



REVENUE GENERATION IN LOCAL GOVERNMENT: THE INFLUENCE OF GOVERNANCE QUALITY ON CITIZENS' WILLINGNESS TO PAY

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Abstract

Research on Revenue Generation (RG), Governance Quality (GQ), and Citizens Willingness to Pay Local Revenues (CWPLR) in Local Government (LG) are of critical benefit to the government and the citizens at the grassroots. RG in LGs has been faced with challenges of paltry revenue collection due to high rate of tax evasion and avoidance that arises from inefficient service delivery, mistrust in government, and low tax morale. Many researches have been conducted on RG, but not many considered the influence of GQ in their study. The study examined probable influence of GQ on CWPLR in LGs. The study adopts survey research design. Sample size of 450 local taxpayers was used with a response rate of 80.44%. Descriptive and inferential statistics were used to analyze data at 5% significance level. The

study revealed that Trust in Government (TIG) positively influenced CWPLR among local taxpayers (Adj. $R^2=0.009$, $F(1,361)=4.177$, $p=0.042$) while Accountability and Transparency(A&T) negatively influenced CWPLR among local taxpayers (Adj. $R^2=0.001$, $F(1, 361)=1.496$, $p=0.222$); (Adj. $R^2=0.003$, $F(1, 361)=2.087$, $p=0.149$), respectively. There was evidence that TIG has significant relationship with CWPLR while A&T does not have significant relationship with CWPLR, respectively. The study concluded that TIG influenced CWPLR while A&T does not have significant influence on CWPLR, respectively. The study recommends that LG should embraced disclosure policies on RG. Always provide good governance and qualitative goods and services, while citizens should have attitudinal changes towards local tax payments. Also, there should be A&T in governance, procurement process, and revenues generated to foster TIG and enhances CWPLR.

Keywords: Accountability, Local government, Revenue generation, Transparency, Trust in government, Willingness to pay local revenues

INTRODUCTION

Research on revenue generation, governance quality, and citizens willingness to pay local taxes, rates, licenses, fees and fines in local government are of social, economic, political, infrastructural, and sustainable development benefit to the government and the citizens at the grassroots. Local governments are empowered to generate independent revenues from their respective territories or jurisdictions in form of taxes and non-taxes known as internally generated revenues. Local government internally generated revenues involve mostly non-tax revenues which are subjected to usages or actions such as rates, fines, tolls, fees, permits, licenses, and other miscellaneous. These revenues are mostly derived from the entrepreneur in the informal sectors and used for financing goods and services, governance, and social well-being of the citizens at the grassroots. Informal activities at the local government involves farming and herding, small scale business, trading, artisanal production, street vending, freelance services, transportation, merchandises, entrepreneurship, gig economy jobs, and SMEs manufacturing industries. These informal sectors account for 85.8% of all employment activities in Africa (ILO, 2018). However, in Nigeria, informal economy comprises of workers in agricultural sector (55%), service industry (39.4%), and other industries (5.6%). Globally, local government is a third tier of government in a federal system of government. In Nigeria, federal system of government has federal government at the national level, followed by 36 states and federal capital territory, and 774 local governments at the bottom level.

Local governments are created to enhance grassroots development and their creation are subjected to social, economic, political and cultural consideration for self-governance. Local governments occupied strategic position in public governance as the closet government to the citizens and they are responsible for administrative control of at least 70% of nation's population. According to Adekoya (2020), local governments are created to enhance democracy, grassroots development, and an avenue for grassroots citizens to participate in governance and decision making. In most developing countries, revenue generation in local governments has been faced with challenges of paltry revenues collection due to high rate of tax evasion and avoidance that arises from inefficient service deliveries, corruption, poor budget implementation, dearth of infrastructure facilities, mistrust in government, low tax morale, undue influence from central government, and persistent difficulties in revenue administration (Abebe & Fikre, 2020; Abdu, Jubri & Mohammad, 2020; Adekoya & Olayinka, 2023; Adekoya, Olayinka & Lawal, 2023; Alm & Farooq, 2024; Yaru & Raji, 2022). Willingness to pay is the taxpayer's behavioral attitude towards tax payment backed by fiscal exchange between the citizens and the government on the utilization of tax revenues for qualitative public goods and services. Willingness to pay is assured where taxpayers filled payment in a timely manner or when local tax obligations are accurately paid. At times, citizens' decision to pay or not to pay local revenues in local governments depends on their behavioral attitude, trust in government, level of qualitative service delivery, and act of threat of punishment, as citizens loved to be free riders. Above all, public trust, accountability and transparency remains critical mechanisms for local government in revenue generation from the informal sectors (Adekoya, Agbetunde & Akinrinola, 2021).

The influence of governance quality on citizen's willingness to pay local government revenue has become a serious concern to the governments, tax practitioners, and the academicians. Trust as a variant of governance quality is critical in revenue generation and citizens willingness to pay. Trust is the currency of exchange between the government and the taxpayers, between the resource's providers and resources managers, between the leaders and the led (Adekoya, Agbetunde & Lawal, 2022). Social trust also known as generalized trust or moralistic trust as a branch of trust means citizens believe in government integrity, honesty and reliability while political trust is citizens trust in government and its institutions with believe that government can be trusted in doing the right things in line with laid down rules and regulations. Besides, transparency and accountability in government and its institutions are pre-requisite for public trust. On this, Alm and Farroq (2024) reported that revenue collection is improved in local government via higher trust in government by the citizens. Similarly, Sanni, Toluwa and Akinola (2021) opined that government effectiveness will result in an efficient revenue generation system. In the same vein, government quality on service delivery and good governance will enhance the

standard of living by grassroots citizens and their willingness to pay local taxes, this reduces rate of tax evasion and avoidance. At times, citizens unwillingness to pay taxes, licenses, fees, charges and other revenues at the grassroots is a symptoms of citizens mistrust, disengagement, and resistant to tax payment (Zhang, Li, & Yang, 2022). However, local revenues paid by the citizens are meant to support and enhance the cost of governance, finance public goods and services. It is a social contract or fiscal exchange between the grassroots citizen and the local government where citizens pay local taxes, fees, fines and licenses to the government in return for public goods and services by the government for the well-being of the citizens.

