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IMPACT OF CAPITAL GAINS TAX AWARENESS ON REVENUE GENERATION IN NORTH-EASTERN NIGERIA

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ABSTRACT

The main purpose of this study was to assess the effectiveness of capital gains tax administration on revenue generation in North- Eastern Nigeria. The study covers the period from 2010-2015. The population of the study comprised of 100 staff of Federal Inland Revenue Service in Adamawa, Bauchi, Gombe and Taraba states. Since the population of the study comprised of only 100 staff, therefore, the whole population is considered as a sample size. Data for this study were sourced from both primary and secondary sources, and they were analyzed using descriptive statistics - mean. The hypotheses of this study were tested using simple regression technique. The findings revealed that capital gains tax has an insignificant contribution to revenue generation in North-eastern Nigeria, and that tax awareness and tax compliance has an influence on the capital gains tax revenue generation. The study concluded that capital gains tax was ineffective and this was due to lack of tax awareness and non-compliance with the tax. In line with the findings, the study recommends that in order to achieve an effective capital gains tax administration, the tax authority should improve the procedures and methods of tax collection, the information technology of service should well equipped, government should consider reintroducing the assessment of CGT on shares and securities, there is also the need for massive enlightenment campaign by organizing workshops and educating taxpayers through the media on the CGT. Government should reduce the tax rate and utilize judiciously the revenue generated from tax in providing social amenities. The tax agency should monitor compliance by enforcing legal measures on defaulters.

KEYWORDS: *Capital Gains Tax, IGR, North-East, FIRS*

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INTRODUCTION

Nigeria as a nation needs to source revenue from the non-oil sector of the economy in order to meet its financial obligations. This is owing to the fact that oil prices in the global market are so volatile to be relied upon, this couple with an incessant decrease of the prospect of oil in the nearest future as Nigeria's major source of revenue generation (Biereenu-Nnabugwu & Abah, 2015, Okauru, 2011). There are many sources of non-oil revenue to government amongst which include taxation, borrowing, foreign aid, sales of government revenue among others. It is right for one to say in Nigeria, apart from oil revenue, which seems not to be reliable, taxation is one of the major and reliable sources through which government derived its revenue. It is indeed a crucial and a fundamental source of income to governments globally (Gurama & Mansor, 2015; Micah, Ebere & Umobong, 2012). Revenue generated from taxation generally, constitutes a substantial part of the total revenue of Nigeria and so taxation has occupied an important position in the specialized discipline of public finance. Taxes are no doubt the most reliable, crucial and fundamental sources of revenue to the government that is normally used for collective development of a nation (Leyira, Chukuma & Asian, 2012).

Tax is a compulsory levy imposed by the government on the income of individuals and cooperate bodies in order to raise revenue for providing social amenities to its citizenry. The primary objective of taxation is to finance government expenditure and to re-distribute wealth which is used to finance development of a country. Tax is a civic duty imposed by the government on individual and corporate bodies to enable her finance or run public utilities (Adebisi & Gbegi, 2013). Tax is also divine in nature because even the teachings of Islam and Christianity, as well as other religions in the world, indicate that tax is a religious duty based on social and civil responsibilities (John & Olabisi, 2012). They all support and encourage tax imposition either to redistribute wealth or to finance government project.

However, tax administration has a lot of challenges, for instance, Okauru (2011) pinpointed some of the challenges bedeviling smooth tax administration in Nigeria amongst which include poor utilization of technology in tax administration, lack of institutionalizing a tax culture in Nigeria, weak accountability for tax and other revenue collected. Not to talk about tax evasion (Shamsudeen, 2014) which Thomas (2012) said tax evasion has reached over USD3 trillion annually.

The focus of this study is on capital gains tax (CGT), which is a form of tax that is chargeable on gains arising from the disposal of capital assets after deducting all allowable expenses at 10%. According to Jim (1997), it is a tax that is charged on the increase in the value of a capital asset realized over its cost basis. One of the merits of CGT is that it assists in financing cuts to higher marginal tax rates and invariably reduces disincentives to work and savings and increase tax integrity without necessarily reducing the progressivity of the tax system (PAD, 2009). It was introduced in Nigeria by the Capital Gains Tax Act (CGTA) of 1967 and the Act is applicable to transactions effected by companies and individuals. It is charged on assets such as plant and machineries, land and buildings, goodwill of a business, shares, debt, options, incorporeal properties, profit from foreign exchange transaction among others.

