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E-Governance and Internally Generated Revenue in Tax Evasion Era

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ABSTRACT

This study examined e-governance and the challenges of internally generated revenue in Cross River and Akwa Ibom States. Specifically, the study investigated the extent to which e-governance has reduced tax evasion, influenced tax assessment, reduced the cost of tax administration, and enhanced tax database management. A descriptive survey research design was employed, with a study population comprising 948 staff from the Cross River State Internal Revenue Service (498) and Akwa Ibom State Internal Revenue Service (450). Data were obtained from primary and secondary sources and analyzed using Pearson product-moment correlation. The findings revealed a significant positive relationship between e-governance and all four variables: tax evasion reduction, tax assessment improvement, reduced administrative costs, and enhanced tax database management. These results indicate that increased adoption of e-governance is associated with improvements across all dimensions of tax administration. The study recommends that tax authorities develop regulations to sustain the benefits of e-tax systems, provide adequate training for tax officials, promote electronic filing methods such as integrated tax management systems, minimize compliance costs, and enhance tax awareness and education.

Keywords: e-governance; internally generated revenue; tax evasion; tax assessment; tax administration; Cross River State; Akwa Ibom State.

INTRODUCTION

Background to the study

The use of ICT in business has revolutionized traditional practices and opened new avenues for innovation and efficiency. Businesses heavily rely on information and communication technologies for data collection, processing and sharing crucial information. ICT enables economic growth by broadening the reach of technologies such as high-speed internet, mobile broadcast, and computing, expanding these technologies itself and creates growth. Technologies make it easier for people to interact and make workers more productive. Governance is as old as mankind and consequently predates the social contract which was charged with the responsibility of controlling the affairs of man and setting achievable goals by surrendering part of their liberty. In a bid to enhance accountability, speedy, accurate, citizen participation and transparency in the conduct of legitimate mandate, innovations became a necessity, hence e-governance.

E-governance which is the application of information and communication technology in the conduct of governance business and rendering services to the citizenry is of nascent origin in Nigeria and other third world countries. This is not unconnected with the fact that, most of our activities now are conducted through the internet ranging from communication in the social media via twitter, whatsapp, face book, Instagram, among others, to business transaction, revenue administration and entertainment.

In the African context and Nigeria in particular, e-governance is a relatively nascent innovation as earlier posited. This is not unconnected with factors such as delayed modernization, poor communication facilities, high illiteracy rate and dearth of skilled man power in the area of Information and Communication Technology (ICT) amongst others. Information and Communication technology has not put-page to problems of tax administration in the States. Tax evasion; misappropriation and diversion of fund; ease of use, ease of acceptance, mismanagement of available funds meant for optimum leadership, has deterred the provision of infrastructure and development. Other problems associated with internal revenue generation in Nigeria includes; Administration of fiscal policy, theory of public expenditure and its application to the economy, inaccurate records and poor implementation due to in-effective internal control system. In a related development, illiterate and unskilled personnel in tax operations in Nigeria, using personal accounts by some stakeholders to generate government revenue, lack of target setting to revenue agents, and embezzlement of internally generated revenue by government tax agents, as reports from the board reliably established and fortified in the past are not left out. It is against this backdrop however, the study examines the extent to which the introduction of Information and communication technology in revenue administration in Cross River and Akwa Ibom states have eliminated the challenges and raised the level of revenue generation to acceptable standard.

E-governance

E-governance deals with the use of information and communication technology by the various government agencies to enhance accountability, create awareness, and ensure transparency in the management of government businesses.

Revenue that the State government generates within the area of jurisdiction is regarded as Internally Generated Revenue.

Tax evasion

Is the illegal non-payment or under payment of taxes, usually by deliberately making a false declaration or no declaration to tax authorities

Tax administration: Is the registration, assessment, returns, collection, compliance monitoring, compliance enforcement, sanction, taxpayer education and awareness, as well as any other action that might increase the efficacy and efficiency of taxation To guide this research, the following research questions were formulated:

- a. To what extent does e-governance relate with tax evasion in Cross River State and Akwa Ibom State?
- b. To what extent does e-governance relate with tax assessment in Cross River State and Akwa Ibom State?

The major aim of this study is to examine the extent to which e-governance has impacted on internally generated revenue in Cross River State and Akwa Ibom State. Specific objectives of the study.

The following hypotheses were formulated guided the research work.

H01: There is no significant relationship between e-governance and tax evasion in Cross River State and Akwa Ibom State

H02: There is no significant relationship between e-governance and tax assessment in Cross River State and Akwa Ibom State

LITERATURE REVIEW

The concept of “e-governance” has been defined by various scholars and academicians to reflect their respective backgrounds. According to the United Nations e-governance Report (2018), e-governance is of recent origin which emerged at the beginning of the 21st century. In the early days of its development, e-governance was part of e-commerce in the public sector, which followed the evolutionary e-business model, where the focal point of e-services was easy representation of graphic-user interface with no mutual or reciprocal action. According to Sunday (2024), “e-governance deals with the use of information and communication technology by the various government agencies to enhance accountability, create awareness, and ensure transparency in the management of government businesses”.

