

INFORMATION TECHNOLOGY (IT) AND ENHANCING THE EFFICIENCY OF TAX ADMINISTRATION OF OSUN STATE INTERNAL REVENUE SERVICE IN NIGERIA

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ABSTRACT

This study examined the extent to which Information Technology enhances the efficiency of tax administration of Osun State Internal Revenue Service (OSIRS) in Nigeria. The research explored how information technology (IT) enhances tax collection, promotes voluntary compliance, and curbs tax evasion. Using a survey research design, primary data were collected from 154 respondents through structured questionnaires from the study's population of 250 registered OSIRS workers. The data collected were analyzed using descriptive statistics comparing mean, standard deviation, and frequency distribution. The findings discovered that the application of IT enhanced the tax administration efficiency of the Osun State Internal Revenue Service by automating processes, reducing administrative delays, and enhancing transparency. The findings also revealed that IT-based tax administration could curb tax evasion and lead to an increase in the tax base of Osun State in Nigeria as the respondents strongly affirmed that IT-based tax administration facilitates better tax monitoring, increases compliance, and reduces tax evasion opportunities. However, challenges such as regulatory inconsistencies and the exclusion of informal sector operators from digital tax frameworks remain significant concerns. The study recommended continuous investment in IT infrastructure, regulatory stability, expansion of digital tax administration to the informal sector, and periodic training for tax officials. This investigation will further strengthen revenue collection, improve government fiscal capacity on revenue generation, and enhance overall tax compliance not only in Osun State but also in Nigeria at large. The study contributed to existing literature by providing empirical insights into the role of IT in sub-national tax administration, and offering practical recommendations for optimizing tax processes through technological innovations.

Key words: Information Technology, Osun State Internal Revenue Service, Nigeria, Tax Administration Efficiency.

INTRODUCTION

Efficient tax administration is a cornerstone to tax compliance that may assist government in economic sustainability and revenue generation. IT-based tax administration is essential to minimizing tax evasion in Osun State by increasing compliance, boosting transparency, and lowering fraud chances. In Nigeria, tax collection has been historically plagued by inefficiencies,

including poor record-keeping, tax evasion, and administrative bottlenecks. One revolutionary strategy for overcoming these obstacles is the incorporation of information technology (IT) into tax administration. These days, the world has progressively become a global village, and the employment of information technology in almost every economic area serves as the link between Nigeria and the rest of the globe. Osun State's quick development and expansion resulted in a greater number of businesses and a larger population (Judijanto et al., 2024). The State Internal Revenue Service is the operational arm of the State Internal Revenue Service Board, which is established throughout Nigeria by Section 87 of PITA (Agbetunde, 2019). According to the applicable regulations, the Osun State Internal Revenue Service and other similar services guarantee the efficiency and optimal collection of all taxes and fines owed to the government (Aguolu, 2019).

In addition to creating opportunities that have been overlooked or unexplored, the introduction of technology in this era has significantly improved the economic and business operations of both public and private institutions. Through its applications, it has also saved numerous organizations millions of dollars in ongoing fraud (Ipaye, 2017). The Osun State Internal Revenue Service (The service) is responsible for collecting taxes, charges, and levies in the State. The service is saddled with responsibilities like direct assessment, allowing new taxpayers to assess themselves using the self-assessed tax system (Tilley, 2020). The tax payers through the self-assessment method calculate their tax, pay it at designated banks, and receive an e-TCC without visiting a tax office.

