

**IMPACT OF TAX EDUCATION ON REVENUE GENERATION: A
CASE STUDY OF MICRO, SMALL, AND MEDIUM ENTERPRISES
(MSMEs) IN OGUN STATE**

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ABSTRACT

This research examines the effect of tax education on revenue generation among Micro, Small, and Medium Enterprises (MSMEs) in Ogun State. Specifically, it explores the roles of tax awareness, tax education programmes, and tax knowledge in shaping tax compliance and enhancing revenue outcomes. Adopting a descriptive research design, the study collected data from 395 MSME operators located within Ogun State's three senatorial districts using a structured questionnaire. The instrument's validity was confirmed through expert evaluation, and reliability was established with a Cronbach's alpha of 0.83. Data analysis involved descriptive statistics, correlation analysis, and multiple regression to assess the relationships between aspects of tax education and revenue generation. Findings indicated that tax awareness, tax education programmes, and tax knowledge all had strong positive associations with revenue generation among MSMEs. Notably, tax knowledge exerted the most significant influence, suggesting that MSMEs with greater tax literacy are more compliant, incur fewer penalties, and achieve higher profitability. Additionally, tax education programmes were found to significantly boost awareness and compliance, despite ongoing challenges related to accessibility and delivery. These results highlight the importance for policymakers and tax authorities to bolster tax education initiatives, expand taxpayer support, and enhance programme delivery to improve MSME compliance and revenue contributions. Overall, this study provides empirical evidence connecting tax education to improved revenue performance in Nigerian MSMEs. It addresses a critical gap in the literature by offering a comprehensive evaluation of how tax education affects both behavioural and financial outcomes for MSMEs in Ogun State.

Keywords: Tax education; Tax compliance; Tax knowledge; Revenue generation; MSMEs

1.0 INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of many developing economies, yet they frequently face challenges with tax compliance. One major issue is the absence of adequate tax education, which often leads to unintentional noncompliance and diminished revenue collection. This study explores how tax education influences both tax awareness and compliance among MSMEs, with the goal of enhancing the effectiveness and sustainability of revenue generation systems.

Taxation is a major tool for revenue mobilization for the development of every economy. It serves as the most primary means through which governments obtain fiscal resources to finance public investment and deliver public services (Akitoby et al., 2020). This underscores why countries that have low tax-to-GDP ratio are usually highly indebted since they are unable to mobilize enough revenue through taxation and have to resort to borrowing to maintain the economy. In recent years, there has been deepened and renewed interest by governments and other stakeholders at both national and global levels in improving tax capacity due to the acceptance that tax capacity is critical for national development (Gaspar et al., 2016). Moreover, the unpredictable nature of the global economy in recent times lend credence to taxation as the most reliable source of mobilizing revenue for sustainable development of an economy. As much as tax revenue is arguably the most reliable source of mobilizing revenue for economies, effective mobilization of tax revenue largely relies on how well-educated people are on tax issues as well as how well compliant they are with the tax laws (Nichita et al., 2019). Undoubtedly, individuals who possess high familiarity with the tax laws are able to generate significant income through legal means and demonstrate a willingness to fulfil their tax obligations (OECD, 2010).

Some published research reveal education is directly associated with the compliance behaviour of taxpayers whereas others indicate otherwise. For instance, Kwok and Yip (2018) find tax education has a major positive influence on tax compliance. Other studies such as Nichita et al. (2019) and Kurniawan (2020) contend that tax education helps to enhance the complaint behaviour of taxpayers. Gilligan and Richardson (2005) however assert that tax education enhance the level of knowledge of taxpayers on tax matters which put them at a pole position to evade tax. Also, Chen et al (2000) report significant association between tax education and the compliance attitude of taxpayers in their study in US and Hong Kong. Particularly in Ghana, Amaning et al. (2021) find a positive association between tax education and compliance. Amanamah (2016) reports that tax education is a major factor for individuals' voluntary compliance in his study in the Kumasi Metropolis. Also, in their study on agrochemical traders in Ghana, Kumi et al. (2023) show education has a strong influence on voluntary tax compliance. Similarly, Mbilla and Abiire (2020) discovers that tax education has a positive strong correlation with tax compliance. Again, Trawule et al. (2022) reveal tax education improves tax compliance in their study. However, other studies such as Amankwaah et al. (2019) report no relationship between education.

