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NESG Tax Perception Survey Report 2026

October 2026



Disclaimer

This report presents the findings of the Tax Perception Survey 2026, conducted by the Nigerian Economic Summit Group (NESG), with support from the United Kingdom (UK) Government. The survey examines taxpayers' awareness, perceptions, experiences, and attitudes towards taxation in Nigeria, including issues relating to trust, fairness, accountability, tax compliance and the implementation of the Nigeria Tax Act 2025.

The findings, interpretations and recommendations presented in this report are based on data collected from households, businesses and relevant tax officials, and on the analytical approach adopted by the research team. While reasonable efforts have been made to ensure the accuracy and reliability of the information presented, the NESG and the research team make no representation or warranty, express or implied, as to the completeness or accuracy of the information and accept no liability for any loss or damage arising from its use. The findings should be interpreted within the context of the survey's scope, coverage and methodology, and the limitations inherent in survey-based research.

The views, interpretations and recommendations expressed in this report are those of the research team and do not necessarily represent the official positions of the NESG, the UK Government or any other institution associated with the survey. The publication of this report by the NESG does not imply that the NESG, its leadership, or the UK Government endorses every finding, interpretation, or recommendation contained therein.

The report is intended to inform policy dialogue, support evidence-based decision-making and contribute to improved taxpayer trust, institutional accountability and effective tax administration in Nigeria.

This report does not constitute legal, tax or financial advice, nor does it supersede applicable tax laws, regulations or official guidance issued by the relevant authorities. Readers are encouraged to consult the appropriate authorities or qualified professionals for guidance on specific tax-related matters.

Foreword

Nigeria's tax reform will contribute to lasting economic progress when it strengthens the relationship between government, citizens and enterprise. At this stage of our reform journey, the task is to convert macroeconomic stabilisation and stronger public finances into productive investment, better jobs and improved living standards. Tax policy and administration are central to that task. They must mobilise the resources for development while supporting the capacity of households and businesses to prosper.

The NESG Tax Perception Survey Report 2026 examines this relationship through the experiences of those who pay and administer taxes. Drawing on surveys of 18,000 working adults, one per household, and 9,097 firms across all 36 states and the Federal Capital Territory, alongside discussions with taxpayers and interviews with tax officials, it provides a substantial evidence base for implementation. Its findings describe reported perceptions and experiences; they are not an audit of revenue administration or a causal evaluation of reform. The pooled estimates adjust for oversampling but are not calibrated to national population totals. This discipline matters when interpreting both the strengths and the concerns identified.

There are grounds for optimism. Among surveyed households, 74.4 percent accepted the government's right to collect taxes. Among firms asked to file a return or provide tax records in the preceding year, 95.8 percent reported complying. These findings suggest a foundation of civic acceptance and willingness on which to build. The accompanying accounts of uncertainty, uneven treatment, overlapping demands and limited confidence in public spending show where that foundation needs strengthening.

The connection between revenue and public value deserves particular attention. Only 24.3 percent of surveyed households had seen or heard of a tax-funded project in their community. Among surveyed firms, 48.2 percent said they would definitely be willing to pay more if public services improved. These responses express expectations rather than guaranteed future behaviour. They nevertheless give reformers a clear reason to make the fiscal exchange more visible. Citizens and businesses should be able to understand how public resources support services, identify the institutions responsible and question the quality of delivery.

This is also an economic competitiveness issue. When firms face uncertain liabilities, repeated collection demands or difficult dispute resolution, they bear costs that weaken cash flow and investment planning. Those costs can compound the burdens of unreliable power, insecurity and expensive logistics. A productive tax system should make lawful compliance easier, apply obligations consistently and broaden participation fairly. The reported experience of compliant enterprises and the circumstances of low-income and vulnerable taxpayers must inform implementation.

Economic forward guidance can help establish that predictability. Taxpayers need practical explanations of their obligations and rights, clear implementation calendars, recognised payment channels and timely clarification when rules or procedures change. Tax authorities should publish service standards and explain how objections and complaints will be handled. Fiscal authorities should communicate expenditure priorities and report on delivery. These commitments become credible through consistent administrative practice and public evidence of progress.

The report's CORE framework offers a useful structure for action: Coordinate, Order, Respond and Evaluate. Coordination should clarify responsibilities across levels of government and reduce overlapping demands. Sequencing should establish verifiable payments, sound collection controls and service standards, while making project information and complaint channels visible from the outset. Taxpayer education, simpler procedures and digital services should develop on that trusted foundation. Implementation must respond to differences in knowledge, administrative capacity and access, including the needs of smaller firms and taxpayers who require assisted services.

Digitalisation can strengthen traceability and improve taxpayer experience when systems are reliable, interoperable and easy to use. Success should be assessed through completed transactions, dependable proof of payment and reduced compliance costs. Accessible redress is equally important. Taxpayers need confidence that concerns will receive fair consideration and that feedback can improve practice. Revenue agencies also need the skills, equipment and institutional support to meet those expectations.

Over the medium term, progress should be judged through a balanced set of measures. Revenue performance matters alongside the time and cost of compliance, consistency of treatment, resolution of complaints and confidence in public services. Each major implementation priority should have a baseline, a responsible institution, a deadline and a publicly reported result. Repeating this survey at agreed intervals would help assess whether administrative improvements are reaching taxpayers and where further adjustment is required.

At the NESG, we see this report as a contribution to a stronger economic accord founded on reciprocal responsibility. Citizens and businesses have obligations to comply honestly. Government has responsibilities to administer taxes fairly, safeguard public resources and deliver public value. I thank the United Kingdom Government for its support, Tetra Tech for its coordination, our research team and reviewers, and the respondents and public institutions whose contributions made this study possible. I recommend the report to policymakers, revenue authorities, business leaders and civic organisations as a practical basis for sustained dialogue and measurable reform. Nigeria can build a tax system that earns greater trust and finances shared prosperity through the everyday quality of its institutions and their service to the public.

Dr. Tayo Aduloju
Chief Executive Officer
Nigerian Economic Summit Group

Message from the UK Government

The UK Government, through the British High Commission in Nigeria, is proud to support the Tax Perception Survey through the Nigeria Public Finance Facility, delivered in partnership with the Nigerian Economic Summit Group.

As Nigeria implements important tax reforms, understanding how citizens and businesses perceive the tax system has never been more important. Evidence and dialogue are essential to ensuring that reforms are well understood, responsive to people's perceptions, and capable of delivering lasting benefits for the country.

This survey provided a valuable opportunity to hear directly from taxpayers across Nigeria. By capturing perspectives on awareness, trust, compliance and engagement with the tax system, it contributes to a stronger evidence base for policymakers, practitioners and stakeholders working to improve public finance outcomes.

The UK believes that effective tax systems go beyond mobilising revenue. They help governments finance essential public services, support economic growth and strengthen accountability between citizens and the state. Building public confidence in these systems is therefore fundamental to long-term development and shared prosperity.

We commend the Nigerian Economic Summit Group for its leadership in delivering this important research and for its commitment to informed public debate. We hope the findings will enrich national conversations on taxation and public finance, and support Nigeria's continued efforts to build a stronger, more inclusive economy.

The UK remains a committed partner to Nigeria's development journey, and we look forward to continuing our collaboration in support of sustainable growth, stronger institutions and greater opportunities for all.

Mahesh Mishra
Head, Growth, Trade and Investment
British High Commission, Nigeria

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The report was prepared by the NESG Research and Development (R&D) department under the leadership of Dr. Joseph Ogebe (Interim Director of Research). Dr. Faith Iyoha (Deputy Head of Research) served as Lead Researcher. The research team comprised Mr. Wasiu Adekunle (Senior Economist) and Mr. Sodik Olofin (Senior Economist). Dr. Oluwaseyi Itiowe (Economist) coordinated project activities and supported the delivery of the report.

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Executive Summary

The NESG Tax Perception Survey Report 2026 examines how Nigerian households, firms and tax officials understand, perceive, and experience the tax system during the early implementation of the Nigeria Tax Act 2025. The Nigerian Economic Summit Group (NESG) commissioned it with support from the United Kingdom (UK) Government. Beyond revenue and compliance figures, it looks at the institutional, behavioural and social conditions that shape whether taxpayers are willing and able to comply. It is a diagnostic study, not an audit or a ranking of any tax administration.

The study used one framework of nine (9) themes: Knowledge and Awareness; Trust, Legitimacy and Fairness; Fiscal Exchange and the Social Contract; Compliance Behaviour and Willingness; Social and Individual Norms; Equity and Progressivity; Institutional Capacity and Taxpayer Experience; Digitalisation and Innovation; and Voice and Accountability.

Between July and September 2026, the study surveyed 18,000 working adults (one per household) and 9,097 firms in all 36 states and the Federal Capital Territory (FCT). Six states (Abia, Bauchi, Kano, Nasarawa, Ogun and Rivers) were oversampled to increase the number of observations. In those states, the study also held 12 household and 12 firm focus group discussions and 18 interviews with tax officials. Pooled estimates were adjusted for oversampling only and were not calibrated to national population totals. The findings reflect respondents' reported perceptions and experiences. They were not verified against tax records; group differences are descriptive, and the qualitative evidence provides context rather than population estimates.

Key Findings

Across the nine themes, the principle of taxation is broadly accepted. Tax morale was modestly above the five-point midpoint in both surveys. The study also finds room to strengthen how the framework is understood, perceived, experienced, and trusted in day-to-day administration.

01

Knowledge and Awareness. Among the surveyed firms, 80.6 percent had heard of the Nigeria Tax Act 2025, while 60.0 percent of the surveyed households said they were not at all or only slightly familiar with it[1]. Awareness does not yet translate into working knowledge. Firms answered more than half of the tax-rule questions correctly on average, and fewer than half correctly identified how different groups of taxpayers are taxed. Only 15.0 percent of households had sought official information on the Act. Taxpayers would benefit from practical explanations of how the provisions apply to their own situation.

02

Trust, Legitimacy and Fairness. Most households (74.4 percent) agreed that the government has the right to collect taxes, and 52.1 percent of firms agreed that tax authorities always have the right to make firms pay. Reported trust in the institutions that administer taxes is more moderate. Between 27.0 and 30.0 percent of the surveyed households trusted the federal, state or local tax authority somewhat or a lot, while 48.7 to 52.2 percent of the surveyed firms reported moderate or better trust. In both surveys, local government tax offices received the lowest scores. Views on fairness were mixed: 52.0 percent of firms described the system as unfair to businesses, while 48.0 percent described it as somewhat or very fair. Most firms (78.2 percent) said they perceived tax revenue to be misused at least sometimes, which is a perception the study could not verify. The main opportunity is to build on broad acceptance of taxation by strengthening confidence in how taxes are administered.

03

Fiscal Exchange and the Social Contract. Many taxpayers find it hard to see what their taxes fund. Only 24.3 percent of households had seen or heard of a tax-funded project in their community, and 22.0 percent were satisfied with public services. A further 29.2 percent said no such services were available in their area. Firms rated all nine (9) public services below the scale midpoint, with water supply and sanitation rated lowest. Households that had seen a tax-funded project reported higher trust (2.25 against 1.91 on a four-point scale). Firms indicated a willingness to pay more if public services improve: 48.2 percent said they definitely would, while 42.4 percent said they might. Officials also gave local examples of services that followed taxpayer engagement, such as drainage, road, and maternal health improvements, though these are individual cases.

04

Compliance Behaviour and Willingness. The evidence does not point mainly to outright refusal to pay. Of households that reported having a Tax ID and being required to pay personal income tax, 78.2 percent reported having paid[2]. Among the 46.0 percent of firms that had been asked to file a return or provide records in the past year, 95.8 percent reported complying, and 94.7 percent of those said they met the deadline. The few firms that reported not complying most often cited a high tax burden (61.6 percent), cash-flow constraints (41.8 percent), multiple taxes and levies (34.9 percent), and poor public services (31.2 percent). Willingness is also conditional, as 43.1 percent of firms agreed that firms should refuse to pay until services improve. Officials generally preferred education and engagement before formal enforcement, and the evidence supports pairing enforcement with simpler procedures and better taxpayer experience.

[1] Note that the two questions differ, so the figures cannot be compared directly.

[2] Note that all compliance figures are self-reported.

05

Social and Individual Norms. Civic attitudes are positive. About 63 percent of households see paying tax as a civic responsibility, and 68.0 percent said their religion teaches obedience to the law and the payment of taxes. Perceived social consequences for non-payment are less strong: 43.4 percent of firms agreed that a business that does not pay tax loses respect in its community, and 51.2 percent agreed that some businesses would not pay if they knew they would not be caught. Tax morale may be reinforced through consistent tax administration and visible evidence that tax revenue translates into public benefits.

06

Equity and Progressivity. Support for the principle that those with more should pay more is strong: 68.1 percent of households and 63.4 percent of firms agreed. Views on how obligations are applied are divided. Among households, 41.7 percent said people like them pay too much compared with richer people, while 45.4 percent said they pay a fair share. Among firms, 51.5 percent said the system places too much burden on small businesses, and 55.1 percent said some businesses can avoid taxes while others cannot. Some tax officials noted that formal businesses and employees are easier to reach through filing requirements and payroll deductions. Expanding the tax base fairly would address both concerns.

07

Institutional Capacity and Taxpayer Experience. Reported experiences are mixed. Households found tax processes easier to complete (47.4 percent positive) than to understand: about 30 percent rated officials' explanations, consistency and clarity on amounts owed positively. Among those who had tried to resolve a tax issue, 60.5 percent of households and 53.6 percent of firms reported resolution the same day or within a few days, while about 20 percent of each group waited more than a month or said issues were rarely resolved. Two in three households (67.2 percent) reported encountering informal, non-state levies at least once, and 13.9 percent of firms said they had been required to pay a fee they considered illegal[3]. Tax officials described shortages of staff, vehicles, and equipment, mainly in local offices, and security risks during fieldwork.

08

Digitalisation and Innovation. Access to digital services exceeds their use, presenting an opportunity to expand adoption. Of households, 68.8 percent have internet access but only 19.2 percent have ever used a digital tax system. Among firms, 78.3 percent reported internet access and 50.6 percent had ever paid a tax or fee digitally. Users rate the systems favourably: 58.0 to 64.7 percent of household users rated each aspect good or very good, and 71.8 percent of firms said digital systems make compliance easier. Poor internet connectivity was the most commonly reported challenge among users of the digital tax system (63.6 percent). The adoption of digital tax payment varies among surveyed firms by region, at 32 to 40 percent in the three northern regions against 62 to 68 percent in the three southern regions. Making digital services simpler, more reliable, and easier to verify would help translate existing access into greater use.

09

Voice and Accountability. Formal complaint channels exist and are used by some taxpayers, but awareness is limited. Only 13.1 percent of households had ever been consulted by the government on tax matters, and views on complaint handling were divided (31.7 percent satisfied, 39.5 percent dissatisfied). Among firms, 22.4 percent had filed an objection or complaint, and 51.6 percent of those were satisfied with the outcome. Most firms (68.0 percent) were at least moderately confident that a complaint would be handled fairly. Awareness of the Office of the Tax Ombud was 24.3 percent among households and 39.9 percent among firms. Officials gave examples where taxpayer feedback led to changes in procedure. Making existing channels more visible is a low-cost early step that can run alongside verification.

[3]These are self-reported claims by respondents; the study did not verify these reports or establish who collected the payments.

Key Policy Priorities

The findings show that the policy agenda should be built on verification, visibility, user-centred digital services, simpler compliance, taxpayers' voice, and fair, differentiated implementation, drawing on existing institutions and systems wherever possible.



Strengthen verification and accountability. Every payment should carry a verifiable receipt and a traceable route to a government account. Targeted reviews should look at the local collection arrangements, reconciliation, record-keeping, and remittance processes that respondents and officials raised, with traceability along the collection chain prioritised over blanket enforcement. Clear sanctions should apply where unauthorised collection is confirmed.



Make the fiscal exchange visible. Government should build on existing fiscal-information tools by publishing regular, accessible updates on how tax revenue funds services and projects, stating which level of government paid for what, and giving communities and businesses clearer ways to comment on those services.



Make digital tax administration more user-centred. Digital systems should be reliable, interoperable, and supported by help channels, with clearly identified official payment channels and proof of payment. Adoption should be judged by sustained use and completed transactions, and workable alternatives should remain where access is limited.



Improve taxpayers' education and simplify compliance. Communication on the Nigeria Tax Act 2025 should focus on practical obligations and rights, especially the provisions that confuse, and reach households, firms, small businesses, and informal operators through channels they already use. Duplicate filing and payment steps and overlapping levies should be reviewed, with reminders and assistance coming before penalties.



Strengthen taxpayers' voice and institutional accountability. Complaint, appeal and redress mechanisms, including the Tax Ombud, should be made more visible and accessible. Complainants should be protected, and authorities should publish how feedback shaped practice.



Adopt differentiated implementation. National standards for fairness, transparency, and accountability should be matched by approaches that fit households and firms, levels of government, and local conditions. Comparable taxpayers should be treated alike, and low-income and vulnerable taxpayers protected as the base widens.

The nine (9) themes are linked. Taxpayers who cannot verify a payment have less reason to trust the system, and low trust can discourage the use of digital services and complaint channels. The six (6) priorities above set out what to change. Chapter 8 gives the detailed actions, and its CORE framework sets out who leads (Coordinate), in what order (Order), how to respond to each taxpayer group (Respond) and how progress is judged (Evaluate).

Verification, capacity and service standards come first, because guidance, digital services and appeals to civic duty are unlikely to be believed without verifiable payments. Publishing project information and making existing complaint channels visible can begin at the same time, since both are comparatively inexpensive, but complaint timelines and protection against retaliation should follow as the channels gain use. Guidance, simplification and digital reforms follow on this base, and norms, equity and structured feedback are consolidated as earlier gains become visible.



