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THE NEXUS BETWEEN TAX AUDIT AND TAX COMPLIANCE IN NIGERIA

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Abstract

The study attempted to determine the nexus between tax audit and compliance in Nigeria. The study adopted the survey method on the accessible population, which comprises of individual taxpayers and tax officials of the RED zone offices of the Federal Inland Revenue Service in the South-South region. Using the purposive sampling method, three hundred (300) respondents were selected as the study sample size, while the questionnaire was used as the data collection instrument. In analyzing, the Pearson product moment correlation techniques were applied. Based on the analyses conducted, the study found that the relationship between tax audit and timely filing of tax returns as well as prompt payment of the tax liabilities is significant. The study further found a positive correlation between tax audit and timely filing of tax returns as well as prompt payment of the tax liabilities with correlation values of 0.830 and 0.755. It was then recommended that tax authorities should increase the frequency and coverage of tax audits to ensure a higher probability of detection for non-compliance and also implementing transparent and equitable audit processes that will enhance taxpayer confidence and compliance. The study concluded that the nexus between tax audit and tax compliance in Nigeria is significant and positive.

1. Introduction

Taxation is seen as a mechanism that is fundamental for revenue generation and essential for economic development and the provision of public services in any nation. The tax system in Nigeria is organized essentially as a tool to generatemake revenue (Edori, Edori & Idatoru, 2018). However, achieving optimal tax compliance poses significant challenges, particularly in developing economies like Nigeria. To mitigate issues such as tax evasion, avoidance, and underreporting, tax audits are employed as critical instruments to enhance compliance

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and ensure accountability. A tax audit involves the independent examination of a taxpayer's financial records and returns by relevant tax authorities to ascertain the level of tax compliance. In Nigeria, agencies such as the Federal Inland Revenue Service (FIRS) and State Inland Revenue Services (SIRS) conduct these audits to curb tax evasion, improve voluntary compliance, and bolster government revenue. Despite these efforts, tax compliance remains relatively low, attributed to factors such as weak enforcement, corruption, inadequate taxpayer education, and economic hardships (Oghuma, 2018).

This study explores the nexus between tax audit and tax compliance in Nigeria, assessing how tax audits influence compliance behavior among taxpayers. This study evaluates the influence of tax audits on the timely filing of tax returns and prompt payment of the tax liabilities in Nigeria.

2. Conceptual Review

2.1 Tax Audit

Edori et al. (2022) and Edori (2023) defined tax as a mandatory levy imposed by the government through its relevant tax authority on individuals' income and businesses' profits to generate revenue. Audit refers to the official examination of an entity's financial records, emphasizing an impartial and thorough evaluation of evidence (Egwanwor & Edori (2024). They further assert that in the realm of taxation, specifically, audit entails the on-site verification conducted to ensure taxpayers' compliance with tax laws. In Nigeria, tax audits are conducted by the Federal Inland Revenue Services (FIRS) to detect underreporting or non-compliance. Tax audits are essential tools used by tax authorities to verify the accuracy of tax returns filed by taxpayers. They involve the examination of financial records, accounts, and other relevant documents to ascertain whether the tax reported and paid is accurate. A tax audit is an examination of an individuals or organization's financial records and tax returns by the tax authorities to verify the accuracy of tax filings and compliance with applicable tax laws. Tax audits in Nigeria represent a critical component of the country's tax administration framework, designed to ensure compliance with tax laws and regulations. Tax audits in Nigeria are crucial in the realm of tax administration, serving as mechanisms for verifying taxpayer compliance with tax laws and regulations. The deterrent effect of a tax audit is a means to discourage non-compliance by increasing the perceived likelihood of detection and punishment. Tax audits are seen as a risk management strategy employed by tax authorities to target high-risk taxpayers and industries. Tax audit means inspecting a taxpayer's financial affairs done by tax officials from the tax office with the singular aim of finding out if the reported tax amount is paid and also in agreement with laws as well as regulations guiding taxation (Des-Wosu, Edori & Chuku, 2022). According to Alemu (2020), a tax audit has to do with the examination to determine whether a particular taxpayer has correctly reported his tax liability and has also fulfilled other obligations. It is frequently more detailed and very extensive when compared with other forms of audit like the general desk checks, compliance visits, or document matching programs (Organization for Economic Co-operation and Development [OECD], 2006). A tax audit is defined as a systematic examination of financial records and tax returns by tax authorities to verify the accuracy and completeness of reported tax liabilities. Olowookere and Fasina (2020) describe a tax audit as a compliance tool used by tax authorities to enforce tax laws and regulations. Musa and Dike (2021) present tax audits as a critical accountability mechanism, holding taxpayers responsible for their financial disclosures and tax payments.