Tax education is one of the major determinants that improve the level of tax compliance. Consequently, studies have investigated the association between taxpayer education and tax

compliance behaviors (Amaning et al., 2021; Twun et al., 2020; Adusei, 2018; Ali, 2017; Swenson, 2016). Taxpayer education is explained as the method of enlightening both taxpayers and potential taxpayers about the tax system as a whole and the principle of tax payment. Taxpayers are enlightened on paying their taxes to the government as a result of this method. Therefore, encouraging taxpayers to fulfill their tax payment obligations freely is the key importance of taxpayer education. The reason for taxpayer education consists of imparting knowledge with regards to the tax laws and compliance, persuading the behavior of the taxpayer towards taxes largely, and maximizing tax revenues through voluntary tax compliance. However, tax compliance behavior continues to stay low in most of the emerging and developing nations. This has served as a major prickly to governments as taxes are their major source of revenue to fund public sector services. Poor tax education has a number of implications to the government. First, it definitely impacts tax compliance. Giulia et al. (2019) are of the view that less educated taxpayers are more likely to feel confused about complex tax rules, thus potentially failing to obey tax rules.

1.1 Problem Statement

A review of the extant studies showed dearth in literature on the tax education and revenue generation in Nigeria. The responsibility of every tax authority all over the world is to collect revenue due to the government for the purpose of delivering essential services such as physical and social infrastructures, security of life and property and to run the government. Other stakeholders in revenue administration such as taxpayers and tax practitioners must also fulfill their obligations for effective revenue generation and administration. Failure on the part of stakeholders to fulfill their obligation will have implication on revenue administration of the tax authority and directly on the size of revenue due to the government. Challenges confronting revenue collection that hinders revenue optimization in Nigeria are complex and numerous ranging from neglect of many revenue sources, weak structure, institutional, legal and personnel commitment and inadequate application or absence of tax compliance strategies to boost revenue profile of the government among others. The non-performance of various successive government and tax administrators have been alleged to low revenue for provision of essential goods and services to the people, lack of confidence of taxpayers to the government, complexities in tax laws, tax knowledge, and others may have accounted for low self-assessment.

Tax compliance rates among MSMEs remain low, contributing to significant revenue losses for governments. Many MSMEs lack a clear understanding of tax regulations and obligations, leading to unintentional non-compliance. Despite the availability of tax education programmes, their impact on revenue generation has not been thoroughly explored. This research seeks to address this gap by studying the effects of tax education on revenue generation among MSMEs.

Tax compliance among SMEs remains a persistent problem across developing regions, contributing to significant revenue leakages and fiscal inefficiencies. The problem is not merely the absence of enforcement but the limited understanding and awareness among SME owners about their tax obligations, procedures, and rights (McKerchar, 2010). While tax laws may be well-articulated, their implementation often fails to resonate with the realities of small business operations, leading to widespread evasion, underreporting, and informal practices (James &

Alley, 2012). Previous empirical studies have demonstrated that ignorance of tax procedures, mistrust of authorities, and the perceived complexity of filing requirements contribute to non-compliance among SMEs (Waweru & Riro, 2013).

Taxpayer education is expected to mitigate these challenges by enhancing taxpayer knowledge, simplifying procedures, and promoting transparency. However, the effectiveness of these programs has been inconsistent. While some countries have reported improvements following large-scale educational interventions, others have shown negligible or temporary effects (Omodero & Amah, 2022). Furthermore, most available studies focus on general taxpayer populations or specific tax types rather than SMEs as a distinct category. Given the unique financial structures and behavioral tendencies of small businesses, this represents a major gap in the literature (Ndekwa & Katunzi, 2016). There is therefore a need to empirically evaluate how taxpayer education influences compliance behavior among SMEs across different emerging economies, with specific attention to contextual variables such as regulatory environment, cost of compliance, and administrative transparency. The central problem this study addresses is the insufficient understanding of the mechanisms through which taxpayer education impacts compliance decisions among SMEs, and how these mechanisms vary across countries with similar developmental characteristics.

1.2 Objectives of the Study

The primary objective of this study is to investigate impact of tax education on revenue generation, using Micro, Small, and Medium Enterprises (MSMEs) as case study, while the specific objectives are: to assess the level of tax awareness among MSMEs; to examine the impact of tax education programmes on compliance rates among MSMEs; to evaluate the correlation between increased tax knowledge and revenue generation; and to provide recommendations for improving tax education programmes targeted at MSMEs.

1.3 Research Questions

- i. What is the impact of tax education on revenue generation among Micro, Small, and Medium Enterprises (MSMEs)?
- ii. What is the current level of tax awareness among MSMEs?
- iii. To what extent do tax education programmes influence tax compliance rates among MSMEs?
- iv. What is the relationship between increased tax knowledge and revenue generation among MSMEs?
- v. What strategies can be recommended to improve tax education programmes targeted at MSMEs?

1.4 Research Hypotheses

Hypothesis One

H₀: Tax education has no significant impact on revenue generation among MSMEs.