Previous researchers had conducted research on quality governance variant such as effect of accountability and transparency on local government performance (Jeriansyah & Mappanyukki, 2020); revenue generation in local government with variant of impact of COVID-19 on revenue generation (Adekoya *et al.*, 2021); effect of IGR on rural development (Okereke & Olewe, 2023); boosting internally generated revenue in local government (Adekoya *et al.*, 2023), but with less focus on influence of governance quality on revenue generation and citizens willingness to pay. The objective of this study is to evaluate the influence of governance quality on citizens willingness to pay local revenues in local governments. However, how can citizens willingness to pay local revenues be sustained or increased in local governments from the perspective of governance quality and its variant of trust in government, accountability and transparency? Although, citizens appetite for governance quality in local government should enhances citizens willingness to pay local taxes, rates and licenses. However, previous studies showed mixed reaction, Anderson (2017); Beerli, Zaidan and Zeedan (2022); Kirchler, Hoelzi and Wahl (2008); Matthaei *et al.*, (2023); and Torgler (2004) opined that citizens willingness to pay taxes and local revenues is basically influenced by nature and type of public goods and services provided by government, and trust in government. Also, Adepoju and Ajayi (2021); Kago and Musa, (2024) reported that corruption, poor service delivery and infrastructural facilities affects citizens willingness to pay. Nevertheless, accountability, transparency and government effectiveness were reported to have insignificant relationship with willingness to pay (Adekoya, Olayinka & Aina, 2023; Abubakar, Palil & Maelah, 2021). In order to proffer solution to research question, the research hypotheses, which suggest a tentative answer to the problem or question under investigation was tested at 5% significance level.

Ho₁ Trust in Government does not have a significant influence on citizens willingness to pay local revenues in local government.

Ho₂ Accountability does not have a significant influence on citizens willingness to pay local revenues in local government.

Ho₃ Transparency does not have a significant influence on citizens willingness to pay local revenues in local government.

These hypotheses were designed to explain the influence of local government governance quality on citizens willingness to pay local revenues. Governance quality in local government is vital because of its impact on revenue generation. It creates reciprocity behavior by citizens for tax payment where the government is efficient, effective, trustworthy and fair in the application of tax revenues. The essence of governance quality rest on citizens satisfaction on public goods and services, efficient utilization of revenues generated from taxes, licenses, fees, charges and others which foster trust in local government. Finding from these hypotheses will help local governments, policy makers, revenue collectors, and citizens on the effective and efficient manners of revenues generation, provision of qualitative good governance, building trust in government, and citizens satisfaction from public goods and services provided which enhances their willingness to pay local revenues at the grassroots.

REVIEW OF EXTANT LITERATURE

Conceptual Review

Local government

Local government is the third tier of government in a federal system of government and it is critical for socio-economic growth and development of a nation. It is the closest government to the citizens for quick responses to their needs and well-being at the grassroots. Local government as third tier of government in Nigeria is entrenched in 1979, 1989, 1999, and 2011 constitution (as amended). According to Adekoya (2020) local governments are created to: entrenched grassroots democracy; ensure local participation of citizens in governance; provide infrastructures, goods and services; and promote social and economic well-being of the citizens. Local government also act as channel of communication between the local government and the state or federal government; provides the ground for art of learning governance and administration of justice; involves the traditional rulers in decision making; and maintenance of peace and security at the grassroots. In Nigeria, as a result of 1976 local governments reform, local governments numbers have grown from the pre-period of 190 to 301 in 1976, 449 in 1989 and presently, 774 as listed in the fourth schedule part 1 of the Nigeria 1999 constitution.

Revenue Generation

Revenue generation in local government means sourcing revenue from taxes, licenses, fees and charges as a process of fiscal exchange or social contract between the government and the citizens at the grassroots. Here, goods and services are provided by government as a form of

returns for tax payments. According to Section 162 (10) of Nigeria constitution, revenue is defined as any form of incomes or returns that accrued to or derived by government from sources likes incomes arising from operation of the law, income from property held by government and any form of incomes such as interest derived from loan or dividend from shares in any company or statutory body. Revenue sources in local government are classified into internally and externally generated revenues. Internally Generated Revenues (IGRs) are revenues that are endowed, peculiar and distinct within the local government council territory, a unique revenue generation sources by local government with much control for financing public goods and services (Adekoya, Olayinka & Lawal, 2023). The functions, roles and revenue sources of local government are entrenched in the fourth schedule of Nigeria 1999 constitution. Besides, types of internally generated revenues in local government are taxes; tolls; rates; rent on local government property; local licenses, fees and fines; permits; charges; earnings from commercial undertakings; and other miscellaneous revenues. These are classified into five heads likes Taxes and Tenement rates; Local Licenses, Fines and Fees; Earnings from Commercial Undertakings & Rent on Local Government property; Interest and Dividend payments; and Miscellaneous Revenues. These revenues are vital for financing infrastructural development, socio-economic growth, sustainability of local government development, and maintenance of peace and security within the jurisdiction of local government. However, the power and responsibility to administer, control and collect local government revenues is saddled with Local Government Revenue Committee (LGRC).

Challenges of IGR in Nigeria local governments

The ability of local government to meet the yearning expectations of the citizens within their locality depends on the financial resources available or amount of funds generated at all times. However, generating these revenues are faced with various challenges such as:

1. Over dependency on allocation from federal or state for financial survival which has scuttle the internally generated revenue drives.
2. Unrealistic revenue budget and inefficient budgetary control process.
3. Corruption and misappropriation of local revenues generated.
4. Political interference
5. Lack of bye-laws and revenue court for adjudication matters
6. Staff inefficiency and knowledge gap on revenue generation mechanism
7. Lack of tools and machineries for revenues drive
8. Mistrust on revenues collection process which often result into conflicts and strive between the collectors and the citizens.
9. Lack of accountability and transparency in governance.

How to improve revenues generation

1. Application of technology to drive revenue generation
2. Good revenues management
3. Constant provision of socio-cultural goods and services, and infrastructural projects
4. Enhancement of citizens trust in government.
5. Accountability and transparency on revenues collected
6. Appropriating the revenues generated towards the well-being of the citizens and the local community.
7. Promotion of efficiency in government policies that will build public trust in government and enhance revenues generation.

Governance Quality

Governance quality is a critical matter of concern in revenue generation at the grassroots. Efficient and effective governance in local government administration and financial transactions would enhance revenue generation while inefficient and ineffective governance will lead to revenue loss, fraudulent practices, corruption and mistrust. Salman *et al.*, (2022) opined that to have an enhanced local revenue collection, government should improve on its governance quality and administration. Moreover, when government institutions remain honest, responsible, accountable, fair, transparent, and efficient in providing qualitative public goods and services, it enhances citizens willingness to pay local revenues, increase revenue generation, and reduced cost of collections. Transparency in government is the moral obligations by management for timely disclosure of government activities and financial performance to the public. Transparency builds citizens trust, promote financial accountability, ensure democratic participation, and enhance citizens informed decision.