CORE Framework for Cross-Cutting Implementation Priorities

	Priority	Key actions	Responsible Institution	Proposed Timeframe
C	**Coordinate under one lead institution**	Assign one body to coordinate delivery across federal, state and local tax authorities, with authority to resolve overlaps between agencies.	Lead: Joint Revenue Board (JRB). Implementing partners: Nigeria Revenue Service (NRS), State Internal Revenue Services (SIRS), relevant Federal and State Ministries of Finance, and Local Government revenue authorities.	Immediate (0 to 12 months)
O	**Order delivery in phases**			
	Phase 1: Build trust and control	Put verifiable receipts, collection controls, administrative capacity and service standards in place first. Start two low-cost publication steps in parallel: publish project location, cost and status, and publicise complaint, objection, appeal and Tax Ombud channels.	Lead: NRS, SIRS and relevant Local Government revenue authorities, each within its jurisdiction. Supporting institutions: JRB for coordination; the Tax Ombud and relevant tax dispute-resolution bodies for taxpayer redress; and Federal, State and Local Government finance, budget and service-delivery agencies for public project disclosures.	Immediate (0 to 12 months)
	Phase 2: Reduce the compliance burden	Roll out guidance, simplification, balanced enforcement and digital systems on the trusted base created in Phase 1. Add citizen dashboards and community feedback channels. Set complaint timelines. Put protections against retaliation in place as complaint channels become more visible.	Lead: NRS, SIRS and Local Government revenue authorities for implementation within their respective jurisdictions. Supporting institutions: JRB for harmonisation; relevant Ministries of Finance and ICT agencies for digital infrastructure and interoperability; and the Tax Ombud and other authorised redress bodies for complaints and taxpayer protection.	Medium term (12–36 months)
	Phase 3: Sustain legitimacy	Link tax communication to service-delivery improvements, and consolidate social norms, equity and structured feedback loops, which depend on earlier gains being visible to taxpayers.	Lead: NRS, SIRS and Local Government revenue authorities, working with the relevant Ministries of Finance. Supporting institutions: Federal, State and Local Government budget and service-delivery agencies, JRB, and relevant civic and community organisations.	Medium to long term (36–60 months)
R	**Respond to each group's main constraint**	Segment taxpayers using tax perception survey indicators of knowledge, trust, compliance burden, digital access and voice, then lead with the matching recommendations for each segment.	Lead: JRB to coordinate the use of findings across jurisdictions. Implementing partners: NRS, SIRS and Local Government revenue authorities to tailor taxpayer education, service improvements, digital access and engagement to their respective taxpayer groups.	Medium term (12–24 months, using the 2026 study as the baseline)
E	**Evaluate progress and enforce accountability**	Repeat the tax perception survey at fixed intervals as the baseline for a national taxpayer-experience dashboard. Track outcome indicators (compliance, registration, digital adoption) alongside experience indicators (trust, perceived fairness, service quality, complaint resolution). Give each major reform a baseline, target, deadline and named responsible institution, and report progress publicly.	Lead: JRB, subject to agreement on its coordinating and reporting mandate. Reporting institutions: NRS, SIRS and Local Government revenue authorities, each reporting on reforms within their jurisdiction.	Every two years after the baseline

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Abbreviations

CAC	Corporate Affairs Commission
CORE	Coordinate, Order, Respond, Evaluate
FAQ	Frequently asked question
FCT	Federal Capital Territory
FGD	Focus Group Discussion
ICT	Information and Communication Technology
IDI	In-Depth Interview
JRB	Joint Revenue Board of Nigeria
LGA	Local Government Area
NBS	National Bureau of Statistics
NESG	Nigerian Economic Summit Group
NPC	National Population Commission
NRS	Nigeria Revenue Service
PAYE	Pay As You Earn
PSU	Primary Sampling Unit
R&D	Research and Development
SIRS	State Internal Revenue Services
SME	Small and Medium Enterprise
Tax ID	Tax Identification Number (formerly TIN)
UK	United Kingdom
USSD	Unstructured Supplementary Service Data
VAT	Value Added Tax





CHAPTER 01

Introduction

1.1 Context of the NESG Tax Perception Survey

Nigeria's tax system is entering a critical phase of reform. The Nigeria Tax Act 2025[4], which took effect in January 2026, represents a significant change to the country's tax framework. The reform seeks to modernise and consolidate the tax system, broaden the domestic revenue base, simplify and harmonise tax provisions, improve administrative efficiency, and strengthen the fairness and transparency of taxation.

However, the effectiveness of a reform of this scale cannot be determined by the legal design of the Act alone. Its success will ultimately depend on whether taxpayers understand their obligations, perceive them as fair, trust the institutions responsible for administering them, can comply without excessive difficulty, and see a credible connection between the taxes they pay and the public services they receive. Equally important is whether tax administrators have the capacity, incentives and institutional environment to implement the new framework consistently.

The fieldwork took place during the early implementation period of the Nigeria Tax Act 2025, creating an important implementation window in which taxpayers' understanding, perceptions and experiences, as well as emerging administrative challenges, could be documented. At this stage, taxpayers are forming their initial understanding of new provisions, exemptions, procedures and rights, while tax officials are adapting existing practices and systems to the new framework.

Generating evidence at this point provides an opportunity to identify areas of misunderstanding, implementation bottlenecks and weaknesses in taxpayer experience before they become more deeply embedded in the tax system. It also allows areas in which the reform is already improving clarity, convenience, transparency or confidence to be identified and reinforced. The NESG Tax Perception Survey Report 2026 therefore provides an important baseline for understanding how the new tax framework is being received and experienced as the provisions of the Act begin to translate from legislation into everyday taxpayer and administrative interactions.

The Nigerian Economic Summit Group (NESG), with support from the United Kingdom (UK) Government, commissioned the Tax Perception Survey Report as a mixed-methods study combining household and firm surveys with Focus Group Discussions (FGDs) and In-Depth Interviews (IDIs) with tax officials. The study examines reported payment experiences and stated willingness and ability to comply, together with the factors that may shape those perceptions.

[4] Federal Republic of Nigeria (2025a).

It considers nine (9)[5] interconnected dimensions of the tax system. These dimensions provide a framework for examining how the formal rules of taxation interact with taxpayer perceptions, administrative practices, and the wider institutional environment in which tax compliance takes place. The Survey Report is designed as a diagnostic study rather than an audit or performance ranking of tax administrations. Its purpose is to understand how respondents perceive and experience the tax system, identify gaps between the formal framework and its practical operation, and examine factors that may support or constrain effective implementation of the Nigeria Tax Act 2025.

Conventional indicators such as revenue, registration and filing rates show what is happening in the tax system. Perception and experience data add a complementary view. The rationale for this broader perspective is supported by a substantial body of international literature showing that tax compliance cannot be explained by economic incentives and deterrence alone. While traditional approaches emphasise factors such as tax rates, the probability of detection and the severity of penalties, subsequent research has found the importance of trust in public institutions, perceived fairness, legitimacy, social norms, reciprocity and the quality of interactions between taxpayers and tax administrations.

The literature on tax morale and voluntary compliance, in particular, highlights the role of taxpayers' perceptions of whether government institutions are legitimate, trustworthy and fair, while evidence from developing and African countries reveals the importance of administrative capacity, informality, public-service delivery, corruption and the credibility of tax authorities in shaping tax behaviour (Frey & Torgler, 2007; Torgler & Schneider, 2007; Kirchler et al., 2008; Baum et al., 2017; McCulloch et al., 2021; Okunogbe & Santoro, 2023; Yamou et al., 2024). Researchers increasingly treat taxation as part of a fiscal relationship between citizens, businesses and the state (Frey & Torgler, 2007; Kirchler et al., 2008).

Important gaps nevertheless remain in the evidence available for Nigeria, particularly concerning how taxpayers and tax administrators experience a comprehensive tax reform as it moves from legislation into implementation.

Existing Nigerian research has generated valuable evidence on tax morale and compliance, including the NESG (2019) tax perception survey and the subsequent analysis by McCulloch, Moerenhout & Yang (2021), which examined the relationship between tax morale and factors including enforcement, social norms, information, bribery, and trust in tax officials.

Other studies have focused on particular taxpayer groups, individual taxes, specific administrative instruments, or selected determinants of compliance, while firm-level and cross-country datasets, including the World Bank Enterprise Surveys, have provided additional evidence on tax rates, tax administration, informal payments, and the business environment.

These contributions have substantially advanced understanding of tax behaviour in Nigeria, but much of this evidence predates the Nigeria Tax Act 2025 and does not examine the experience of a comprehensive tax reform across multiple taxpayer and administrative groups at the point of implementation.

The NESG Tax Perception Survey Report 2026 builds on this literature while extending the evidence base in three important respects. First, it provides an early empirical assessment of how a comprehensive new tax framework is understood and experienced during its initial implementation period. Second, it moves beyond tax morale and the decision to comply to examine the broader taxpayer–state relationship across nine (9) interconnected dimensions. Third, it brings together the perspectives of households, firms and tax officials within a common analytical framework and combines quantitative evidence with qualitative accounts of lived taxpayer and administrative experiences.

The Survey Report adds a current, multidimensional account of how the tax system is understood, experienced and administered under the Act. It is positioned to measure public opinion on taxation and provide evidence to guide early implementation of the reform. By establishing a baseline of taxpayer perceptions and administrative experiences during the implementation of the Nigeria Tax Act 2025, the study provides a reference point for assessing future changes in tax knowledge, trust, equity, compliance intentions, taxpayer experience, digital adoption and taxpayer voice.

[5] knowledge and awareness; trust, legitimacy and fairness; fiscal exchange and the social contract; compliance behaviour and willingness; social and individual norms; equity and progressivity; institutional capacity and taxpayer experience; digitalisation and innovation; and voice and accountability.

1.2 Objectives of the Study

The objectives of this study are to:

- Assess household and firm respondents' awareness of the Nigeria Tax Act 2025 and their reported understanding of selected provisions.
- Examine household and firm respondents' perceptions of the fairness, legitimacy, transparency and accountability of the tax system.
- Analyse respondents' perceptions of tax administration, public-service delivery, enforcement and social norms, alongside their reported tax morale and stated willingness to comply.
- Assess household and firm respondents' experiences with tax institutions and digital tax services, including their accessibility, efficiency, and responsiveness.
- Identify implementation challenges and opportunities reported by tax officials during the early implementation of the Nigeria Tax Act 2025.
- Develop evidence-based recommendations to improve tax administration, transparency and fairness, and support voluntary compliance.

1.3 Key Research Questions

The study is guided by six (6) primary research questions:

- What is the level of awareness regarding the Nigeria Tax Act 2025 among household and firm respondents?
- How well do household and firm respondents understand the provisions of the Act?
- What are the perceptions of household and firm respondents regarding the fairness, legitimacy, transparency, and accountability of the tax system?
- How do respondents view tax administration, public-service delivery, enforcement, and social norms, and what do they report about tax morale and willingness to comply?
- What experiences do households and firms report when interacting with tax institutions and using digital tax services?
- What implementation challenges and opportunities do tax officials identify during the early implementation of the Nigeria Tax Act 2025?

The analysis addresses these questions through nine (9) themes: knowledge and awareness; trust, legitimacy and fairness; fiscal exchange and the social contract; compliance behaviour and willingness; social and individual norms; equity and progressivity; institutional capacity and taxpayer experience; digitalisation and innovation; and voice and accountability.

1.4 Scope of the Study

This Survey Report comprises five (5) study components: a household survey, a firm survey, focus group discussions with households, focus group discussions with firms, and in-depth interviews with tax officials. The household and firm surveys cover all 36 states and the Federal Capital Territory. The qualitative research (focus group discussions and interviews with tax officials) was conducted in six (6) states. It provides context and detail on the experiences and implementation issues raised in the surveys. Chapter 2 explains the selection and composition of the samples, weighting, analytical approach, and limitations of the evidence.

1.5 Structure of the Report

Following this introduction, Chapter 2 sets out the study's methodology, sample characteristics, analytical approach, and limitations. Chapters 3 to 7 analyse the household, firm, and tax-official evidence across the nine themes: Knowledge and Awareness (Chapter 3); Trust, Legitimacy and Fairness; and Equity and Progressivity (Chapter 4); Fiscal Exchange and the Social Contract; and Compliance Behaviour and Willingness (Chapter 5); Social and Individual Norms; and Institutional Capacity and Taxpayer Experience (Chapter 6); Digitalisation and Innovation; and Voice and Accountability (Chapter 7). Chapter 8 sets out 21 policy recommendations alongside the CORE framework, and Chapter 9 concludes.





CHAPTER 02

Methodology

2.1 Study Design

The NESG Tax Perception Survey Report 2026 combined household and firm surveys with focus group discussions and interviews with tax officials. The surveys covered all 36 states and the FCT, with additional household and firm survey samples in six states. Fieldwork for the surveys, focus group discussions, and interviews ran from the first week of July to the second week of September 2026. Pooled estimates were adjusted for the six-state oversamples only; they were not calibrated to external population totals. The surveys recorded households' and firms' views on tax administration and related issues across nine analytical themes. The FGDs with households and firms, together with interviews with tax officials, helped explain the survey findings and document participants' experiences.

2.1.1 Household/Individual Survey

The main household sample comprised 12,000 adults, one per household. The survey covered all six geopolitical zones and urban and rural areas, with households sampled in all 36 states and the FCT[6]. Interviewers administered the questionnaire face-to-face in respondents' homes. The sample was stratified and selected in stages, with households clustered within Primary Sampling Units (PSUs); interviewers adopted a random technique to select households within the sampled areas.

In each selected household, the interviewer entered all eligible household members (adults aged 18 and above who were working) on the tablet roster, and the tablet then randomly selected one of them to interview. Selection was restricted to the gender assigned to that interview, to keep the sample balanced between men and women. If the selected person was temporarily unavailable, the interviewer made two return visits. If that person remained unavailable, the interviewer moved to the next household without substituting another member of the original household.

6 State sample allocations used the National Population Commission's 2026 population projections. The projections guided sample allocation; they were not used to post-stratify the survey estimates.

To increase the number of cases available for state-specific analysis, the study added 1,000 respondents in each of six states, one per geopolitical zone: Abia (South East), Bauchi (North East), Kano (North West), Nasarawa (North Central), Ogun (South West), and Rivers (South South). The oversample adjustment factors in Table 2.1 reduce these states' contribution to pooled estimates to their share of the main sample. The average item response rate across household survey questions was 96.4 percent[7].

Table 2.1: Household Oversample Adjustment Factors by State

Region	State	Main sample	Oversample	Total interviews	Oversample adjustment factors
South East	Abia	230	1,000	1230	0.187
North East	Bauchi	480	1,000	1480	0.324
North West	Kano	870	1,000	1870	0.465
North Central	Nasarawa	170	1,000	1170	0.145
South West	Ogun	350	1,000	1350	0.259
South South	Rivers	410	1,000	1410	0.291

Note: (i) Household total: 12,000 main sample + 6,000 oversample (1,000 in each of six states) = 18,000 adult respondents, one per sampled household. (ii) The factors correct for the oversampling only. They do not adjust the sample to match population totals from the National Population Commission or the National Bureau of Statistics.

SOURCE: NESG Tax Perception Survey 2026

2.1.2 Firm Survey

The main firm sample comprised 6,097 firms. Firm size was recorded using the National Bureau of Statistics employee-size bands: micro (0–9 employees), small (10–49), medium (50–199), and large (200 or more). The survey included firms registered and unregistered with the Corporate Affairs Commission (CAC) and recorded each firm's registration status. The sample allocation was approximately 70:30 between urban and rural areas. The sampling frame combined National Bureau of Statistics firm data with the research team's business directory and a database of firms covered in previous projects. Interviews were conducted with the business owner or a senior person responsible for its operations.

An additional sample of approximately 500 firms was targeted in each of the six states included in the household oversample. The number interviewed ranged from 474 in Rivers to 510 in Ogun. Table 2.2 reports the firm oversample adjustment factors for the six oversampled states. The average item response rate across all firm survey questions was 95.6 percent. Of all firm interviews, 68.4 percent were completed at the first visit, 18.8 percent at the second, and 12.8 percent at the third.

[7]Item response rate is the share of respondents providing a substantive answer to each question, averaged across questions. "Don't know" and "refused" responses count as nonresponse; questions correctly skipped under the survey routing are excluded for that respondent.

Table 2.2: Firm Oversample Adjustment Factors by State

Region	State	Main sample	Oversample (achieved)	Total interviews	Oversample adjustment factors
South East	Abia	137	506	643	0.213
North East	Bauchi	207	505	712	0.291
North West	Kano	333	500	833	0.4
North Central	Nasarawa	172	505	677	0.254
South West	Ogun	204	510	714	0.286
South South	Rivers	172	474	646	0.266

Note: Firm total = 6,097 main sample plus 3,000 oversamples. This brings the total sample to 9,097.

SOURCE: NESG Tax Perception Survey 2026

2.1.3 Focus Group Discussions

The study conducted 12 household focus group discussions (FGDs) and 12 firm FGDs across the six oversampled states. Two of each type were held in each state: one urban and one rural, except in Rivers, where both were urban. Discussions followed semi-structured guides based on the nine analytical themes. Participants were recruited using a screening questionnaire that set out the eligibility criteria and characteristics required for each group. Table 2.3 shows the number of discussions by state and location.

Table 2.3: Number of Household and Firm FGDs Undertaken

Region	State	Household FGDs			Firm FGDs		
		No. of Household	Urban	Rural	No. of Firm	Urban	Rural
South West	Ogun	2	1	1	2	1	1
South East	Abia	2	1	1	2	1	1
South South	Rivers	2	2	-	2	2	-
North East	Bauchi	2	1	1	2	1	1
North West	Kano	2	1	1	2	1	1
North Central	Nasarawa	2	1	1	2	1	1
Total		12	7	5	12	7	5

SOURCE: NESG Tax Perception Survey 2026

2.1.4 In-Depth Interviews with Tax Officials

Eighteen (18) in-depth interviews were conducted with tax officials: one at the State Internal Revenue Service level and two at the Local Government Area level (one urban, one rural LGA revenue office) in each of the six oversampled states. Interviews followed a semi-structured protocol covering officials' roles and mandates, with the same nine analytical themes reframed from an administrator's perspective.

The oversample adjustment factor changes a state's contribution to pooled estimates but does not change that state's within-state percentages or averages, because the same factor applies to all observations from that state. The scorecards describe the achieved samples and should not be interpreted as population-representative estimates for each state.

How to interpret the findings

Survey results reflect what households and firms reported about their perceptions and experiences. The study did not verify these responses against tax records, payment receipts or other administrative data. The results do not establish actual compliance, the amount or distribution of tax burdens, whether reported revenue was used as intended, or the legal status and cost of every reported charge.

Focus group and interview findings are participants' and officials' accounts. They provide context for the survey results, but are not statistically representative and were not independently verified. Where accounts differed by location, that variation is retained; estimates offered by officials or participants are identified as estimates. Differences between survey groups are descriptive and do not establish cause and effect.

2.2 Estimation and Weighting

The household and firm surveys also asked different questions about ability to pay, so their answers should not be combined into a single measure of support for progressive taxation. Respondents in both surveys tended to agree with statements regardless of their direction (acquiescence); pairs of statements worded in opposite directions are positively correlated.

Negatively worded items are reverse-coded before indices are built. Accounts of tax collectors or officials' conduct are reported as focus group discussion participants' perceptions: they do not refer to identifiable individuals and were not investigated by the study.

2.3 Ethical Considerations

Before each household, firm focus group or tax official interview, participants received an explanation of the study and gave verbal informed consent. Participation was voluntary, and participants could decline to answer any question or withdraw at any time. Findings are reported in aggregate. Accounts from focus groups and interviews do not refer to identifiable individuals, and the study did not investigate them. Interviewer training, the pilot, interview languages and quality control checks are described in Annex 2.









CHAPTER 03

Knowledge and Awareness

This chapter examines what Nigerian households and firms know, and what officials say about taxpayers' knowledge.

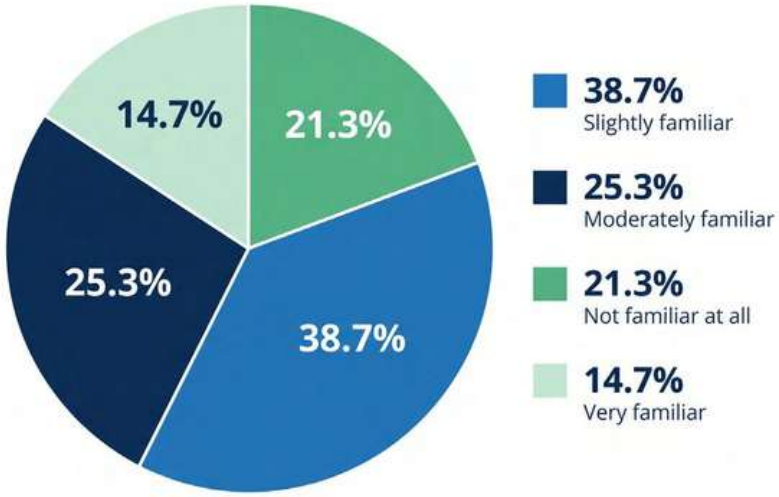
3.1 Household Evidence

Many households surveyed reported little familiarity with the Nigeria Tax Act 2025. Three in five respondents (60.0 percent) said they were not at all or only slightly familiar with the Act, while 40.0 percent said they were moderately or very familiar with it (Figure 3.1). When asked how VAT works, 61.0 percent selected the statement that VAT is charged on many goods and services people buy. The other responses included uncertainty about how VAT is charged and whether it applies to the respondent (Figure 3.2). Only 15.0 percent said they had sought official information about the Act (Figure 3.3).

Awareness of taxpayer rights varied by topic. About 63.8 percent of households were aware that a tax assessment can be appealed, while three-quarters believed that taxpayers could request clarification or assistance from the tax authorities. However, specific awareness of the Office of the Tax Ombud remained low, at 24.3 percent.