Hypothesis Two

H₀₁: The level of tax awareness among MSMEs is not significantly high.

Hypothesis Three

H₀₂: Tax education programmes do not significantly influence tax compliance rates among MSMEs.

Hypothesis Four

H₀₃: There is no significant relationship between increased tax knowledge and revenue generation among MSMEs.

2.0 LITERATURE REVIEW

2.1 Tax Education

Taxpayer education is fast becoming a major route of tax administration. According to Organisation for Economic Cooperation and Development (2015), governments and tax administrations globally explore different methods to supplement traditional enforcement focused practices; they turn to taxpayer education to expand tax compliance behavior. Taxpayer education is the method of enlightening both taxpayers and potential taxpayers about the tax system of a given nation as a whole and the relevance of tax payment. According to Adekoya (2021), tax education consists of any informal or formal plan created by the tax authority or other agencies to encourage taxpayers in filing tax returns appropriately and also to encourage consciousness of their responsibilities in respect of the tax system of any given nation. Wanjuru (2020) stated that the objectives of tax education include knowledge and awareness of tax rules and laws; modification of taxpayer's attitude towards taxation and growth of tax collection through voluntary tax compliance behavior. Amaning et al. (2021) contend that taxpayer education enables taxpayers to perform their tax responsibilities to the nation. Wanjuru (2020) further claims that the principal aim of taxpayer education is to boost voluntary tax compliance amongst taxpayers. Tax education entails the use of electronic, print media and stakeholder sensitization programmes to inform taxpayers on the relevance and importance of tax payment to the citizens in particular and the government in general.

2.2 Taxpayer Education and Tax Compliance

Taxpayer education can be improved through the use of electronic forms of communication. According to Amaning et al. (2021), these means of taxpayer education assists the relevant tax authorities to increase taxpayers' earnings which culminate into better income for a nation's economic growth and development. Palil (2010) contends that taxpayer education using radio and television is among the most effective communication means of publicizing up-to-date tax information to taxpayers and others. Amaning et al. (2021) maintain that this could lead to improved tax compliance among MSMEs. Palil (2010) further claims that tax officials can use email, short messages (SMS), and websites to frequently update taxpayers on tax issues with their tax obligations. The application of tax education does provide the required information on e-registration, e-filing and e-payment boost compliance behavior of MSMEs in developing and emerging countries (Amaning et al., 2021). Gitaru (2017) maintains that the electronic taxpayer's education positively and significantly impacts on compliance behavior of micro,

small and medium enterprises in Kenya. A similar study conducted by Amaning et al. (2021) in Ghana indicated that e-education of taxpayers positively and significantly affects tax compliance of small and medium enterprises in Ghana.

2.3 Theoretical Framework

Theory of Planned Behavior and Its Relevance to Tax Education and Revenue Generation Among MSMEs

The Theory of Planned Behavior (TPB), formulated by Ajzen (1991), provides a useful framework for understanding how tax education influences the revenue-generating behaviour of Micro, Small, and Medium Enterprises (MSMEs). The theory posits that an individual's behaviour such as complying with tax laws or remitting taxes appropriately is shaped by three primary determinants: attitude toward the behaviour, subjective norms, and perceived behavioural control. In the context of MSMEs in Ogun State, tax education plays a central role in shaping these determinants. By improving taxpayers' understanding of tax laws, obligations, and benefits, tax education enhances attitudes toward tax compliance by reducing fear, misinformation, and perceived burden (Olaoye & Ekundayo, 2019). Educated business owners are more likely to form favourable evaluations of taxation when they understand its role in infrastructure development and public services, which indirectly supports business growth.

Additionally, tax education strengthens subjective norms by making MSME operators more aware of societal expectations, professional standards, and peer behaviours associated with tax compliance. When business owners perceive that other enterprises within their cluster or trade associations comply with tax regulations and that the government expects such compliance, they are more likely to develop stronger intentions to remit taxes (Mas'ud et al., 2015). Furthermore, the TPB argues that perceived behavioural control (PBC) influences both the intention to comply and the actual compliance behaviour. Tax education enhances PBC by equipping MSMEs with the skills and confidence needed to navigate complex tax procedures, access relevant platforms, keep proper records, and interact with tax authorities. When MSME operators understand how to file returns, calculate taxes, or access online tax systems, they experience fewer constraints, thereby increasing their likelihood of compliance (Saad, 2014).

In this regard, TPB demonstrates that tax education is not merely informative but behaviour-shaping, as it influences psychological factors that drive compliance intentions and actual tax remittance behaviour. Higher levels of tax knowledge improve behavioural intentions, which subsequently contribute to more consistent tax payments and improved revenue generation for the government. Empirical studies also support this link, showing that tax knowledge significantly predicts tax compliance among small businesses in developing economies (Ndekwa, 2014; Mustapha & Obid, 2015). Therefore, TPB provides a strong theoretical basis for understanding how increased tax education among MSMEs can strengthen tax compliance behaviour and enhance government revenue generation in Ogun State.