Financial accountability is the pillar of modern-day democratic governance. It means government ability to control or manage public funds in an honest and prudent manner. Besides, accountability and transparency in local government has always been a major problem due to persistent fraudulent practices, corruption, political interference, inefficient and infective service delivery, and mistrust pertinent to local government administration. Moreover, Iraman *et al.*, (2021) opined that accountability and transparency in government positively influence citizens willingness to pay taxes and levies in local government. Likewise, Giese and Heinemann-Heile (2024) reported that provision of public goods and building of trust enhances firms' willingness to pay local based taxes. Alternatively, Krah and Mertens (2020) reported that financial transparency in local government is very low in Sub-Sahara countries resulting into poor revenues generated in local governments. Besides, trust in government is measured by

the percentage of citizens confidence on the assessment of government performance measured by integrity, honesty, benevolence, and competency in service delivery. Trust in government could either be on the institutions or individual leader based on ideology, performance or good governance. Moreover, citizens may trust the institutions but not the leaders or trust the leaders and not the institutions or have mistrust on both. However, new technological innovation in revenue generation will blocked leakages and build trust in revenue generation while manual practices will erode public trust, minimize revenue generation, and create high cost of collection.

Willingness to pay

Willingness to pay means taxpayers' behavioral attitude on whether to pay or not to pay taxes based on the level of their satisfaction from goods and services provided by the government. Willingness to pay taxes at time is influence by good governance, citizens trust in government, government accountability and transparency, and quality of goods and service. Governance quality foster trust in government and this promote citizens willingness to pay taxes. Citizens will be willing to pay local taxes, rates and licenses as a form of social contract or means of exchange for qualitative goods and service from government. However, willingness to pay local revenues have become problems in most local governments in developing countries.

Theoretical Review

Fiscal Exchange Theory

Fiscal exchange theory is a concept of reciprocal relationship between the taxpayers and the government, where citizens are willing to comply with relevant tax laws and pay taxes in exchange for goods and services provided by the government. It is a form of contractual relationship between the government and the taxpayers. Hence, it is based on psychological, social and relational contract between the government and the taxpayers (Torgler, 2003). The theory suggest that taxpayers will be willing to pay taxes when they have trust in government with believe that tax revenue will be utilized for their well-being and the community. Furthermore, Giese and Heinemann-Heile (2025) affirmed that trust in government influences willingness to pay tax revenue. Fiscal exchange theory was derived from economic deterrence and social psychology theories (McKerchar & Evans, 2009). Devos (2014) also traced the theory to Spicer (1974) and Vogel (1974). Fiscal exchange theory stipulated that governance quality will enhance citizens motivation on willingness to pay taxes. That means, local government can increase willingness to tax payment through provision of qualitative goods and services, and infrastructural development that is efficient and desirable (Moore, 2004).

Willingness to pay tax will be enhanced where qualitative goods and services are provided by the government from tax revenue collected (Alm, Jackson & Mckee, 1993). In the same vein, Byaro and Kinyondo (2020) reported that trust in government and good quality of public goods and services will enhance willingness to pay local revenue. Additionally, Adekoya *et al.*, (2023); Sanni *et al.*, (2021) reported that good governance and qualitative service delivery are paramount to citizens' behavior towards willingness to pay taxes.

Political Legitimacy Theory

Legitimacy theory originated from political economy theory and organization legitimacy concept defined by Dowling and Pfeffer (1975). It is an idea of social contract linking citizens with government and its institutions by elements of trustworthy, neutrality and good governance. Globally, willingness to pay tax is shaped with a model of political legitimacy. Political legitimacy means citizen belief or trust in government and its institutions to provide qualitative goods and services as reciprocal return on tax payment. Moreover, Williams (2020) opined that social contract exist between the government and the citizens where the citizens pay their fair share of taxes to fund government expenditures, citizens in return required a standard living in returns in terms of socio-economic development. Zamzami and Rakhman (2023); Krah and Mertens (2023) also reported that financial transparency and accountability improve public trust and willingness to pay local revenue. Likewise, Byaro and Kinyondo (2020); Adekoya *et al.*, (2023) opined that transparency influences citizens trust in government and their willingness to pay tax. Similarly, Kirchler *et al.*, (2008) reported that willingness to pay tax is influenced by the level of citizens trust in government and its institutions. Citizen's willingness to pay tax is presumed to be higher where citizens have high level of trust in government than when they have mistrust. Besides, OECD (2010) postulated that citizen's trust in government and its institutions will ensure citizens compliance to tax laws which will further enhance tax revenue generation.

Empirical Review

Giese and Heinemann-Heile (2025) studied firm's willingness to pay local business tax based on the impact of trust and public goods. The study revealed that perceived provision of public goods has no relationship with firm's willingness to pay local business tax. Moreover, trust in local government roles in handling of tax revenue increase firm's willingness to pay local business tax. Krah and Mertens (2023) also examined financial transparency, trust and willingness to pay revenue in local governments of Sub-Saharan Africa. The study revealed that local government financial transparency positively influences citizens trust in local government and their willingness to pay taxes and levies. In addition, Byaro and Kinyondo (2020)

investigated citizens' trust in government and their willingness to pay taxes in Tanzania. The study revealed that citizens trust in government and good quality of public service delivery enhances willingness to pay taxes. Besides, Yaru (2022) studied budget transparency and internal revenue mobilization at sub-national government level. The study revealed that internal revenue mobilization at sub-national government level in Nigeria had been low. However, budget transparency is vital for revenue mobilization while corruption will minimize sustainable progress in revenue mobilization. Additionally, Salman *et al.*, (2022) examined governance transparency of tax revenue performance in West Africa. The study revealed that governance transparency influenced tax revenue generation performance in West African countries. The study recommends realistic policies to increase public confidence and quality of service delivery.