CGT is chargeable at the rate of 10% on capital gains arising from the disposal of proceeds of capital assets in Nigeria. Capital gain is the excess of disposal proceeds over the cost of a particular asset. Some countries charge capital gains tax higher than that of Nigeria. For instance, Australia charges 23.5%; South Africa charges 33%. The CGT is under the management of the board of the Federal Inland Revenue Service (FIRS) and it is administered by the FIRS in respect of corporate bodies and individuals resident in the Federal Capital Territory (FCT), including members of the armed forces, police, and Foreign Service officers. While at the state level, the tax is being administered by the State Internal Revenue Service (SIRS) in respect of individuals based on the rules of residence. Under the provisions of the act, the tax liability will arise on Actual Year Basis (AYB) when a chargeable asset is disposed. Moreover, CGT is taxed on a realization bases only when an investor opts to withdraw his investment from the market and realize the gains. One of most significant economic effect is the incentive it creates for the owners of capital to retain the current investment.

CGT raises revenue to the government, but with considerable cost. Jim (1997) opined that CGT is not subjected to any form of adjustment vis-à-vis inflation as a consequence; the payment is made on an illusory, inflation-generated gain. It exposes cost on the economy because they reduce returns on investment thereby distort the decision making of individual and corporate bodies. This, in turn, can have effects on the reallocation of capital, the available stock capital and the level of entrepreneurship. Enemaku (2012) posited that capital gains are not distributed among the different members of the taxpaying community in a fair proportion of their taxable income, but are concentrated in the hands of property owners. It is also argued that exclusion from the scope of taxation involve a serious discrimination in tax treatment in favour of a particular group of taxpayers.

Micah, Ebere, and Umobong (2012) opine that the Nigerian tax system is lopsided and dominated by oil revenue and therefore the establishment of effective and efficient tax systems faces some formidable challenges. These are non-availability of tax statistics, inability to prioritize tax effort, poor tax administration, multiplicity of taxes, structural problems in the economy and corruption among others. In other words, there is a problem associated with administrative procedures and processes amongst which include inadequate skills and inefficiency with enormous bribery and corruption among the tax officials (Afuberoh & Okoye, 2014). Untrained and unqualified tax personnel lack skills on how to reach information or other ethical procedures on how to utilize information available for the assessment and calculating tax in a best suitable manner (Ayodeji, 2014). This study, therefore, examined the effectiveness of capital gains tax administration in North Eastern Nigeria. This was done by examining the revenue generation of CGT, level of awareness and compliance by taxpayers.

LITERATURE REVIEW

Concept of Capital Gains Tax

Capital Gains Tax is capital gain arising from the disposal of chargeable assets. Soyode and Kajola (2006), defined capital gains as gains resulting from increases in the market value of assets to a person who does not regularly offer them for sale and in whose hands they do not constitute the stock-in trade. It could also be seen as the increase in the value of assets between its acquisition and disposal. This means that, it is the sales price minus its purchase price. Furthermore, Encyclopaedia on capital gains tax defined it as a tax on capital gains, the profit realized on the sale of a non-inventory asset that was purchased at a cost amount that was lower than the amount realized on the sale. The most common capital gains are realized from the sale of stocks, bonds, precious metals and property. Capital gains are the profit that an investor realizes when he or she sells the capital asset for a price that is higher than the purchase price. Another definition of capital gains tax by Business dictionary referred to it as a tax payable on profit made on the sale (disposal) of a capital asset, assessed and levied differently from tax on profit (income tax) realized from the sale of goods or services in the normal course of a business.