E-governance is generally considered a wider concept than e-government since it can bring about a change in the way citizens relate to governments and each other. The philosophy of e-governance is to ensure that government agencies are provoked to be efficient in the discharge of their legitimate responsibilities within its jurisdiction and operational spheres.

Internally Generated Revenue

Revenue is the income that an organization or business has from its normal business activities, usually from the sale of goods and services to customers. Some organizations receive revenue from interest, royalties, or other fees. Revenue may refer to business income in general, or it may refer to the amount in a monetary unit, earned during a period of time. Agu (2021) 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. It is also defined as the total amount of income that accrues to an organization (public or private) within a specified period of time (Alade, 2025). States revenue comprises of receipt from taxation as well as those which are not the proceeds of taxation, but of either the realization from the sale of government properties or other interests and returns from loans and investment earning. Onah (2016) contends that revenue receipt include “routine” and “earned” income.

Tax assessment

E-governance has become one of the most transformative tools for modern public administration, especially in the domain of tax assessment and revenue collection. As governments worldwide seek to improve transparency, efficiency, and compliance, digital technologies have provided new opportunities to reform tax systems and strengthen fiscal capacity. E-governance, broadly understood as the application of information and communication technologies (ICTs) in public-sector management, enhances the ability of tax authorities to deliver services, interact with taxpayers, and maintain accurate records (World Bank, 2020). Within tax administration, this digital shift is expressed through systems such as electronic registration, e-filing, e-payment, digital tax clearance certificates, automated assessment platforms, and integrated taxpayer databases (Adebisi & Gbegi, 2021).

In developing countries particularly Nigeria and other Sub-Saharan African states e-governance has emerged as a strategic tool to address long-standing challenges in tax assessment, including corruption, bureaucratic delays, high compliance costs, and weak enforcement. Traditional tax assessment systems rely heavily on manual calculations, face-to-face interactions, and opaque procedures, all of which create opportunities for leakages, tax evasion, and arbitrary assessments (Okoye & Ezejiolor, 2019). By contrast, e-governance reduces human discretion, lowers administrative errors, and creates digital footprints that strengthen accountability. Empirical evidence shows that when tax processes registration, assessment, filing, and payment are digitized, governments can minimize underreporting and significantly reduce leakage points (Ogbonna & Appah, 2022).

Studies across Nigeria consistently show positive links between e-governance adoption and improvements in tax administration. For example, Nwokike and Eze (2023) found that e-tax platforms introduced by the Federal Inland Revenue Service (FIRS) led to clearer assessment procedures, improved audit trails, and significant reductions in assessment errors. Similarly, research among SMEs in the Niger Delta region demonstrated that acceptance of e-tax systems enhances voluntary compliance, which in turn improves revenue performance (Olaoye, Afolabi & Adebayo, 2024). These improvements are largely attributed to the perceived ease, speed, and convenience associated with electronic systems, which reduce the need for physical visits to tax offices a major barrier for many taxpayers.

However, the impact of e-governance on tax assessment is not universally positive. Some studies argue that the introduction of electronic systems has not yet translated into expected increases in overall government revenue or tax-to-GDP ratios in certain countries (Chinedu & Ifeanyi, 2022). This points to deeper structural constraints such as weak ICT infrastructure, unstable electricity supply, low digital literacy, and limited taxpayer awareness that hinder full utilization of digital tax platforms. Institutional weaknesses also persist: insufficient training for revenue officers, inadequate cybersecurity frameworks, and lack of interconnectivity between government agencies can render e-governance initiatives less effective (Sule & Danladi, 2021). Trust remains another critical factor. Where citizens perceive public institutions as corrupt or inefficient, even the most sophisticated digital tools may fail to inspire compliance (Musa & Ibrahim, 2023).

Electronic Governance and Internally Generated Revenue

The increasing cost of governance in contemporary society is a problem demanding urgent attention and the consequent disenchantment and delusion of the citizenry on the government due to its inability to live up to its legitimate mandate, expressed in protest, self-help, mounting poverty and general insecurity. This is not unconnected to the increasing dwindling of finances from the main stay of the Nigerian economy (oil), hence the need

maintained a paradigm shift from dependent on oil to tax base revenue, (FIRS, (2022), Federal Ministry of Finance, (2022). Regrettably and contrary to expectation, this shift to taxes may not be enough to achieve its objective due to the level of compliances by taxable persons and cooperates entities as well as other noticeable shortfalls that characterized the traditional (orthodox/analogue) tax administration system. There exist a plethora of problems plaguing the application of information and communication technology on revenue administration as expressed by scholars in their respective studies. The most glaring being the absent of internet penetration in most communities in Nigeria and Cross River State in particular, poor electricity supply/ low voltage where available as well as mass illiteracy. Accordingly, Umenweke and Ifediora (2016), identified low literacy rate and high cost of setting up e- taxation infrastructures as fundamental while Newman and Eghosa (2019) poor collaboration between and among tax authority. This is not unconnected to the inability of most state tax authorities to automate the tax administration system and are hence still relying on the manual system. Furthermore, Nweman and Eghosa (2019) contended that “The greatest threat to electronic taxation in Nigeria is the activities of cyber criminals, who try to compromise the integrity of the tax revenue service portals.