Because IT enables quick, simple, and accurate computation, data storage, and presentation/retrieval, its use has grown more and more essential in Nigeria's tax administration. Some computer programs have been developed to make the computation of difficult data easier. Among the most prevalent examples are programs like Microsoft Access (database) and Microsoft Excel (electronic spreadsheet) (Eze & Adepoju, 2021). Peachtree Accounting, PeopleSoft System, SQL Database, QuickBooks, Management Information Processing System, and other database programs and accounting packages that make it simple to calculate and compute a person's or business's tax obligations (Agbetunde, 2019). Therefore, it would be wise to implement the use of IT from the foundation of tax collecting to the last stage of tax administration in order to increase the effectiveness of tax administration in Nigeria, especially in Osun State. Additionally, tax officials in Osun State, Nigeria, will greatly profit from the efficient use of information technology (IT) in tax administration. The current study focuses on how IT has increased the effectiveness of tax administration in Osun State Internal Revenue Service in Nigeria because it is a proven way to decrease work hours, increase efficiency, and decrease opportunities for corrupt practices in the system (Akwezuilo, 2016). Therefore, it is anticipated that the research's findings will educate taxpayers on matters pertaining to taxes, such as tax incentives and the consequences of tax-related offenses like tax evasion.

The studies on the extent to which Osun State Inland Revenue Service have been applying IT-based tax administration are still scanty as the research on whether or not the revenue service still plaguing with the problems of inadequate application of IT in tax administration are unknown. Furthermore, research indicates that Osun State's tax other institutions and stakeholders have not fully adopted the usage of IT for tax record keeping (BECANS, 2017). Business Environment Report 1(15) (2023) states that there is proof of a manually assembled tax payer database in certain Nigerian states (Judijanto et al., 2024) which calls for additional research to be done on the subject.

Furthermore, employing manual procedures to identify taxable persons has proven to be an enormous undertaking. In Osun State, Nigeria, a complete and comprehensive implementation of IT in tax administration would be a welcome systemic reform that would significantly increase state revenue collection and reduce tax evasion.

A review of previous studies like those carried out by Akwezuilo (2016); BECANS (2017); Ipaye (2017); Mashi (2017); Newbery (2017); Ojo (2018); Kuye (2018); Igwe-Kalu (2018); Tomori (2018); Bird and Oldman, (2018); Agbetunde (2019); Winfry (2019); Aguolu (2019); Black's Law Dictionary (2019); Okonjo, (2019) Ogbuefi (2019); Ogbuefi (2019); (Adebayo and Olayemi (2020); Tilley (2020); Eze and Adepoju (2021); Gaverovskiy (2023); Moradeyo et al. (2024); Judijanto et al. (2024); Hani (2024) among other researchers .indicated the studies that have investigated whether or not the IT application has improved the tax administration efficiency of Osun State Internal Revenue Service in Nigeria are unexplored in Literature. This study addressed the identified research gap by asking the questions that: Does Information technology application improves the tax administration efficiency of Osun State Internal Revenue Service in Nigeria? Does IT-Based tax administration curb tax evasion n Osun State of Nigeria? And does Osun State, Nigeria's tax base grow as a result of efficient tax administration?

Research Objectives

The main aim of this research is to investigate the extent to which IT application enhances the efficiency of -Based tax administration in Osun State of Nigeria. Specifically, the study:

- i. examines if the application of IT enhances the tax administration efficiency of Osun State Internal Revenue Service in Nigeria;
- ii. assesses whether IT-Based tax administration curbs tax evasion in Osun State of Nigeria;
- iii. determines if effective tax administration leads to increases in tax base of Osun State in Nigeria.

LITERATURE REVIEW

Application of Information Technology to Tax Administration

Studies have demonstrated the role of information technology (IT) in enhancing revenue collection and minimizing leakages (Adebayo & Olayemi, 2020). Digital platforms have improved taxpayer registration, tax filing, and payment processes (Okonjo, 2019). However, challenges such as infrastructural deficits and cyber threats persist (Eze & Adepoju, 2021). Application of information technology (IT) in tax administration plays a crucial role in enhancing efficiency, accuracy, and reliability. In intelligence and information gathering, the proper use of IT ensures the collection of complete and accurate data (Aguolu, 2019). A computerized collection system provides more precise results, improving tax administration effectiveness.