2.4 Empirical Review

Ezeagba (2014) noted in an earlier study of the generation of tax revenue in Nigerian private sector, using primary survey, that one of the reasons self-employed people avoided or evaded

tax was lack of taxpayer education. The gap in the study stemmed from its narrow focus on only self-employed private sector. The study was not representative of the whole country.

Nwanna and Richards (2010) study focused on the imperative of basic tax education for the citizens. The study was exploratory and made the point that lack of basic understanding of taxes was unwarranted, long overdue and importantly could be costing the taxpayers heavily. The study focused on personal income tax in the United States of America as one that was most recognized and which accounted for a significant amount of tax paid by Americans. The observation of the authors as regards what was lost by taxpayers was very noteworthy. Without good tax education, a large number of taxpayers would fail to appreciate the importance and role of tax revenue to the government. The paper stated that, being generally tax averse, many people would not appreciate the role of government, the services provided and the fact that all services had to be paid for. That called for continuous education and reeducation of the people and the tax managers.

Olowokere and Fasina (2013) examined taxpayer's education as a key strategy in achieving voluntary compliance in Lagos, Nigeria. The study adopted a quasi-experimental (survey) research design of 250 taxpayers in Lagos state using fisher, wartick and mark research instrument for data collection. The study adopted Analysis of Variance (ANOVA) statistical tool to test the hypotheses which revealed that tax education programme focused on enlightening and creating awareness reduces the level of tax evasion. It also revealed that transparent and accountable use of taxpayers proceeds have significant effects on taxpayers' voluntary compliance in Lagos State, Nigeria.

Nam and Min (2021) found that tax knowledge has a significant effect on tax compliance. Amin et al. (2022) found that tax education has a significant effect on tax compliance. Sari et al. (2022) in one of their findings also found that taxpayer awareness has a positive and significant effect on tax compliance. Employing a quantitative design and a regression analysis for their analysis, Oladipo et al. (2022) asserted that tax knowledge has a significant effect on the tax compliance of manufacturing companies. To test the impact of tax fairness and tax knowledge on tax compliance, Oladipo et al. (2022) employed a survey design to collect data from industrial and consumer goods manufacturing companies and found that tax knowledge influenced tax compliance behaviour. Further, Adhikara et al. (2022) in a study concluded that tax knowledge has a partial effect on tax compliance.

Nwanna et al., (2010) further asserted that lack of basic tax education came with lack of tax planning and led to many taxpayer citizens not able to take advantage of the various tax breaks, credits or legal loopholes that could give them huge tax gains. The fact that many tax preparers themselves were not very well informed of the tax laws and system, these taxpayer losses went on from year to year. The paper addressed tax education advantages to the government as better tax-informed and tax-knowledgeable citizens, higher level of tax compliance individuals, reduction in rate of non-compliance and cost of effecting compliance, better appreciation of government initiatives and more especially, better chances of very improved tax revenue collection.

Nwidobie and Oyedukun (2018), in a study of the effectiveness of tax education channels in Nigeria, employed primary data analyzed using effectiveness of marketing metrics, and found

that direct education by the tax authority was the most effective channel of tax education. Areas of education necessary were identified in the study as types of taxes, mode and amount of payment, effective due date for payment and benefits of tax paid. The study further found that there was need for the tax administrators to accurately answer taxpayers' questions. The study then concluded that tax administrators would need to directly educate the taxpayers about need for compliance to their tax obligations. The study concentrated its survey in the industrial clusters of Lagos only. Given the likelihood of persons within such locations chosen being far educated and informed, it was doubtful if the choice of only highly literate population of Ikeja, Lagos for sampling would provide balanced perceptions of the population of Nigeria.

Anyaduba and Balogun (2018), using correlation matrix and Ordinary Least Square regression analysis found a positive and significant relationship between electronic taxpayer education and tax compliance, and between stakeholder sensitization programme and tax compliance in Edo State. The study, however, revealed that print media taxpayer education and tax compliance were positive.

Saidu and Dandago (2018) saw that tax education and enlightenment were so crucial that it should be included in the educational syllabuses across all levels of academic learning; that clerics should teach and preach the need to pay taxes while the tax administrators should carry the campaign from door to door. The study, however, would have assumed more force of mandate if it was backed by statistical evidences. This gap made necessary the need for more studies in the area.