Tax audit is vital according to Alemu (2020) because it supports the government to collect tax revenue that is suitable and essential for the budget, assists in maintaining economic as well as financial stability and order, helps to ensure submission of satisfactory returns by taxpayers, aids in organizing tax avoidance and tax evasion degree, assists in ensuring firm compliance by taxpayers with the tax payers, helps to improve the level of taxpayers voluntary compliance and also ensures the collection and remittance of the amount due to government. The process helps in identifying discrepancies, unreported income, and fraudulent activities, thus serving as a deterrent to non-compliance. In Nigeria, tax audits are an essential tool for detecting and deterring tax evasion and tax fraud.

2.2 Tax Compliance

Tax is compulsorily levied by the government on the citizens, resulting in a burden borne by all citizens and every profit-making organization (Edori, 2022). Furthermore, compliance is expected from all categories of taxpayers. Tax compliance is the degree to which taxpayers adhere to tax laws, including accurate reporting of income, timely filing of tax returns, and prompt payment of tax liabilities. It reflects the willingness and ability of taxpayers to meet their tax obligations without evasion or delay. Compliance is influenced by the effectiveness of tax enforcement measures, the transparency of the tax system, and the overall relationship between taxpayers and the state. Compliance behavior is shaped by a mix of economic factors, enforcement strategies, and taxpayers' attitudes toward the government and tax authorities.

In a perceived simple definition by Kirchler (2008), tax compliance is seen as the term most neutral in describing the willingness of taxpayers to pay their taxes. Tax compliance refers to the degree to which taxpayers fulfill their tax responsibilities (Egwanwor & Edori, 2024). Devos (2014) describes tax compliance as the extent to which taxpayers meet their tax obligations as required by law. He emphasizes that compliance involves timely filing of returns, accurate reporting of income, and timely payment of taxes. Devos identifies three types of compliance: administrative, procedural, and substantive, each of which is critical for effective tax administration. Tax compliance is the adherence to tax obligations, including the timely filing of returns, accurate reporting of income, and full payment of taxes due. Compliance is influenced by the perceived legitimacy of tax authorities, the complexity of the tax system, and the level of taxpayer education. Tax compliance entails taxpayers'' willingness to adhere to the laws and regulations of the tax system without coercion or enforcement pressures (Ogaluzor & Edori, 2023). It has to do with adherence to tax laws by individuals and businesses, including the accurate reporting of income and timely payment of taxes. Tax compliance is the behavior of taxpayers in fulfilling their tax obligations as required by law. A wider definition, as defined by Song and Yarbrough (1978), suggests that tax compliance is an aspect of the United States tax system operation that is remarkable and based largely on self-assessment and voluntary compliance. The definition suitable for tax compliance should be as follows: taxpayers' willingness and the ability to comply with tax laws that are determined by the legal environment, ethics and other factors that are situational at a specific time and place.

Some determinants of compliance include audit probabilities, penalty structures, and broader socio-economic factors such as trust in government institutions and tax morale. High levels of tax compliance are achieved by reducing complexity, enhancing the perceived fairness of the tax system, and fostering a positive relationship between taxpayers and tax authorities. Tax compliance in Nigeria has historically been challenging due to a combination of factors, including complex tax laws, inadequate tax administration, and a lack of trust in the government. According to Ogundele (2016), the complexity of Nigeria's tax system, characterized by multiple taxes and levies, often leads to confusion and unintentional non-compliance among taxpayers. Furthermore, the perception of corruption and inefficiency within the tax administration can discourage compliance, as taxpayers may feel their contributions are not being effectively used.

2.3 Timely Tax Returns Filing

Filing of tax returns for various taxes with the relevant tax authority is a legal obligation that must be fulfilled by every taxpayer. A taxpayer has a duty to file tax returns as required under a specified tax law. The law specifies the type of returns, the information required as well as the frequency and manner in which the returns should be filed. On the other hand, the Tax Authority has the duty to facilitate the process of filing tax returns by providing a taxpayer with standardized forms, guidelines and procedures. Filing of tax returns is the submission of tax returns by a taxpayer to the relevant Tax Authority in a manner prescribed by law and in accordance with the laid down administrative procedure. A tax return is a report prepared by a taxpayer containing information on his tax affairs for a given period for complying with the tax laws.