All taxable individuals must be registered in order to have an efficient tax system that applies to all taxpayers (Bird & Oldman, 2018). The Federal Inland Revenue Service's issuing of a Unique Tax Identification Number is one effective method to accomplish this. This system enables easy and comprehensive access to taxpayer information nationwide, facilitated by IT solutions (Ola, 2019). For improved filing and returns processing, tax authorities should develop structures that simplify compliance (Gaverovskiy, 2023). This includes creating a reliable taxpayer database, implementing electronic compliance systems, and automating the filing and returns process.

Standardization of these processes ensures seamless tax administration. Additionally, an efficient payment and collection system is essential for effective tax administration (Kuye, 2018).

To encourage automated and better remittance and collection, tax authorities must implement electronic payment (e-payment) systems for all transactions (ICAN, 2019). By lowering errors and guaranteeing transparency, the use of electronic payment methods improves the integrity of the tax payment and collection system (Mashi, 2017). To achieve a more efficient tax administration process, manual record-keeping should be replaced with electronic systems (Igwe-Kalu, 2018). Automation should be applied to taxpayer registration, filing, processing of returns, and payment processes. The transition to electronic record-keeping enhances accuracy and accessibility while reducing administrative burdens (Moradeyo et al., 2024).

Tax administration

According to Black's Law Dictionary (2019), tax administration entails interpreting and putting tax legislation into operation. Helping taxpayers calculate their taxes is the responsibility of tax officials and tax advisors. Taxes are considered mandatory payments levied by the relevant authorities on the general population (Winfry, 2019). According to Nworji (2020), tax is a mandatory charge imposed by the federal, state, or municipal government on the earnings, income, property, or consumption (such as sales or VAT) of an individual or estate through an executor, trustee, or corporate entity registered under the Companies Allied Matters Act of 1990. It is a mandatory tax that the government, acting through its agents, imposes on its citizens or their property in order to accomplish certain objectives. According to Agbetunde (2019), it is paid "quid pro qui," or without anticipating anything in return. In a society, taxes are also a mandatory levy imposed on people, groups, businesses, products, and services (Igwe-Kalu, 2018). Tax Authorities are the government representatives in charge of tax administration. The daily tasks of tax administration are handled by the operational arms of each of these tax bodies. Making returns or gathering information, assessing, objecting to and appealing, and collecting and recovering taxes are the main tasks of tax administration (Ogbuefi, 2019).

Establishing fiscal goals to work toward and creating the best possible tax laws to accomplish those goals are among the goals of tax administration in Nigeria. Effective, economical, and efficient implementation of specified policies; monitoring and assessment of those policies ensuring that real administration is efficient; collecting and accounting for tax income; and periodically producing tax reports (Newbery, 2017). The British Tax Administration's format and style have been adopted by Nigeria's tax administration (Ogbuefi, 2019). The federal, state, and local levels are the three separate but interconnected levels that make up Nigeria. At the federal level, supervisory and coordination functions are carried out. Specific tax authorities are in charge of tax administration at each of these levels (Ojo, 2018). Federal law created these tax authorities as tax administration entities to handle taxes on behalf of the government. According to the 1999 Nigerian Constitution, the Federal Government has the authority to enact laws and levy taxes on incomes, capital gains, and stamp duties (for both individuals and businesses) (Winfry, 2019). As a result, Nigeria's Federal Government has the only authority to pass legislation taxing both persons and businesses. However, because the three (3) levels of government share the authority

to collect the various taxes, the collection of the imposed taxes is included in the concurrent list (Agbetunde, 2019).