In the last ten decades, technology has advanced to such an extent that computers have taken over various activities that were formerly performed manually by humans. Most governments, organizations, corporations, and individuals have incorporated technology systems and the internet of things in various businesses to remain competitive and sustainable. Technology has an impact on every aspect of life, including commerce, entertainment, education, communications, healthcare, defense and taxation. Many developed and developing economies around the world have experimented with and proven that no nation can truly develop without developing its technology-based tax system; as a result, the primary function of a good tax system is to raise enough revenue to finance essential government expenditures on goods and services (Emmanuel, 2020). As a result, a well-structured tax system based on technology is without a doubt a highly lucrative means of producing the amount of cash required for providing the necessary infrastructure for our country through taxation. Nigeria, on the other hand, has yet to realize fully the benefits of an electronic-based taxation system, as has been the case in other developed countries (Eneajo & Gabriel, 2024). The process of levying and paying taxes via computer systems and networks is known as an electronic tax system. It comprises the use of computer technology in the assessment, collection, and administration of taxes, often known as e-payments and e-filing. It is an extension of the emerging concepts of e-commerce and e-governance, and it entails the interchange of data between tax authorities and taxpayers via information communication technology networks (Arya, 2022).

Nigeria's electronic tax system is still in its early stages and is very new. The reports of the International Monetary Fund's visiting teams signaled its arrival in Nigeria (IMF). In 2004, 2005, and 2006, the Fiscal Affairs Division suggested the construction of an Integrated Tax Administration System (ITAS). In December 2010, the Federal Executive Council gave the FIRS permission to purchase, install, and use the ITAS (Usman, 2023). The ITAS aims to automate and re-engineer the FIRS tax administration process, as well as the purchase, installation, and deployment of SIGTAS and hardware infrastructure (Usman, 2023). In 2015, the FIRS joined with the Nigerian Interbank Settlement System (NIBBS) to enable electronic tax payment in Nigeria. This is the automation of all tax processes, including tax registration, assessment, and return filing, as well as tax payment. The goal was to implement an electronic system that would make it easy to pay taxes online in Nigeria's major cities (Abdulrazaq, 2018). Fees from the issuance of licenses of various types, for example, motor

vehicle licenses, constitute earnings from internally generated revenue. Other sources include taxes on the use of motor vehicles or permission to use motor vehicles.

The revenue from sales of government vehicles, and houses, among others, constitute internally generated revenue and this serves as the major tool for social contract and infrastructural development within a State. Accountability and transparency were first conceptually analyzed together in studies by Fox in 2007. Accountability is giving account of actions and decisions, where A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct.

The development of any state or country is closely tied to what they could generate within the state and how judicious or prudent the revenue generated is used. Apart from the federal government yearly statutory grant allocation to states in the federation, other expenses by the state lie at the mercy of what it would be able to generate internally.

Revenue generation in Nigeria has been one of the topical issues in recent times especially with the drastic and phenomenal shift from agriculture to crude oil exportation. The occasional dwindle in the price of crude oil and the various predictions of the running out of oil wells in Nigeria in the near future time has rekindled government interest in agriculture and other non-oil sources of revenue to the country and its constituent states.

Road taxes charges, registration of master vehicles, motorcycles and tricycles

S/N	CATEGORY	RATES
A	Change of ownership	
1.	Motor vehicle	2,500.00
2.	Motorcycle/Tricycles	635.00
B	Registration Fees	
1.	Vehicle below 1.6cc	3,125.00
2.	Vehicle between 1.6-2.0cc	3,125.00
3.	Vehicles between 2.1-3.0cc	6,520.00
4.	Vehicles above 3.0cc	6,520.00
5.	Motorcycle/Tricycles	1,500.00
6.	Buses (Luxurious)	3,125.00
7.	Tippers and Lorries	3,125.00
8.	Tankers and Trucks	3,125.00
C	VEHICLE LICENSE	
1.	Vehicles below 1.6cc	1,800.00
2.	Vehicles between 1.6-2.0cc	2,125.00
3.	Vehicle between 2.1-3.0cc	2,500.00
4.	Vehicles above 3.0cc	2,750.00
5.	Motorcycle – private/tricycle	1,500.00
6.	Motorcycle-commercial tricycle	1,500.00
7.	Buses	3,775.00
8.	Tippers and Lorries	4,000.00
9.	Tankers and trucks	6,500.00
10.	16 tyres and trailers	8,750.00
11.	Tractors and bulldozers	2,500.00
12.	Road infrastructure maintenance	Depending on tonnage & material hauled
D	ROAD WORTHINESS	