Revenue Generation

The term revenue has been defined by various authors in different ways. Adam (2006) defined revenue as the fund required by the government to finance its activities. These funds are generated from different sources such as taxes, borrowing, fine, fees etc. Revenue is also defined as the total amount of income that accrues to an organization (public or private) within a specified period of time (Hamid, 2008). Taxation is no doubt an important source of revenue to the government. The primary objective of a modern tax system is to primarily generate revenue to help the government in financing its ever-increasing public sector expenditure.

Moreover, revenue generated from taxes can also be applied directly to identify sectors of the Nigerian economy to stimulate such sectors, and finally, to develop effective regulatory systems, strengthen financial and economic structures and address market imperfections and other distortions in the economic sector.

While tax policy and tax laws create the potentials for raising tax revenues, the actual amount of taxes flowing into the government treasury to a large extent, depends on the efficiency and effectiveness of the revenue administration agencies. Weaknesses in revenue administration lead to inadequate tax collections. Financing of the resulting budget deficit through borrowing can cause unsustainable increases in the State public debt. In the alternative, revenue shortfalls shrink the budgetary resource envelope, thus affecting government's ability to implement its policies and programs and provide public services. Unexpected dips in revenue collections also cause budget cuts that result in major inefficiencies in the public expenditure.

Ordu and Anele (2015) depicted that, prior to the 2002 reforms, tax generated revenue has been low. However, the reforms have helped to increase the revenue generated. Citing Onuba (2012) he further stated that Federal Government made N4.62tn from tax collections in 2011 as the Federal Inland Revenue Service stated. The figure represents an increase of N990bn or 27.27 per cent over the N3.63tn revenue target set for the agency. It also represents an increase of N1.79tn or 71 percent over the N2.83tn which the agency generated in 2010. The total collection figure is the reconciled amount with the Central Bank of Nigeria. A breakdown of the N4.62tn indicates that N1.51tn was collected as taxes from non-oil sources, an increase of N200bn over the N1.31tn recorded in 2010. The performance, according to FIRS, is a demonstration of the success of the on-going reforms in the organization. The reforms are targeted at repositioning the Nigerian tax system by making taxation the pivot for the nation's sustainable development.

The breakdown of the non-oil tax revenue shows a collection of N663.02bn of Company Income Tax; N770m of Capital Gains Tax; N6.42bn of Stamp Duty; and N659.15bn of Value Added Tax. A further breakdown of VAT amount shows that N492.06bn was collected as non-import VAT, while the balance of N167.09bn was received as import VAT from the Nigeria Customs Service. This study ascertained the extent to which capital gain tax has contributed to revenue generation.

Tax Awareness

Hastuti (2014), citing (Baron, 2014) states that, from political philosophy, there are three approaches to ethics; they are utilitarianism, achieving a great satisfaction of desire; deontology, ethics is the idea of duty; and virtue ethics, that using one's talents and leading a fulfilled life. Regarding to the implementation of Self-Assessment System, ethical tax awareness of a taxpayer refers to the satisfaction and pride of fulfilling tax obligation when it is due. It also refers that tax is likely a duty of every citizen, therefore paying the tax is a prior expenditure, and all related data must be honestly provided. Frazoni (1999) posited Tax evasion is said to occur when individuals deliberately fail to comply with their tax obligations. The resulting tax revenue loss may cause serious damage to the proper functioning of the public sector, threatening its capacity to finance its basic expenses. FIRS require taxpayers to calculate, pay and report their own tax payable. Understanding this obligation assist the government to have complied taxpayers. Taxpayer awareness of taxation will be very important in pursuing tax compliance (Hastuti, 2014).

Tax Compliance

The prime ingredients of any tax system are the manner in which it is administered. Tax compliance is a major problem for many tax authorities (Oladipupo & Obazee 2016). Tax compliance is operationally considered as complying with tax laws in the act of true reporting of the base, correct computation of the liabilities, timely filing of tax returns and timely payment of the amount due as the tax (Alabede, Ariffin & Idris, 2011) citing (Chalopadhya & Das-Gupta, 2002). Samuel (2011) citing Alm, McClelland, and Schulze (1992) suggested that compliance occurs because some individuals value the public goods their tax finance. If there is an increase in the amount individuals receive from a given tax payment, their compliance rate increases. Individuals then pay taxes to receive government services even when there is no chance to be detected or punished when evading. The definition of tax compliance frequently used in the literature might be considered to be too simplistic.