Maimodu *et al.* (2023) looked at factors that influenced accountability of public revenue and expenditure in local governments in Yobe state, Nigeria. The study revealed that capital expenditure on infrastructural projects and socio-economic development will contribute positively to internally generated revenue in local governments. Also, government transparency on internally generated revenue will motivate citizens to willingly pay more revenues to the local government. Furthermore, Adekoya, Olayinka & Aina (2023) examined good governance and voluntary tax compliance behavior in Lagos state, Nigeria. The study revealed that trust in government, transparency, and rule of law have positive significant relationship with voluntary tax compliance behavior while accountability has insignificant relationship. In addition, Chukwunwike *et al.*, (2021) looked at government accountability and tax revenue in Nigeria. The study revealed that there is no significant predictive relationship between government accountability and tax revenue. Moreover, Mohd Termizi and Ridzuam (2022) analyzed whether or not to trust local government from the perspectives of good governance. The study revealed that transparency, accountability and responsiveness were found to be strongly connected with public trust in Kuantan city council.

Sanni *et al.*, (2021) examined the influence of government effectiveness and regulatory quality on tax compliance in Nigeria. The study revealed that government effectiveness has positive significant influence on tax revenue in Nigeria. Hence, good governance and qualitative service delivery are instrumental to high level of tax revenue generation in Nigeria. Ikidi, Akhimie and Ozuah (2024) also studied tax morale, governance quality and tax compliance. The study revealed a considerable association between tax morale, governance quality and tax compliance. Besides, Allison, Nwali & Ereke (2020) investigated how to improve the revenue base of local government system for rural development in Nigeria. The study revealed that abysmal performance of local government in areas of infrastructural development was premised

on poor revenue generation. Similarly, Chitenderu, Ncwadi and Mishi (2022) looked at ways of enhancing local government revenue generation for effective service delivery. The study revealed that an improved service delivery, economic growth and household income, employment opportunity and sound administration would lead to an improved revenue generation in local government. Furthermore, Ng, Lee and Wong (2020) investigated the factors that influence taxpayers' willingness to pay tax. The study revealed that perceived government expenditures affect the SMEs business owner's willingness to pay tax. Hence taxpayers' money should be expended wisely for the good benefits of the taxpayers. Additionally, Abubakar *et al.*, (2021) looked at governance quality and tax compliance behavior in East Malaysia. The study revealed that political stability and rule of law positively significantly influences tax compliance behavior while voice and accountability, and governance effectiveness insignificantly influence tax compliance.

Ibrahim (2024) examined the quality of public governance and revenue generation in Nigeria. The study revealed that control of corruption, accountability, transparency, rule of law, government effectiveness has positive impact on government revenues as percentage of GDP. Zamzami and Rakhman (2023) also looked at the determinants of local government financial performance in Indonesia. The study revealed that quality financial reporting and accountability improves public trust and increase their willingness to pay local tax. In addition, Kago and Musa (2024) looked at revenue generation strategies and service delivery in local government. The study revealed that corruption, poor service delivery and political interference hinder revenue generation efforts and weakened the financial base of local government and its performance. Moreover, Kasim, Umar and Martin (2016) studied reformation model of compliance to improve property tax revenue generation in Malaysian local governments. The study revealed that poor infrastructures, inefficient services, lack of community engagement in delivery process contributed to poor property tax revenue generation in local government. Furthermore, Adepoju and Ajayi (2021) investigated willingness to pay residential property tax in Ikeja metropolis. The study revealed that unfair tax system, poor public services, corruption, poor infrastructural development and insecurity affects citizens willingness to pay.

METHODOLOGY

The Study

The study adopts survey research design to gathered the relevant primary data required for the study. This was based on the geographical disparity of the local governments within the three senatorial districts in Lagos state, Nigeria and the number of local taxpayers reached in these different local governments. Taxpayers at the grassroots were randomly selected as

respondents for questionnaire administered from the various local governments within the districts. Four hundred and fifty copies of questionnaire were administered in the three senatorial districts in the state that comprises of twenty local government and thirty-seven Local Council Development Area (LCDA) at one hundred and fifty questionnaires per district while three hundred and sixty-two copies were received and this gives a response rate of 80.44%. Questions were structured to capture demographic factors, trust in government, accountability, transparency and willingness to pay. These questions were adapted from the work of Adekoya (2020); Adekoya et al., (2022); Adekoya & Akintoye (2019); Adekoya, Enyi & Akintoye (2019) and tax payers' compliance appraisal by Fisher, Wartick and Mark (1992).

Reliability of Research Instrument

The reliability test of the instrument from the pilot study carried out in one local government per each senatorial district and measured with Cronbach Alpha (α) showed that trust in government, willingness to pay, accountability and transparency had Cronbach's alpha of 89%, 81%, 87% and 82% respectively. A composite reliability with Cronbach's alpha above 70% was affirmed by Adekoya (2020); Adekoya and Akintoye (2019); Bolarinwa (2015); Taber (2016) as a good reasonable, robust reliability, and acceptable. Hence, this showed that the instrument for the study was reasonable, reliable and acceptable for the study since all the results of the constructs were greater than the acceptable threshold of 70%.

Measurement of Research Variables

Dependent and independent variables with relevant questions in the questionnaire administered were structured using six-point likert scale. The willingness to pay was measured using seven items in the questionnaire that covered taxpayers right, responsibility, morality, support and willingness to pay. Trust in government was measured using six items on honesty, openness and responsibility, trustworthy, transparency and reliability. Accountability covered five items on tax revenue usage, reporting and fairness while transparency focus on four items on responsibility, disclosure, competitive bidding, honesty and timely rendering of information.

Model Specification

Willingness To Pay and Governance Quality

The study expected that independent variable of governance quality and its variant such as trust in government, accountability and transparency would influence willingness to pay. Therefore, it is expected that Governance Quality (GQ) would determine Willingness To Pay (WTP).

The dependent variable is Willingness to Pay (WTP). The independent variable is Governance Quality (GQ) = Accountability (ACT) + Transparency (TRP) + Trust in Government (TIG)

$$WTP = \beta_0 + \beta_1 TIG_i + \beta_2 ACT_i + \beta_3 TRP_i + \varepsilon$$

$$WTP = \beta_0 + \beta_1 TIG_i + \varepsilon$$

$$WTP = \beta_0 + \beta_2 ACT_i + \varepsilon$$

$$WTP = \beta_0 + \beta_3 TRP_i + \varepsilon$$

Where:

WTP = Willingness to Pay

TIG = Trust in Government

ACT = Accountability

TRP = Transparency

ε = Error terms

β_0 = Intercept or the constant

$\beta_1 - \beta_3$ = Partial regression coefficient of the explanatory variables.

