodox methods for tax collection,
- The non refund of excess taxes to tax payers, due to the lack of an efficient system and funds,
- The non-review of tax legislation, which had led to obsolete laws, that do not reflect Nigeria's current realities; and
- The lack of a specific policy direction for tax matters in Nigeria and the absence of laid down procedural guidelines for the operation of the various tax authorities.

These and other problems plaguing Nigeria's tax system have not been adequately tackled for many years. One of the reasons for this was Government's heavy reliance on revenues derived from oil, as a result of which little or no attention had been given to revenue from other sources, such as taxation. However, there is now a renewed commitment by the Federal Government to diversify the economy by growing the non-oil tax revenue in order to develop a stable and sustainable revenue source to finance developmental projects. (Adapted from National Tax Policy for Nigeria – Final Draft submitted to the Federal Executive Council, 2012). From the above, it is crystal clear that the 2012 national policy on taxation has within its objectives the diversification of major revenue sources so that the country becomes majorly a non-oil revenue generator. However, further indwelling exploration reveals that the objectives of this policy also cut across the provision of a stable preference point for all stakeholders in the country on which they shall be held accountable, intelligent gathering of taxpayers information, registration of all taxable persons within the federation and issuance of unique tax identification number to such person, audit and investigation of taxpayers files to ensure completeness and accuracy, strategically increasing VAT from 5 to 15 percent, avoiding internal multiple taxation on income, property, imports, production and turnover by the various tiers of government, reducing and streamlining the number of tax incentives in the Nigeria tax system, collection of taxes only by career administrators that are public servants, thereby prohibiting the use of ad-hoc tax administrators, vesting of the power to impose, reduce, increase, review or cancel any rate of tax on the National Assembly, especially with respect to taxes from the executive, subjecting the Nigeria's tax system to comprehensive reviews every three years pertaining to existing tax legislations amongst others.

In as much as the policy goals of these tax reform policies are laudable, the big question is how much have been achieved within it? From an analytical perspective correlating the realistic experience in Nigeria, little or none have truly been achieved in regards to these established national policies on taxation. The country was still largely dependent on oil revenue and is still is. Remove the oil sector from Nigeria then and even now and watch Nigeria sink like a ship bathing in the euphoria of fiscal disaster. The tax payers were as at then not known except for those under the government payroll whose taxations were deducted at source, so it was difficult gathering information of tax payers except those on the government payroll and those who patriotically want to pay tax. The registration of taxable persons and issuance of unique tax identification number was of course an inevitable failure as the country as at then and even now cannot even give the accurate number of its population not to talk of the total number of its taxable persons. Judging the above with pseudo-taxation politics, it is but only vivid that the Nigerian taxation system failed woeful in comparison with international taxation standard. That there is inaccuracy of population data is a political machination geared towards resource control and revenue allocation, and this has been affecting the politics of taxation in Nigeria. Again, observable is that the national assembly which this policy empowered with the mandate to impose, reduce, increase, review or cancel any rate of tax have only called for reviewing of the tax law whenever the law adversely affect their personal and collective interest. An instance is the call for the review of the country's tax law by the senate president Dr. Abubakar Bukola Saraki after being hanged on the neck over #74 million import duty of a bulletproof range-rover jeep worth #298million (Vanguard Newspaper, March 18, 2018). Should we also talk about the reason behind the non-implementation of these policies? The implementers who are the tax administrators will not escape being part of the culprits.