The most common approach previously has been to conceptualize compliance in terms of “tax gap”, that is, the difference between the actual revenue collected and the amount that would be collected if there were 100 per cent compliance. However, the basic concept of “tax-gap” for non-compliance seems to be far too simplistic for practical policy purposes. Therefore, successful tax administration requires taxpayers cooperation in the operation of a tax rather than be forced. Akubo, Achimugu, and Ayuba (2016) found that taxpayers’ social psychological and demographical factors have the significant effect on compliance level.

Tax compliance may be seen in terms of tax avoidance and evasion. The two are conventionally distinguished in terms of legality, with avoidance referring to legal measures to reduce tax liability and evasion as illegal measures. Afubero and Okoye (2014) stated that Tax evasion is a deliberate and willful practice of not disclosing full taxable income so as to pay less tax. In other words, it is a contravention of tax laws whereby a taxable person neglects to pay the tax due or reduces tax liability by making fraudulent or untrue claims on the income tax form. Tax is evaded through different methods such as refusing to register with the relevant tax authority, failure to furnish a return, statement or information or keep records required, making an incorrect return by omitting or understating an income liable to tax refusing or neglecting to pay tax, overstating of expenses so as to reduce taxable profit or income, which will also lead to payment of less tax than otherwise have been paid, a taxpayer hides away totally without making any tax return at all, entering into artificial transactions.

Tax compliance is a teething problem in most developing economies. The reason for poor or weak compliance include high tax rate, low provision of public goods and services, weak transparency and accountability in the management of public funds, inadequate funding of tax boards, dysfunctional tax audit, lack of reciprocity and legitimacy, ineffective deterrence measures, out-dated tax laws, lack of public trust, and corrupt practices of tax officials (Okeye, Akenbor & Obara 2012).

Empirical Evidences

There are number of studies conducted on capital gain tax, these include the study of Hungerford (2010); Enemaku (2012); Cui (2014) among others, is a study conducted by Hungerford (2010), on the economic effects of capital gains taxation in the United States. The study revealed that capital gains tax has been a fairly, small but not trivial source of government revenue. He further found out that reducing the capital gains tax rate reduces tax revenue. CGT reductions are often proposed as a policy that will increase savings and investment, provide a short-term economic stimulus, and boost long-term economic growth. He observed that CGT reduction likely have a negative overall impact on national savings. And also have much effect on the long-term level of output (economic growth). Another study conducted by Enemaku (2012), on capital gains tax in Nigeria. The study examines the nature and justification for Capital Gain Tax as a lucrative ground for raising revenue for development in Nigeria. The study revealed that CGT is yet to yield the desired results in terms of raising revenue of the government. He further explains the reasons which include lack of awareness, inadequate data, and high rate of inflation which has resulted to the high incidence of avoidance of CGT. He concluded that the problems mentioned above affect the effectiveness of capital gains tax administration.

Cui (2014) in his paper taxation of Capital Gains examines the general principles for taxing non – residents on capital gains realized on the disposition of domestic assets. He considers the relationship between capital gain and other forms of income from an asset, and special issues arising from the taxation of shares of companies. Basic approaches for taxing capital gain adopted by various countries were as also analyzed. He further examines the administrative issues in taxing the gains of the non – resident's capital gains. This research focused on revenue generated from the tax for the specified years, taxpayer's compliance and awareness of Capital gains tax in order to assess its administrative effectiveness, which previous research works did not employ. The study is underpinned by Khaldun's theory of taxation and socio-economic theory of regulatory compliance. The theory perceived that tax rates and tax revenue are two distinct things. A high tax rate is no guarantee that it will maximize tax revenues. Rather, it will be showing diminishing revenue after a certain stage. Because higher tax rates discourage work effort and encourage tax avoidance and even tax evasion, the tax base will shrink as the rates increase.