ANALYSIS AND FINDINGS

The study employs the cross-sectional analysis in providing answers to the research questions and hypotheses. The primary data employed were analyzed using descriptive and inferential statistics. The descriptive statistics involved the use of tables in the form of percentage, mean and standard deviation while among inferential statistics, the study used the Ordinary Linear Square (OLS) Regression Analysis and Analysis of Variance (ANOVA).

Demographic Profile of the Respondents

Table 1: Demographic and professional Analysis of Respondents

Gender	Male	223	61.6%
	Female	139	38.4%
	Total	362	100.0%
Age	18-30	68	18.8%
	31-40	112	30.9%
	41-50	120	33.1%
	51-60	60	16.6%
	61 and above	2	0.6%
	Total	362	100.0%

Educational Qualification	GCE/WASC & below	27	7.5%
	OND /NCE	63	17.4%
	HND/BSC	207	57.2%
	MBA/MSc	59	16.3%
	PhD	6	1.7%
	Total	362	100.0%
Informal Status	Trader	88	24.3%
	Entrepreneur	140	38.7%
	Artisan	89	24.6%
	General Contractor	45	12.4%
	Total	362	100.0%

Table 1 presents the demographic and professional background of the 362 respondents who participated in the study. Majority of the respondents were male, accounting for 61.6% of the total sample, while 38.4% were female. This reflects a moderate male dominance in the respondent pool. The age group with the highest representation was those aged 41–50 years, constituting 33.1% of the respondents. This was followed by 31–40 years (30.9%), and 18–30 years (18.8%). Respondents aged 51–60 years (16.6%), while only 0.6% were with aged 61 and above. These figures indicate a predominantly middle-aged respondents, with over 60% of respondents falling within the 31–50 age range. Majority of respondents (57.2%) held HND/BSc degrees, followed by OND/NCE holders (17.4%), and MBA/MSc degree holders (16.3%). Those with GCE/WASC & below accounted for 7.5%, while only 1.7% held PhD. This reflects a well-educated respondent, with nearly three-quarters having at least a higher diploma or university degree. In terms of professional engagement, Entrepreneurs constituted the largest group (38.7%), followed closely by Artisans (24.6%), Traders (24.3%) and General Contractors (12.4%). This suggests a diverse informal sector representation in the study, with significant number of respondents involved in entrepreneurial or skilled manual activities.

Respondent's Responses For The Questionnaire

The respondents' responses were based on the classification of answers given by respondents. Their answers were categorized under the 6-point Likert scale questions of strongly disagree (SD), disagree (D), partially disagree (PD), partially agree (PA), agree (A) and strongly agree (SA) with mean and standard deviation (SDV). These answers were used to answer the research objective.

Table 2: Respondents Response to Trust in Government

Descriptive	SD	D	PD	PA	A	SA	Mean	SDV
This local government is honest in the application of tax laws to all parties	27	49	32	97	119	38	3.96	1.43
	7.5%	13.5%	8.8%	26.8%	32.9%	10.5%		
This local government exhibit openness and transparency in dealing with tax payers	23	53	37	108	122	19	3.86	1.34
	6.4%	14.6%	10.2%	29.8%	33.7%	5.2%		
This local government is trust worthy on application of tax revenues	40	38	36	103	122	23	3.82	1.44
	11.0%	10.5%	9.9%	28.5%	33.7%	6.4%		
This local government is not corrupt in handling tax revenues	31	53	45	130	85	18	3.66	1.34
	8.6%	14.6%	12.4%	35.9%	23.5%	5.0%		
This local government is reliable and transparent in the award of contract	41	89	44	107	63	18	3.32	1.43
	11.3%	24.6%	12.2%	29.6%	17.4%	5.0%		
This local government is reliable in the application of tax revenues	21	41	37	108	122	33	3.72	1.41
	5.8%	11.3%	10.2%	29.8%	33.7%	9.1%		

Table 2 presents respondents' perceptions of trust in local government across various dimensions. A combined total of 254 respondents (70.2%) agreed that *"This local government is honest in the application of tax laws to all parties"*, indicating that a significant majority believe in the fairness of tax law enforcement. Similarly, 249 respondents (68.7%) agreed that *"This local government exhibits openness and transparency in dealing with taxpayers,"* reflecting a general sense of openness in tax administration. In terms of financial accountability, 248 respondents (68.5%) agreed that *"This local government is trustworthy in the application of tax revenues,"* while 233 respondents (64.3%) agreed that *"This local government is not corrupt in handling tax revenues."* This suggests that although there is trust in the use of public funds, some reservations may remain regarding corruption. When it comes to public procurement, 188 respondents (52.0%) agreed that *"This local government is reliable and transparent in the award of contracts."* This lower percentage compared to other items suggests skepticism around contract-related processes. Finally, 263 respondents (72.6%) agreed that *"This local government is reliable in the application of tax revenues,"* the highest level of agreement among

all items, emphasizing trust in how public funds are eventually allocated. The mean of 3.96, 3.86, 3.82, 3.66, 3.32 and 3.72 respectively suggest that majority of the respondents agreed to each test items while standard deviation of 1.43, 1.34, 1.44, 1.34, 1.43 and 1.41 respectively implies that the respondents' responses are not susceptible to change over time.

Table 3: Respondents' Response to Accountability

Descriptive	SD	D	PD	PA	A	SA	Mean	SDV
This Local Government cares less about making public details of tax collections and utilization	19 5.2%	48 13.3%	37 10.2%	88 24.3%	90 24.9%	80 22.1%	4.17	1.49
Majority of the local taxpayers feel that a large proportion of taxes are used by the government for meaningless purpose	16 4.4%	42 11.6%	25 6.9%	70 19.3%	108 29.8%	101 27.9%	4.42	1.47
This local Government is not accountable to the taxpayers on the utilization of tax revenues collected	37 10.2%	55 15.2%	53 14.6%	75 20.7%	75 20.7%	67 18.5%	3.82	1.61
This Local Government does not provide a report on the extent to which tax revenues utilization meet the expectation of the taxpayers	17 4.7%	42 11.6%	31 8.6%	74 20.4%	123 34.0%	75 20.7%	4.30	1.43
This Local Government does not perceive that there are consequences for not being accountable to taxpayers for tax revenues	22 6.1%	50 13.8%	24 6.6%	64 17.7%	120 33.1%	82 22.7%	4.26	1.53

Table 3 presents respondents' perceptions of the local government's accountability, particularly in relation to the collection, reporting, and utilization of tax revenues. A total of 258 respondents (71.3%) agreed that *"This local government cares less about making public details of tax collections and utilization,"* suggesting a notable lack of transparency in fiscal communication. Similarly, 279 respondents (77.1%) agreed that *"Majority of the local taxpayers feel that a large proportion of taxes are used by the government for meaningless purposes,"* indicating a strong perception of misallocation or wastage of public funds. Further highlighting

accountability concerns, 217 respondents (59.9%) agreed that *“This local government is not accountable to the taxpayers on the utilization of tax revenues collected.”* This perception aligns with 272 respondents (75.1%) who agreed that *“This local government does not provide a report on the extent to which tax revenues utilization meet the expectation of the taxpayers.”* These responses emphasize the perceived lack of feedback and performance evaluation in public finance usage.