The 2017 national tax policy reform: Following the problem of non-implementation of the national tax policy of 2012 due to the insufficient awareness of most stakeholders, there was a need to reform the national tax policy (NTP) so as to tackle the non-implementation problem. It was on this ground that the President Buhari led administration through the ministry of finance inaugurated National Tax Policy Review Committee headed by Prof. Abiola Sanni on August 10, 2016 who worked hand in hand with the federal Inland Revenue services and reviewed the issues dysfunctional in the national tax policy in specific and the Nigeria taxation system in general. The committee on the conclusion of their review, recommended a guideline for clear policy implementation and monitoring strategies for stakeholders. This gave rise to the 2017 national tax policy which focuses basically on diversifying the sources of government revenues by significantly increasing the tax to Gross Domestic Product (GDP) ratio, orderly development of the Nigerian tax system and other micro areas had previously been covered by the national tax policy of 2012 (Federal Ministry of Finance – National Tax Policy, 2017). The 2017 national tax reform policy was more implementation oriented and set out qualitative implementation measures to achieve its goals both in theory and in practice. This justifies the reason that taxation stakeholders are at alert in taxation process as the policy charged every taxation stake holder with one implementation measure or the other. It charged the presidents and the governors to ensure that budget speeches and presentations for the fiscal year consistently contain the overriding fiscal policies and summary statements of the expected tax revenue so as to alert other stakeholders on what the government plans to do. It also stripped ministries, extra-ministerial departments and agencies other than tax authorities of their tax collection powers and ensured that there is only one revenue agency at each level of government: this will help curb the problem of multiple taxation which discourages investors and local industries in Nigeria. The policy also proposed for the establishment of a tax court as an independent body to adjudicate on tax matters, a milestone improvement which exists in other advanced countries like England. The policy advocated for the re-strengthening of the Joint Tax Board through empowering it with greater mandate beyond its present advisory role. In truism, the 2017 national tax policy reform is commendable in principles and practice. It covered a wide and key spectrum not only on paper but in the practical administration observable. However, from a federalist point of view, this policy is only effective at the national and partially at the state level. At the grass-root level where the third tier of government operates, the policy is relatively non-existent. Does it mean that local government is no longer part of the tiers of government? Or are the tax administrators at the local level all dead? What is the essence of their remuneration if they cannot effect a laudable positive impact policy of the national tax policy reform of 2017? This is simply pseudo-taxation politics, a complete aberration of the Nigerian code of ethics for efficient tax administration. Instead what is obtainable at the grass-root are tax administrators who collude with the tax payers to evade, avoid or withhold tax provided they are paid some token not up to the accrued tax rate. On the national scene, pseudo-taxation politics is still unequivocally felt among the politico-economic elites who evade or avoid tax because of their personal influence. Voices have been heard speaking out that the lords, high ranking business corporations and wealthy men of the Nigerian society do not pay tax. Notable among these voices is the voice of the immediate resigned minister of finance Dr. Mrs. Kemi Adeosun who was quoted by the Sun Newspaper dated Dec 5, 2017 as saying that "billionaires make money in Nigeria, evade tax, but pay in abroad". This augments hers initial decry at the 9th colloquium that marked the 65th birthday of Chief Asiwaju Bola Tinubu where she said that several millionaires and billionaires in Nigeria don't pay tax and that the federal government would soon come up with a new tax regime where the big guns in the society would be made to pay willy-nilly (Daily Times Newspaper, March 28, 2017). Similarly, on June 29, 2017 The Punch Newspaper reported that only 40 super-rich Nigerians pay correct tax. How can these recidivistic pseudo-taxation political elites exert such

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evasion, avoidance and boycott of tax if not through pseudo-taxation politics of influence?

V. Implementation Challenges Of Taxation Reform Policies Emanating From Pseudo – Taxation Politics; Observable From The Analysis

From the above analysis of some tax reform policies in Nigeria, it is deductive that there are ten core challenges bedeviling the implementation of tax reform policies in Nigeria. These challenges are:

Strong individual factor: This is an observable hindrance to effective implementation of tax reform policies in Nigeria. By strong individual factor, this paper paints the picture of the politico-economic elites who believes that they are above the laws of taxation and hence should not be paying taxes. These set of cabals through their influence either dictates the formulation and implementation of taxation policies or boycott taxation through evasion or avoidance and most times without being faced by the sword of justice. The attitude of these strong individuals is one that justifies the words of Ocholi (2009) that the government institutions that were strategic in pursuit of democratic ideas had instead of becoming the bulwark of democracy turned into one weakened by inefficiency, corruption, lack of commitment, incompetence, tribalism, hooliganism and other sundry handicaps. The significance of the presence of such people in Nigeria proves that the democratic institutions of Nigeria is not only weakened to the core but has become squarely a verbal expression. Hence, people who are supposed to be under the control of the institutions are now the ones dictating the affairs of the institution at the detriment of the poor masses who are the ones that depends solely on the services provided with taxation fund.

Corruption: Corruption is a social malaise that has penetrated deep within the bloodstream of the Nigerian state. Achebe (1983) opined that corruption in Nigeria has passed the alarming and has entered the fatal stage and Nigeria will die if we keep pretending that she is only slightly disposed. Corruption which is a movement away from the generally accepted behavioural standard has touched all sectors of the Nigeria state include the taxation sector. Corruption in tax practice exists in terms of tax evasion and tax avoidance, bribery of tax administrators by citizens, request for bribe by tax administrators, non-declaration and wrong declaration of assets by public office holders, using taxation as an instrument to exploit others and enrich yourself, initiating multiple taxations for exploitative purpose, increasing the tax rate of a perceived enemy, non-remittance of collected tax funds to the government, etc. No matter how corruption manifests, it is evil and the practice of it affects tax reform policy implementation adversely because the policies of taxation are channeled towards an accepted behavioural standard whereas corruption is not.