1.	Care and mini-business	2,500.00
2.	Luxurious buses	3,500.00
3.	Lorries tippers, articulated vehicles	4,500.00
	N/B, commercial vehicles to be tested every six months and private once a year	
4.	Motorcycles/tricycles	1,500.00
E	REQUEST FOR INFORMATION	1,000.00
F	DEALERS LICENSE/PLATE/REGISTRATION	
1.	Dealers License (Motor Vehicle - yearly)	30,000.00
2.	Dealers licenses (motor vehicles/tricycle - yearly)	10,000.00
3.	Dealers Number plate (motor vehicle)	60,000.00
4.	Dealers Number plate (motorcycles/tricycle)	30,000.00
5.	Dealers Registration (Motor vehicle)	50,000.00
6.	Dealers Registration (motorcycles/tricycle)	20,000.00
G	NUMBER PLATES	
1.	Motor vehicle (private/commercial)	12,500.00
2.	Revalidation	10,000.00
3.	Out of series	
	a. Public	40,000.00
	b. Government	20,000.00
4.	Fancy	80,000.00
5.	Articulated	10,000.00
6.	Government plates	5,000.00
7.	Motor cycle/tricycles	2,500.00
8.	Motor cycle/tricycles (out of series)	9,000.00
9.	Motor cycle/Tricycles (Fancy)	30,000.00
H	TRANSFER OF NUMBER PLATE (Must be from the same owner to the same owner and accompanied with court affidavit and police extract)	
1.	Motor vehicle	5,000.00
2.	Motor cycle/tricycle	2,500.00
I	HACKNEY OF NUMBER PLATE	
1.	Taxis	1,500.00
2.	Buses	2,500.00
3.	Trucks (short)	4,500.00
4.	Trucks (Long)	6,000.00
5.	Tippers and lorries	4,500.00
J	OTHER LICENSES	
1.	Learners Permit	1,000.00
2.	Registration Booklet	1,250.00
3.	Proof of ownership of certificate	500.00
4.	Change Of Engine Block	2,500.00
K	REPLACEMENT (PRIVATE)	
1.	Motor vehicle	10,000.00
2.	Standard	10,000.00
3.	Out of series	20,000.00
4.	Fancy	80,000.00

5.	Articulated	10,000.00
	DRIVER'S LICENSE PRODUCT RATES (please see Nigeria Highway Code)	
	DRIVER'S LICENSE PRODUCT RATE (Please see Nigeria Highway Code)	
	DRIVER'S LICENSE RATES	
A	National Driver's license (5-years)	10,450.00
B	National Driver's License (3-years)	6,350.00
C	VIO Driving Test	3,000.00
A	Pool agent license yearly	10,000.00
B	Pool Agent Registration Form	5,000.00
A	Evidence of income tax clearance certificate	
B	Payment guarantee of #5,000,000.00	
C	Payment of application fees	100,000.00
D	Payment in advance of an operational permit	600,000.00
	BET AND WIN	
A	Promoters License for one year	200,000.00
B	Promoters Registration form	20,000.00
C	Promoters weekly Tax	20,000.00
D	Promoters bank Guarantee	5,000,000.00
A	Agents license Yearly	20,000.00
B	Agent registration form	5,000.00

Source: Cross River State Tax Guide, Fourth edition 2025/www.crirs.ng

Presentation of internally generated revenue and the expenditure on infrastructural developments on health, education, and sanitation, in Akwa Ibom State between 2007 and 2024

Year	Internally Generated Revenue	Capital Expenditure On Health	Capital Expenditure On Education	Capital Expenditure On Sanitation	Total Expenditure On Health, Education And Sanitation
2007	12,623,821,599	1,737,257,338	17,255,394,789	4,236,368,020	23,229,020,147
2008	12,091,432,039	8,854,417,200	5,317,457,059	2,708,452,064	16,880,326,323
2009	12,113,438,230	6,103,001,679	4,851,948,272	876,695,402	11,831,645,353
2010	12,086,460,227	3,653,207,169	9,456,121,491	1,193,303,948	14,302,632,608
2011	16,554,319,166	4,647,435,365	5,886,543,804	735,898,115	11,269,877,284
2012	17,059,385,909	5,592,436,725	3,214,380,471	19,301,467,774	28,108,284,970