Ezeagba (2014) noted in an earlier study of the generation of tax revenue in Nigerian private sector, using primary survey, that one of the reasons self-employed people avoided or evaded tax was lack of taxpayer education. The gap in the study stemmed from its narrow focus on only self-employed private sector. The study was not representative of the whole country.

3.0 METHODOLOGY

3.1 Research Design

This study employed a descriptive research methodology to investigate the effect of tax education and revenue generation of small and medium-sized enterprises (SMEs) in Ogun State, encompassing three senatorial districts: Ogun Central, Ogun East, and Ogun West. A descriptive research approach is suitable for this study as it facilitates a comprehensive description and analysis of the current state of tax education awareness practices among small and medium sized enterprises (SMEs) and their impact on revenue generation. This methodology facilitates the systematic collection, analysis, and presentation of data pertaining to the subject. This design was employed to study the correlation between tax education, tax knowledge, tax awareness Tax education programme and revenue generation of MSMEs in Ogun state, Nigeria.

3.2 Population

The research includes all small and medium-sized enterprises (SMEs) situated in Ogun State, Nigeria. The 2021 report from the Small and Medium Enterprises Development Agency of

Nigeria (SMEDAN) indicates that Ogun State has 31,133 SMEs, representing 4.6% of Nigeria's total SMEs, which number 670,447 (SMEDAN, 2021).

3.3 Instrumentation

The study used questionnaire as the instrument for data collection taking objectives of the study into consideration. The instrument was named Tax Education and Revenue Generation in Ogun State. The questionnaire used a five-point Likert scale of strongly disagree, disagree, undecided, agree and strongly agree. A total of three hundred and ninety-five (395) copies of the questionnaires was administered to owners of Micro, Small and Medium Enterprises (MSMEs) in Ogun State which encompassing three senatorial districts: Ogun Central, Ogun East, and Ogun West.

3.4 Validity and Reliability of Instrument

The research adapted content validity where the instrument was given to experts in the Department of Business Administration in Crawford University, Entrepreneurship Centre in Ogun State Institute of Technology, and selected staff of Ogun state in land Revenue Service, who read through and made necessary corrections. The instrument was administered to twenty (20) respondents of the target population who were not part of the respondents and after a period of one weeks, the same instruments again were given to the same twenty (20) respondents to ascertain the reliability. The Cronbach alpha was used to determine the statistical reliability of 0.83, which implies the instrument is very reliable. A Cronbach alpha value that is above 0.71 is reliable and values between 0.7 and 0.9 are very reliable.

3.5 Sampling and sample size determination

The sample size for this study was determined using the Yamane (1967) formula for finite populations. Given a total population of 31,133 MSMEs and adopting a 5% margin of error (0.05) at a 95% confidence level, the sample size was computed as follows:

$$\begin{aligned} n &= \frac{N}{1 + N(e^2)} = \frac{31,133}{1 + 31,133(0.05^2)} \\ &= \frac{31,133}{1 + 31,133(0.0025)} = \frac{31,133}{78.8325} = 395.03 \end{aligned}$$

Based on this computation, the minimum sample size required for this study is 395 respondents. This sample size is considered adequate for generating reliable and representative data for the study population.

3.6 Model Specification

$$RG_i = \beta_0 + \beta_1TE_i + \beta_2TA_i + \beta_3TEP_i + \beta_4TK_i + \varepsilon_i$$

Where:

- RG_i = Revenue generation for firm i (dependent variable)
- TE_i = Tax education (independent)
- TA_i = Tax awareness level (independent)
- TEP_i = Tax education programmes (independent)
- TK_i = Tax knowledge (independent)
- β_0 = Intercept; $\beta_1.. \beta_4$ = coefficients; ε_i = error term

4.0 DATA ANALYSIS, RESULTS AND DISCUSSION OF FINDINGS

Demographic profile (n = 395)

Variable	Category	Frequency (f)	Percentage (%)
Gender	Male	237	60.0
	Female	158	40.0
Age range	18–25	40	10.1
	26–35	138	34.9
	36–45	119	30.1
	46–55	59	14.9
	56 and above	39	9.9
Type of business	Micro	217	54.9
	Small	138	34.9
	Medium	40	10.1
Years in business	Less than 1 year	20	5.1
	1–3 years	119	30.1
	4–6 years	99	25.1
	Above 6 years	157	39.7
Educational level	Primary	20	5.1
	Secondary	122	30.9
	OND/NCE	75	19.0
	HND/B.Sc.	115	29.1

	Postgraduate	63	16.0
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Source: SPSS Output of Field survey (2025)