The Role of IT-Based Tax Administration in Curbing Tax Evasion in Osun State, Nigeria

IT-based tax administration is the management of tax procedures, such as tax collection, record-keeping, compliance monitoring, and enforcement, through the use of digital technology, software programs, and automated systems (Hani, 2024). This strategy combines data analytics, online payment systems, and electronic tax filing to improve tax administration's effectiveness, accountability, and transparency (Hani, 2024). Tax evasion could be considerably decreased in Osun State with the use of IT-based tax management. Improving taxpayer compliance is one of the main advantages. Automated solutions make it possible to file taxes accurately and on time while lowering the possibility of fraud and errors. Increasing transparency is yet another significant benefit (Moradeyo et al., 2024).

Because digital platforms make transactions more traceable, it is more difficult for taxpayers to underreport their income or evade paying taxes. Another crucial component of IT-based tax administration is minimizing human intervention (Tilley, 2020). By minimizing face-to-face interactions between taxpayers and tax authorities, automation of tax procedures lowers the likelihood of bribery and corruption. Enhancing data management is also essential.

Theoretical Review

This research is anchored on the theory of taxation developed by Adam Smith in 1776. The theory explains that taxes should be levied only to support a limited government and should satisfy four maxims: equity, transparency, convenience, and efficiency (Moradeyo et al., 2024). Smith asserts that countries will maximize their income if they uphold open markets and low taxation (Agbetunde, 2019). According to Smith, taxes ought to fund four justifiable purposes: justice, national defense, universal education, and efficient roads and communications (Agbetunde, 2019). Since these four functions benefit society as a whole, the collective contribution of society as a whole may be used to cover them without causing unfairness. He went on to say that the wealthy should foot the bill for their children's education and that user fees should help pay for road maintenance. Thus, he foresaw both user-pay principles and social externalities (Aguolu, 2019). Smith's conviction that the wealthiest people benefit from government the most and can afford to pay for it is reflected in his first tax maxim, equality (Tilley, 2020).

The rich should contribute to the public expense not merely in proportion to their revenue, Smith argued, but something more than in that proportion. Smith argues that progressive taxation is necessary for equity (Hani, 2024). Smith's second maxim states that the tax that each person must pay should be obvious, straightforward, and unambiguous—that is, transparent to all parties (Bird & Oldman, 2018). Transparency would assist keep dishonest tax collectors from eroding public confidence in the system. Convenience is the third maxim. According to Smith, all taxes should be imposed when and how it is most convenient for the donor to pay them. Smith discussed tax simplification in this context and stated that Britain's customs taxes could use the same level of clarity, simplicity, and accuracy as a domestic consumption excise (Bird & Oldman, 2018). Smith's fourth maxim is efficiency: Every tax should be designed to extract and retain as little money from people's pockets as feasible, above and beyond what it contributes to a state's public coffers

(Tomori, 2018). This necessitates minimizing economic distortions and administrative expenses (Mashi, 2017). Economic distortions may hinder business people's ability to employ large numbers of people by impeding their industry (Black's Law Dictionary, 2019). Smith claimed that the most effective tax would leave a country's actual wealth and revenue unchanged, as well as the yearly output of the land and labor of society (Black's Law Dictionary, 2019). The Smit's theory fit this research and it emphasizes on effective tax administration for revenue generation.

Empirical Review

Several studies from developed countries ((Hani, 2024)) and developing countries (Olatunji & Ayodele, 2017; Rebert, 2020) and those conducted in Nigeria (Oseni, 2016; Adeyeye, 2019) have examined the extent to which information technology is impacting tax administration and practice. For example, Rebert (2020) examined the impact of Information and Communication Technology (ICT) on Revenue Collection in Kenya and the study adopted the Technology Acceptance Model as the theoretical framework. Adeyeye (2019) examines the effect of technology advancement on tax administration in Nigeria. Essential Data were gathered using organized survey regulated on 219 staffers of Federal Inland Revenue Service (FIRS) to inspire their reactions. The outcomes emphatically bolster the TPB in anticipating the aim of clients to receive electronic tax-filing systems. Olatunji and Ayodele (2017) study analyzed the effect of data technology on tax administration in south west, Nigeria. It specifically examined the effect of data technology on tax efficiency and the connection between data technology on tax usage and tax arranging. The examination uncovered that data technology (Online Tax Filing-OTF, Online Tax Registration-OTR and Online Oseni (2016) investigated the nexus of data and communications technology in administration of tax in Nigeria. The study discovered that there is no concealing spot for tax dodgers with the utilization of this advanced technology since every potential taxpayer are caught by the framework. In any case the utilization of ICT can be calamitous if heedlessly utilized by both the tax payers and the tax managers as con artists and programmers of the web offices can use the obliviousness or the careless security of the framework. Rotkang (2016) investigated the effect of information and communication technology (ICT) on tax administration in Federal Inland Revenue Service Jos, Plateau State. The findings of the study reveal that the ICT holds potentials in transforming tax practice, emerging information technology cannot deliver improved effectiveness if it's not accepted and employed by potential users.