Non-dedicational attitude of tax administrators: One of the major problems that militate against effective implementation of tax reform policies is the non-dedicational attitude of the tax administrators towards their tax administration. They are lack lustrous and complacent to taxation duties, an attitude that is against the ethic of tax administration. This concomitant colossal effect of lack of dedication to any work be it personal or public incline is usually gross inefficiency. When this is what is observable among the tax administrators who are charged with the responsibility of not only formulating taxation policies but also seeing their effective implementation, what do you think would happen? Of course there would be high rate of non-implementation of taxation policies and even if implemented, it would be haphazardly done.

Suboptimalization: Suboptimalization is the placing of one's self interest above the general interest or placing one's interest above the interest of organization that one finds oneself in such a way that the interest becomes counterproductive to the interest of the general or organizational interest. It is another negative affective factor to implementation of taxation reform policies. Most elites place their interest above the interest of the citizenry and strive to achieve this interest against all odd even if it means evading or avoiding tax or influencing tax policies. Most tax administrators both the top managerial ones and the field workers tend to engage in the mischief of placing their personal interest above the interest of tax authorities, hence, they engage in illicit affairs such as non-remittance of collected taxes and collection of bribes which in all ramifications brings tax reform policies to its knees. Similarly, most citizens place their interest above the interest of the state which is the interest of the masses and in a bid to actualize their interest they either boycott taxation through evasion and avoidance or they give wrong information about themselves.

Paucity of Data on taxable persons: Taxable person's information is to taxation what blood is to human life. It is the life wire and the sustenance cable that holds the operation of taxation. Without it, taxation of people will become ineffectively done. Unavailability of data and wrong information on taxable persons explicitly obstruct the implementation of tax reform policies. This is so because, when there is availability of accurate data and information on the taxable persons of country, the tax authority of the country can easily compute the tax rate of the taxable individuals and know the estimate of revenue they are expecting within the year. This will help to make the tax reform policy goals precise and will help to easily sort out people with heavy tax burdens due to multiple taxation.

Citizenry ignorance and insufficient awareness: Just like the 2017 national tax policy rightly captured, insufficient awareness of the taxation stakeholders on the new tax reform policies is out-rightly sufficient to embark on a new tax policy reform. When the citizenry and the stakeholders of taxation are not aware of the new policy on taxation how then will they play their compliance role in implementing the policy? Any policy that is to be effectively implemented should be first be made aware to the citizenry who form the highest stakeholders of the policy especially when it is a tax reform policy, lest it witnesses mass non-implementation and non-compliance of the people.

Inadequacy of experienced tax administrators: The integral aspect of any policy lies with the implementation, and in relation to tax reform policies, the implementers are the tax administrators. However, from the analysis, the tax administrators at the local level is either inexperienced or inadequate or both. Whether inexperienced or inadequate, their non-performance and/or poor performance of duty is adversely affecting the implementation of the tax reform policies. There impact of tax reform policies at the local level of government is highly insignificant and this is as a result of the non-implementation of the tax reform policies caused by relatively little available experienced tax administrators at the local level.

Non-punishment of tax law offenders: Renowned Psychologists, Edward Thorndike, B.F Skinner and Ivan Pavlov in their psychological researches on law of effect, operant conditioning and classical conditioning stated that for every human action that there exist a reinforcement – either reward or punishment. What this means is that human action and behaviour can be change-motivated either through reward or punishment. It then follows that had those who had been breaching the laws of tax and implicitly hindering tax reform policies in Nigeria no matter who, been punished, they would have changed and the story of tax reform policy implementation would have also changed to being a positive one. This simply shows that the non-punishment of the offenders of tax laws have been part of the factors hindering tax reform implementation in Nigeria.

Wide scope of taxation policies: This is another tax reform policy implementation impeding factor. Most of the tax reform policies are over ambitious and has too many agenda. This makes it difficult to be fully implemented hence bringing about tax reform policy implementation problem. According Makinde (2005) most policies which are over ambitious and have too many agenda are not borne out of genuine or sincere effort to bring about rapid and radical development but just to boast the ego of political leaders. Little wonder, the 2017 national tax policy was far more implemented than the previous tax reform policies.