Moreover, 266 respondents (73.5%) agreed that *“This local government does not perceive that there are consequences for not being accountable to taxpayers,”* suggesting that lack of accountability is not just operational but also cultural, as citizens perceive weak enforcement or sanction mechanisms. The mean of 4.17, 4.42, 3.82, 4.30, and 4.26 respectively suggest that majority of the respondents agreed to each test items while standard deviation of 1.49, 1.47, 1.61, 1.43 and 1.53 respectively implies that the respondents were not likely to change their responses over time.

Table 4: Respondents Response to Transparency

Descriptive	SD	D	PD	PA	A	SA	Mean	SDV
This Local Government does not make full disclosure of tax revenues collection and utilization	12 3.3%	27 7.5%	30 8.3%	74 20.4%	137 37.8%	82 22.7%	4.5	1.31
Local taxpayers believe governments are failing to practice open, honest, and responsible spending	8 2.2%	16 4.4%	23 6.4%	60 16.6%	135 37.3%	120 33.1%	4.82	1.21
This Local Government is not doing well in providing understandable and timely financial management information	11 3.0%	36 9.9%	37 10.2%	85 23.5%	132 36.5%	61 16.9%	4.31	1.31
This Local Government does not employ competitive bidding process in the award of contracts	9 2.5%	36 9.9%	48 13.3%	90 24.9%	117 32.3%	62 17.1%	4.26	1.30

Table 4 explores respondents' perceptions of transparency in the administration of local government, particularly regarding tax revenue disclosure, spending, financial information, and procurement processes. A significant 293 respondents (80.9%) agreed that *“This local government does not make full disclosure of tax revenue collection and utilization,”* reflecting strong public sentiment that fiscal processes lack transparency. Similarly, 315 respondents

(87.0%) agreed that “*Local taxpayers believe governments are failing to practice open, honest, and responsible spending,*” indicating overwhelming concern about how public funds are managed and communicated. When asked about financial reporting, 278 respondents (76.9%) agreed that “*This local government is not doing well in providing understandable and timely financial management information.*” This implies that most taxpayers find the available financial data either too complex, delayed, or insufficiently detailed. Additionally, 269 respondents (74.3%) agreed that “*This local government does not employ competitive bidding process in the award of contracts,*” suggesting a lack of transparency in procurement processes and potential issues around favoritism or inefficiency. The mean of 4.5, 4.82, 4.31, and 4.26 respectively suggest that majority of the respondents agreed to each test items while standard deviation of 1.31, 1.21, 1.31, and 1.30 respectively show that the responses of the respondents are less likely to change over time.

Table 5: Respondents response to willingness to pay local tax

Descriptive	SD	D	PD	PA	A	SA	Total
Paying tax is the right and natural things to do	4	5	9	27	110	207	362
	1.1%	1.4%	2.5%	7.5%	30.4%	57.2%	100%
Paying tax is a responsibility that should be willingly accepted by all citizen	1	5	5	23	120	208	362
	0.3%	1.4%	1.4%	6.4%	33.1%	57.5%	100%
I pay tax to support the local government, its programme, and community development	0	5	7	22	148	180	362
	0.0%	1.4%	1.9%	6.1%	40.9%	49.7%	100%
I will pay tax even when there are no controls because I am sure am doing the right things.	7	21	10	60	121	143	362
	1.9%	5.8%	2.8%	16.6%	33.4%	39.5%	100%
Paying tax promptly is a matter of cause because I like to contribute to everyone's goods.	0	17	6	59	141	139	362
	0.0%	4.7%	1.7%	16.3%	39.0%	38.4%	100%
I feel morally obliged to honestly declare all my income for tax purposes because I regard it as my duty	5	11	20	66	162	98	362
	1.4%	3.0%	5.5%	18.2%	44.8%	27.1%	100%
I will pay tax even if tax audit does not exist.	21	38	24	84	117	78	362
	5.8%	10.5%	6.6%	23.2%	32.3%	21.5%	100%

Table 5 presents data on respondents' willingness to pay tax, exploring their personal convictions, sense of duty, and moral reasoning behind citizens willingness to pay local tax. The responses show an aggregate strong internal motivation and civic consciousness toward tax payment. A significant 344 respondents (95.1%) agreed that *"Paying tax is the right and natural thing to do,"* and 351 respondents (97.0%) agreed that *"Paying tax is a responsibility that should be willingly accepted by all citizens."* These high levels of agreement reflect a deep sense of national and communal responsibility among the majority. Furthermore, 350 respondents (96.7%) agreed with the statement *"I pay tax to support the local government, its programmes, and community development,"* underscoring the respondents' recognition of tax as a vital contribution to societal advancement. Even in the absence of enforcement, 324 respondents (89.5%) agreed that *"I will pay tax even when there are no controls because I am sure I am doing the right thing,"* and 341 respondents (94.2%) agreed that *"Paying tax promptly is a matter of course because I like to contribute to everyone's good."* These responses suggest that tax compliance is not solely driven by external pressure but by internal ethical convictions. Similarly, 326 respondents (90.1%) felt *a moral obligation to honestly declare all income for tax purposes,* indicating a personal alignment of ethics with tax behavior. Even when asked about compliance in the absence of audit systems, 279 respondents (77.0%) agreed with the statement *"I will pay tax even if tax audit does not exist,"* showing that while slightly lower than other items, a significant majority still express willingness to pay local tax based on personal values rather than fear of sanctions.

Hypotheses Testing

Test of Hypothesis One

Trust in Government does not have a significant influence on Willingness to Pay local revenue in local government. The results of the test of hypothesis are presented in the Table 6.