In view of the above empirical review, it is clear that tax authorities are better equipped to monitor taxable individuals, examine tax documentation, and spot inconsistencies in tax returns thanks to IT-based technologies. Another noteworthy advantage is that digital tax payment platforms increase efficiency in tax collection by streamlining the procedure and cutting down on delays and revenue leaks (Agbetunde, 2019). Osun State's IT-based tax administration has a number of drawbacks despite its advantages. These include low levels of digital knowledge, taxpayer opposition to change, and poor infrastructure (Oseni, 2016). To overcome these obstacles, the Osun State government needs continue to invest in digital technologies, launch public awareness initiatives and fortify regulatory frameworks to guarantee successful acceptance and deployment.

Gap in Literature

Studies discovered that other institutions and stakeholders in Osun State have not fully embraced the use of IT for tax record keeping (BECANS, 2017), and the Business Environment Report 1(15)

(2023) finds evidence of manually compiled taxpayer databases in some Nigerian states (Judijanto et al., 2024), demanding for more research of this nature. This implies that there are insufficient studies on the extent to which the Osun State Inland Revenue Service has been using IT-based tax administration. Besides, a review of earlier research such as those carried out by Newbery (2017), Igwe-Kalu (2018), Tomori (2018), Agbetunde (2019), Winfry (2019), Aguolu (2019), Black's Law Dictionary (2019), Okonjo (2019), Ogbuefi (2019), Adebayo and Olayemi (2020), Tilley (2020), Eze and Adepoju (2021), Gaverovski (2023) and Moradeyo et al. (2024) indicated that there is still a lack of research on whether the Osun State Internal Revenue Service's tax administration efficiency has been enhanced by IT application necessitating this research to examine the degree to which IT-based tax administration improves the effectiveness of tax collection and revenue generation by the Osun State Internal Revenue Service in Nigeria.

METHODOLOGY

This study adopted a survey approach and employed primary data source to generate information through the structured questionnaire administered to the target respondents. The population of the study as disclosed in table 1 is made up of 250 registered workers (Moradeyo et al., 2024) of the Osun State Internal Revenue Service which made up of 52 staff in Policy and Management Department, 56 staff in Assessment Unit, 71 staff in Collection Unit, 39 staff in Legal Unit, and 32 staff in Other Taxes Unit. The study focused on the staff of the Osun Internal Revenue Service (OSIRS) in Osun State was based on the premises that the study indented to the State to obtain the required data the study area for analysis. A sample of 154 staff of the Service (OSIRS) was purposively selected across the departments and units based on their availability and accessibility during the online distribution of questionnaire OSIRS workers. That means during the administration of questionnaire copies, only 154 copy of the questionnaire were fully completed, returned and used a the sample size representing 62% of the study population. The questionnaires were designed using a five (5) scale of Strongly Disagree (1), Disagree (3), Undecided (3), Agree (4), Strongly Agree (5 to obtain the opinion of the workers in the aforementioned departments and units of the Service The validity and reliability of the instrument was ascertained before administration after critical assessment and evaluation by tax and accounting experts to ensure the genuine of the instrument in gathering the desired data information for the study. The data collected were analyzed using descriptive statistics comparing mean, standard deviation and frequency distribution