Continuity deficiency problem: This is a core problem bedeviling tax reform policies in Nigeria. The taxation reform policies are usually deficient in continuity; this is as a result of influence of strong individuals and godfathers and the frequent change of regimes. Tax reform policy sustenance is a war that the Nigerian government is not willing to win as each successive government is bent on establishing new tax reform policy without implementing those established by the former governments. The consequence of this is incomplete implementation and consequently poor implementation of tax reform policies.

VI. The Way Forward on the Implementation of Tax Reform Policies in Nigeria

The negative influence of pseudo-taxation politics on the implementation tax reform policies is a problem that faces not only the tax authorities but also the government and the entire citizenry. Thus, there is need to tackle this hydra-headed monster that has been prevailing against the implementation of tax reform policies in Nigeria. It is in the light of this that this paper recommends the following as a panacea to the issue:

1. There is need to re-strengthen all taxation institutions in the country in such a way that they become more disciplined, dedicated, committed and impenetrable to the influence of the politico-economic elites. This re-strengthening should be multidimensional in nature so as to affects all aspects of the taxation institutions and make it more efficient in tax administration. This will curb corruption in tax administration and restore standard taxation politics.
2. There should be social and ideological re-engineering of all taxation stakeholders in such a way that their suboptimal mindset is changed through quality psychological reorientation on the need for taxation and the importance of it to the wellbeing of all.
3. There should be constant consultation, enlightenment and sensitization of the citizens on the formulation and existence of new tax reform policies so that they will have a sense of belonging and awareness. This will help promote the compliance of the citizenry in payment of tax and will reduce tax malpractices drastically.
4. There should be routine survey and opinion pool where the citizens will relate to the tax authorities on the performance of taxation and their general opinion towards tax practices in the country. This will be a veritable instrument by the federal government for formulation of policies especially fiscal policies.
5. There should be enforcement of punishment on the offenders of the tax law in pursuant to the stipulation

of the law as this will be a behavioural conditioning tool to make people comply to the payment of their tax to that they won't fall victim to the strong arms of the law. This will help curb the problem of aberration of the tax law and that of non-compliance.

6. An independent panel should be instituted by the federal government to conduct a compulsory quartile and annual audit of tax authorities so as to reduce to the barest minimum the issue of non-remittance of collected revenues.
7. The federal and state government should employ, train and deploy qualified tax administrators to different local regions and should constantly embark on a surprise supervisory visitations to these local areas to ascertain the state of tax related affairs and how the tax administrators in these areas are carrying out their duties.
8. There should be an established annual performance appraisal done along vertical intergovernmental line to assess all tax administrators' performance and determine performance improvement strategies.
9. The government should embark on adequate motivation of tax administrator through welfare packages, improvement of their conditions of work and an increase in their salary. This will limit their corruption rate and the rate at which they are easily induced by bribe both while on the field and while at the office.
10. The government should at the end of every year embark on tax policy evaluation to determine how much of the policy agenda have been actualized, how much impact the policies has had, how the policy has affected the people and how much of the policy should be sustained.
11. There should be a marshaled out policy sustainability mechanism which will not be altered in case of change of regime, to ensure the absolute completion of all positive impact policies established.
12. There should be an institutional mechanism at all levels of government to checkmate fraudulent tax collectors in order to enhance accountability and stewardship in tax administration.
13. The scope of the tax reform policies should be defined, articulated and concise, to facilitate easy accomplishment of the policies.
14. There should be a conduct of non-politically affiliated census and statistical survey for intelligent data and information gathering concerning the population and the taxable persons.
15. There should be equity in incidence, by this I mean that the government should institute a law that will make all Nigerians to pay tax no matter who you are, so that the power-bourgeoisie (politico-economic elites) who boycotts payment of tax would see no escape route.
16. The tax authorities should model increased compliance strategy especially through the consideration of the interests of the taxpayers and stakeholders in fiscal policy formulation and implementation.

VII. Conclusion

Taxation from all indications is a veritable tool through which the government raises income for the sustainability of economic wellbeing of the citizens. It is a fiscal policy instrument that regulates and stirs the economy. Thus how it is used determines the direction that the economy moves towards. Pseudo-taxation politics surely will use taxation as a tool to stir the economy of any nation especially Nigeria to doom. Therefore, there is need for stakeholders in tax administration to take cognizance of the economic relevance of taxation and for that reason, be in compliance with government in tax administration to ensure that false taxation practices does not succeed in its quest, and that the wellbeing of all Nigerians is guaranteed.

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