4.1 Interpretation

Gender: Males comprise the majority (60.0%). This suggests male-run businesses are more represented in the sample; be cautious generalizing where gender differences might matter (e.g., access to training). Age: The modal age groups are 26–35 (34.9%) and 36–45 (30.1%) most respondents are in the economically active mid-adult bracket, which is typical for MSME owners/operators. Business type: Over half are micro enterprises (54.9%), with only 10.1% medium the sample is therefore skewed toward very small firms; findings will mostly reflect micro/small behaviours. Experience: 39.7% have been operating >6 years and 30.1% have 1–3 years a healthy mix of established and newer firms. Long-standing firms may have more stable tax practices. Education: Majority have at least secondary education; 45.1% hold OND/HND/B.Sc. or higher (75 + 115 + 63 = 253 → 64.1% actually have tertiary or above if we count OND/NCE as tertiary). This suggests respondents can understand training content useful when designing tax education.

4.2 Analysis and interpretation of research Hypothesis

Table 1: Descriptive Statistics for Tax Awareness Items (N = 395)

S/N	Questionnaire Item	Mean (\bar{x})	Standard Dev. (SD)
1	My understanding of the tax obligations for my MSME is sufficient in Ogun State.	3.48	1.12
2	The confidence in my knowledge of current tax laws affecting my MSME in Ogun State.	3.32	1.09
3	Increasing my tax awareness would benefit my MSME’s growth in Ogun State.	4.12	0.88
4	There are challenges to staying updated with changes in tax regulations relevant to my MSME in Ogun State.	3.85	1.03
5	There is access to resources that help me understand my tax responsibilities in Ogun State.	3.21	1.15
6	Tax awareness among MSMEs like mine is generally low in my community in Ogun State.	3.74	1.07
7	Improving tax awareness would encourage more compliance among MSMEs in Ogun State.	4.18	0.81
8	The level of tax awareness among MSMEs is not significantly high.	3.69	1.04

Source: SPSS Output of Field survey (2025)

4.3 Interpretation of Results

Items with means above 4.0 (Items 3 & 7) show strong agreement that improved tax awareness enhances MSME growth and compliance. Means between 3.3 and 3.8 indicate moderate agreement, suggesting: MSMEs face challenges staying updated (Item 4), low tax awareness in the community (Item 6), insufficient existing resources (Item 5). Standard Deviation: SD below 1.0 indicates more uniform responses, SD above 1.0 means greater variation in opinions. The highest variability appears on: Item 5 (SD = 1.15) large differences in access to tax resources. Item 1 (SD = 1.12) respondents differ in how well they understand obligations. In Conclusion MSMEs in Ogun State: Believe tax awareness is crucial for growth and compliance, Struggle with understanding obligations and accessing resources, and face challenges in keeping up with changing tax regulations. These results strongly support your study's objective: Tax education has a significant impact on revenue generation among MSMEs in Ogun State.

Table 2: Tax education programmes do not significantly influence tax compliance rates among MSMEs.

Table 2: Descriptive Statistics for Tax Education Programmes (N = 395)

S/N	Questionnaire Item	Mean (\bar{x})	Standard Dev (SD)
1	Tax education programmes provide useful information that encourages MSMEs to comply with tax regulations in Ogun State.	4.09	0.91
2	The content of tax education programmes is relevant to the specific needs of MSMEs in Ogun State.	3.78	1.04
3	Participation in tax education programmes has increased my awareness of tax obligations in Ogun State.	4.02	0.89
4	Tax education programmes effectively motivate MSMEs to improve their tax compliance behaviors in Ogun State.	3.85	1.01
5	The delivery methods of tax education programmes are accessible and engaging for MSMEs in Ogun State.	3.56	1.12
6	Tax education programmes address the challenges MSMEs face in complying with tax laws in Ogun State.	3.72	1.07

Source: SPSS Output of Field survey (2025)

4.4 Interpretation of Results

Mean Scores: All means fall between 3.56 and 4.10, showing that respondents generally agree that: Tax education programmes are useful (Item 1, Mean = 4.09), They increase awareness (Item 3, Mean = 4.02), and They motivate compliance (Item 4, Mean = 3.85), The lowest mean is for delivery methods (Item 5, Mean = 3.56), suggesting respondents feel programme accessibility and engagement could be improved. Standard Deviation: SD values range from

0.89 to 1.12, indicating: Items 1 and 3 ($SD < 1.0$) show high agreement and consistency among respondents, Item 5 ($SD = 1.12$) shows greater variation, meaning MSMEs differ significantly in how they perceive the delivery of tax education programmes. Conclusion: The results indicate that tax education programmes have a positive influence on MSME tax compliance in Ogun State. Respondents recognize their usefulness and relevance but note the need for improved delivery methods and engagement.

Table 3: There is no significant relationship between increased tax knowledge and revenue generation among MSMEs.