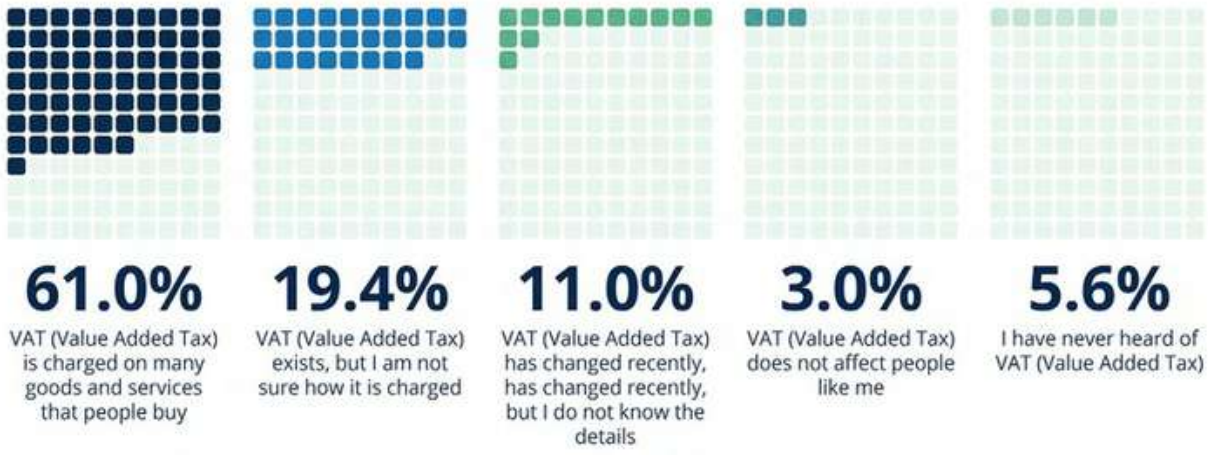
Responses about the tax treatment of particular items also varied. When asked who they believed was usually exempt from tax or paid very little tax, 25.9 percent selected minimum-wage earners, 36.9 percent selected basic food or agricultural inputs, and 46.3 percent selected pension, gratuity or retirement benefits (Figure 3.4). These responses reflect perceptions; they do not establish whether respondents knew the legal conditions for each exemption. These findings underscore the need for clear information about tax obligations, taxpayer rights, and the tax treatment of specific income categories and goods.

Figure 3.1: Familiarity With the Nigeria Tax Act 2025



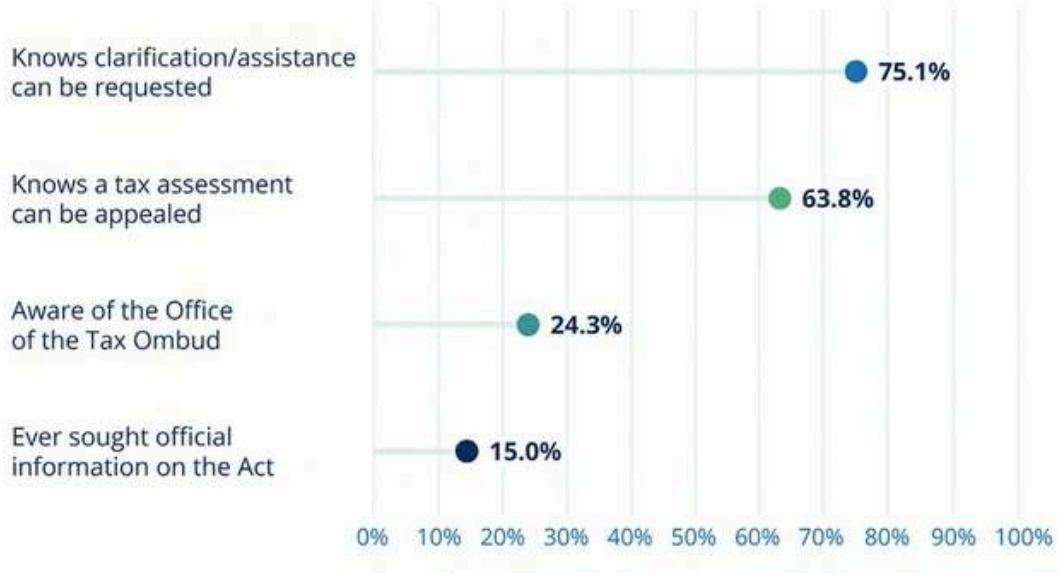
SOURCE: NESG Tax Perception Survey 2026

Figure 3.2: Understanding of How VAT Works



SOURCE: NESG Tax Perception Survey 2026

Figure 3.3: Awareness of Taxpayer Rights and Information Seeking



SOURCE: NESG Tax Perception Survey 2026

Figure 3.4: Household Perceptions of the Tax Treatment of Selected Items and Income

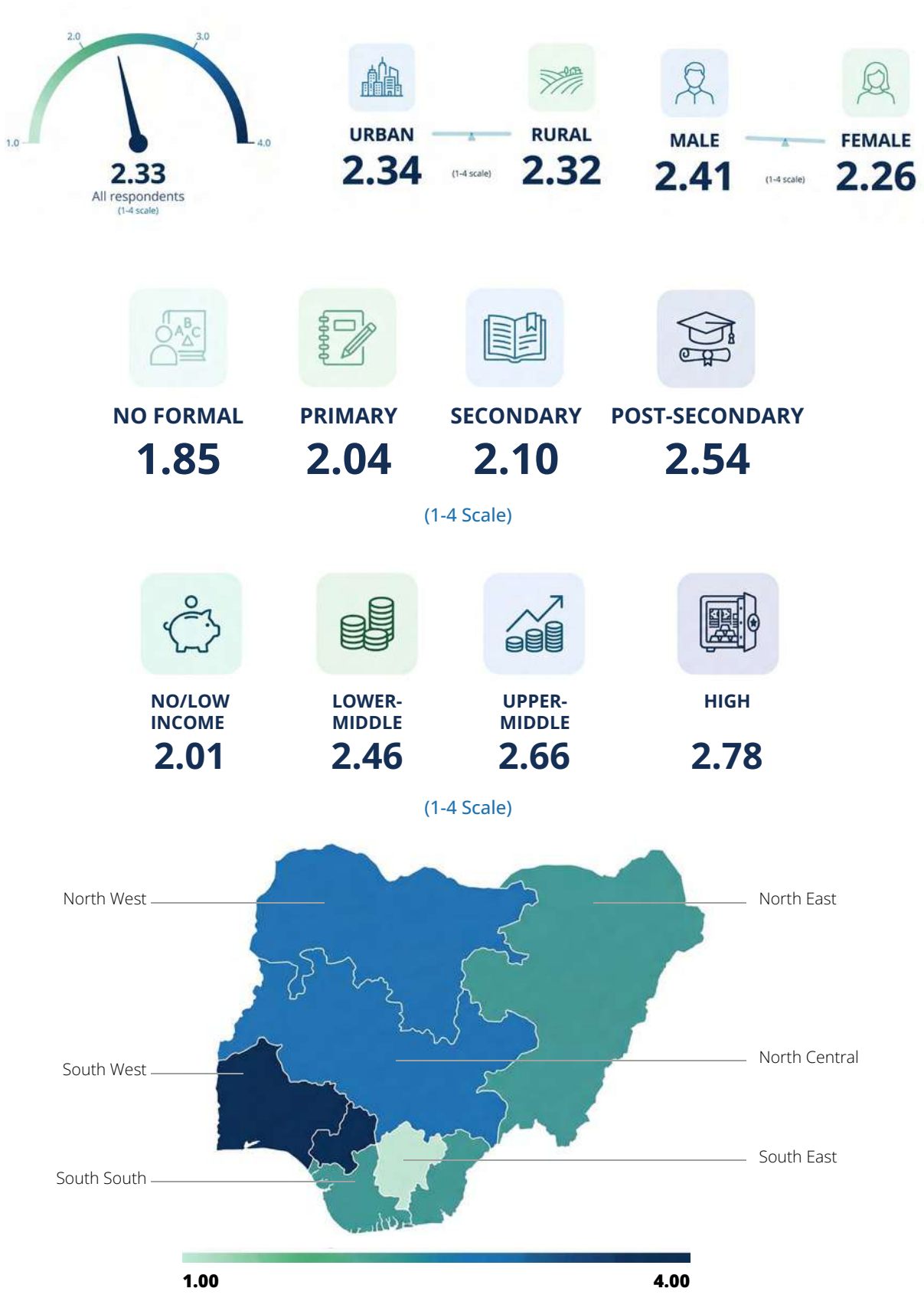


Note: Excludes respondents who reported "not sure". These are perceptions, not a test of the legal position.

SOURCE: NESG Tax Perception Survey 2026

Household familiarity with the key provisions of the Nigeria Tax Act 2025 differed across demographic and socio-economic groups. The overall mean familiarity score was 2.33 on a four-point scale. In the achieved sample, the South East mean was below the overall mean (1.94 compared with 2.33). The North East and South South means matched the overall mean, while the other regions recorded higher means. (Figure 3.5). Urban and rural scores were close: 2.34 and 2.32. Scores showed a wider descriptive range by education, from 1.85 among households with no formal education to 2.54 among those with post-secondary education. Scores were also higher for men than for women and for upper-middle- and high-income households than for no- or low-income households.

Figure 3.5: Familiarity with the Act by Household Demographic Characteristics



SOURCE: NESG Tax Perception Survey 2026

Box 1: What Household FGD Participants Said About Tax Awareness

FGD participants demonstrated general awareness of the Nigeria Tax Act 2025 but had a relatively shallow understanding of its specific provisions, with notable knowledge gaps in distinguishing taxes from other charges, levies, and deductions encountered in their daily lives. Bank transaction charges, telecommunications-related levies, utility bills and market-day levies were often perceived as part of an undifferentiated set of government or statutory charges, with this confusion particularly evident among some rural and lower-literacy participants. Awareness and understanding of the new tax regime were comparatively higher among salaried, more educated and urban participants, who often obtained information through workplace briefings or personal research.

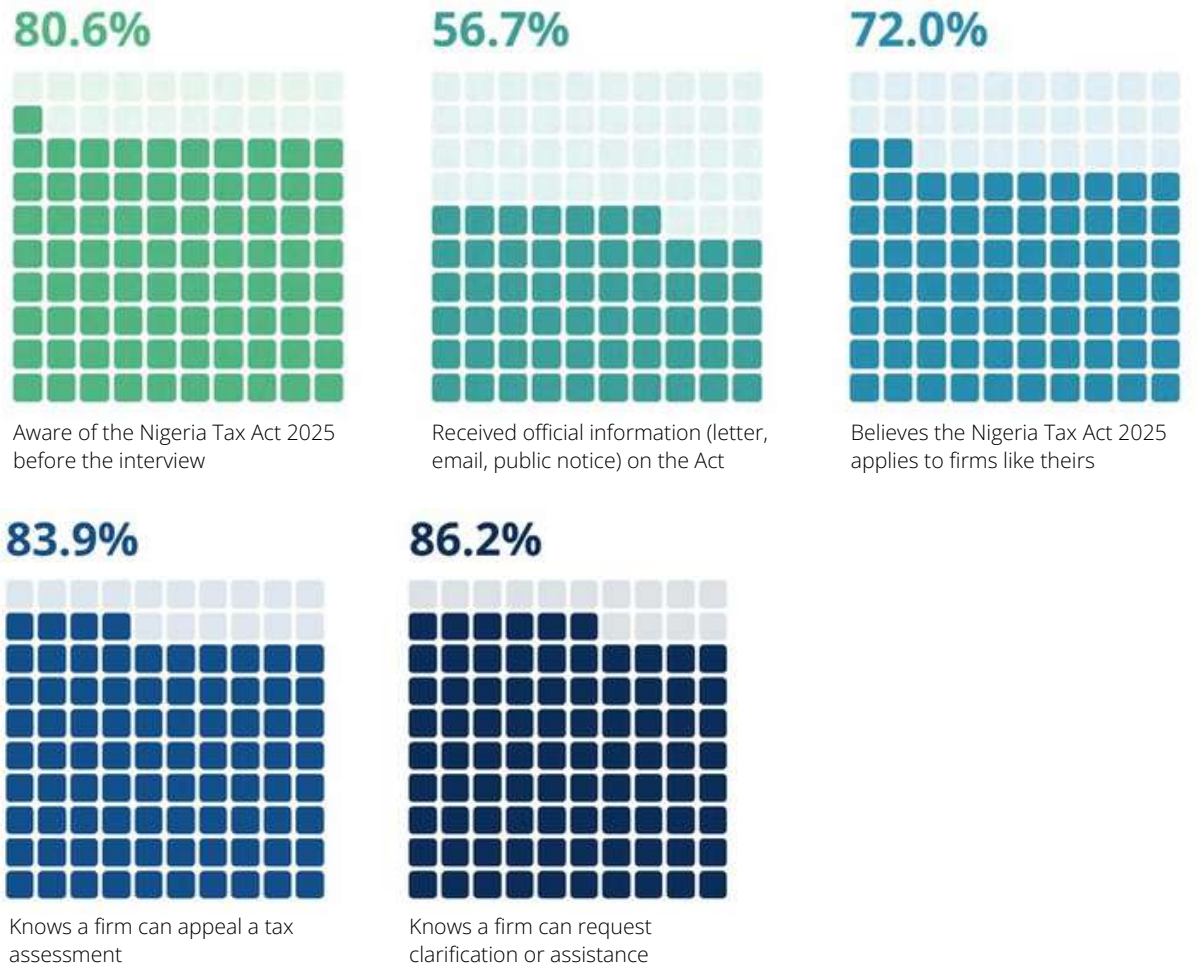


3.2 Firm Evidence

Many surveyed firms were aware of the Nigeria Tax Act 2025 and of certain taxpayer rights, but they rated the ease of finding and using tax information close to the midpoint of the scale. More than 80 percent reported being aware of the Act, the right to appeal tax assessments, and the right to request clarification or assistance (Figure 3.6). However, only 56.7 percent said they had received official information about the Act, and 72.0 percent believed it applied to businesses like theirs. Mean ease scores for all five items were between 2.94 and 2.97 on a five-point scale. Between 34.4 and 36.6 percent chose one of the two most positive answers, and between 33.9 and 35.9 percent chose one of the two most negative answers (Figure 3.7).

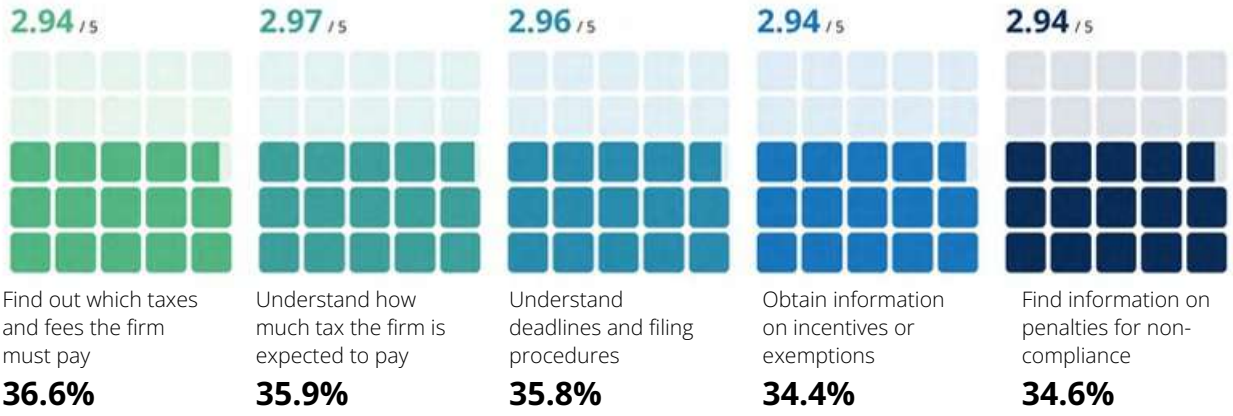
Knowledge of specific tax rules also presents a mixed picture. While 87.7 percent of firms correctly answered the basic record-keeping question, more than 70 percent demonstrated accurate knowledge regarding tax-return filing obligations, the applicable 7.5 percent VAT rate, and eligibility for priority-sector incentives (Figure 3.8). By contrast, fewer than half of firms correctly identified the taxes applicable to different groups of taxpayers. Understanding of the requirement to register with tax authorities before commencing operations was moderate (57.9 percent), and understanding of tax exemption for firms below the applicable turnover threshold (69.7 percent). Fewer than half of firms (44.2 percent) had tried to obtain official information on business taxes. Among those that had tried, 86.5 percent said they obtained it. A quarter (25.6 percent) reported using a professional tax agent, accountant, or bookkeeper (Figure 3.9). The findings suggest that businesses are generally aware of the new tax regime, but awareness does not consistently translate into ease of access or accurate understanding of specific tax rules.