2013	18,005,802,296	8,767,475,612	6,224,809,136	2,317,141,763	17,309,426,511
2014	18,715,737,159	9,260,373,704	2,024,713,619	-	11,285,087,323
2015	18,730,338,859	11,094,194,518	1,166,933,264	-	12,261,127,782
2016	16,290,953,095	475,128,573	809,321,790	-	1,284,450,363
2017	19,513,860,604	2,274,099,805	2,215,807,736	-	4,489,907,541
2018	28,213,636,273	3,516,889,200	1,779,392,000	-	5,296,281,200
2019	35,504,936,358	4,314,717,500	2,279,245,500	25,000,000	6,618,963,000
2020	30,610,557,476	2,273,295,000	1,113,865,000	50,000,000	3,437,160,000
2021	30,456,567,899	2,456,456.00	1,123,342,000	-	3,435,234,000
2022	32,416,567,826	2,567,980.00	1,879,349,000	-	3,490,234,000
2023	40,980,598,809	2,987,456.00	1,980,322,000	-	7,498,023,400
2024	42,897,000,543	2,654,760.00	1,333,908,000	-	3,911,932,000

Source: Office of Accountant General of Akwa Ibom State (2025).

TABLE 4: Summary of descriptive statistics of variables

	N	Minimum	Maximum	Mean	Std. Deviation
IGR	14	12086460227.00	35504936358.00	19151048520.7143	7305886183.12416
IDH	14	475128573.00	11094194518.00	5183137813.4286	3234801415.32366
IDE	14	809321790.00	17255394789.00	4542566709.3571	4424187419.08667
IDS	9	25000000.00	19301467774.00	3493814120.6667	6083532454.01466
Valid N (listwise)	9				

Source: Researcher computation (2023)

Table above shows that the maximum and minimum values of internally generated revenue (IGR) are 35504936358 and 12086460227 respectively, with a mean value of 19151048520. The standard deviation is 7305886183. The result shows that over the years, the state IGR has grown steadily. The same pattern is reflected in the other variables, with investment in infrastructural development in health, education and sanitation increasing accordingly as IGR increases.

Correlation coefficient matrix

		IGR	IDH	IDE	IDS	TE
IGR	Pearson Correlation	1	-.186	-.516	-.203	-.619
	Sig. (2-tailed)		.524	.059	.601	.075
	N	14	14	14	9	9
IDH	Pearson Correlation	-.186	1	-.176	.101	.212
	Sig. (2-tailed)	.524		.547	.796	.583
	N	14	14	14	9	9
IDE	Pearson Correlation	-.516	-.176	1	-.044	.488
	Sig. (2-tailed)	.059	.547		.911	.183
	N	14	14	14	9	9
IDS	Pearson Correlation	-.203	.101	-.044	1	.794*
	Sig. (2-tailed)	.601	.796	.911		.011
	N	9	9	9	9	9
TE	Pearson Correlation	-.619	.212	.488	.794*	1
	Sig. (2-tailed)	.075	.583	.183	.011	
	N	9	9	9	9	9

*. Correlation is significant at the 0.05 level (2-tailed). Source: Source: Researcher computation (2023)

THEORETICAL FRAMEWORK

The study adopted the following theories:

Technology Acceptance Model

The Technology Acceptance Model is the second theory (TAM). Fred Davis created this hypothesis in 1986. The Technology Acceptance Model is a theory in information systems that describe how consumers accept and use technology. The theory is founded on the idea that an information system's acceptability is governed by two key factors: perceived usefulness (PU) and perceived ease of use (PEO) (PEOU). The degree to which a person believes that utilizing a certain system will improve his or her job performance is referred to as perceived usefulness. The degree to which a person believes that utilizing a certain technology would be painless is known as Perceived Ease of Use (PEOU). The Technology Acceptance Model is essential to this study because it lays the groundwork for the State Board of Internal Revenue Service to accept and deploy an electronic tax system based on the assumption that it will be valuable to both tax payers and tax officials. The fundamental goal of the e-tax system is to address the shortcomings of the old tax system, making the State Board Internal Revenue Service a leader in adopting the technology because it improves their job performance in terms of efficiency, timeliness, correctness, and dependability. The perceived utility of the e-tax system to tax payers will be the general ease of paying taxes in terms of correctness, simplicity, convenience, and faith in the tax system, which will lead to voluntary compliance, thus solving one of the state's primary taxation difficulties.

Expediency theory of taxes

Buehler proposed the expediency theory of taxation in 1936. According to the theory, every tax revenue collection system must satisfy the practicability test, which should be the only factor considered when the government selects a revenue collection system. The premise of this idea is that the government's economic and social goals should be ignored, because it

is pointless to have a tax that cannot be imposed and collected efficiently. This theory is pertinent to the study because the state board of internal revenue expects the electronic tax system to improve revenue collection by creating a technology environment that supports efficient assessment and revenue collection. The expediency hypothesis is thus connected to this research since it aims to explain the impact of administrative setup, such as an effective electronic tax payment system, on revenue collection by the Internal Revenue Service.