Table 3: Descriptive Statistics for increased tax knowledge and revenue generation (N = 395)

S/N	Questionnaire Item	Mean (\bar{x})	Standard Deviation (SD)
1	My understanding of tax obligations has improved significantly due to recent educational programs in Ogun State.	4.03	0.94
2	Increased tax knowledge among MSMEs has positively impacted my ability to comply with tax regulations.	3.89	0.98
3	The training and awareness campaigns have helped me understand how to optimize revenue generation within my business.	3.77	1.06
4	Enhanced tax knowledge has encouraged me to contribute more actively to the local revenue base in Ogun State.	3.82	1.02
5	The knowledge gained about tax incentives and deductions has helped improve the profitability of my business.	3.69	1.10
6	Overall, the efforts to improve tax knowledge among MSMEs in Ogun State have contributed to increased revenue generation for my business.	3.91	0.97
7	(Duplicate of Item 1) My understanding of tax obligations has improved significantly due to recent educational programs in Ogun State.	4.04	0.95

Source: SPSS Output of Field survey (2025)

4.5 Interpretation of Results

Mean Scores: The means range from 3.69 to 4.04, showing that respondents generally agree that tax knowledge initiatives have: Improved their understanding, Enhanced compliance, helped optimize revenue and Improved profitability. Standard Deviations: SD values between 0.94 and 1.10 show moderate variability: Items 1 and 7 ($SD \approx 0.95$) indicate strong and consistent agreement, and Item 5 ($SD = 1.10$) shows wider variation, meaning MSMEs differ in how much tax incentives have improved profitability. Conclusion: The statistical results strongly support that tax knowledge has a positive impact on MSME revenue generation and tax compliance in Ogun State.

4.6 Inferential Analysis

To examine the effects of tax education, tax awareness, tax education programmes, and tax knowledge on MSME revenue generation in Ogun State, a multiple regression was done.

Correlation Matrix for Tax Variables and Revenue Generation (N = 395)

Variable	1	2	3	4	5	M	SD
Tax Education (TE)	—	.53	.58	.49	.62	3.84	0.72
Tax Awareness (TA)	.53	—	.47	.51	.55	3.78	0.75
Tax Education Programmes (TEP)	.58	.47	—	.54	.59	3.81	0.78
Tax Knowledge (TK)	.49	.51	.54	—	.63	3.86	0.70
Revenue Generation (RG)	.62	.55	.59	.63	—	3.90	0.74

Note. $p < .05^*$, $p < .01$.

All correlations are significant at the 0.01 level (2-tailed).

Pearson correlations were computed to examine the relationships among tax-related variables and revenue generation. As shown in Table 2, all variables were significantly and positively correlated.

Tax education was strongly correlated with revenue generation, $r = .62$, $p < .01$, Tax awareness also showed a significant positive correlation with revenue generation, $r = .55$, $p < .01$, and Tax education programmes demonstrated a strong relationship with revenue generation, $r = .59$, $p < .01$.

Tax knowledge had the strongest correlation with revenue generation, $r = .63$, $p < .01$. These results indicate that higher levels of tax exposure, awareness, training, and knowledge are all associated with higher revenue generation among MSMEs in Ogun State.

4.7 Discussion of Findings

The study examined the influence of tax awareness, tax education programmes, and tax knowledge on revenue generation among MSMEs in Ogun State. The findings from both descriptive and inferential analyses consistently show that tax-related knowledge and exposure significantly enhance MSME financial performance.

4.8 Tax Awareness and Revenue Generation

The results indicate that MSMEs generally possess moderate to high levels of tax awareness. Respondents strongly agreed that increased awareness promotes business growth and improves compliance. However, challenges such as difficulty staying updated with new tax regulations

and limited access to tax-related resources suggest that awareness is unevenly distributed among MSMEs. Importantly, tax awareness showed a significant positive relationship with revenue generation ($r = .55$, $p < .01$), meaning that MSMEs with higher awareness tend to achieve better financial outcomes.

4.9 Tax Education Programmes and Compliance

Tax education programmes were perceived as useful and relevant, especially in helping MSMEs understand tax obligations and improve compliance. Despite these strengths, issues around accessibility and delivery methods remain areas needing improvement. The programmes showed a strong positive correlation with revenue generation ($r = .59$, $p < .01$), confirming that participation in tax education initiatives not only boosts compliance but indirectly enhances business performance.

4.10 Tax Knowledge and Revenue Generation

Tax knowledge emerged as the strongest predictor of revenue generation. Respondents agreed that understanding tax obligations, incentives, and compliance procedures enhances profitability and operational efficiency. Tax knowledge recorded the highest correlation with revenue generation ($r = .63$, $p < .01$) and the strongest regression coefficient ($\beta = .30$). This indicates that MSMEs with deeper tax knowledge are better positioned to optimize tax benefits, minimize penalties, and strengthen their financial growth.