Table 6: Results of the test of hypothesis 1

Coefficients ^a						
	Model	Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	33.403	.945		35.346	.000
	Trust In Government	.082	.040	.107	2.044	.042

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.107 ^a	.011	.009	5.12052	.011	4.177	1	360	.042

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	109.518	1	109.518	4.177	.042 ^b
	Residual	9439.101	360	26.220		
	Total	9548.619	361			

a. Dependent Variable: willingness to pay tax

b. Predictors: (Constant), trust in government

The unstandardized coefficient ($B = 0.082$) indicates that for every one-unit increase in Trust in Government, the Willingness to Pay local revenue is expected to increase by 0.082 units, assuming all other variables are held constant. The standardized coefficient (Beta = 0.107) suggests a positive but weak relationship between trust in government and willingness to pay local revenue. The t-value of 2.044 and the p-value of 0.042 indicate that this relationship is statistically significant at the 0.05 level. The model shows a weak correlation ($R = 0.107$) between the independent and dependent variables, with $R^2 = 0.011$ indicating that only 1.1% of the variation in the dependent variable is explained. The Adjusted $R^2 = 0.009$ suggests minimal explanatory power. However, the F-statistic ($F = 4.177$, $p = 0.042$) is significant at the 0.05 level, indicating a weak but notable improvement over a model without predictors. The ANOVA results indicate that the regression model predicting Willingness to Pay local revenue from Trust in Government is statistically significant, with an F-value of 4.177 and a p-value of 0.042. This suggests that Trust in Government modestly affects taxpayers' willingness to comply, despite the overall explained variance being low, as reflected in the model's R^2 value.

Decision Rule:

The results presented in the coefficients table confirm that Trust in Government has a significant and positive influence on citizens' Willingness to Pay local revenue. Therefore, the null hypothesis, which states that *Trust in Government does not have a significant influence on Willingness to Pay local revenue*, is rejected.

Test of Hypothesis Two

Accountability has no significant effect on Willingness to Pay local revenue in local government. The results of the hypothesis test are presented in Table 7.

Table 7: Results of the test of hypothesis 2

Coefficients^a									
Model		Unstandardized		Standardized	T	Sig.			
		Coefficients		Coefficients					
		B	Std. Error	Beta					
1	(Constant)	36.393	.969		37.551	.000			
	Accountability	-.054	.044	-.064	-1.223	.222			
Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.064 ^a	.004	.001	5.13947	.004	1.496	1	360	.222
ANOVA^a									
Model		Sum of Squares	Df	Mean Square	F	Sig.			
1	Regression	39.516	1	39.516	1.496	.222 ^b			
	Residual	9509.102	360	26.414					
	Total	9548.619	361						
a. Dependent Variable: Willingness to Pay Tax									
b. Predictors: (Constant), Accountability									

The unstandardized coefficient ($B = -0.054$) indicates that for every one-unit increase in Accountability, the Willingness to Pay local revenue is expected to decrease by 0.054 units, assuming all other variables are held constant. The standardized coefficient (Beta = -0.064) shows a very weak and negative relationship between Accountability and Willingness to Pay local revenue. The t-value of -1.223 and the p-value of 0.222 indicate that this relationship is not statistically significant at the 0.05 level. The model shows a very weak correlation ($R = 0.064$) between the independent and dependent variables. With $R^2 = 0.004$, it explains only 0.4% of the variation, and the Adjusted $R^2 = 0.001$ confirms its low explanatory power. The F-statistic is 1.496 with a p-value of 0.222, indicating that the model is not statistically significant and does not improve prediction. The ANOVA results show that the regression model predicting Willingness to Pay local revenue from Accountability is not statistically significant, with an F-

value of 1.496 and a p-value of 0.222. This suggests that Accountability does not meaningfully impact respondents' Willingness to Pay local revenue, explaining only a small, non-significant portion of the variance in the dependent variable.

Decision Rule:

The results presented in the coefficients table confirm that Accountability does not have a significant influence on Willingness to Pay local revenue. Therefore, the null hypothesis, which states that *Accountability has no significant influence on Willingness to Pay local revenue*, is accepted.

Test of Hypothesis Three

Transparency has no significant effect on Willingness to Pay local revenue in local government. The results of the test of hypothesis are presented in Table 8

Table 8: Results of the test of hypothesis 3

Coefficients^a									
Model		Unstandardized		Standardized	T	Sig.			
		Coefficients		Coefficients					
		B	Std. Error	Beta					
1	(Constant)	36.938	1.196		30.874	.000			
	Transparency	-.094	.065	-.076	-1.445	.149			
Model Summary									
Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
l					R Square Change	F Change	df1	df2	Sig. F Change
1	.076 ^a	.006	.003	5.13528	.006	2.087	1	360	.149
ANOVA^a									
Model		Sum of Squares	Df	Mean Square	F	Sig.			
1	Regression	55.026	1	55.026	2.087	.149 ^b			
	Residual	9493.592	360	26.371					
	Total	9548.619	361						
A. Dependent Variable: Willingness To Pay Tax									
B. Predictors: (Constant), Transparency									

The unstandardized coefficient (B = -0.094) indicates that for every one-unit increase in Transparency, the Willingness to Pay local revenue is expected to decrease by 0.094 units,

assuming all other variables are held constant. The standardized coefficient (Beta = -0.076) shows a very weak and negative relationship between Transparency and Willingness to Pay local revenue. The t-value = -1.445 and the p-value = 0.149 show that the relationship is not statistically significant at the 0.05 level. The model exhibits a weak correlation ($R = 0.076$) between the independent and dependent variables, with $R^2 = 0.006$ indicating that only 0.6% of the variation in the dependent variable is explained. The Adjusted $R^2 = 0.003$ confirms its limited explanatory power. The F-statistic = 2.087 and p-value = 0.149 suggest the model is not statistically significant, meaning the predictor does not meaningfully enhance prediction. The ANOVA result shows an F-value of 2.087 and a p-value of 0.149 , indicating that the model is not statistically significant. This suggests that Transparency does not significantly explain the variance in Willingness to Pay local revenue among respondents, implying that the observed relationship may be due to chance.

Decision Rule:

The results presented in the coefficients table confirm that Transparency does not have a significant influence on Willingness to Pay local revenue. Therefore, the null hypothesis, which states that *Transparency has no significant influence on Willingness to Pay local revenue*, is accepted.