Figure 3.6: Awareness of the Act and of Statutory Rights



SOURCE: NESG Tax Perception Survey 2026

Figure 3.7: Ease of Obtaining Tax Information



SOURCE: NESG Tax Perception Survey 2026

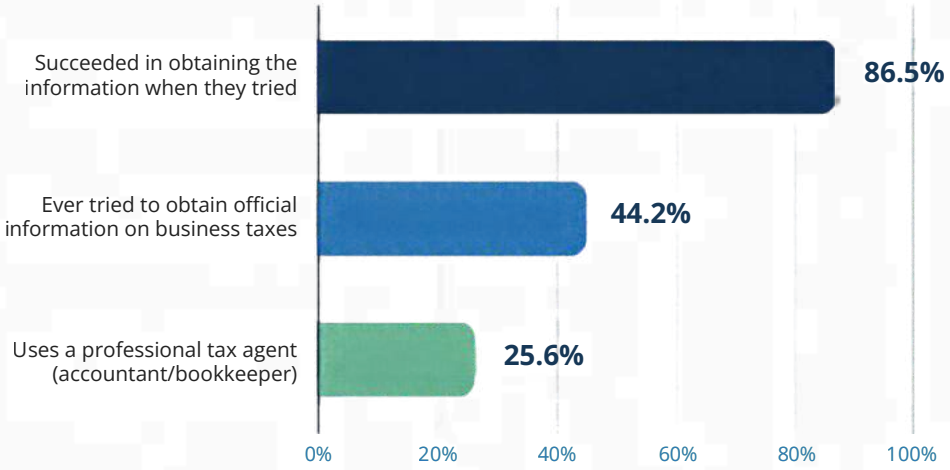
Figure 3.8: Tax Rule Accuracy Test



Note: *Percentages are of firms giving a true or false answer.*

SOURCE: NESG Tax Perception Survey 2026

Figure 3.9: Information Seeking and Use of Professional Tax Agents

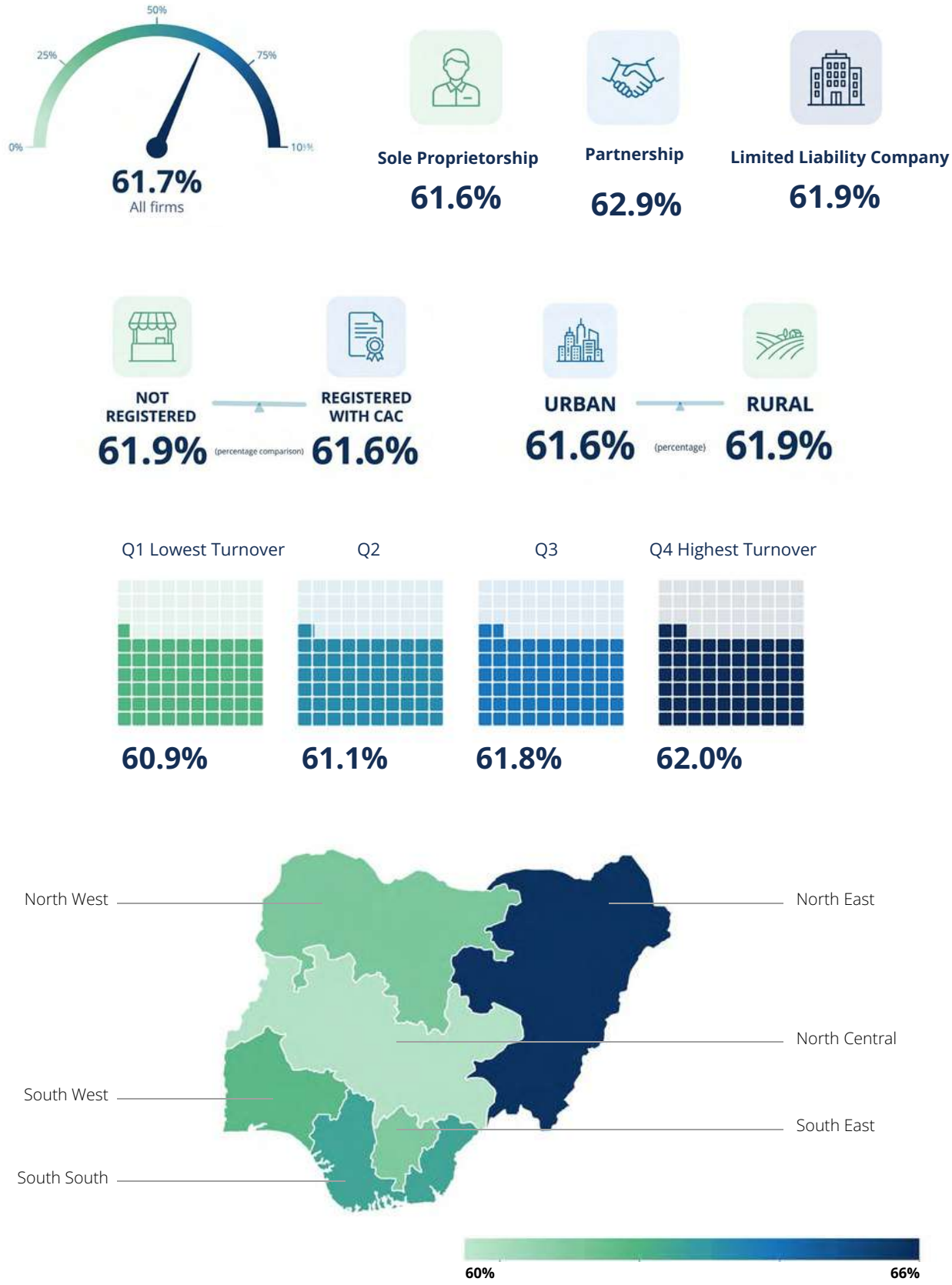


SOURCE: NESG Tax Perception Survey 2026

Tax rule accuracy scores show relatively little variation across firm characteristics. The overall mean score was 61.7 percent among firms that gave a true or false response to the items (Figure 3.10). Scores were close across many firm characteristics. By firm size, the achieved sample mean ranged from 59.5 percent among large firms to 62.6 percent among small firms. Regional means ranged from 59.8 percent in the North Central to 65.8 percent in the North East. Scores were also similar by ownership, turnover, CAC registration, and urban or rural location. These are descriptive differences; they do not establish that firm size or location predicts tax knowledge.



Figure 3.10: Mean Tax-Rule Accuracy Score by Firm Characteristics



Note: Score = percentage of the tax-rule statements answered correctly, out of those the firm answered as true or false.
Turnover quartiles exclude firms that did not report turnover.

SOURCE: NESG Tax Perception Survey 2026

Box 2: What Firm FGD Participants Said About Tax Awareness

The firm FGD evidence reinforces the survey finding of relatively high awareness but shallow understanding of the Nigeria Tax Act 2025, while providing important insights into the sources of this gap. A key area of uncertainty concerns the tax exemption threshold for small and medium-sized enterprises (SMEs), which is widely known in principle but often questioned or distrusted in practice, with some firms reporting that levies continue to be imposed even when their turnover or profits fall below the stated threshold. The FGDs also revealed a strong preference among participants with less formal education and informal traders for oral, face-to-face explanations of tax obligations over written information, as verbal engagement provides an opportunity to ask questions and seek clarification. A clear awareness divide also emerges across firm characteristics, with more formally educated, urban and male-dominated groups generally demonstrating greater familiarity with specific provisions, including turnover exemption thresholds and PAYE requirements, while informal, home- and market-based businesses tend to have much lower levels of awareness. This highlights the need for more accessible and context-specific approaches to communicating tax obligations in a manner that is understood by business owners.



3.3 Tax Official Evidence

Interviews with tax officials highlighted the case of tax compliance challenges. Several said that some taxpayers knew their obligations but resisted payment; this was their assessment, not a measure of why taxpayers did not comply. Officials identified recurring confusion about the difference between fixed levies and income-based taxes and about which tier of government was responsible for a charge. Some discussed the zero percent band for the first ₦800,000 of an individual's annual taxable income, as they understood it to apply after reliefs and exemptions. Other officials described business owners as claiming exemptions without meeting the relevant conditions.

The interviews did not verify those cases or establish whether the claims concerned personal income tax or a business exemption. One official estimated that fewer than 20 percent of their staff were familiar with the new law. Some officials also said that state-level implementation arrangements were still being clarified. These accounts are attributed reports, not independently verified findings. They point to practical needs for clear guidance, staff training, and coordination across levels of government.

3.4 Synthesis

Evidence from the three sources points to gaps in understanding specific tax rules, as well as concerns about access to information and the capacity of tax administrations.

Household survey responses indicated limited familiarity with the Act. Answers about who was exempt or paid little tax record respondents' perceptions; they do not show whether respondents correctly understood the legal conditions. The focus groups added accounts of difficulty obtaining information and negative encounters with collectors. These experiences may help explain why some participants did not seek official information, but the study did not test that link.

The firm survey found that 80.6 percent had heard of the Act before the interview. Because the household survey used a different familiarity question, the two results are not directly comparable. Firms' answers to specific tax-rule questions also varied, and focus group participants questioned how some thresholds were applied in practice.

Tax officials offered a different perspective. Some said that resistance to payment persisted even when taxpayers knew their obligations; this was an official assessment, not a measured cause of non-compliance. Officials also described confusion about thresholds and exemptions, but the study did not verify individual cases.

Across the evidence, the practical issue is not simply whether people have heard of the Act. Households and firms need clear explanations of specific rules, eligibility conditions, payment procedures, and appeal rights, delivered through channels they can use and trust.




ALHAJI MUSA
TEXTILES & BEADS
Opay
PAYMENT SUCCESSFUL
NGN 28,500
Musa Textiles



CHAPTER 04

Trust, Fairness and the Taxpayer–Government Relationship

This chapter covers two themes: trust, legitimacy, and fairness, and equity and progressivity. Both ask whether taxpayers think the system treats people and businesses fairly.

4.1 Trust, Legitimacy and Fairness

4.1.1 Household Evidence

Households reported low trust in tax authorities across the three tiers of government, despite broad acceptance of the government's right to collect taxes. Mean trust score was 2.01 on a four-point scale, and 27–30 percent of households said they trusted the respective authorities "somewhat" or "a lot" (Figure 4.1). The state authority had a slightly higher mean than the federal and local authorities. Separately, 74.4 percent agreed that government has the right to collect taxes (Figure 4.2).

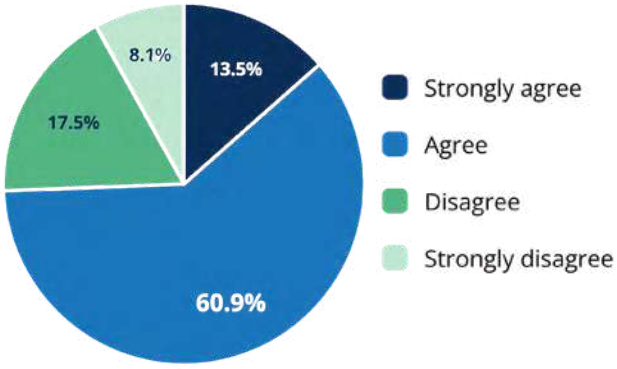
Views were divided on whether wealthy individuals and large businesses paid their fair share: 47.0 percent said not at all or only to a small extent, while 53.0 percent said to a moderate or great extent (Figure 4.3). Just over half perceived equal treatment across ethnic and income groups; 48.5 percent perceived equal treatment for people with disabilities and other marginalised groups (Figure 4.4). These responses show that acceptance of the government's right to collect taxes can coexist with low levels of reported trust and mixed perceptions of fairness.

Figure 4.1: Trust in the Tax Authority by Tier of Government



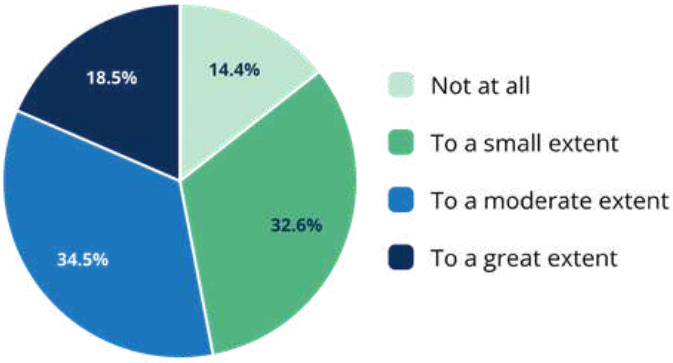
SOURCE: NESG Tax Perception Survey 2026

Figure 4.2: Perceived Legitimacy: Government Has the Right to Collect Taxes



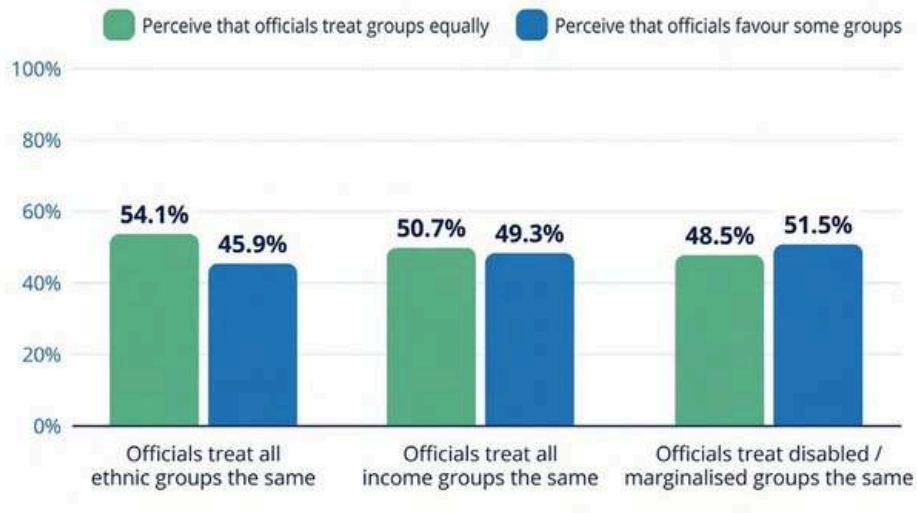
SOURCE: NESG Tax Perception Survey 2026

Figure 4.3: Whether Wealthy Individuals and Large Businesses Pay Their Fair Share



SOURCE: NESG Tax Perception Survey 2026

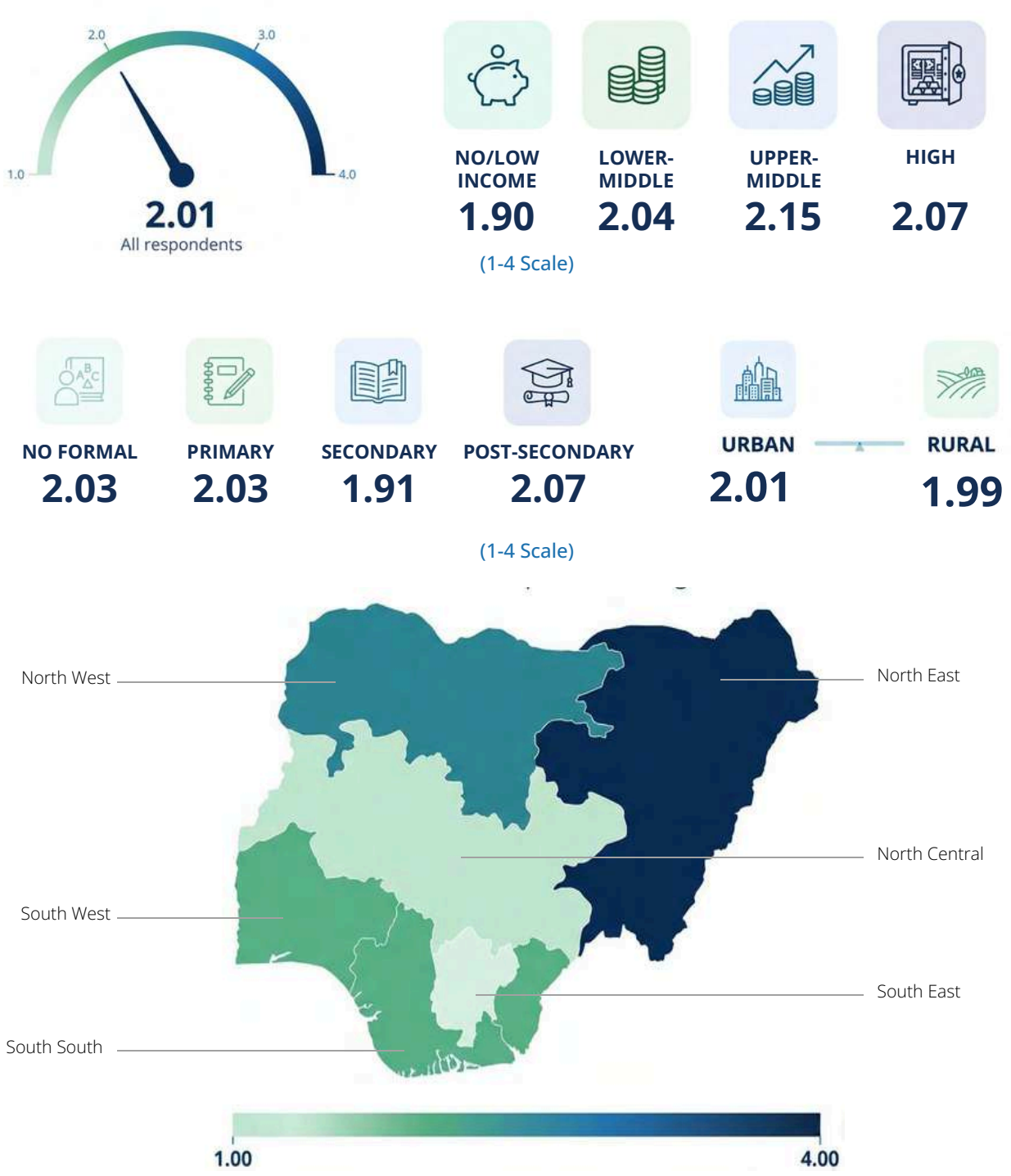
Figure 4.4: Perceived Equal Treatment by Tax Officials (Households)



SOURCE: NESG Tax Perception Survey 2026

Low trust was evident across household demographic and socio-economic groups. The overall trust index averaged 2.01 on a four-point scale (Figure 4.5), and no group reached the midpoint of 2.5. The largest differences were between regions. The index was highest in the North East (2.30) and North West (2.28), lowest in the South East (1.68) and North Central (1.74), and in between in the South South (1.92) and South West (1.83). Differences by income were smaller, from 1.90 among no- and low-income respondents to 2.15 among upper-middle-income respondents. By education, they were smaller still, from 1.91 among respondents with secondary education to 2.07 among those with post-secondary education. Urban and rural scores were almost the same (2.01 and 1.99).

Figure 4.5: Institutional Trust Index by Household Demographic Characteristics



SOURCE: NESG Tax Perception Survey 2026

Box 3: What Household FGD Participants Said About Tax Collection and Trust

Household FGD participants described different experiences that shaped their trust in tax and revenue collection. The sources of distrust vary according to how households encounter the tax system. Some participants associated deductions or charges on bank transactions, telecommunications services and payroll with government revenue collection, although these may include taxes, fees or other charges. In such cases, distrust appears to centre less on the conduct of individual tax collectors and more on the opacity, visibility and perceived accountability of deductions. Some market-trader participants described face-to-face collection and reported conduct they experienced as aggressive or coercive, and said that some payments were made into accounts they understood to be held in individuals' names or were receipted in ways they could not verify. Some participants said that levies they considered unofficial were collected with the involvement of local community figures. Similarly, participants in several locations described local collection arrangements in which intermediaries or private collectors appear to be granted, formally or informally, responsibility for collecting certain local charges.

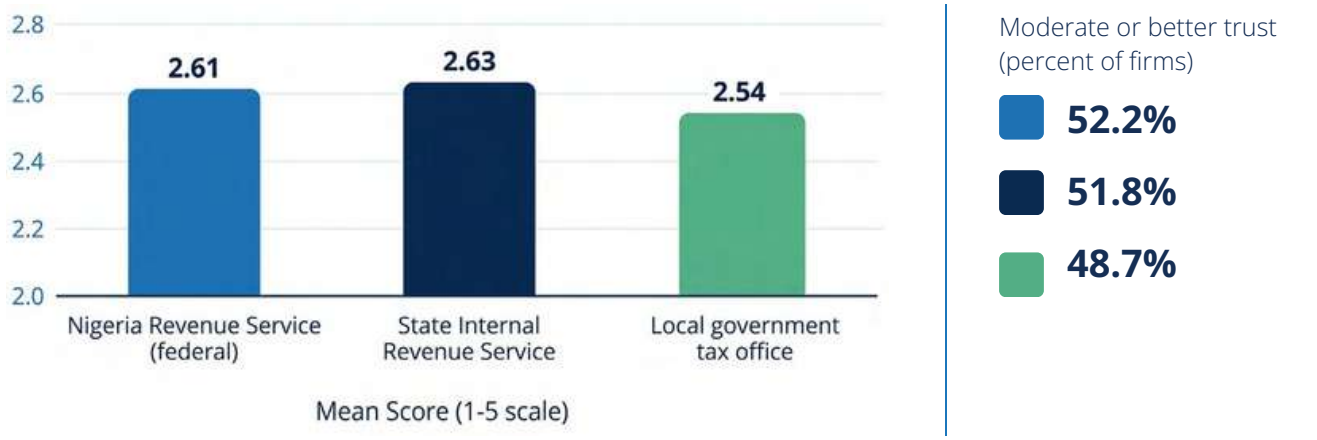
4.1.2 Firm Evidence

Firms reported similar trust scores across the three tiers of tax institutions, alongside mixed views on tax fairness and the use of tax revenue. On a five-point scale, mean trust was 2.63 for State Internal Revenue Services, 2.61 for the Nigeria Revenue Service, and 2.54 for local government tax offices (Figure 4.6). Between 48.7 and 52.2 percent of firms reported moderate or higher trust. Just over half of firms (52.1 percent) agree that tax authorities always have the right to make firms pay.

Fewer than half of firms (46.6 percent) agreed or strongly agreed that tax evasion is never justified. More than half agreed with statements that other businesses might cheat or withhold tax if they expected not to be caught (Figure 4.7). On fairness, 52.0 percent described the tax system as unfair to businesses (Figure 4.8), while between 14.2 and 19.6 percent said officials did not treat firms equally regardless of the owner's ethnicity, religion, or gender (Figure 4.9). In addition, 78.2 percent said tax revenue was sometimes or often misused (Figure 4.10).