Younus et al., (2025) investigates Tax evasion poses significant challenges to governments, undermining revenue collection and trust in public institutions. E-Government platforms, leveraging advanced digital tools and data analytics, offer a promising solution to address this issue by enabling efficient monitoring and profiling of taxpayer behavior. This study explores the role of E-Government systems in mitigating tax evasion through the behavioral profiling of non-compliant taxpayers. By integrating machine learning algorithms and anomaly detection techniques, the research identifies patterns of non-compliance and develops predictive models for early detection of evasion risks. Furthermore, the study examines the psychological and socioeconomic factors influencing taxpayer behavior, emphasizing the role of trust, transparency, and system usability in fostering voluntary compliance. The findings underscore the importance of data-driven policy interventions and ethical considerations in behavioral profiling, offering a robust framework for enhancing tax compliance and promoting fiscal transparency.

RESEARCH METHODOLOGY

The research employed descriptive survey research design, oriented towards determining the status of a great phenomenon rather than towards the isolation of causative factor. The area of study is Cross River State and Akwa Ibom State. The area council lies between latitude 040159 and 5° North and longitude 8°25° east of the equator. It is bounded by Odukpani Local Government Area to the North, East by the great Qua River, to the South is Calabar South Local Government Area council and West by the Calabar River respectively. It has an area of 331,551 square kilometers and plays a dual role as the State Capital of Cross River State and as headquarter of the Southern Senatorial District. It has ten (10) political wards with the Qua's and Efik's as original as habitants Population. The population of the study consisted of 498 staff of the Cross-River State Internal Revenue Service (CRIRS) and 450 staff of the Akwa Ibom State Internal Revenue Service (AISIRS).

Taro Yamane formula was used in deriving the sample size for the study. The formula was given thus:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n =

n = Sample size

N = Population of the Study Degree of error; that is 0.05

E = Degree of error; that is 0.05

By substitution

$$n = \frac{948}{1 + 948(0.05)^2}$$

$$n = \frac{948}{1 + 948(0.05)^2}$$

$$1+948 (0.0025) = \frac{948}{3.37} = 281.3 \text{ approximately.}$$

Based on the Taro Yamane formula, the population of the study consists of 281 staff of the Cross-River State Internal Revenue Service (CRIRS) and Akwa Ibom Internal Revenue Service (AKIRS).

Data Presentation

Distribution of respondent’s response on E-Governance

Items	SA	A	D	SD
E-governance render services to citizenry	100(36.23)	16(5.79)	100(36.23)	60(21.73)
E-governance increase transparency	200(72.46)	20(7.24)	50(18.10)	6(2.17)
E-governance is a new way of doing business globally	150(54.35)	50(18.1)	70(25.4)	6(2.17)
e-governance involves the use of internet	200(72.46)	6(2.17)	20(7.24)	6(2.17)
e-governance improves service delivery	250(90.57)	6(2.17)	10(3.62)	10(3.62)

Source: Researcher’s survey, (2025)

Distribution of respondent’s response on tax evasion

Items	SA	A	D	SD
Evasion is a legitimate way to reduce tax liability	200(72.46)	50(18.1)	6(2.17)	20(27.24)
It is an act of hiding income	16(5.79)	100(36.23)	100(36.23)	60(27.73)
Tax authorities are effective in preventing tax evasion	50(18.1)	70(25.4)	6(2.17)	150(54.35)
Tax evasion has impact on revenue	6(2.17)	250(90.57)	10(3.62)	10(3.62)
Tax evasion affect public services	100(36.23)	100(36.23)	70(25.4)	6(2.17)

Source: Researcher’s survey, (2025)

Distribution of respondent’s response on tax assessment

Items	SA	A	D	SD
Tax assessment is to collect revenue	100(36.23)	100(36.23)	70(25.4)	6(21.73)
Tax assessment punishes tax payers	250(90.57)	10(3.62)	10(3.62)	6(21.73)
Tax assessment promotes economic growth	50(18.1)	50(18.1)	100(36.23)	76(27.53)
Tax assessment is based on redistribution of wealth	80(28.98)	70(25.4)	100(36.23)	27(9.78)
Tax assessment is properly conducted.	120(43.48)	50(18.1)	100(36.23)	6(21.73)

Source: Researcher’s survey, (2025)

Distribution of respondent’s response on tax administration

Items	SA	A	D	SD
Tax administrator plays a crucial role in administration process	200(72.46)	20(7.24)	50(18.1)	6(21.73)

It involves personnel cost	6(21.73)	20(7.24)	6(21.73)	200(72.46)
Lack of technology affect tax administration	27(9.78)	80(28.98)	70(25.4)	100(36.23)
Cost of tax administration affect tax compliance	70(25.4)	100(36.23)	100(36.23)	6(21.73)
It improves transparency and accountability	50(18.1)	50(18.1)	100(36.23)	76(27.53)

Source: Researcher's survey, (2025)