Table 1: Population and Sample distribution

Departments. Units	Population	Sample
Policy & management	52	32
Assessment	56	35
Collection	71	44
Legal	39	24
Other taxes	32	19
Total	250	154

Source: Data Compilation, 2025

Table 1: disclosed staff population and sample distribution of the study to examine the role of Information Technology (IT) in tax administration efficiency within the Osun State Internal Revenue Service (OSIRS). A total of 250 employees across various departments constituted the study population, while 154 respondents, representing 62% of the total workforce, were selected as the sample size. The distribution of respondents across departments showed that the Collection Unit had the highest number of participants, with 44 respondents, followed by the Assessment Unit (35 respondents) and Policy & Management (32 respondents). The Legal Unit (24 respondents) and Other Taxes Unit (19 respondents) had relatively fewer participants. This diverse distribution ensures a balanced representation of key tax administration functions, thereby providing a comprehensive perspective on the impact of IT within the OSIRS.

RESULTS AND DISCUSSION

This section presents the data analysis results for discussion

Table 2: IT Enhances Efficient Tax Administration

Items	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
IT is commonly used by Osun State Inland Revenue Services	89 (57.8)	57 (37)	8 (5.2)	0	0	4.53
IT application improves the efficiency of tax administration	73 (47.4)	70 (45.5)	11 (7.1)	0	0	4.40
Online tax registration helps to improve tax, voluntary tax compliance and tax base	90 (58.4)	61 (39.6)	2 (1.3)	1(0.7)	0	4.56
IT makes tax payment easy for the payers	122 (79.2)	31 (20.1)	1 (0.7)	0	0	4.79
IT makes tax administration and monitoring processes easier	104(67.5)	42 (27.3)	4 (2.5)	3(2)	1(0.7)	4.59

Source: Data Analysis, 2025

The results indicate that IT is widely integrated into tax administration at OSIRS, with 94.8% of respondents affirming its use, reflected in a high mean score of 4.53. The application of IT in tax administration was recognized for significantly enhancing efficiency, as 92.9% of respondents agreed that IT streamlines tax processes (Mean = 4.40). Furthermore, 98% of respondents supported that online tax registration improves voluntary compliance and broadens the tax base (Mean = 4.56). The most positively rated aspect was IT’s role in making tax payments easier, with an overwhelming 99.3% agreement and a mean score of 4.79, highlighting its significant impact on payment convenience. Additionally, 94.8% of participants acknowledged that IT facilitates tax administration and monitoring, reducing manual workload and improving accountability (Mean = 4.59). These findings demonstrate that IT plays a transformative role in modernizing tax administration, enhancing compliance, and improving overall efficiency.

Table 3: IT-Based Tax Administration and Tax Evasion Prevention

Items	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
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IT-Based tax administration makes tax evasion detection easy	64 (41.6)	81 (52.6)	7 (4.6)	1 (0.6)	1 (0.6)	4.34
IT-Based tax administration ensure transparency in tax base to prevent evasion	75 (48.7)	71 (46.1)	6 (3.9)	2 (1.3)	0 (0)	4.42
IT-Based tax administration facilitates regular monitoring of tax collection processes and evasion events	55 (35.7)	81 (52.6)	12 (7.8)	5 (3.3)	1 (0.6)	4.20
But, frequent changes in tax laws facilitate evasion	43 (28)	56 (36.4)	39 (25.3)	7 (4.6)	8 (5.2)	3.75