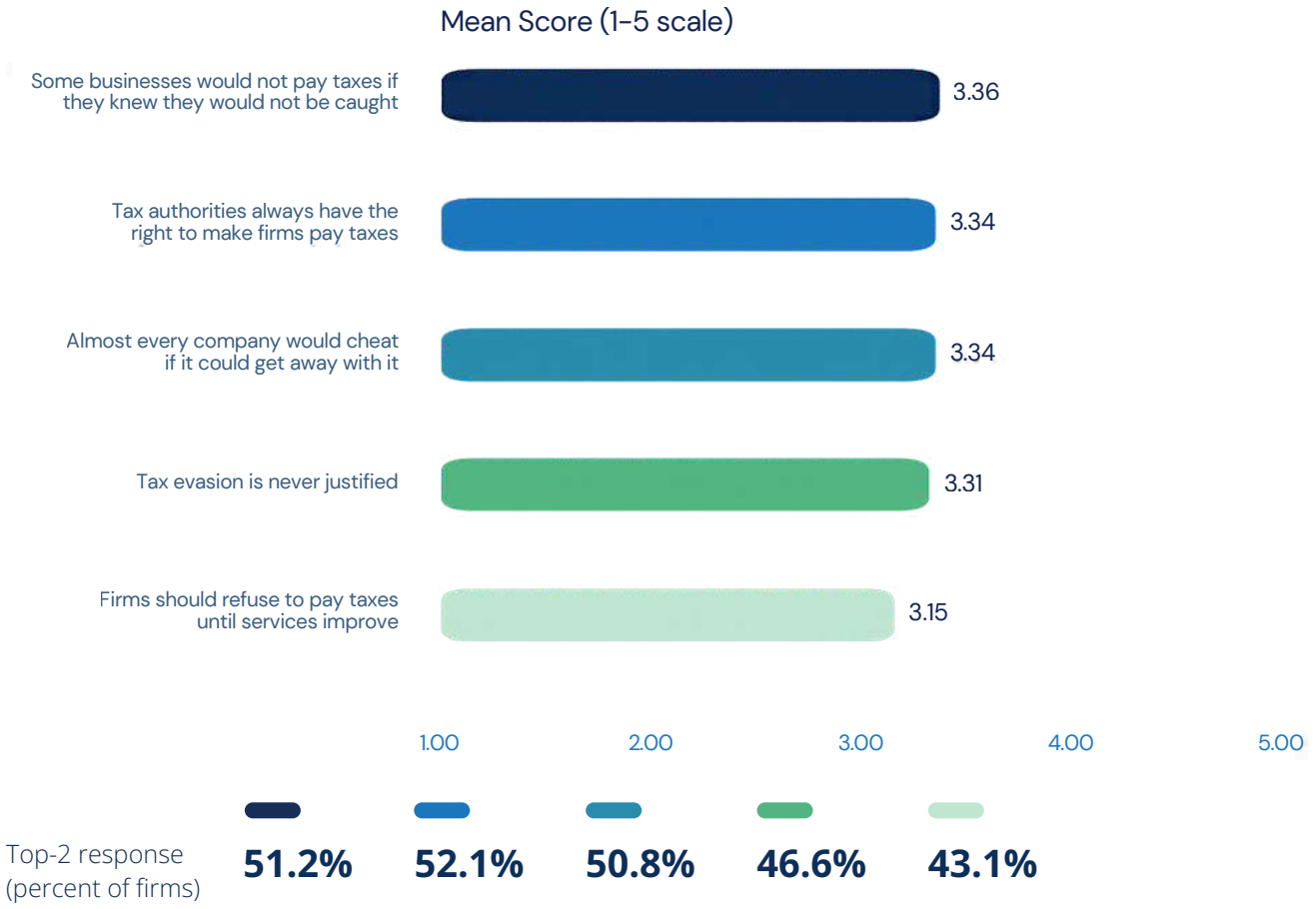
The findings point to a gap between the perceived legitimacy of taxation and confidence in the fairness, accountability, and enforcement of the tax system. Firms generally recognise the authority of government to collect taxes, but substantial proportions also express conditional attitudes towards compliance, particularly where they perceive weak public sector performance.

Figure 4.6: Trust in Tax Institutions by Tier



SOURCE: NESG Tax Perception Survey 2026

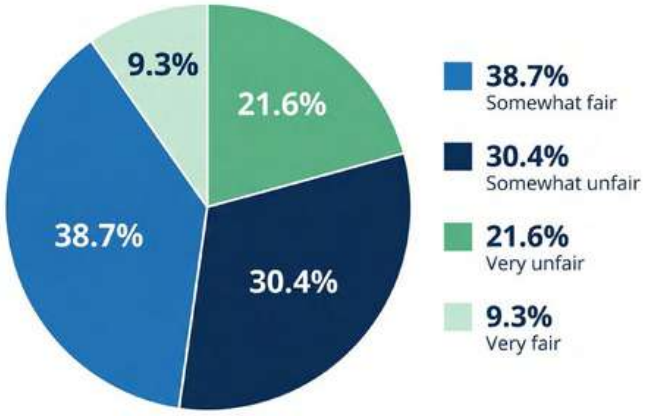
Figure 4.7: Legitimacy and Evasion-Justification Battery



SOURCE: NESG Tax Perception Survey 2026

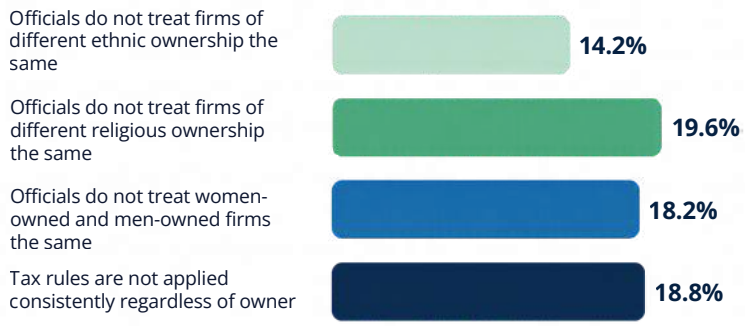


Figure 4.8: Overall Fairness of the Tax System Toward Businesses



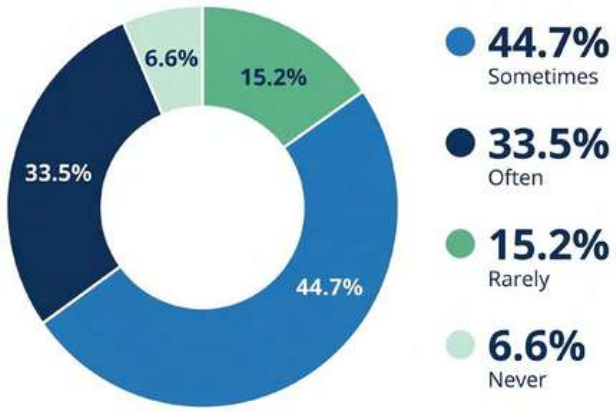
SOURCE: NESG Tax Perception Survey 2026

Figure 4.9: Perceived Equal Treatment by Tax Officials (Firms)



SOURCE: NESG Tax Perception Survey 2026

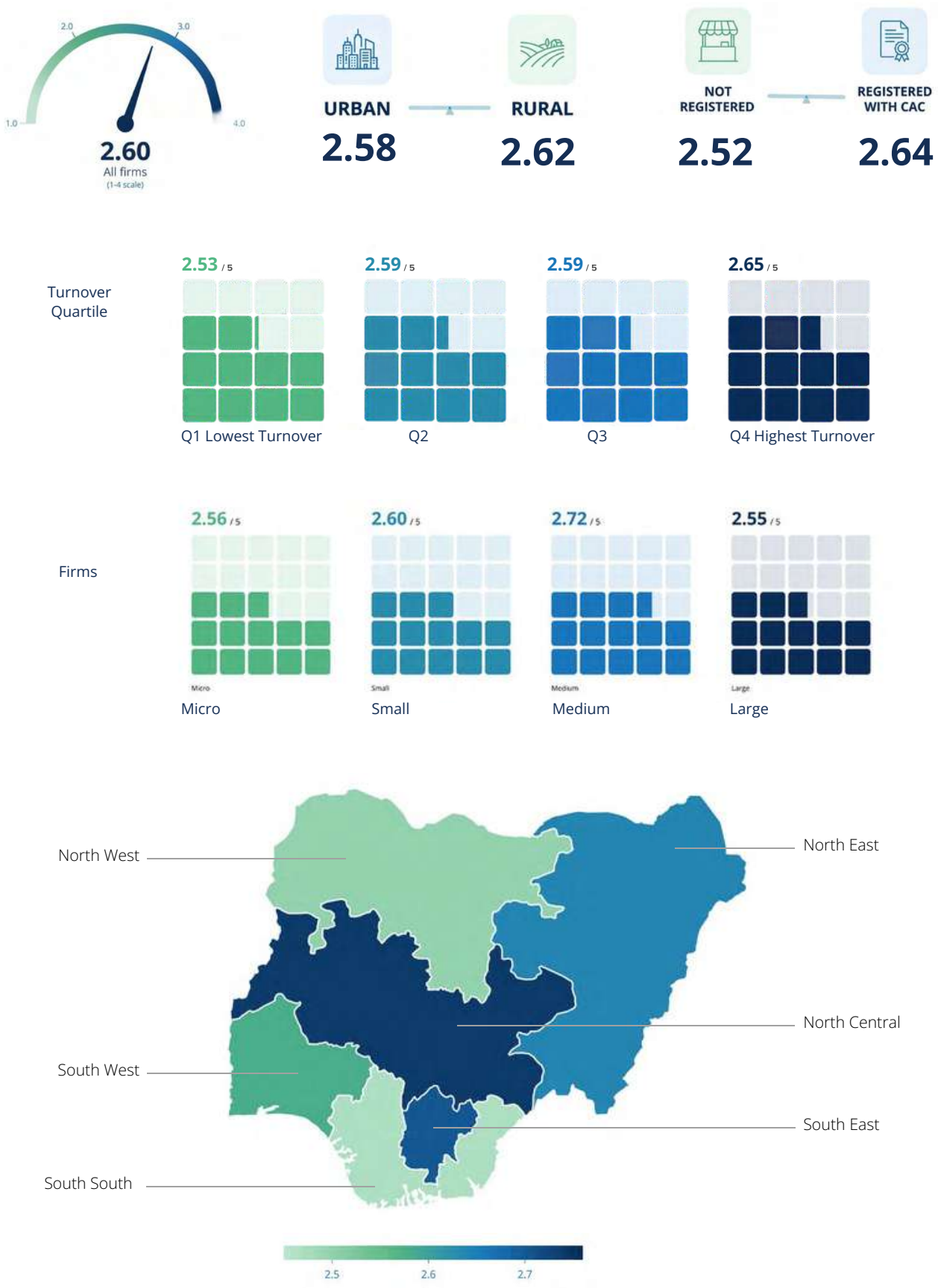
Figure 4.10: Perceived Frequency of Misuse of Business Tax Revenue



SOURCE: NESG Tax Perception Survey 2026

Business owners' trust in tax authorities differed only modestly across most firm characteristics. The mean firm trust index was 2.60 on a five-point scale (Figure 4.11). In the achieved sample, regional means ranged from 2.47 in the South South to 2.74 in the North Central. Scores ranged from 2.55 among large firms to 2.72 among medium-sized firms; CAC-registered firms averaged 2.64, compared with 2.52 among firms not registered with CAC. Urban and rural means were close at 2.58 and 2.62, respectively.

Figure 4.11: Institutional Trust Index by Firm Characteristics



Note: Turnover quartiles exclude firms that did not report turnover.

SOURCE: NESG Tax Perception Survey 2026

Box 4: What Firm FGD Participants Said About Tax Collection and Trust

The firm FGD evidence echoed the quantitative finding of relatively low trust in tax institutions, while providing insight into the experiences that shape these perceptions. Some participants who attempted to quantify their level of trust generally reported low levels, with several estimates below 20 percent and some in single digits. Some participants said they had paid levies without receiving a receipt or other proof of payment, and that the amounts demanded varied across collection visits. Some also suspected that not all funds collected were remitted to the government. Participants also described differences in the way businesses are treated, with larger and more formal firms perceived to receive more structured and respectful engagement, while small and informal businesses, particularly shops and market-based enterprises, more often encounter immediate and sometimes forceful collection practices. In some locations, participants distinguished between trust in the tax institution itself and trust in individual collectors with whom they have direct and repeated interactions. Some participants reported relatively high levels of trust in locally known collectors, while expressing substantially lower or more polarised levels of trust in the government agencies those collectors represent.

4.1.3 Tax Official Evidence

Tax officials described digital payments and electronic receipts as ways to make collections easier to trace and reduce direct cash handling. Their assessments differed: some said digital systems had reduced opportunities for diversion, while others said cash collection and informal arrangements still allowed leakage. Officials also described local arrangements in which individuals or small groups collected charges, which they considered a risk for over-collection or diversion. The interviews point to oversight of collection, reconciliation, and remittance as areas for follow-up.

4.1.4 Synthesis

Household and firm surveys recorded low average trust in tax institutions, although the surveys used different scales and their scores cannot be compared directly. Focus group participants and tax officials described experiences that they felt contributed to distrust. These accounts included inconsistent amounts demanded, missing or unverifiable receipts, unclear payment channels, and concerns about whether collections reached the government.

Some participants in market-based and informal business groups described forceful collection. The study did not verify these accounts. Participants whose tax payments were deducted through salaries or other automated channels described less direct contact with collectors.

Their concerns centred on whether deductions were clear and accountable. Some firm participants said they trusted collectors they knew better than the institutions those collectors represented.

Household participants in some locations reported that private intermediaries were involved in collecting levies they considered unofficial. Tax officials described similar local arrangements and raised concerns about remittance. These accounts reveal questions about who is authorised to collect, how payments are receipted and how funds are reconciled.

Tax officials viewed digital payments and electronic receipts as possible safeguards; however, their accounts differed on how far these measures had reduced leakage. The study did not independently verify the allegations or assess the scale of any losses.

4.2 Equity and Progressivity

4.2.1 Household Evidence

Household responses showed support for progressive taxation in principle, alongside mixed views about how fairly the current system works. Only 68.1 percent of the surveyed households agreed that people who earn more should pay more tax.

At the same time, 41.7 percent said that people like them paid too much compared with richer people, while 45.4 percent said they paid a fair share (Figure 4.12). Fewer than 40 percent believed tax collection reduced inequality. Views on horizontal equity were also divided: 55.7 percent agreed that people with similar earnings usually paid similar taxes, while 46.2 percent agreed that informal-sector workers paid less than formal-sector peers (Figure 4.12).

On inclusion, 57.4 percent perceived equal treatment, 43.6 percent believed people with disabilities faced greater difficulty, and 41.1 percent believed tax policy considered vulnerable groups' needs. Only 38.9 percent viewed the system as fair to future generations; 57.7 percent believed some regions benefited more from tax revenue. The last result records a perception of regional differences, not whether those differences are unfair. These answers describe respondents' views; they do not measure the actual distribution or progressivity of tax burdens.

Figure 4.12: Equity and Progressivity



SOURCE: NESG Tax Perception Survey 2026

The perceived equity index averaged 3.19 on a five-point scale and varied relatively little across respondent characteristics (Figure 4.13). Across income groups, scores ranged from 3.14 among no/low households to 3.32 among high-income households. The rural score was 3.22, compared with 3.18 for urban respondents. By education, scores ranged from 3.07 among respondents with primary education to 3.22 among those with post-secondary education and those with no formal education.

Figure 4.13: Perceived Equity Index by Household Demographic Characteristics



SOURCE: NESG Tax Perception Survey 2026

Box 5: What Household FGD Participants Said About Preferential Treatment and Charges

Participants in two household FGD locations raised concerns about perceived preferential treatment linked to personal connections. In one FGD location, participants described a case in which a market trader with a relative working in local government reportedly paid substantially less than the assessed amount while receiving the same type of receipt as traders who paid the full amount. In another location, participants reported instances where collectors allegedly bypassed businesses operated by acquaintances while assessing neighbouring businesses without such connections.

Participants also raised concerns about the potentially regressive effects of flat or undifferentiated charges. Participants noted that fixed levies imposed irrespective of turnover, as well as small recurring charges associated with banking and telecommunications services, can represent a relatively greater burden for lower-income households than for higher-income households.

4.2.2 Firm Evidence

Firms expressed support for larger, more profitable businesses paying more tax, but had mixed perceptions of how equitably the tax system operates in practice. About 63.4 percent agreed that larger, more profitable firms should pay more than smaller firms (Figure 4.14). However, 55.1 percent believed some businesses could avoid taxes while others could not, and 51.9 percent believed firms of similar size and type were taxed similarly. Views were also divided on whether informal businesses paid their fair share: 46.1 percent agreed that they did not, while 51.5 percent said the system placed too much burden on small businesses (Figure 4.14).

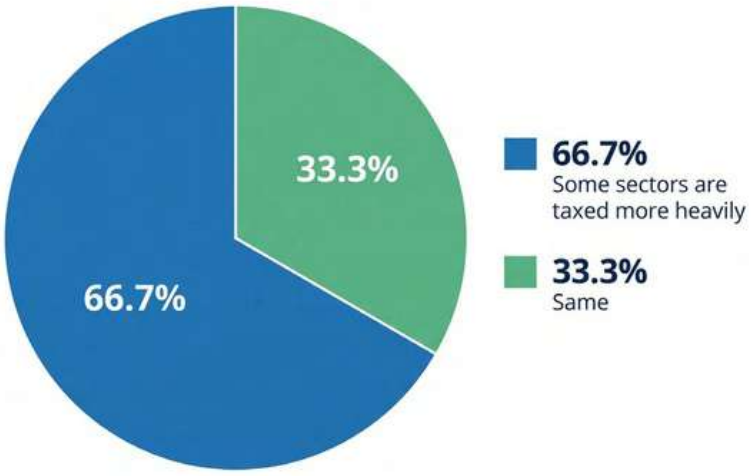
Fewer than half of firms agreed that the tax system reduced inequality between large and small businesses (47.8 percent), made the business environment fairer (45.2 percent), or used revenue in ways that benefited businesses like theirs (39.9 percent). On inclusion, 47.1 percent agreed that women-owned and men-owned businesses were treated fairly. A smaller share, 35.5 percent, agreed or strongly agreed that businesses owned by persons with disabilities faced additional tax burdens; 42.9 percent agreed that tax policies considered vulnerable business owners' needs. More than half perceived that some regions benefited more from tax revenue and that businesses in some locations faced higher tax pressure. Two-thirds believed that some sectors were taxed more heavily than others (Figure 4.15). Among those naming a sector, petroleum, manufacturing, and finance and insurance were most often selected (Figure 4.16).

