

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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