Timely tax return filing is the compliance behavior where taxpayers submit their tax returns within the stipulated deadlines set by the tax authorities. This practice is essential for the effective administration of tax systems and helps in ensuring the smooth functioning of government operations by providing timely revenue. Timely filing is influenced by several factors, including the simplicity of the tax filing process, taxpayer awareness, and the penalties associated with late submissions. It is also a sign of the taxpayers' trust in the tax system and their perception of the fairness and efficiency of the tax authorities. Timely returns filing means filing tax returns by a taxpayer within a specified period as stipulated by the relevant tax laws (Ogaluzor & Edori, 2023). Olaoye and Ekundayo (2019) consider timely tax return filing as the act of submitting tax returns by the due date, which is a legal requirement in most tax jurisdictions. They argue that timely filing not only helps in avoiding penalties and interest charges but also enhances the relationship between taxpayers and tax authorities. Filing timely is not only crucial for avoidance of penalties for the taxpayer's assessment and refund claims (Ogaluzor & Edori, 2023).

2.4 Prompt Tax Liability Payment

Prompt tax liability payment is essential for ensuring that the government has the necessary funds to provide public goods and services. Delays in payment can lead to financial instability and hinder economic development (Musa & Dike, 2021). Payment of tax liability is said to be prompt if taxes are paid within the specified period as contained in the relevant tax law (Ogaluzor & Edori, 2023). Prompt payment of taxes involves adhering to the deadlines set by tax authorities for remitting assessed taxes. It is essential not only for the fiscal health of the government but also for maintaining taxpayer confidence in the tax system.

Prompt tax liability payment refers to the timely settlement of tax dues by taxpayers once their tax liabilities have been assessed. This aspect of tax compliance ensures that governments receive the necessary funds to finance public services and infrastructure projects without delay. Prompt tax liability payment refers to the timely settlement of tax dues by taxpayers without delays or defaults. It is a critical aspect of tax compliance as it ensures a steady flow of revenue for government operations and development projects. The concept emphasizes the need for taxpayers to fulfill their tax obligations within the stipulated deadlines to avoid penalties and interest charges. In Nigeria, the prompt payment of tax liabilities has been a persistent challenge due to various factors, including economic conditions, taxpayer attitudes, and administrative inefficiencies. According to Oladipupo and Obazee (2016), economic constraints such as liquidity issues and cash flow problems can hinder timely tax payments, especially for small and medium enterprises (SMEs).

3. Theoretical Review

3.1 Economic Deterrence Theory

Developed by Gray Becker in 1974, the economic deterrence theory asserts that individuals are rational agents who aim to maximize their utility by evaluating the costs and benefits of their actions. Within the realm of taxation, this theory posits that taxpayers will adhere to tax regulations if the perceived expenses associated with not complying (such as penalties, audits, and legal consequences) surpass the advantages of avoiding taxes (Allingham & Sandmo, 1972). Des-Wosu, Edori and Chuku (2022) opined that the theory has to do with the tax authorities using force as well as penalties to coerce taxpayers to comply with the tax laws.

This theory of taxation assumes that taxpayers make rational decisions based on economic incentives and disincentives. It assumes that individuals and businesses aim to maximize their utility and will comply with tax laws when the expected costs of non-compliance (such as penalties, fines, or legal consequences) outweigh the benefits of evasion.

3.2 Institutional Theory

Edwin Seligman articulated the Institutional theory of Taxation in his 1914 book The Income Tax. The theory underscores the impact of both formal and informal institutions on human behavior. This hypothesis posits that adherence is influenced by the regulations, standards, and principles ingrained in society and organizational frameworks. The efficacy of tax enforcement in Nigeria is significantly dependent on the robustness and credibility of tax institutions. According to the study by Fjeldstad and Heggstad (2017), the augmentation of the capabilities and reputation of tax authorities can result in enhanced compliance. This is because taxpayers are more inclined to comply with tax regulations when they have confidence in the institutions responsible for their enforcement.