Figure 4.14: Firm Perceptions of Equity and Inclusion



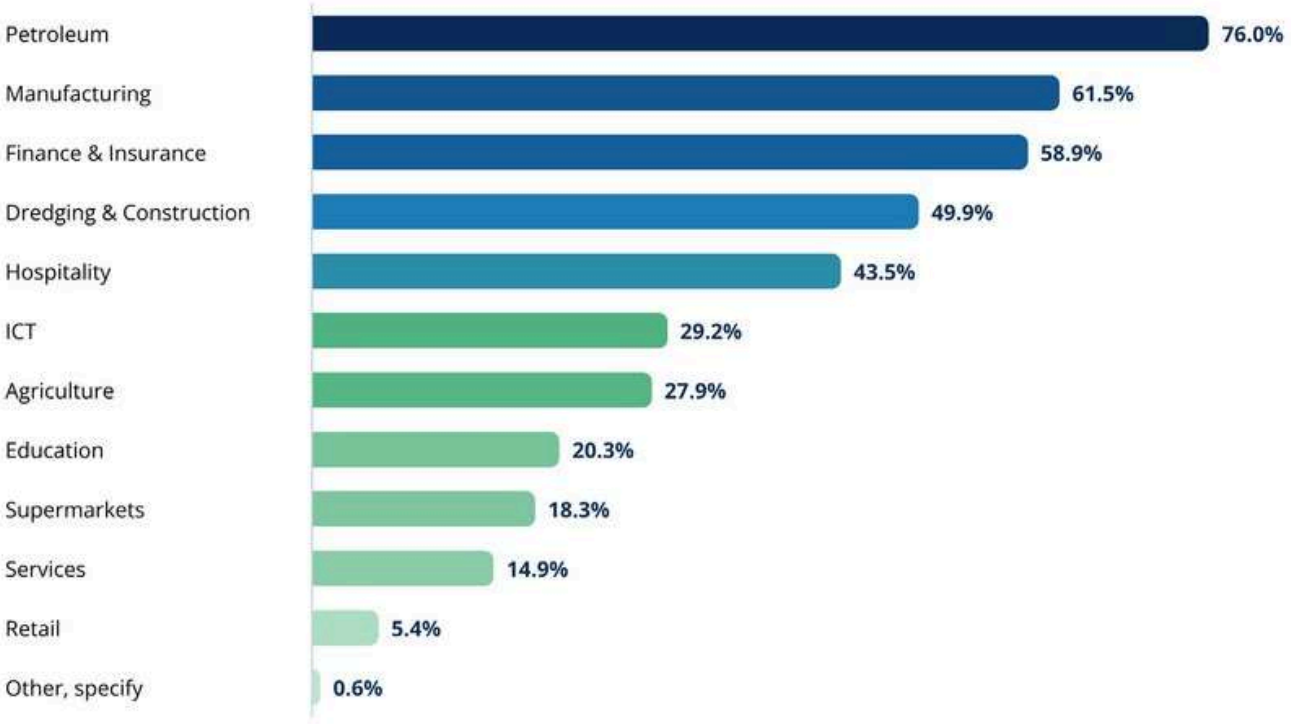
SOURCE: NESG Tax Perception Survey 2026

Figure 4.15: Whether All Sectors Are Taxed the Same



SOURCE: NESG Tax Perception Survey 2026

Figure 4.16: Sectors Named as More Heavily Taxed



SOURCE: NESG Tax Perception Survey 2026

Perceptions of tax equity are similar across firm characteristics. The mean perceived-equity index for firms was 3.25 on a five-point scale (Figure 4.17). In the achieved sample, means ranged from 3.23 among micro firms to 3.35 among medium-sized firms. Scores also varied by CAC registration and turnover, but the differences were modest.

Figure 4.17: Perceived Equity Index by Firm Characteristics



Note: Turnover quartiles exclude firms that did not report turnover.
SOURCE: NESG Tax Perception Survey 2026

Box 6: What Firm FGD Participants Said About Unequal Treatment

The firm FGD raised two recurring concerns of unequal treatment. The first concerns the divide between formal and informal businesses. Participants widely perceived unregistered and home-based businesses as less exposed to routine tax collection. Some participants viewed this as an advantage or said these businesses appeared to operate outside the formal tax system. A second divide relates to personal connections. Some participants said relationships with tax collectors or influential individuals could affect their interactions with tax authorities.

Participants' views also differed on whether women-owned and men-owned businesses received different tax treatment. Some female participants reported experiencing gender-related disadvantages, while others perceived women as receiving more lenient treatment. However, some participants reported no meaningful difference in treatment by gender.

4.2.3 Tax Official Evidence

Some tax officials interviewed said that formal businesses and employees carried a greater share of the tax burden than informal businesses. They attributed this to the visibility of formal businesses, filing requirements, and automatic payroll deductions. One official estimated that formal businesses and employees accounted for about 90 percent of the tax burden in that jurisdiction. Tax officials in some locations also highlighted other equity and compliance concerns, including the concealment of income and the practical implications of exemption thresholds. At the same time, some officials expressed confidence in institutional autonomy and the progressive design of the new tax brackets.

Focus group participants described fixed charges as burdensome for households with lower incomes and said that less-formal businesses could face fewer demands. Some tax officials said formal taxpayers were easier to identify, subject to filing requirements, and more likely to face automatic deductions.

Participants and officials also gave mixed accounts of whether connections or political influence affected treatment. The evidence presents three practical questions for policy: who is reached by tax administration, whether comparable obligations are applied consistently, and whether exemptions and enforcement are understood as fair.

4.2.4 Synthesis

Evidence from households, firms, and tax officials points to concerns about how fairly tax obligations are applied and how the use of public revenue is perceived. Household responses showed support for the principle that people with greater ability to pay should contribute more; firm responses showed support for larger or more profitable businesses paying more. In both surveys, views were less favourable on whether tax administration applies obligations consistently or produces benefits for taxpayers.





CHAPTER 05

Fiscal Exchange, Public Services & Tax Compliance

This chapter examines two related themes: fiscal exchange and the social contract, and compliance behaviour and willingness. It looks at how households and firms see the link between taxes and public services, and what they report about complying.

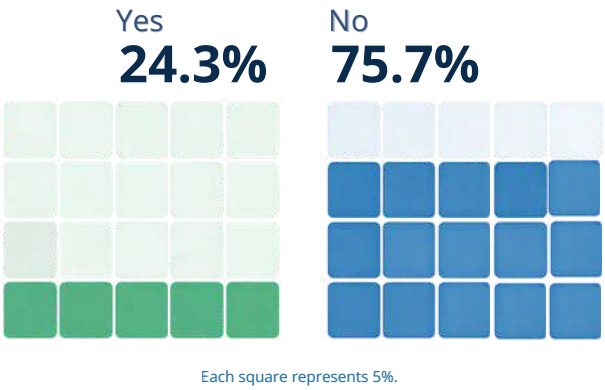
5.1 Fiscal Exchange and the Social Contract

5.1.1 Household Evidence

Household perceptions of the fiscal exchange between taxation and public service delivery are generally weak, reflecting limited visibility of tax-funded projects, low satisfaction with public services, and concerns about revenue transparency. Only 24.3 percent of households reported having seen or heard of a tax-funded project in their communities, while 75.7 percent had not (Figure 5.1). This limited visibility is accompanied by relatively low satisfaction with public services: 29.2 percent reported that no such services were available in their areas, while 36.5 percent expressed dissatisfaction. Only 22.0 percent reported being satisfied with public services (Figure 5.2).

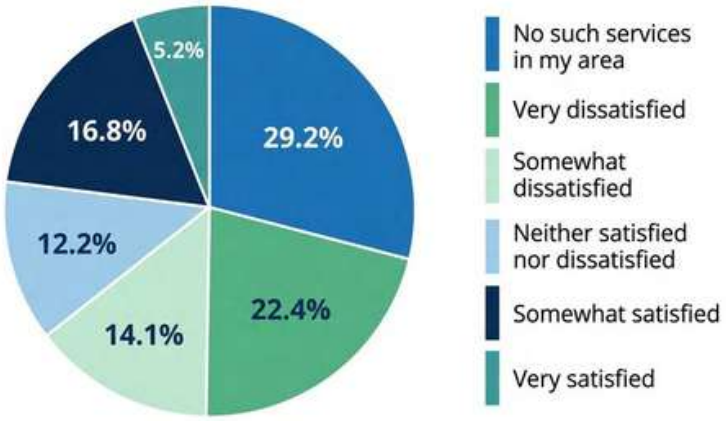
Households rated the ease of finding out how government uses tax revenue at 2.40 out of 5 points, and 23.3 percent rated it positively. Only 31.2 percent said officials clearly explain how revenue is used (2.07 out of 4 points). Ratings of the clarity of tax rules were closer to the middle: 2.28 out of 4 points, with 44.3 percent positive (Figure 5.3). Respondents who had seen or heard of a tax-funded project reported a mean trust score of 2.25, compared with 1.91 among those who had not; mean tax-morale scores were almost identical at 3.38 and 3.34 (Figure 5.4). This is a descriptive comparison and does not show that project visibility caused higher trust.

Figure 5.1: Seen or Heard of a Tax-Funded Project in the Community



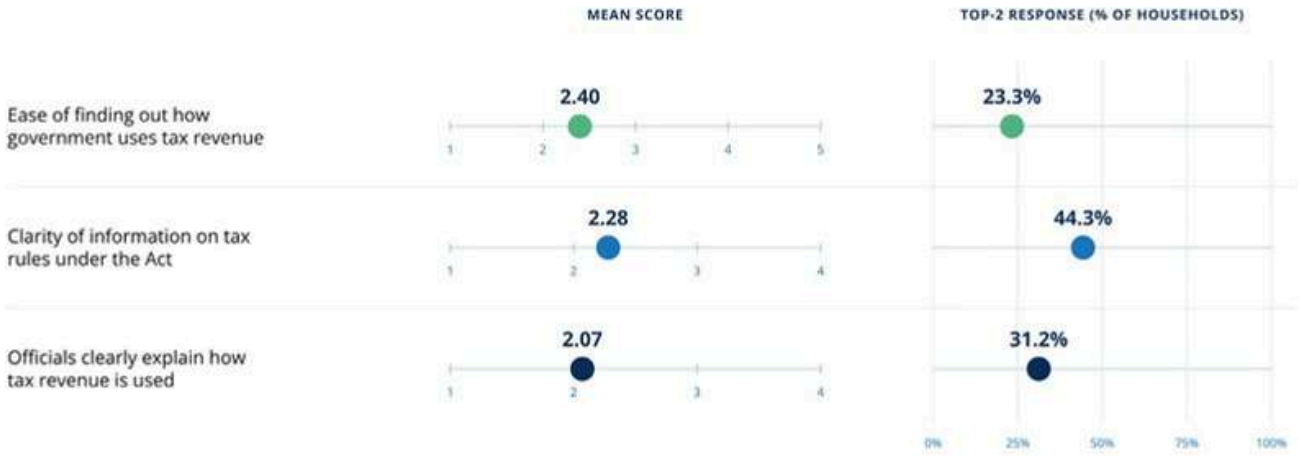
SOURCE: NESG Tax Perception Survey 2026

Figure 5.2: Satisfaction With Public Services and the Use of Tax Revenue



SOURCE: NESG Tax Perception Survey 2026

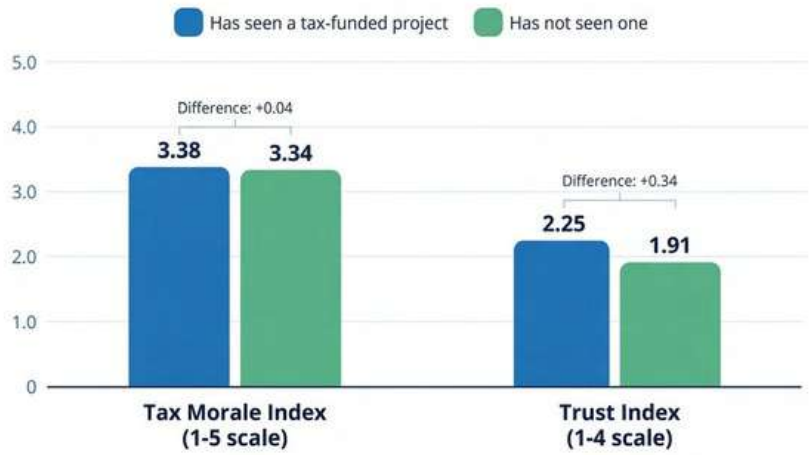
Figure 5.3: Transparency of Revenue Use



Note: Items used different response scales, as shown in the figure. Mean scores should be interpreted within each item and not compared across items. "Top-2 response" refers to the two most positive response categories for that item. The first item was asked only of respondents who reported paying informal levies; the other two were asked of all respondents.

SOURCE: NESG Tax Perception Survey 2026

Figure 5.4: Tax Morale and Trust by Exposure to a Visible Tax-Funded Project



SOURCE: NESG Tax Perception Survey 2026

Box 7: What Household FGD Participants Said About Public Projects and Services

Household FGD participants did not always connect visible infrastructure with tax revenue. In some discussions, participants identified borrowing or other sources, rather than tax revenue, as the funding for projects. Participants in several groups also described communities contributing their own resources to provide or maintain basic infrastructure, suggesting that government provision is not always perceived as sufficiently responsive to local needs. At the same time, some participants cited better-performing communities within the country as benchmarks for what they considered achievable under existing fiscal arrangements. This indicates that favourable views of some public projects can coexist with expectations for better service delivery.



5.1.2 Firm Evidence

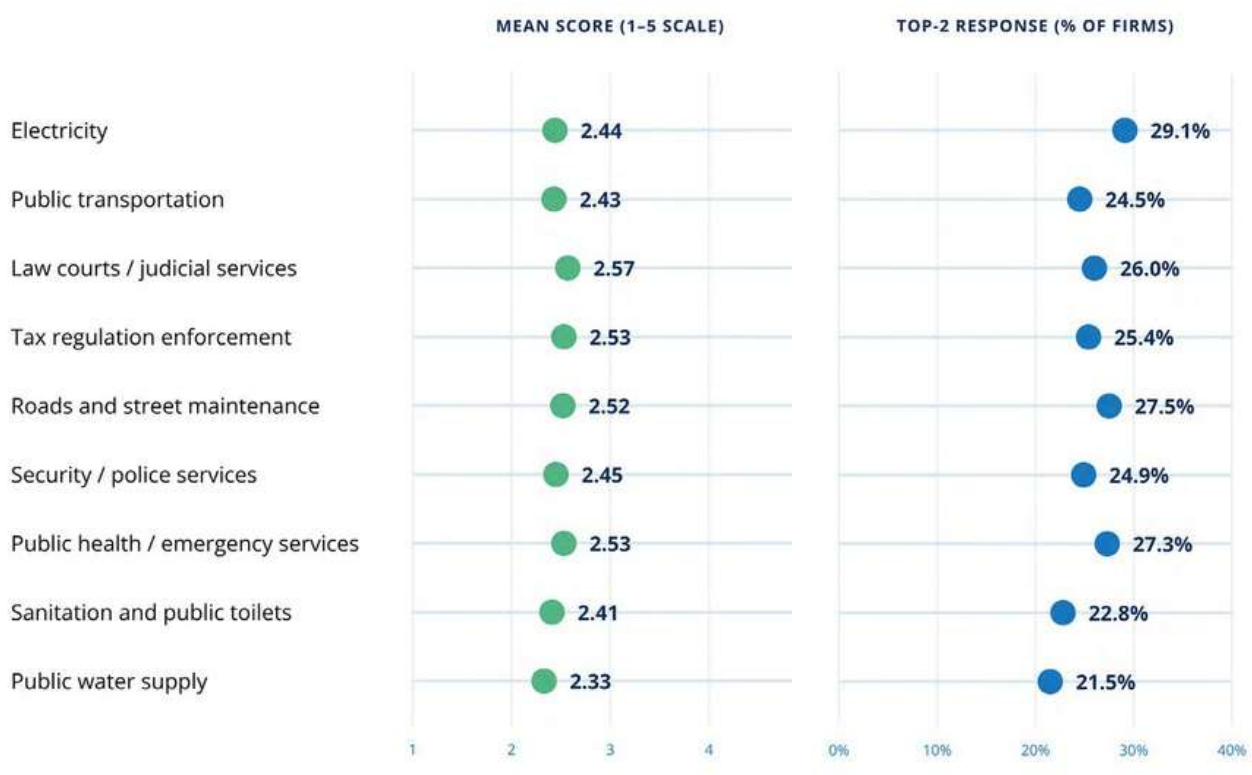
Firms reported generally low satisfaction with the quality of public services in their areas of operation, alongside limited satisfaction with government spending. Five of the nine public services assessed had mean ratings below 2.50 on a five-point scale. Mean ratings across all nine services ranged from 2.33 for public water supply to 2.57 for law courts and judicial services (Figure 5.5).

Public water supply and sanitation received the lowest mean ratings. This indicates that the surveyed firms generally perceive the quality of essential public services as inadequate. Firms' mean satisfaction ratings for government spending ranged from 2.55 for local government to 2.64 for state government (Figure 5.6). The differences in mean ratings were modest. The share reporting satisfaction was 28.8 percent for the federal government, 28.5 percent for the state government, and 26.8 percent for the local government.

Despite these concerns, firms stated some willingness to support higher taxation where it is associated with improved public service delivery. About 48.2 percent of firms indicated that they would definitely be willing to pay higher taxes for better services, while a further 42.4 percent responded that they might be willing to do so (Figure 5.7).

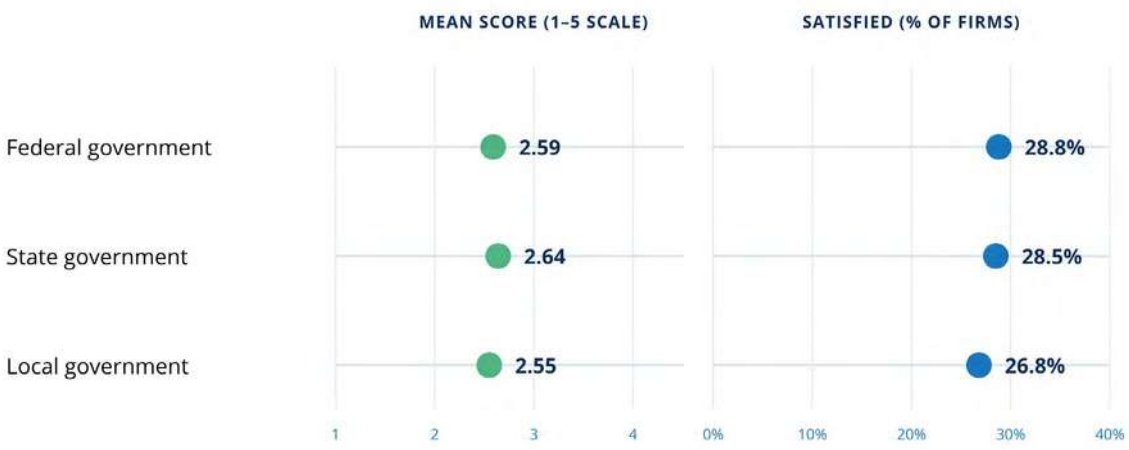
More than half of firms (53.1 percent) said government spending had become somewhat or much less transparent, compared with 20.9 percent who said it had become somewhat or much more transparent. A further 26.0 percent perceived no change (Figure 5.8).