Source: Data Analysis 2025

The study explored how IT-based tax administration contributes to curbing tax evasion. The results show that 94.2% of respondents agreed that IT helps in detecting tax evasion more effectively (Mean = 4.34). Transparency in the tax system was also recognized as a key benefit, with 94.8% of respondents supporting the view that IT ensures clear and accountable tax base management, thereby preventing evasion (Mean = 4.42). Additionally, 88.3% of respondents acknowledged that IT facilitates regular monitoring of tax collection and evasion events (Mean = 4.20), indicating its role in ensuring compliance and reducing fraudulent activities. However, a moderate 64.4% agreement was observed on the statement that frequent changes in tax laws contribute to tax evasion (Mean = 3.75), suggesting that policy instability might create loopholes for evasion. Overall, these findings affirm that IT-based tax administration enhances transparency, strengthens monitoring, and reduces tax evasion, though regulatory consistency remains a challenge.

Table 4: Effective Tax Administration and Tax Base Expansion

Items	SA (%)	A (%)	U (%)	D (%)	SD(%)	Mean
Effective tax administration ensures tax compliance	78 (50.7)	47 (30.5)	14 (9.1)	6 (3.9)	8 (5.2)	4.18
Tax administration has improved tremendously since the self-assessment system was initiated	53 (34.4)	57 (37)	24 (15.6)	18 (11.7)	2 (1.3)	3.85
Tax administration has not been able to efficiently improve tax base	66 (42.9)	41 (26.6)	29 (18.8)	15 (9.7)	3 (2)	3.66
Tax administration has performed greatly in terms of covering the informal sector	74 (48.1)	62 (40.3)	11 (7.1)	6 (3.9)	1 (0.7)	4.35
Tax administration authorities have ways of expanding tax base	67 (43.5)	45 (29.2)	30 (19.5)	8 (5.2)	4 (2.6)	3.87

Source: Data Analysis, 2025

The study also examined whether effective tax administration contributes to tax base expansion. The results indicate that 81.2% of respondents believe that improved tax administration ensures better compliance (Mean = 4.18). Since the introduction of the self-assessment tax system, 71.4% of respondents noted significant improvements in tax administration (Mean = 3.85), though some remained neutral. However, when assessing whether tax administration has efficiently improved the tax base, responses were mixed, with 69.5% agreement, but a notable 28.5% neutrality or disagreement (Mean = 3.66), suggesting that there are still challenges in expanding the tax base

effectively. Encouragingly, 88.4% of respondents acknowledged that tax administration has made strides in covering the informal sector (Mean = 4.35), demonstrating its effectiveness in reaching previously untapped taxpayers. Additionally, 72.7% of respondents agreed that tax authorities have developed strategies to expand the tax base (Mean = 3.87). These findings suggest that while tax administration improvements have enhanced compliance and expanded tax coverage, there is room for further efforts in optimizing tax base growth.

Discussion of Findings

The findings from the study strongly supported the view that Information Technology significantly enhances the efficiency, transparency, and compliance of tax administration in Osun State. The findings discovered that the application of IT enhanced the tax administration efficiency of Osun State Internal Revenue Service by automating processes, reducing administrative delays and enhancing transparency. The findings also revealed that IT-based tax administration could curbs tax evasion and leads to an increase in tax base of Osun State in Nigeria as the respondents strongly affirmed that IT-based tax administration facilitates better tax monitoring, increases compliance and reduces tax evasion opportunities. The findings of this study reveal that the integration of Information Technology (IT) into tax administration within Osun State Internal Revenue Service (OSIRS) has significantly enhanced efficiency in tax collection, compliance, and transparency. IT has proven instrumental in improving tax administration processes, reducing tax evasion, and expanding the tax base. However, concerns remain regarding the frequent changes in tax laws and the efficiency of tax base expansion, suggesting the need for policy consistency and further refinement of tax administration strategies. Strengthening IT adoption and ensuring a stable regulatory environment would further optimize tax administration outcomes in Osun State.