Distribution of respondent's response on tax database

Items	SA	A	D	SD
Tax database is the primary source of data	190(68.8)	40(14.49)	40(14.49)	6(2.17)
There is quality of tax data	100(36.23)	100(36.23)	50(18.1)	26(9.42)
Tax data contributes to tax administration	40(14.49)	40(14.49)	190(68.8)	6(2.17)
Tax data is used for analysis and reporting	200(72.46)	6(2.17)	6(2.17)	20(7.24)
Effective reports are generated from the tax database	60(21.73)	200(72.46)	-	10(3.62)

Source: Researcher's survey, (2025)

From table 5, 100 respondents representing 36.23 percent, 16 respondents representing 5.79 percent, 100 respondents representing 36.23 and 60 respondents representing 21.73 percent, 200 respondents representing 72.46, 20 respondents representing 7.24, 30 respondents representing 18.1, 6 respondents representing 18.1 percent, 7- respondents representing 25.4 percent, 6 respondents representing 2.17 percent, 20 respondents representing 7.24 percent, 6 respondents representing 2.17 percent, 250 respondents representing 90.57, 6 respondents representing 2.17 percent, 10 respondents representing 3.62 percent agreed that e-governance render services, increases transparency and improve services delivery among staff of the Cross River State Internal Revenue service and Akwa Ibom state.

From table 6, 200 respondents representing 72.46 percent strongly Agree that evasion is a legitimate way to reduce tax liability. 16 respondents representing 5.79 percent, 50 respondents representing 18.1 percent Agreed, 6 respondents representing 2.17 percent disagreed while 20 respondents representing 7.24 percent strongly disagreed. 16 respondents representing 5.79 percent strongly disagreed, 100 respondents representing 36.23 percent Agreed and 60 respondents representing 21.73 percent strongly disagreed that tax evasion is an act of hiding income. Tax authorities are effective in preventing tax evasion. 50 respondents strongly agreed, 70 respondents agreed, 6 respondents representing 2.17 percent Disagreed while 150 respondents representing 54.35 percent strongly disagreed.

TEST OF HYPOTHESES

Hypothesis one

H₀: There is no significant relationship between e-governance and tax evasion in Cross River State and Akwa Ibom State

H_A: There is a significant relationship between e-governance and tax evasion in Cross River State and Akwa Ibom State

Table 6 presents the correlation results of the relationship between e-governance and tax evasion in Cross River State and Akwa Ibom State. The results are based on Pearson correlation coefficients, significance levels (2-tailed), sum of squares and cross-products, covariance, and the number of observations (N). The Pearson correlation coefficient between e-governance and tax evasion is .859, which indicates a strong positive correlation between the two variables. This suggests that as e-governance increases, tax evasion also increases, or vice versa. The correlation is significant at the 0.01 level (2-tailed), with a significance value (Sig.) of .000, indicating that the relationship is statistically significant and not due to chance. The sum of squares and cross-products and the covariance values provide additional information about the relationship between the variables. For e-governance, the sum of squares and cross-products is 128.38, and the covariance is .253. For tax evasion, the sum of squares and cross-products is 622.44, and the covariance is 1.51. These values further support the strong relationship between e-governance and tax evasion. The correlation results suggest that e-governance and tax evasion are closely interrelated in the context. This implies that the adoption of e-governance practices has had a significant impact on tax evasion and outcomes in this period.

Correlation result of relationship between e-governance and tax evasion			
		EG	TEV
EG	Pearson correlation	1	.859**
	Sig. (2-tailed)		.000
	Sum of squares and cross-products	128.38	191.21
	Covariance	.253	.246
	N	276	276
TEV	Pearson correlation	.859**	1
	Sig. (2-tailed)	.000	
	Sum of squares and cross-products	176.41	622.44
	Covariance	.336	1.51
	N	276	276

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

Source: SPSS analysis by Researcher, 2025

Hypothesis two

H₀: There is no significant relationship between e-governance and tax assessment in Cross River State and Akwa Ibom State

H_A: There is a significant relationship between e-governance and tax assessment in Cross River State and Akwa Ibom State

Table 7 presents the correlation results of the relationship between e-governance on tax assessment in Cross River State and Akwa Ibom State. The results are based on Pearson

correlation coefficients, significance levels (2-tailed), sum of squares and cross-products, covariance, and the number of observations (N). The Pearson correlation coefficient between e-governance on tax assessment in Cross River State and Akwa Ibom State is .815, indicating a strong positive correlation between the two variables. This suggests that as e-governance practices increase or improve, there is a corresponding positive impact on tax assessment. The correlation is significant at the 0.01 level (2-tailed), with a significance value (Sig.) of .000, indicating that the relationship is statistically significant and not due to chance. The sum of squares and cross-products for e-governance is 321.74, and for tax assessment, it is 146.94, providing additional insight into the relationship between the variables. The covariance values are .431 for e-governance and .315 for tax assessment, further supporting the strong correlation between e-governance and tax assessment. In summary, the correlation results suggest that there is a significant positive relationship between e-governance and tax assessment. This implies that the adoption of e-governance practices has had a notable impact on tax assessment during this period.