Figure 5.5: Quality of Public Services in the Area of Operation



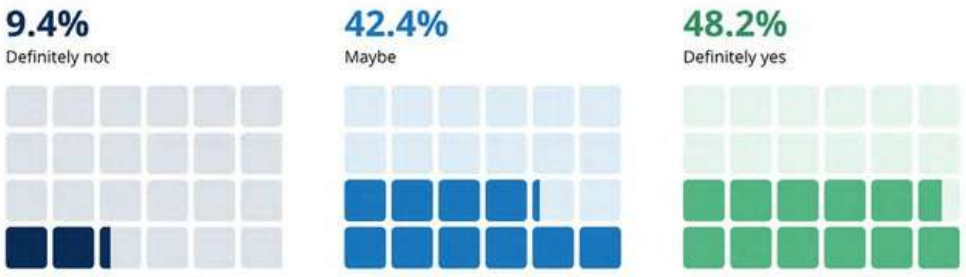
SOURCE: NESG Tax Perception Survey 2026

Figure 5.6: Satisfaction With Government Spending by Tier



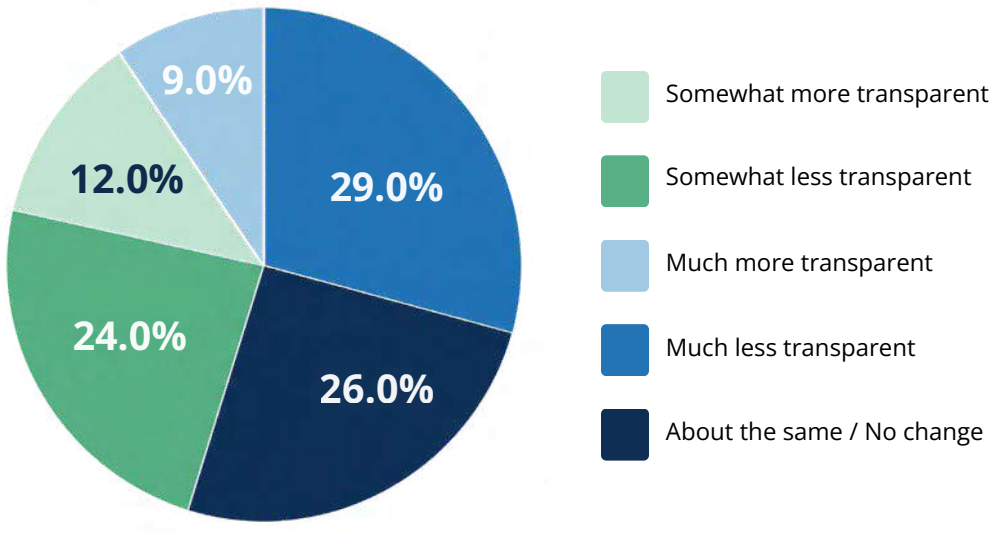
SOURCE: NESG Tax Perception Survey 2026

Figure 5.7: Willingness to Pay Higher Taxes for Better Services



SOURCE: NESG Tax Perception Survey 2026

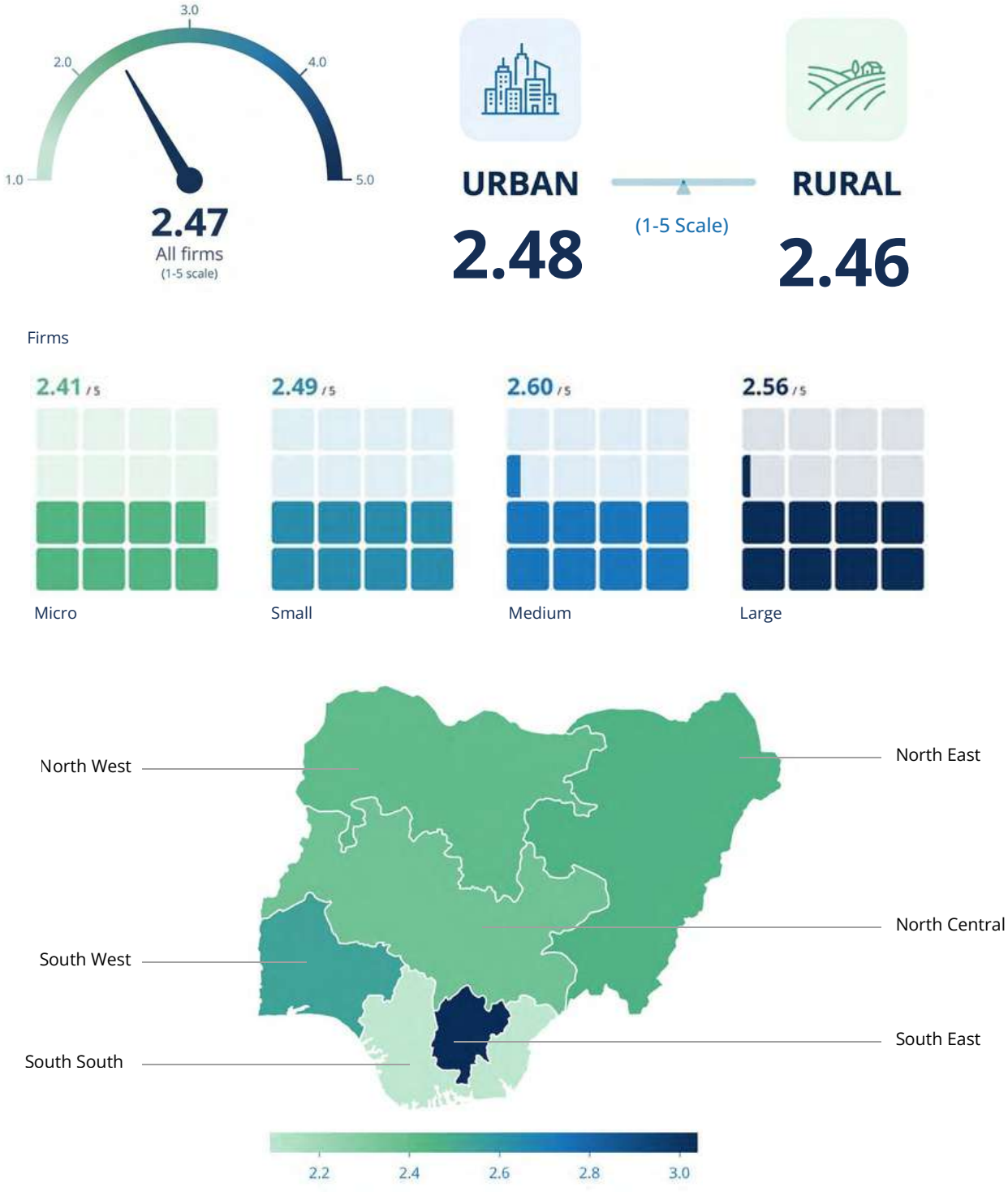
Figure 5.8: Perceived Change in Transparency of Government Spending



SOURCE: NESG Tax Perception Survey 2026

The Public Service Quality Index shows weak public service delivery across firm characteristics. The mean Public Service Quality Index was 2.47 on a five-point scale (Figure 5.9). In the achieved sample, regional scores ranged from 2.09 in the South South to 3.04 in the South East. Scores by firm size ranged from 2.41 for micro firms to 2.60 for medium-sized firms; urban and rural means were close at 2.48 and 2.46, respectively.

Figure 5.9: Public Service Quality Index by Firm Characteristics



SOURCE: NESG Tax Perception Survey 2026

Box 8: What Firm FGD Participants Said About Public Services and Business Costs

Firm FGD participants described how unreliable public services affected their businesses. Across the groups, participants said they expected taxes to be matched by visible and reliable public services. Electricity was a frequently mentioned priority because of its reported effect on operating costs and business continuity. Participants in several groups described specific consequences of unreliable infrastructure, including financial losses, spoilage of perishable goods, equipment damage, and loss of customers, giving practical meaning to the relatively low public service quality index scores. At the same time, firms repeatedly expressed a willingness to pay higher taxes where they could observe credible improvements in public services. A recurring concern, however, was the perception of having to bear duplicated costs, with participants describing instances where businesses privately finance services such as security and water because publicly provided alternatives are considered inadequate or unreliable.

5.1.3 Tax Official Evidence

Tax officials generally identified the fiscal exchange between taxation and public service delivery as an important element of their engagement with taxpayers, often emphasising that tax payments are intended to finance visible improvements in communities. However, officials differed considerably in their assessment of how clearly taxpayers currently perceive this connection, with some describing substantial improvements in infrastructure and services, while others acknowledged that the link remains weak or largely aspirational from the taxpayer's perspective.

Several officials provided concrete, locally observed examples in which tax-related engagement coincided with tangible improvements in community services, including drainage improvements that addressed flooding affecting businesses, maternal healthcare interventions benefiting identifiable community members, and road repairs following direct citizen advocacy. These accounts provide useful qualitative evidence of the fiscal exchange operating at a local and observable level, although they remain individual examples and cannot establish the prevalence or effectiveness of such mechanisms more broadly.

5.1.4 Synthesis

Few households and firms can see what taxes pay for. Only 24.3 percent of households have seen or heard of a tax-funded project, 22.0 percent are satisfied with public services, and firms rate all nine services below the midpoint of the scale. Households that have seen a project report higher trust (2.25, against 1.91 on a four-point scale) but about the same tax morale (3.38 against 3.34 on a five-point scale).

Firms say they would pay higher taxes for better services. Officials gave local examples of services that followed taxpayer engagement; these are single cases and do not show how common they are.

5.2 Compliance Behaviour and Willingness

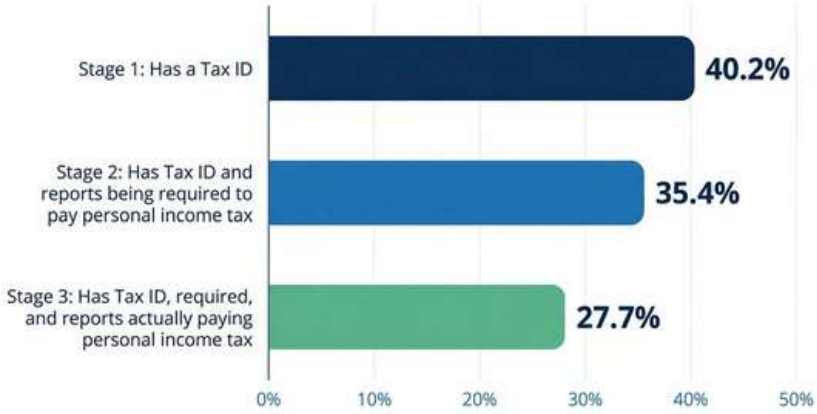
5.2.1 Household Evidence

Fewer surveyed households reported paying personal income tax than reported having a Tax ID. Among all respondents, 40.2 percent reported having a Tax ID. Of households that reported having a Tax ID and being required to pay personal income tax (35.4 percent of all households), 78.2 percent reported having paid (27.7 percent of all households) (Figure 5.10).

Respondents who had encountered informal levies most often selected, as the main reason people avoid tax, poor public services (35.0 percent) and high taxes (18.6 percent) (Figure 5.11). Fewer than 10 percent selected each of the other listed reasons, including unfairness, inability to pay, government not listening, waste of revenue, or officials stealing tax money. Fewer than 1 percent selected the belief that people would not be caught.

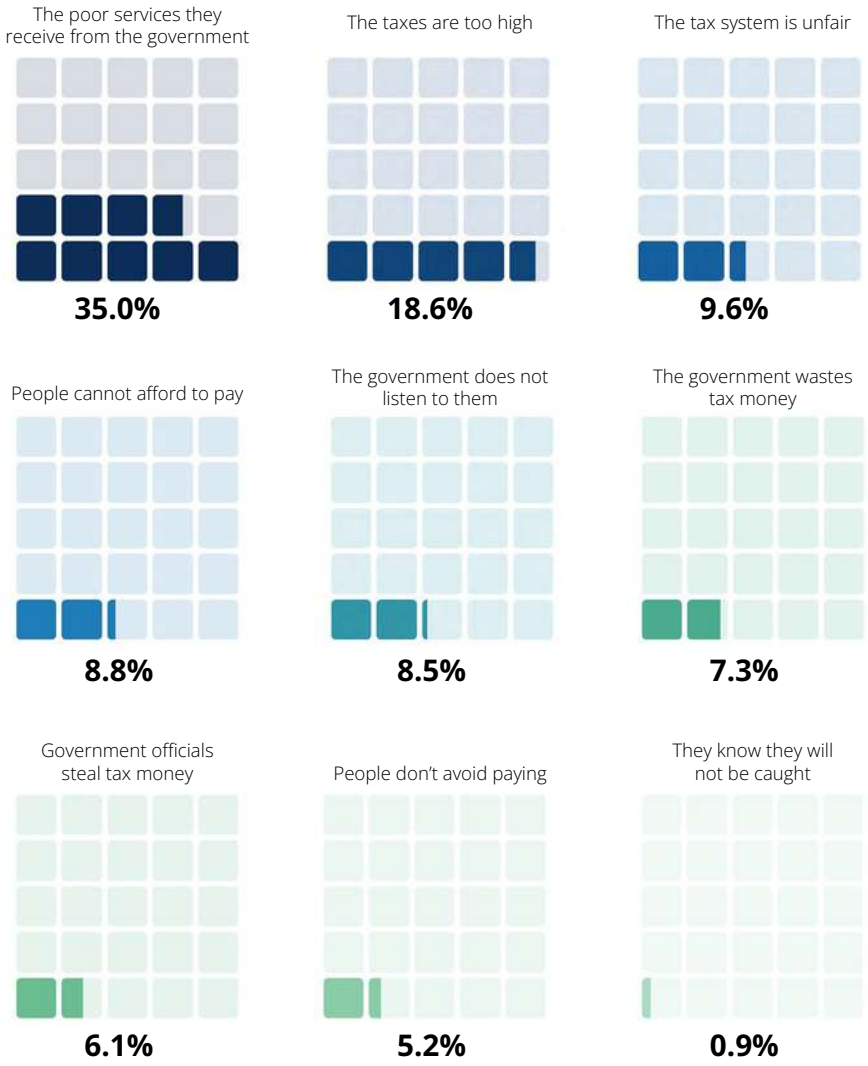
In the same subgroup, 62.8 percent agreed that most people try to pay the taxes they owe, and 72.5 percent agreed that people avoid tax because of poor public services (Figure 5.12). Six in ten households believed that failing to file a return could result in penalties, interest, or legal action (Figure 5.13). Two-thirds reported encountering informal, non-state levies at least once (Figure 5.14).

Figure 5.10: Tax ID Ownership, Personal Income Tax Liability and Payment



SOURCE: NESG Tax Perception Survey 2026

Figure 5.11: Main Reason People Avoid Paying Taxes



Note: Asked only of respondents who reported paying informal, non-state levies at least once.

SOURCE: NESG Tax Perception Survey 2026

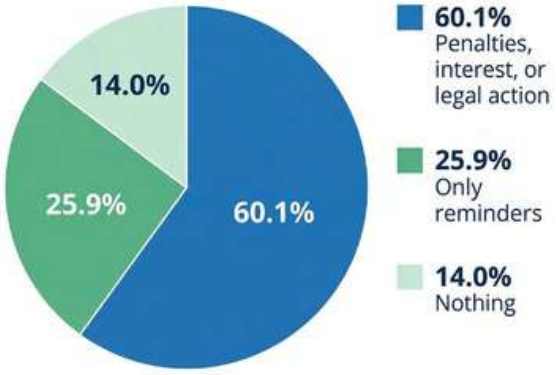
Figure 5.12: Compliance Attitudes



Note: Asked only of respondents who reported paying informal, non-state levies at least once. The questionnaire scale ran from "strongly agree" to "strongly disagree"; means are reversed so that higher = stronger agreement.

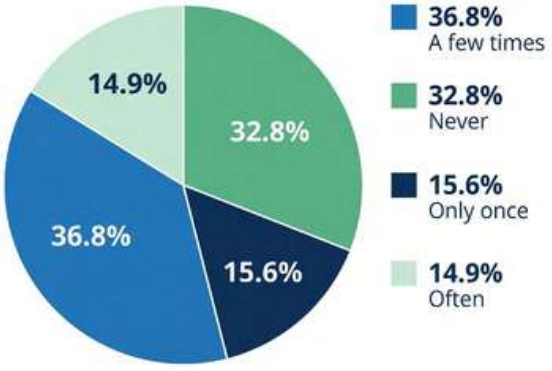
SOURCE: NESG Tax Perception Survey 2026

Figure 5.13: Perceived Consequence of Failing to File a Return



SOURCE: NESG Tax Perception Survey 2026

Figure 5.14: Frequency of Informal, Non-State Levies



SOURCE: NESG Tax Perception Survey 2026

Box 9: What Household FGD Participants Said About Tax Deductions and Collection

Some household FGD participants described salary deductions and charges on bank transactions as difficult to avoid. These accounts reflect how participants understood the deductions; the study did not verify whether each charge was a tax, fee, or another type of payment. This raises an important distinction: automatic deductions may not be experienced as a deliberate decision to comply in response to enforcement or penalties.

By contrast, participants who described in-person collection—some of whom were market traders or small-business operators—reported direct collection practices, including threats of shop closure or seizure of goods, as well as negotiation over amounts payable. These accounts suggest that experiences of paying or being charged differed by collection method. Some participants said automatic deductions left them with less flexibility when money was tight, while others described negotiating the amount or timing of face-to-face payments.

5.2.2 Firm Evidence

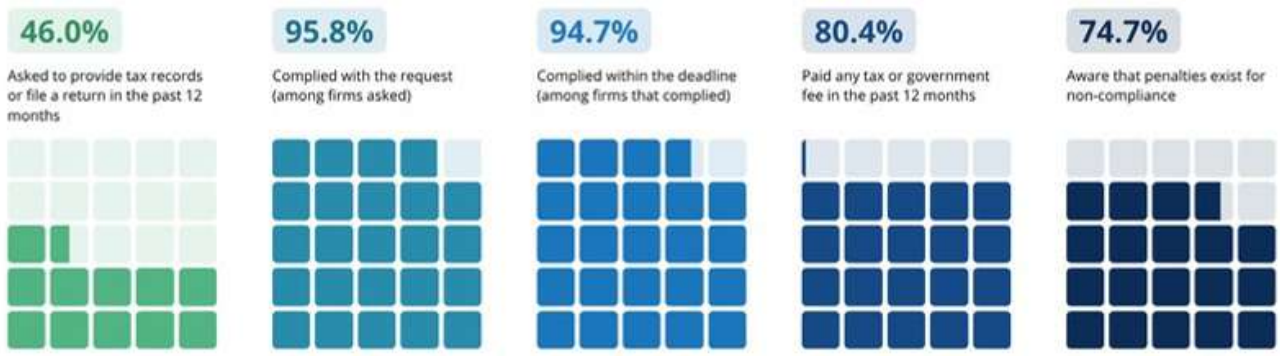
Most firms that were asked to file a return or provide tax records reported complying, and most of these said they did so on time. Among firms that reported being asked by a government authority to provide tax records or file a tax return in the past 12 months, 95.8 percent said they complied, and 94.7 percent of those that complied said they did so by the deadline (Figure 5.15).

Separately, 80.4 percent of all surveyed firms reported paying some form of tax or government fee during that period, and 74.7 percent said they knew penalties could apply for non-compliance. Among the small number of firms that said they had not complied, the reasons selected most often were a high tax burden (61.6 percent), cash-flow constraints (41.8 percent), multiple taxes and levies (34.9 percent), and poor public services (31.2 percent); firms could select more than one reason (Figure 5.16).

Firms' views of enforcement varied. A total of 41.1 percent believed non-compliance was detected often or always, 42.0 percent said sometimes, and 16.9 percent said rarely or never (Figure 5.17). On penalties, 43.8 percent described them as very or extremely severe, while 19.5 percent considered them not very severe or not severe at all.

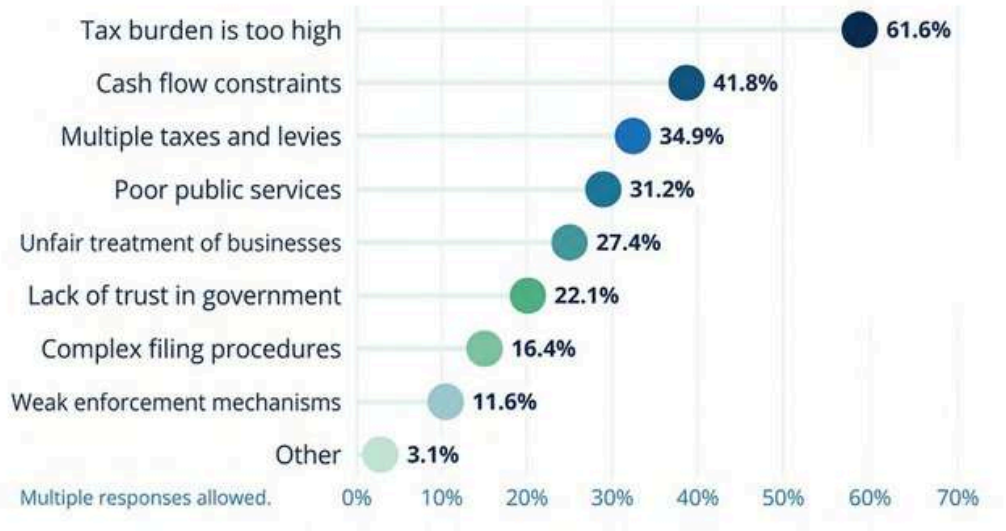
When asked what might encourage compliance, firms most often selected simpler and easier filing and payment (56.9 percent), lower tax rates (53.9 percent), better public services (53.7 percent), and reduced multiple taxation (52.6 percent) (Figure 5.18). The answers reflect firms' stated preferences; they do not establish which changes would increase compliance.