METHODOLOGY

In order to achieve the intent of this study, a combination of survey and *ex-post facto* research designs were adopted both primary and secondary sources of data collection were utilized. The primary data was obtained through administration of questionnaire on 100 employees of the Federal Inland Revenue Service in Adamawa, Bauchi, Gombe and Taraba States. Borno and Yobe states were not included because of the insurgency problem. The secondary data was obtained from federal Inland Revenue Service by examining records on revenue generations from capital gain tax covering 2010 -2015 years of assessment. The data for this study were analyzed using a descriptive statistic (mean) and simple regression for hypotheses testing. The analysis was carried out using E-view and Statistical Package for Social Sciences (SPSS).

Data Presentation and Analysis

The results of the data generated on the dependent and independent variables were analyzed using descriptive statistics such as mean and the data was further tested using simple regression technique. From the remittances generated from capital gains, tax and the questionnaire was administered on the staff of Federal Inland Revenue Service. The data was on tax collections, tax awareness, and tax compliance. The data were analyzed using descriptive and inferential statistics using Elvis and SPSS packages.

Table 4.1: Mean of Respondents on Influence of Tax Awareness on Capital Gains Tax Revenue Generation in North East Nigeria

S/No	Item	X	Remark
1	Tax payers have knowledge on what and how to compute report and pay their tax	2.66	Agree
2	Tax payers are adequately enlightened on the existence of Capital Gains Tax	2.43	Disagree
3	Tax payers level of understanding of the capital gains tax Laws influence their paying attitude	2.66	Agree
4	The relevant tax authorities regularly organize workshops To enlighten the public on the concept of capital gains tax and it's relevant to the society	2.39	Disagree
5	Enlightenment can discourage tax avoidance and tax evasion	2.60	Agree
Grand Mean		2.60	Agree

Source: Researchers' computation, 2017

From Table 4.1 the respondents agreed with Items No. 1, 3 and 5, while disagreed with items no. 2 and 4. Generally, the respondents agree that tax awareness has a significant influence on capital gains tax revenue generation in north-eastern Nigeria with a grand mean of 2.64

Regression Results

This section presents the regression results of the dependent variable and the independent variable of the study. This is followed by the analysis and interpretation of the relationship between the variables. A simple regression model was used to test the research hypotheses at 5% level of significance.

Hypothesis One: Capital Gains Tax Does Not Contribute Significantly to Revenue Generation in North-Eastern Nigeria

Research hypothesis one states that, capital gains tax does not contribute significantly to revenue generation in north-eastern Nigeria. The data to test this hypothesis was generated from the records of tax collected by Federal Inland Revenue Service in north-eastern Nigeria.

Table 4.2: Regression Results for Tax Revenue and Capital Gains Tax

Variable	Coefficient	t-stat	Prob.(t)
TAXR	23.2342	250.3264	0.0000
CGT	0.0107	1.2807	0.2695
R^2 = 0.2908	Adjusted R^2 = 0.1135	f-stat. = 1.6403 P(f) 0.2695	DW(stat) 2.4565

Source: Researcher's computation

Dependent Variable: tax revenue

Predictor: Capital gain tax

Table 4.2 contains simple regression results for the impact of capital gains tax on the tax revenue in the north- eastern Nigeria. The constant is statistically significant at 1 per cent significance level as indicated by its probability value of 0.0000. The coefficient of coefficients of capital gains tax (CGT) was found to be statistically insignificant at 5 per cent significance level as indicated by its high probability value of 0.2695. The coefficients of capital gains tax were positively impacting on tax revenue in the north-eastern part of the country. This is consistent with the theoretical expectation of this study. This result, therefore, implied that as capital gains tax awareness increases, tax revenue will also increase in the study area. Precisely, as capital gains tax awareness increases by 1 unit tax revenue will increase by

0.010716. The F-statistics 1.640262, which measured the joint significance of the parameter estimates, was also found statistically insignificant at 5 per cent level as indicated by the corresponding probability value of 0.2695. This implies that all the parameters of the model were statistically and insignificantly affected tax revenue in the north-eastern region of Nigeria.