Correlation result of relationship between e-governance and tax assessment

		EG	TA
EG	Pearson correlation	1	.815**
	Sig. (2-tailed)		.000
	Sum of squares and cross-products	321.74	136.94
	Covariance	.431	.323
	N	276	276
TA	Pearson correlation	.815**	1
	Sig. (2-tailed)	.000	
	Sum of squares and cross-products	146.94	125.22
	Covariance	.315	.221
	N	276	276

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

Source: SPSS analysis by Researcher, 2025.

DISCUSSION OF FINDINGS

The study examined e-governance and challenges of internally generated revenue in Cross River and Akwa Ibom States. Based on the analysis of the findings, the following hypotheses were tested. In hypothesis one, it was revealed that there is a significant relationship between e-governance and tax assessment in Cross River and Akwa Ibom states. The findings from Table 7, which presents the correlation results between e-governance and tax assessment, support the alternative hypothesis (H_a) that there is a significant relationship between e-governance and tax assessment. The Pearson correlation coefficient between e-governance

on tax assessment in Cross River State and Akwa Ibom State is .815, indicating a strong positive correlation between the two variables. This suggests that as e-governance practices increase or improve, there is a corresponding positive impact on tax assessment. The correlation is significant at the 0.01 level (2-tailed), with a significance value (Sig.) of .000, indicating that the relationship is statistically significant and not due to chance. The statistical significance of this correlation, with a p-value of .000, further confirms that the relationship is not due to chance. Furthermore, the strong correlation between e-governance and tax assessment supports the notion that e-governance practices have become an integral part of the taxation. The adoption of e-governance has a transformative shift in how revenue are implemented, with potential long-term implications. In summary, the correlation results suggest that there is a significant positive relationship between e-governance and tax assessment. This implies that the adoption of e-governance practices has had a notable impact on tax assessment during this period.

The finding is in line with the works of Carter and Cabreiro (2021), who posited that tax administration in Nigeria and other countries is characterized by multiple taxes, lack of prioritizing tax efforts, poor tax administration, diversion of tax revenue by tax official, and dearth of relevant tax data. Azimi and Kamarulzaman (2020) found that e-transaction has extent to both the tax payers and the tax authority. The concept of e-governance has enjoyed resound acceptance and new way of doing business globally. Onuigbo (2025) provided a more elaborate meaning of e-governance by asserting that, e-governance is “public sector’s use of information and communication technology with the aim of improving information and services delivery, encouraging citizen’s participation in decision making and making government more accountable, transparent and efficient.” Several studies have been conducted to demonstrate the important of e-governance in enhancing and/or hinders tax administration and compliances. In his words, Smith (2021) posited that, even though e-governance could lead to efficiency, effectiveness and transparency of public administration, the issue of trustworthiness would yet be one to content with. In a similar direction, Dander et al (2017), contented that tax payers trust in tax authorities can be enhanced simply by providing the opportunity for them to share their views on how they want their taxes to be applied.

CONCLUSION

The study examined e-governance and challenges to internally generated revenue in Cross River State and Akwa Ibom State. The study revealed that there is a significant relationship between e-governance and tax evasion in Cross River and Akwa ibom states; there is a significant relationship between e-governance and tax assessment in Cross River and Akwa ibom states; there is a significant relationship between e-governance and cost tax administration in Cross River and Akwa ibom states; and there is a significant relationship between e-governance and tax data base in Cross River and Akwa ibom states. The increasing cost of governance in contemporary society is a problem demanding urgent attention and the consequent disenchantment and delusion of the citizenry on the government due to its inability to lives up to its legitimate mandate, expressed in protest, self-help, mounting poverty and general insecurity.

Tax administration in Nigeria is characterized by multiple taxes, lack of prioritizing tax efforts, poor tax administration, diversion of tax revenue by tax official, and dearth of relevant tax data. The concept of e-governance has enjoyed resound acceptance and new way of doing business globally. It is nothing but the application of information and communication technology in business transaction and rendering services to the citizenry. E-governance can reduce fraud by promoting good governance, strengthening reform initiatives, reducing the

potentials for corrupt behaviors, strengthening relations between and among government employee and affording the citizens the avenue to tracking, monitoring and controlling of government employees behaviors, enhancing the effectiveness of internal control and management of corrupt behaviors by promoting transparency and accountability.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations are proposed:

1. Tax authorities should develop and execute regulations to ensure the beneficial impacts of the e-tax system are sustained, as well as teach tax officials on how to take advantage of the advantages of administering taxes electronically.
2. Governments could increase adoption of electronic filing methods such as integrated tax management systems, minimize tax compliance costs, and improve tax fines and penalties, as well as tax awareness and education, according to the report.

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