In Nigeria, Institutional Theory provides insights into the complexities of tax compliance and enforcement: The effectiveness of tax compliance efforts in Nigeria depends on the clarity, consistency, and enforceability of the legal frameworks governing taxation. Institutional theorists argue that well-defined and transparent legal frameworks contribute to compliance by providing clear guidelines and reducing ambiguity for taxpayers.

4. Empirical Review

Akinyemi and Salami (2020) conducted a study on the role of tax education programs in enhancing tax compliance in Nigeria using Individual taxpayers in Ekiti State as the study population. The study used a quasi-experimental design, involving a pre-test and post-test of 500 individual taxpayers who participated in tax education programs. Data were analyzed using paired sample t-tests. The results indicated that tax education programs significantly improved taxpayers' understanding of tax laws and their compliance behavior. Participants showed a marked increase in the timely filing and accurate reporting of their tax obligations. Alemu (2020) specifically sought to determine tax audit, fines and penalties, and tax education and knowledge on tax compliance in Hawassa City, South nations, nationalities and peoples' regional state. The study combined primary and secondary data and used descriptive statistical tools, correlation, and multiple regressions for the analysis. Findings showed that all the independent variables have a positive effect on the dependent Variable (level of tax compliance). Abiola and Asiweh (2018) examined the impact of tax audits on tax compliance in Nigeria. Corporate taxpayers in Lagos State were applied as the study population. The study employed a quantitative approach using a sample of 400 corporate taxpayers. Data were collected through structured questionnaires and analyzed using descriptive and inferential statistics to evaluate the impact of tax audits on compliance levels. The study found that tax audits significantly improve tax compliance. Regular audits acted as a deterrent to tax evasion and encouraged proper record-keeping and accurate tax declarations among corporations. However, the effectiveness of tax audits is often undermined by corruption and inefficiency within the tax authorities. Yusuf and Sani (2018) studied tax audit and compliance as evidence from Nigerian taxpayers. They employed corporate taxpayers in Kano State as the population of the study. The study used a case study approach, collecting data through surveys of 250 corporate taxpayers and interviews with 20 tax auditors. Data were analyzed using content analysis and inferential statistics. The study found that tax audits positively impact compliance by increasing the perceived probability of detection and ensuring accurate tax reporting. However, the effectiveness of audits is undermined by inadequate staffing and resources in the tax authority. Adedeji and Oboh (2016) conducted a study titled "Impact of tax audit and investigation on tax compliance in Nigeria. The population included corporate taxpayers subjected to tax audits and investigations, with data collected through interviews and review of tax audit reports. The study used a case study approach to analyze the outcomes of tax audits on compliance behavior. Findings showed that tax audits and investigations had a positive impact on compliance, as they increased the perceived risk of detection among taxpayers. Agumas (2016) empirically investigated to determine if in Ethiopia, tax audit improves the compliance of taxpayers based the study on secondary macrodata. The bivariate regression and partial coefficient regression were the analytical tools used to analyze the study's key variables. A strong association was found between the audited file number and the degree of tax compliance. The results of both the Pearson correlation and partial regression coefficient show a strong association between audit detection probability and audited file number with the level of tax compliance. The joint effect of probability, using partial coefficient regression, showed that audit detection and the number of audited files highly advance the taxpayer's level of compliance over the individual effect. Ayuba, Saad and Ariffin (2016), in their research titled the impact of tax audit on tax compliance in Nigeria, focused on small and medium enterprises (SMEs) in Lagos State, Nigeria. They surveyed 300 SMEs using a quantitative methodology and analyzed the data with structural equation modeling (SEM). The findings indicated that tax audits significantly improved tax compliance, with audit frequency and perceived fairness being critical factors. Jemaiyo and Mutai (2016) evaluated the determinants of tax compliance as well as the influence they exert on tax compliance level using the real estate sector as the study population. The study concentrated on Eldoret town-Kenya using ex-post facto on 68 respondents encompassing investors in real estate, officers in tax audit as well as tax compliance were the categories of respondent. By using questionnaires, data were collected and tested using the chi-square. The level of tax compliance was affected by tax audits and tax penalties, among others. In an attempt to find out the importance of tax audit and investigation in achieving efficient tax administration in Nigeria, Onuoha and Dada (2016) adopted the expository approach as they embarked on existing literature content analysis. The study discovered the inevitability of tax audit and investigation for the improvement of tax revenue collections in Nigeria. Modugu and Anyaduba (2015), in their study titled impact of tax audit on tax compliance in Nigeria, investigated the effects of tax audits on corporate taxpayers. The population included 150 corporate taxpayers, and data were collected through questionnaires. Using regression analysis, the study found that tax audits significantly deterred tax evasion and promoted voluntary compliance. However, the perceived complexity of the tax system negatively affected compliance. The attention of Adediran, Alade, and Oshode (2013) focused on how tax audit and investigation impact on revenue generation in Nigeria. The inferential analysis via the Pearson correlation coefficient specified that both (tax audit and investigations) could increase the revenue base of the government. Also, tax evasion incidents can stamp out taxes in the country. In an effort to survey the tax compliance level in Bauchi State, Nigeria, Badara (2012) embarked on an empirical study on the effect of tax audit on tax compliance. The study focused solely on the Bauchi state board of internal revenue. The study was a survey one and data was generated using primary source the staff were the respondents and the simple percentage was used in interpreting the result. The study revealed that for the Bauchi Relevant Tax Authority to achieve its revenue target, a tax audit should be employed