The study indicates that a majority of respondents recognized the widespread adoption of IT in tax administration, particularly in automating processes such as tax filing, assessment, and monitoring. The high mean score of 4.53 suggests that IT application has streamlined operations, reduced administrative bottlenecks, and improved record-keeping, ultimately fostering greater efficiency within OSIRS. Furthermore, the study establishes that IT-based tax administration contributes to reducing tax evasion. The findings revealed that IT applications facilitate tax monitoring, detection of fraudulent activities, and the identification of taxable individuals. With a mean score of 4.42, respondents agreed that IT enhances transparency in tax reporting and minimizes opportunities for manipulation, thus strengthening compliance mechanisms. Another key finding is the role of IT in expanding the tax base. Respondents largely agreed that IT-based tax administration fosters voluntary compliance by simplifying tax processes. The self-assessment system, enabled by IT, has been instrumental in increasing tax revenues by encouraging taxpayers to declare and remit their taxes without direct enforcement.

However, challenges such as frequent changes in tax laws were identified as factors that could create loopholes for evasion, highlighting the need for policy stability and consistency in tax regulations. Despite progress in digitization, certain segments of the economy remain outside the tax net, necessitating further expansion of IT solutions to enhance taxpayer coverage. The implications of these findings are profound Moradeyo et al. (2024). First, tax authorities must continue investing in IT infrastructure and personnel training to sustain improvements in tax administration. The results also suggest that regulatory frameworks should be stabilized to prevent

frequent policy changes that could undermine tax compliance. Additionally, efforts to extend IT-based tax solutions to informal sector operators could further expand the revenue base and enhance government capacity to generate funds for public services.

CONCLUSION AND RECOMMENDATIONS

This study concluded that IT integration into tax administration has significantly enhanced the efficiency of OSIRS, improving tax collection, compliance, and overall transparency. The findings confirmed that IT solutions streamline tax processes, reduce administrative inefficiencies, and strengthen monitoring and enforcement mechanisms. Furthermore, IT-based tax administration plays a crucial role in curbing tax evasion through enhanced tracking and reporting systems. However, despite these improvements, challenges such as regulatory inconsistencies and the exclusion of the informal sector from the digital tax framework remain. To maximize the benefits of IT in tax administration, the study recommends sustained investments in digital infrastructure, periodic policy reviews to ensure stability, and targeted efforts to incorporate informal sector operators into the tax system. Addressing these challenges will not only strengthen revenue generation but also enhance the government's capacity to finance development initiatives through improved tax administration practices.

This study however contributed to existing knowledge by providing empirical evidence on the impact of IT on tax administration efficiency within a sub-national revenue authority in Nigeria. Unlike previous studies that focused on federal tax agencies, this research provides insights into the specific challenges and benefits of IT-based tax administration at the state level, particularly in Osun State. The study also expanded the understanding of how IT fosters voluntary compliance, reduces tax evasion, and enhances transparency in tax administration. Additionally, this study contributes to policy discourse by identifying regulatory inconsistencies as a barrier to optimal IT adoption in tax administration.

The research recommended that the government should prioritize investments in modern IT systems to enhance automation, data analytics, and tax monitoring mechanisms. Upgrading existing digital platforms will further streamline tax administration and improve service delivery. Frequent changes in tax laws and policies should be minimized to foster consistency and taxpayer confidence. The policymakers need to resolve current implementation issues and make investments in strong technical solutions to fortify the state's tax administration system in order to fully reap its benefits. A stable regulatory environment will encourage voluntary compliance and reduce the opportunities for tax evasion. Tax authorities should develop targeted IT solutions that facilitate tax compliance among informal sector operators. This could include simplified digital registration systems and mobile tax payment platforms. OSIRS personnel should receive regular training on emerging IT trends and tax administration best practices. Capacity building programs will ensure that tax officials remain proficient in utilizing digital tools to optimize efficiency. Awareness campaigns should be conducted to educate taxpayers on the benefits of IT-based tax administration. Enhanced taxpayer engagement through digital communication channels will encourage compliance and foster trust in the tax system.

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