The R^2 value of 0.2908 (29.08%) implied that 29.08 per cent total variation in tax revenue was explained by capital gains tax in the north-eastern region of Nigeria. This further indicated that tax revenue was not significantly explained by capital gains tax. Coincidently, the goodness of fit of the regression remained very low after adjusting for the degree of freedom as indicated by the adjusted R^2 (R^2 = 0.1135 or 11.35%). Durbin-Watson statistics value of 2.456551shows that there was no presence of autocorrelation among the error value. Durbin-Watson statistics of the value of 2.4565 was found to be greater than the R^2 value of 0.2908 implying that the model is non-spurious (meaningful) and therefore it can be used for policy purpose. Therefore, the null hypothesis is accepted, which means that capital gains tax does not significantly contribute to revenue generation in north-eastern Nigeria.

Hypothesis Two: Tax Awareness has No Significant Influence on Capital Gains Tax Revenue Generation in North-Eastern Nigeria

Research hypothesis two states that, tax awareness has no influence on capital gains tax revenue generation in north-eastern Nigeria, the data to test this hypothesis was generated from the questionnaire administered on the staff of Federal Inland Revenue Service of the four states in North-east of Nigeria.

Table 4.3: Coefficient of Determination of Regression on the Influence of Tax Awareness on CGT Revenue Generation in North Eastern

Model	R	r^2	Adjusted r^2	Standard Error Estimate
1	0.65	0.418	.272	3.11

Source: Researcher's computation

Dependent variable: *Capital gains tax revenue generation*

Predictor: *Tax awareness*

The results in Table 4.3 showed R-value of 0.65(65%), this means that there is a strong relationship between the dependent and independent variable, the results reveal a value of adjusted r square of 0.272 which means 27.2%. This indicates that the dependent variable (Capital gains tax revenue generation) is significantly influenced by the independent variable (Tax awareness). Therefore, the Null hypothesis is rejected. This implies that tax awareness has significant influence on CGT revenue generation in north-eastern Nigeria.

DISCUSSIONS OF RESULTS

The extent of the contribution of CGT to revenue generation in north-eastern Nigeria from 2010-2015 was analyzed using statistical tables and histogram. Remittances from capital gains tax and other forms of taxes were presented in Table 4.1 and Appendix 1 respectively. It was observed that revenue generated by CGT was insignificant compared to total revenue generated from north-eastern Nigeria. Table 4.1 further revealed that tax was collected from only four states that are Adamawa, Bauchi, Borno and Gombe states. No collection was recorded for Taraba and Yobe states for the years under this study. Furthermore, it was observed that no collection made in 2012 and 2013 respectively from all the states.

It can be seen from Appendix 1 presenting total tax collection in the zone showed that a large amount of revenue was generated from other forms of tax, but the collection from CGT is too small. Tax collection from CGT from all the states in north-east amounted to only N6, 064,220, while the total revenue collected from the zone CGT inclusive amounted to N82, 053,005,493. Revenue collected from CGT signified only 0.007% of the total revenue collected from the zone. This indicates that CGT contribution to revenue generation was low. Results of regression analysis for hypothesis one which states that capital gains tax does not significantly contribute to revenue generation in north-eastern Nigeria revealed that capital gains tax has not significantly contributed to revenue generation in north-eastern Nigeria. From the results, it implied that a unit increase in capital gains tax will lead to a 0.010716 increase in tax revenue.

On the issue of tax awareness influence on capital gains tax revenue generation, with a grand mean of 2.6 respondents agreed that tax awareness has the significant influence on CGT revenue generation. Table 4.3 clearly attested to this as a result of regression analysis which showed 0.65 (65%). the null hypothesis which states that tax awareness has no influence on CGT revenue generation was rejected with adjusted r square of 27.2%. The results further revealed that, the extent to which taxpayers understand CGT laws affects their taxpaying attitude which can result to compliance. This is in consistency with Abdul-razak and Adafula (2013). Respondents disagreed with item 2 which stated that, taxpayers are adequately educated on the existence of capital gains tax with a mean of 2.43. This indicated that taxpayers are not adequately educated on the existence of capital gains tax. Furthermore, the table showed that relevant tax authorities do not organize workshops to educate taxpayers on the concept of capital gains tax. When taxpayers are adequately educated they will tend to pay their taxes which will result in high revenue generation and vice versa. From the observations made it can be stated that, since revenue was very poor, it signified that there was lack of awareness of taxpayers on CGT concept.