5. Methodology

The study employed survey method using questionnaire to obtain information from the tax taxpayers and staff of the RED zone tax offices of the Federal Inland Revenue Service in the South-South Region of Nigeria. The sampling technique used is the purposive sampling technique. Purposive sampling, also known as judgmental, selective, or subjective sampling, is a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys. Two hundred and ten (210) individual taxpayers and ninety (90) tax officials of the RED zone of tax offices of FIRS within the region were selected to arrive at the sample size of the study. This brought the sample size of the study to three hundred (300). This research instrument used was the closed-ended questionnaire, which was administered to the sample size of the study. The Pearson product moment correlation analysis with the aid of the SPSS software was employed in testing the developed hypotheses

6. Data Presentation

Table 1: Responses of the Respondents

Numbers	Questionnaire	Percentage (%)
No. Distributed	300	100%
No. Returned	271	90.33%
No. Not Returned	29	9.67%
Usable Response	267	98.52%
Not Usable	4	1.48%

Table 4.2: Presentation of responses to the Questionnaire

S/N	STATEMENT	SA	A	U	D	SD	Total
A	**Tax Audit**						
1.	Tax audits serve as a basic tool for tax enforcement by examining the accuracy of the returns filed by taxpayers.	103	164	0	0	0	267
2	Tax audits help unravel discrepancies and ensure that taxpayers who underreport their income are punished.	64	173	15	11	4	267
3	Regular tax audits substantially improve tax compliance by inculcating a sense of accountability among taxpayers	47	91	41	42	46	267
B	**Timely Tax Return Filing**						
4	The adoption of modern technologies has simplified the tax processes, thereby enhancing tax compliance.	85	176	2	4	0	267
5	The use of electronic filing systems can increase the speed with which taxpayers file returns	119	148	0	0	0	267
6	Late filing of returns leads to penalties and interest charges, hence encouraging tax compliance.	158	109	0	0	0	267
C	**Prompt Tax Liability Payment**						
7	Prompt payment can be encouraged through incentives such as discounts for early payments and stringent enforcement of penalties for late payments	149	111	7	0	0	267
8	Late payments not only reduce government revenue but also undermine the integrity of the tax system	151	116	0	0	0	267

9	Strengthening the capacity of tax authorities to efficiently process payments and enforce penalties for late payments can significantly improve compliance rates	148	119	0	0	0	267

7. Data Analyses

Test of Hypothesis 1

Ho1: A tax audit has a significant influence on timely tax return filing.

Table 3. Correlation Result of Hypothesis One

Correlations

		TAXAUD	TTRF
TAXAUD	Pearson Correlation	1	.830**
	Sig. (2-tailed)		.000
	N	15	15
TTRF	Pearson Correlation	.830**	1
	Sig. (2-tailed)	.000	
	N	15	15

**. Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows the relationship between tax audit and timely tax return filing. The table shows a correlation coefficient of r = 0.830** with a corresponding significant/probability value of 0.000 is strong. Also, the correlation coefficient is positive, which indicates that an increase in timely tax return filing is associated with an increase in tax audits. Thus, the analysis from table 3 shows that there is a strong relationship between the study variables.