DISCUSSION OF FINDINGS

On the aspect of demographic factor, the study revealed that majority of the respondents were male with 61.6% of the total respondents. The age group of the respondents was predominantly of middle age revenue payers with over 60% of the respondents while majority of the respondents were well educated to answers the questions from diverse informal sector representation. On trust in government, majority of the respondents agreed that the local government is honest and fair in the application of tax laws, and shows sense of openness in tax administration. Moreover, government exhibit transparency in dealing with taxpayers with evidence of trustworthy on application of tax revenues but with reservation regarding corruption. Also, local government has less reliability and transparency in the award of contract. On accountability perspective, majority of the respondents agreed that local government care less about accountability and transparency on tax revenue collected by expending them on meaningless activities, thereby resulting into public fund misallocation and wastages. Besides, lack of accountability in government is not just operational but cultural as citizens perceived weak enforcement or sanction mechanism. On transparency, majority of the respondents agreed on local government failures in disclosing local revenues collected and their utilization.

Furthermore, there is failure on timely disclosure of local government financial information, lack of transparency in procurement process and non-competitive bidding for awards of contracts. On willingness to pay, majority of the respondents agreed that paying local tax is the right and natural things to do. Also, that local tax payment should be willingly accepted by all citizens in order to support government programmes and infrastructural development. Besides, willingness to pay local tax is not solely driven by external pressure but by internal ethical convictions aligning the ethics with tax behavior and personal values rather than fear of sanctions.

Empirical findings from the test of Hypotheses on the influence of governance quality on citizens willingness to pay revenue in local government revealed that trust in government has positive but weak relationships with citizens willingness to pay local revenues while respondents on accountability and transparency have negative relationships with citizens willingness to pay local revenue respectively. This showed that a unit increase in trust in government would lead to 0.082 increases in citizens willingness to pay revenue in local government while a unit increase in respondents' accountability and transparency would lead to decrease of 0.0054 and 0.094 respectively in citizens willingness to pay revenue in local government. The study also revealed that trust in government has significant relationships with citizens willingness to pay revenue in local government, this showed that this variable has significant factors that influenced changes in citizens willingness to pay revenue. However, accountability and transparency do not have significant relationship with citizens willingness to pay revenue in local government. This implies that accountability and transparency were not significant factors that influenced changes in citizens willingness to pay revenue.

The Adjusted R^2 measures the proportion of the changes in citizens willingness to pay revenue in local government as a result of changes in trust in government, accountability and transparency of the respondents. The adjusted R^2 of 0.009, 0.004 and 0.006 for trust in government, accountability and transparency respectively explains about 0.9, 0.4 and 0.6 percent changes in citizens willingness to pay revenue in local government while the remaining 99.1, 99.6 and 99.4 percent were other factors explaining changes in citizens willingness to pay revenue but were not captured in the model. The F-statistic of trust in government on citizens willingness to pay revenue in local government of 4.177 is statistically significant at $p= 0.042$ therefore the empirical finding revealed that trust in government has a significant and positive influence on citizens willingness to pay revenue at 5 percent level of significance. This position also aligns with the findings of Byaro and Kinyondo (2020), Giese and Heinemann-Heile (2025); Krahn and Mertens (2023). The F-statistic of accountability and transparency on citizens willingness to pay revenue of 1.496 and 2.087 were not statistically significant at $p= 0.222$ and $p= 0.149$ respectively. Therefore, empirical finding revealed that accountability and

transparency were not significant factors that influenced changes on citizens willingness to pay revenue in local government. This suggests that accountability and transparency does not significantly explain the variance in willingness to pay revenue in local government. This negates the findings of Maimodu *et al.* (2023); Mohd Termizi and Ridzuan (2022); Ibrahim (2024); Salman *et al.*, (2022) while it reaffirms the findings of Abubakar, Palil and Maelah (2021); Adekoya, Olayinka and Aina (2023); Chukwunwike *et al.*, (2021). Hence, governance quality has significant factors on willingness to pay revenue in local government which is in line with the study of Chitenderu, Ncwadi and Mishi (2022).

SUMMARY AND CONCLUSION

The study revealed that local government is honest and trustworthy on the application of tax law with openness and transparency in tax administration. However, local government seems careless on transparency and accountability on tax revenues, thereby resulting into misallocation and wastages of resources. Additionally, local government fails in disclosing local government financial information on a timely basis, also exhibit lack of transparency on procurement process and contracts bidding. On willingness to pay, payment of tax was agreed to be a right and natural thing to do and this should be embraced by all citizens to support governance. Additionally, willingness to pay is reported to be driven by internal ethical behavior rather than pressure from enforcement and sanction. Moreover, hypotheses on the influence of governance quality on citizens willingness to pay local revenue revealed that trust in government has positive but weak relationships with citizens willingness to pay local revenue while respondents on accountability and transparency have negative relationships with citizens willingness to pay local revenue. The study also revealed that trust in government has significant relationships with citizens willingness to pay local revenues. This showed that trust in government variable has significant factors that influenced changes in citizens willingness to pay local revenues. However, accountability and transparency do not have significant relationship with citizens willingness to pay local revenue. This implies that accountability and transparency were not significant factors that influenced changes in citizens willingness to pay local revenue.

RECOMMENDATIONS

1. Local government should embrace disclosure policies on revenue generated and its utilization.
2. Citizens should embrace attitudinal changes towards local tax payment as a natural thing to do.

3. Local government should ensure accountability and transparency on local tax revenue to foster revenue generation.
4. Local government should ensure provision of good governance, qualitative services delivery, and security of citizens at the grassroots to enhance citizens confidence on tax payment.
5. Local government management should provide efficient service delivery to foster trust in government for willingness to pay local revenue.
6. Transparency and openness on procurement process should be adopted by local government to instill public trust and confidence that drive willingness to pay local revenue.
7. Local government should ensure community participation and engagement on budgetary process for ease of collection.
8. Local government should adopt electronic payment system to minimize cash payment and thereby, blocked revenue leakages, evasion and avoidance that is pertinent with local government revenue generation.
9. Local government should have realistic policies that will increase citizens confidence on governance and willingness to pay local revenues.

LIMITATIONS AND FURTHER STUDIES

The study focuses only on revenue generation in local government with focus on government quality in local governments in Lagos state, Nigeria. However, future research can look at other states, regions or countries with appropriate comparison for decision making. Also, future research could consider other mechanism that will enhance revenue generation or impact of revenue generation on qualitative service delivery or impact of revenue budgetary control on project management.

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