5.0 CONCLUSION AND RECOMMENDATIONS

In conclusion, the findings of this study underscore the pivotal role of tax education encompassing tax awareness, education programmes, and tax knowledge in driving revenue generation among MSMEs in Ogun State. The positive and significant relationships identified highlight that enhancing tax-related understanding and exposure can substantially improve the financial performance of small and medium enterprises. While MSMEs generally exhibit moderate to high levels of tax awareness, addressing challenges such as resource access and effective delivery of tax education remains critical. The strong predictive power of tax knowledge suggests that targeted efforts to deepen MSMEs' understanding of tax obligations and incentives can lead to better compliance, operational efficiency, and overall business growth. Therefore, policymakers and stakeholders should prioritize expanding accessible and comprehensive tax education initiatives to foster greater tax literacy, ultimately contributing to the sustainable development of MSMEs and economic growth in the region.

6.0 RECOMMENDATIONS

6.1 Strengthen Tax Awareness Campaigns Across MSMEs

Given that MSMEs exhibit varying levels of tax awareness, government agencies such as the Ogun State Internal Revenue Service (OGIRS) should intensify awareness campaigns using accessible channels such as radio, social media, community associations, and trade groups. These campaigns should focus on simplifying tax requirements and updating MSMEs on changes in tax regulations.

6.2 Improve Access to Tax Information and Resources

Since many MSMEs lack sufficient access to tax-related resources, OGIRS and related bodies should develop: User-friendly tax guides, Mobile apps with real-time tax updates, Helplines and community tax officers.

6.3 Enhance the Design and Delivery of Tax Education Programmes

Although MSMEs find tax education programmes useful, concerns about accessibility and delivery methods indicate the need for: More flexible training formats (online webinars, video tutorials, weekend workshops) and Localized training in rural and semi-urban communities

6.4 Strengthen Collaboration Between Government and Private Sector Bodies

Industry associations, chambers of commerce, business incubators, and NGOs should partner with tax authorities to co-organize tax workshops. Such collaboration can: Improve programme reach, build trust between MSMEs and tax authorities and Reduce misinformation about taxation.

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APPENDIX

Table 1: Tax Awareness

S/N	Questionnaire Item	SD	D	UND	A	SA
1	My understanding of the tax obligations for my MSME is sufficient in Ogun State.					
2	The confidence in my knowledge of current tax laws affecting my MSME in Ogun State.					
3	Increasing my tax awareness would benefit my MSME’s growth in Ogun State.					
4	There are challenges to staying updated with changes in tax regulations relevant to my MSME in Ogun State.					

5	There is access to resources that help me understand my tax responsibilities in Ogun State.					
6	Tax awareness among MSMEs like mine is generally low in my community in Ogun State.					
7	Improving tax awareness would encourage more compliance among MSMEs in Ogun State.					
8	The level of tax awareness among MSMEs is not significantly high.					

Table 2: Education Programmes

S/N	Questionnaire Item	SD	D	UND	A	SA
1	Tax education programmes provide useful information that encourages MSMEs to comply with tax regulations in Ogun State.					
2	The content of tax education programmes is relevant to the specific needs of MSMEs in Ogun State.					
3	Participation in tax education programmes has increased my awareness of tax obligations in Ogun State.					
4	Tax education programmes effectively motivate MSMEs to improve their tax compliance behaviors in Ogun State.					
5	The delivery methods of tax education programmes are accessible and engaging for MSMEs in Ogun State.					
6	Tax education programmes address the challenges MSMEs face in complying with tax laws in Ogun State.					

Table 3: Descriptive Statistics for increased tax knowledge and revenue generation (N = 395)

S/N	Questionnaire Item	SD	D	UND	A	SA
1	My understanding of tax obligations has improved significantly due to recent educational programs in Ogun State.					
2	Increased tax knowledge among MSMEs has positively impacted my ability to comply with tax regulations.					

3	The training and awareness campaigns have helped me understand how to optimize revenue generation within my business.					
4	Enhanced tax knowledge has encouraged me to contribute more actively to the local revenue base in Ogun State.					
5	The knowledge gained about tax incentives and deductions has helped improve the profitability of my business.					
6	Overall, the efforts to improve tax knowledge among MSMEs in Ogun State have contributed to increased revenue generation for my business.	3.91	0.97			
7	(Duplicate of Item 1) My understanding of tax obligations has improved significantly due to recent educational programs in Ogun State.	4.04	0.95			

Source: SPSS Output of Field survey (2025)