It also showed that the probability/significant value is 0.000, < 0.05 level of significance hence the researcher rejects the null hypothesis and concludes that there is the presence of relationship that is significant between tax audit and timely tax returns filing.

Test of Hypothesis 2

Ho2: There is no significant relationship between tax audit and prompt tax liability payment

Table 4: Correlation Result of Hypothesis Two

Correlations

		TAXAUD	PTLP
TAXAUD	Pearson Correlation	1	.755**
	Sig. (2-tailed)		.001
	N	15	15
PTLP	Pearson Correlation	.755**	1
	Sig. (2-tailed)	.001	
	N	15	15

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows the relationship between tax audit and prompt tax liability payment. The table shows a correlation coefficient of r = 0.755** with a corresponding significant/probability value of 0.001, which shows a strong correlation. Also, the correlation coefficient is positive, which indicates that an increase in prompt tax liability payment is associated with an increase in tax audit. Thus, the analysis from table 4 shows that there is a strong significant relationship between audit and prompt tax liability payment.

Table 4 shows that the probability/significant value is 0.001, < 0.05 level of significance; therefore, the null hypothesis was rejected, and it was reaffirmed that there is a significant relationship between tax audit and prompt tax liability payment.

8. Discussion of Findings

The test of hypotheses one (Ho_1) found that there is a very strong relationship between tax audit and timely tax return filing with the correlation coefficient value of r = 0.830** significant at pv = 0.000< 0.05. The 0.830 value indicates that the variables are positively related and move in the same direction. That is, an increase in the tax audit will also increase timely tax return filing. Again, the r value indicates that 0.830 or 83% variation in timely tax return filing is captured and explained by tax audit while the remaining 0.170 or 17% are accounted for by the error term, that is, factors outside tax audit. Looking to predict timely tax return filing based on tax audit, this strong correlation provides a basis for understanding how changes in tax audit levels might impact filing times.

A p-value of 0.000 means there is a very low probability (less than 1%) that the observed correlation is due to random chance, thus confirming the reliability of the relationship between tax audit and timely tax return filing. The 0.000 significant or probability value, which is less than the benchmark of 0.05, indicates a significant relationship between tax audit and timely tax return filing. This indicates a significant relationship between audit and timely tax return filing.

In summary, the correlation analysis indicates a strong and significant positive relationship between the variables, suggesting that higher tax audit levels are associated with timely tax return filing. The study therefore rejected the null hypothesis of no significant relationship between tax audit and tax return filing and reaffirmed that there is a significant relationship between tax audit and tax return filing.

The test of Hypotheses 2 (Ho_2) found that there is a strong relationship between tax audit and prompt tax liability payment with the correlation coefficient value of r = 0.755** significant at pv = 0.001< 0.05. The 0.755 value indicates that the variables are positively related and move in the same direction. That is, an increase in tax audit will also increase the prompt tax liability payment. Again, the r value indicates that 0.755 or 75.50% variation in prompt tax liability payment is captured and explained by audit while the remaining 0.245 or 24.5% are accounted for by the error term, that is, factors outside tax audit. A p-value of 0.001 indicates a very low probability (less than 1%) that the observed correlation occurred by random chance, confirming the reliability of the relationship between tax audit and prompt tax liability payment. The 0.001 significant or probability value, which is less than the benchmark of 0.05, indicates a significant relationship between tax audit and prompt tax liability payment. The strong correlation suggests that an increase in tax audits is likely to result in higher post-tax liability payments. This could be due to additional taxes owed or adjustments made as a result of the audit. For tax planning and policy-making, understanding this relationship can help anticipate changes in post-tax liability payments based on audit activity.

The study therefore rejected the null hypothesis of no significant relationship between tax audit and tax liability payment and reaffirmed that there is a significant relationship between tax audit and tax liability payment.

9. Conclusion and Recommendations

In examining the nexus between tax audit and compliance in Nigeria, the findings revealed several critical insights. First, tax audits were found to significantly influence taxpayer compliance behavior, particularly when conducted transparently and with clear communication from tax authorities. It is significant in enhancing taxpayers' timely filing of returns and timely payment of liabilities

Based on the findings, the study recommends that Nigerian tax authorities adopt the following strategies.
Tax authorities should increase the frequency and coverage of tax audits to ensure a higher probability of detection for non-compliance.
Implementing transparent and equitable audit processes that enhance taxpayer confidence and compliance.

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