Lastly, with a mean of 2.65, it was revealed that when taxpayers are adequately enlightened they will not restore to tax avoidance and elevation, this can as well affect the level of revenue generation. Results on research question three showed that tax compliance has an influence on CGT revenue generation with a grand of 2.59. The research hypothesis two which stated that tax compliance has no influence on capital gains tax revenue generation was tested using simple regression. The null hypothesis was rejected with the adjusted square of 27.7%. The coefficient of determination(r) of 0.63 (63%) signified that tax compliance has the influence on CGT revenue generation. the results revealed on the issue of complexity of tax laws that, tax laws are writing in a language that is difficult to understand and apply, this can affect tax compliance which in turn results to low revenue generation. This is inconsistency with Abdul-razak and Adafula (2013). With a mean of 2.71 respondents agreed that the high tax rate can lead to tax avoidance and tax evasion. Respondents disagreed with a mean of 1.89 on the statement that taxpayers willingly file their returns to the tax authority after disposal of an asset. The respondents agreed on item 10 that, taxpayers compiled to pay tax if the government spends the revenue generated from tax judiciously on social amenities; this is demonstrated in Table 4.3 by the mean score of 3.0. This is inconsistency with Abdul-razak and Adafula (2013). Responded agreed with a mean of 2.77 that taxpayers comply to pay their tax unless served with a notice or reminder. And in the event where they didn't file their tax returns, the tax authorities do not enforce any measures on the taxpayers, in order to ensure compliance, a mean of 2.28 attested the outcome.

CONCLUSIONS AND RECOMMENDATIONS

On the basis of the results and discussions provided in this study, it is concluded that capital gains tax has an insignificant contribution to revenue generation in north-eastern Nigeria. Tax awareness on capital gains tax as the source of revenue generation has a positive and significant relationship. Tax compliance and capital gains tax revenue generation has a significant relationship. In line with the conclusion and findings of the study, we recommend that the relevant tax authority should embark on massive enlightenment campaign by organizing workshops in order to educate taxpayers on the CGT and its relevant to revenue generation. This can be done via enhanced information technology apparatus that will assists in capturing the data on the corporate transaction with a view of knowing when disposal of assets take place.

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APPENDIX 1

Table 1: North East Remittances Summary by Tax Type from 2010-2015

State	WHT	VAT	PAYE	CIT	EDT	CGT	PIT	STAMPDUTY	Grand Total
Adamawa	6,978,392,000	7,525,940,079	557,789,780	143,840,454	72,124,792.20	3,050,000	1,035,593.90	340,386,525.20	15,622,559,224
Bauchi	6,333,861,523	6,454,340,055	988,621,030	176,208,573	92,283,053.90	2,534,370	580,448,.34	221,274,333.31	14,269,122,938
Borno	4,351,534,119	5,434,743,276	1,148,742,923	162,771,974	44,723,284.80	102,200	291,453	62,389,662.60	11,205,298,892
Gombe	7,382,241,718	7,518,496,442	780,578,864	129,807,606.45	94,483,673.53	377,650.39	27,350	0.00	15,906,013,304
Taraba	5,967,941,251	6,088,843,596	810,086,329	45,008,433	25,697,518.96	0	20,000	0.00	12,937,597,128
Yobe	5,195,177,818	6,351,745,343	506,297,075	38,417,763.20	20,750,862.58	0	25,144	0.00	12,112,414,006
Total	**36,209,148,429**	**39,374,108,791**	**4,792,116,001**	**696,054,804**	**350,063,185.97**	**6,064,220**	**1,399,540.90**	**624,050,521.11**	**82,053,005,493**

Source: FIRS

Key: WHT = Withholding Tax; VAT = Value Added Tax; PAYE = Pay As You Earn; CIT = Company Income Tax; EDT = Education Tax; CGT = Capital Gains Tax; PIT = Personal Income Tax