Figure 5.15: Compliance Events in the Past Twelve Months



SOURCE: NESG Tax Perception Survey 2026

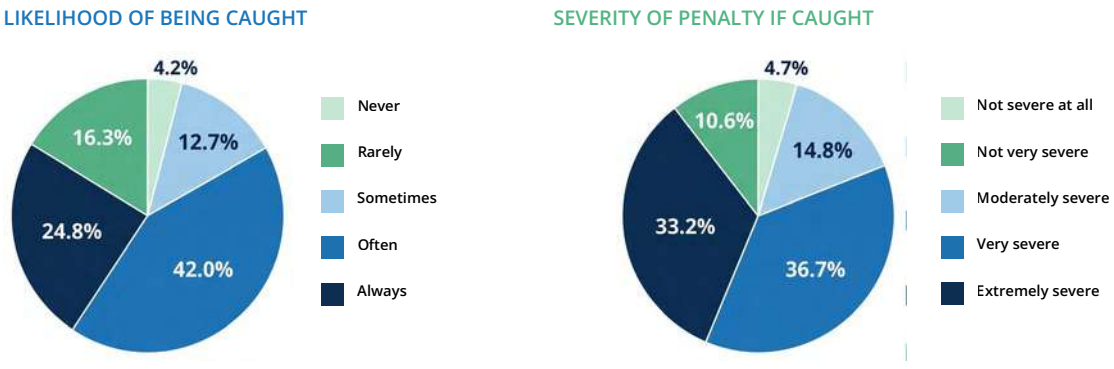
Figure 5.16: Reasons Given for Not Complying, Among Non-Compliers



Note: Among firms that said they had not complied, firms could select more than one reason, so percentages do not sum to 100.

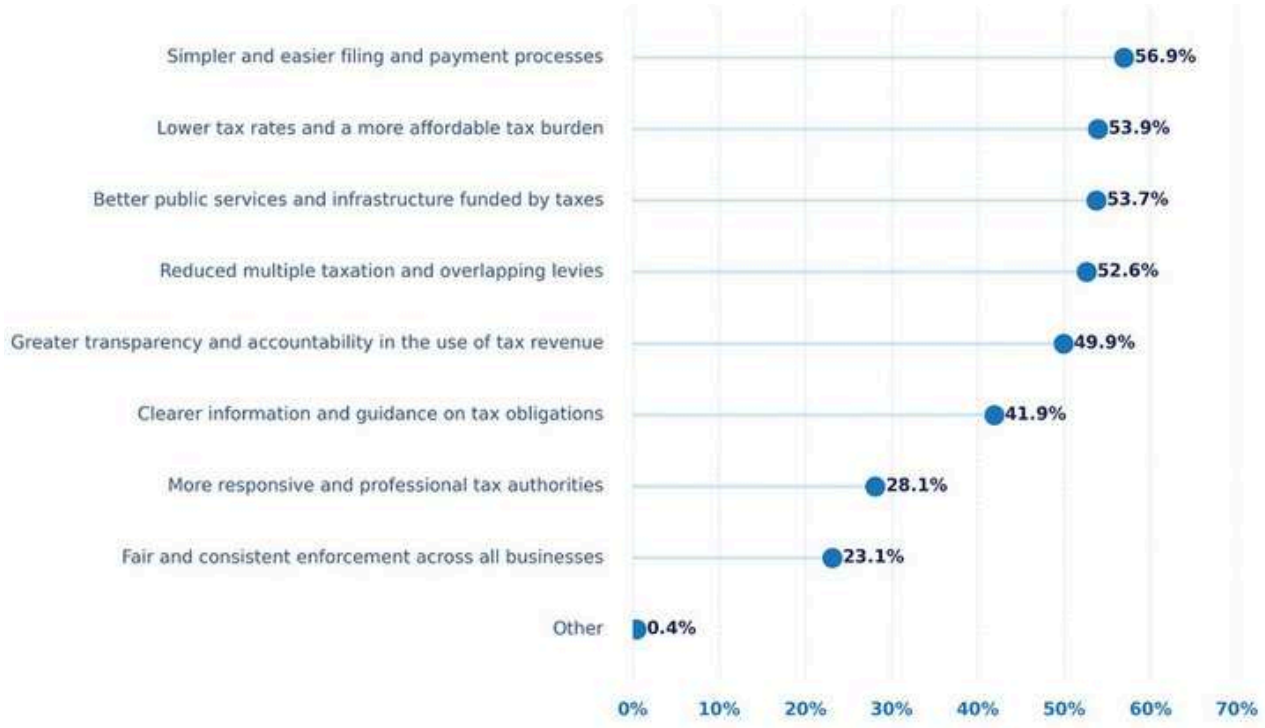
SOURCE: NESG Tax Perception Survey 2026

Figure 5.17: Perceived Enforcement: Likelihood of Detection and Severity of Penalty



SOURCE: NESG Tax Perception Survey 2026

Figure 5.18: What Would Encourage Firms to Comply (Ranking)



Note: Percent of all firms; firms could select more than one option. These are stated preferences and do not show which changes would raise compliance.

SOURCE: NESG Tax Perception Survey 2026

Box 10: What Firm FGD Participants Said About Tax Payment and Compliance

Firm FGD participants described paying taxes mainly as a way to avoid sanctions, disruption or conflict, rather than as a voluntary expression of support for taxation. Statements such as "we have no choice" and "we pay because we want peace" illustrate how some participants viewed the consequences of not paying.

Some participants said firms were more able to pay when business was doing well, while cash-flow pressures could lead to delayed payment or resistance. Others described practices they associated with reducing tax liabilities, including under-reporting income or assets, delaying payment, and negotiating assessments in the hope of lowering the amount due.

5.2.3 Tax Official Evidence

Tax officials interviewed generally favoured encouraging voluntary compliance through taxpayer education, engagement and communication before using formal enforcement. Across the interviews, officials described court referral, account-related measures, or business closure as escalation options, partly because confrontational collection could lead to resistance, conflict, or reputational challenges for tax authorities. Some officials said that voluntary approaches generated substantial revenue and that targeted enforcement could raise additional amounts.

5.2.4 Synthesis

The surveys and interviews describe several aspects of compliance: registration, reported payment, timeliness, affordability, taxpayer experience and enforcement. Among all households surveyed, the share reporting that they had a Tax ID was greater than the share reporting that they had both a Tax ID, a personal income tax liability, and a payment. Households often identified poor services and high taxes as reasons people avoid tax; these were views about taxpayers generally and do not measure causes of non-compliance.

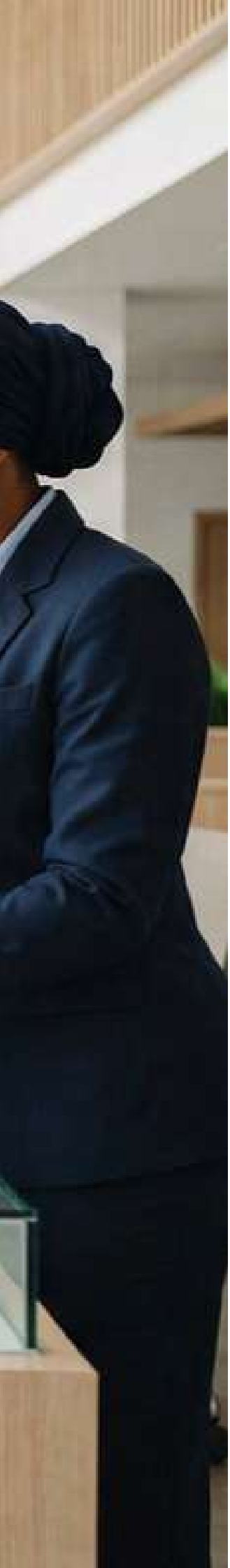
Firm evidence shows that most firms that said they had been asked to file a return or provide records reported complying. Firms that said they had not complied most often selected the perceived tax burden, cash-flow constraints, multiple taxes and levies, and poor public services as reasons.

Household and firm FGD participants described different experiences of payment. Some discussed automatic salary deductions or bank charges, while others described in-person collection, negotiation, delayed payment, or pressure from collectors. Firms also described adjustments to the timing or amount of reported liabilities, including delayed payment and under-reporting.

Tax officials interviewed favoured taxpayer education and engagement before formal enforcement. The surveys and interviews also raised concerns about affordability, administrative simplicity and fair treatment. The evidence points to practical priorities: explain obligations clearly, simplify filing and payment, apply rules consistently, and make public services and payment channels easier to verify.







CHAPTER 06

Social Norms, Institutions and Taxpayer Experience

This chapter brings together social and individual norms with institutional capacity and taxpayer experience. Participants often discussed social expectations alongside their encounters with tax authorities, so the two themes are considered together here.

6.1 Social and Individual Norms

6.1.1 Household Evidence

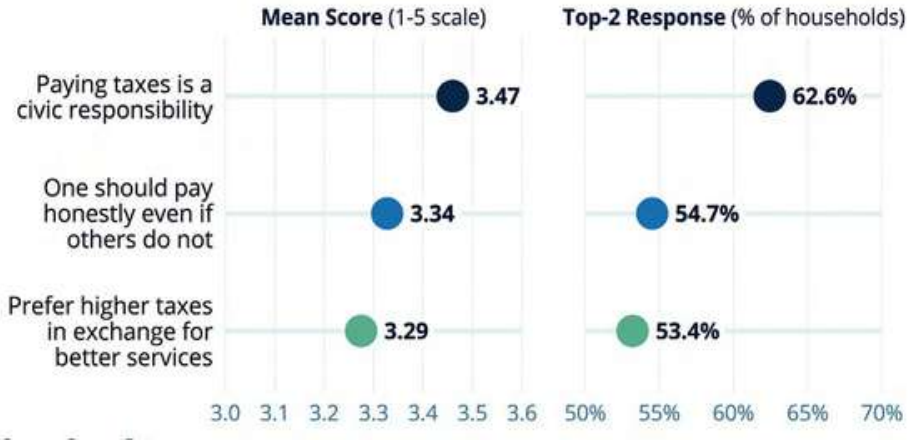
Most households perceive tax payment as a civic responsibility, and agreement was highest for the statement that religion teaches obedience to the law and the payment of taxes. Among the surveyed households, 62.6 percent viewed paying taxes as a civic responsibility (Figure 6.1). Similarly, more than half maintained that individuals should pay their taxes even when others do not and expressed willingness to accept higher tax contributions in exchange for improved public services.

Religious beliefs provide an additional source of support for positive tax perceptions, with 68.0 percent of households agreeing that their religion teaches obedience to the law and payment of taxes, while 56.8 percent agreed that their religion expects taxes to be paid even in the presence of corruption (Figure 6.2). One in three (32.9 percent) said tax avoidance is acceptable in their culture, and 42.4 percent agreed that the whole community suffers when people avoid tax. This indicates that households may distinguish between the personal or moral obligation to pay taxes and the broader collective consequences of non-compliance.

The joint distribution of cultural acceptance of tax avoidance and perceptions of its community consequences provides further insight into household perceptions of tax compliance (Figure 6.3). Among the 33.0 percent who agreed that avoidance is culturally acceptable, 58.1 percent said it harms the community. Among the 67.0 percent who disagreed, 34.6 percent said that avoidance harms the community[8].

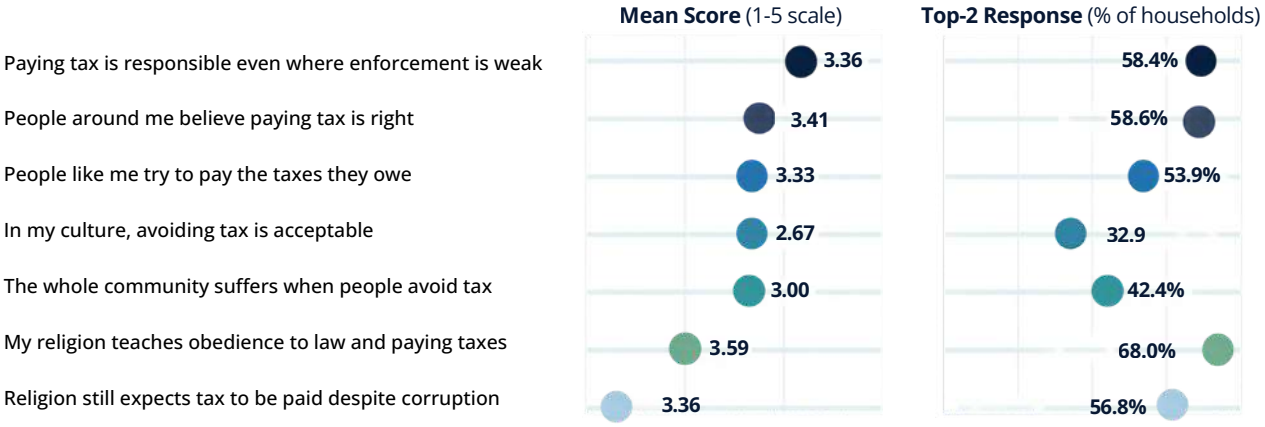
[8]Share of respondents who disagreed that avoidance is culturally acceptable (67.0 percent) and agreed that the community suffers when people avoid tax (23.2 percent of all respondents)

Figure 6.1: Civic Responsibility Statements



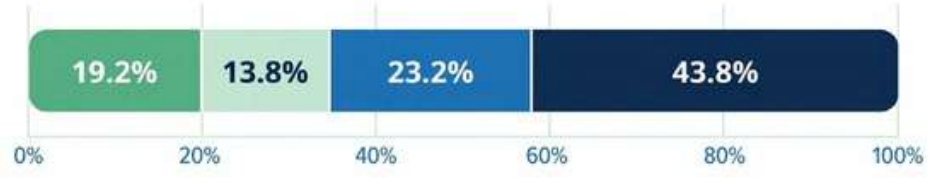
SOURCE: NESG Tax Perception Survey 2026

Figure 6.2: Peer, Cultural and Religious Norms



SOURCE: NESG Tax Perception Survey 2026

Figure 6.3: Views on Cultural Acceptance of Tax Avoidance and Perceived Community Harm



43.8% Avoidance not acceptable/ Community does not suffer

23.2% Avoidance not acceptable/ Community suffers

19.2% Avoidance acceptable/ Community suffers

13.8% Avoidance acceptable/ Community does not suffer

Note: "Agree" = agree or strongly agree. Base = respondents who answered both statements.

SOURCE: NESG Tax Perception Survey 2026

Box 11: What Household FGD Participants Said About Tax Avoidance and Collection

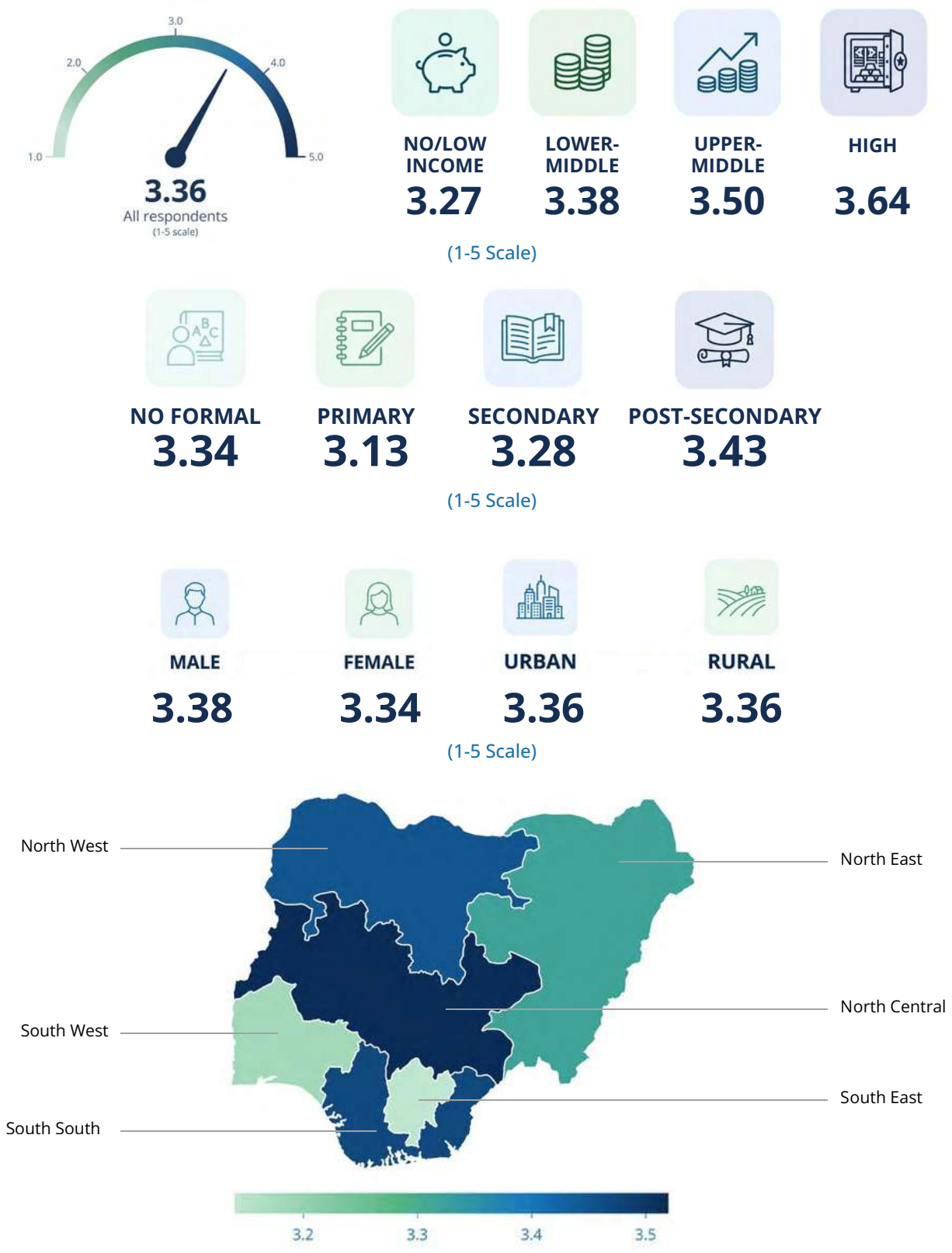
Some household FGD participants said that reactions to tax avoidance depended on the circumstances. In several discussions, participants described instances in which individuals who successfully resisted or challenged tax collectors could receive admiration from bystanders, particularly where the collector was perceived to be acting unfairly or abusively. Their accounts suggest that participants could disapprove of tax avoidance generally while supporting resistance to collection they considered unfair.

Participants also said that religious institutions sometimes contributed to tax awareness and discussions about paying tax, although this role varied across groups. These accounts show how some participants discussed tax payment in relation to collection practices, community reactions, and religious teaching.

Household tax morale scores were similar by location and gender, but differed more across regions, education, and income groups in the achieved sample. The mean household tax morale score was 3.36 on a five-point scale (Figure 6.4). In the achieved sample, scores ranged from 3.14 in the South East to 3.52 in the North Central. They also differed by education and income: the mean was 3.13 among respondents with primary education and 3.43 among those with post-secondary education; it was 3.27 among no/low-income respondents and 3.64 among high-income respondents. Scores were the same for urban and rural respondents (3.36) and similar for men and women (3.38 and 3.34).



Figure 6.4: Tax Morale Index by Household Demographic Characteristics



SOURCE: NESG Tax Perception Survey 2026

6.1.2 Firm Evidence

Many firms agreed that paying tax was consistent with peer and religious expectations, while fewer reported strong community pressure to comply. In the survey, 60.9 percent agreed that business owners they respected viewed tax payment as the right thing to do, and 55.6 percent said similar businesses generally tried to meet their tax obligations (Figure 6.5). Between 55.4 and 57.6 percent agreed with statements about religious teaching and tax payment. Fewer than half said non-compliance would lead to a loss of respect or social standing.

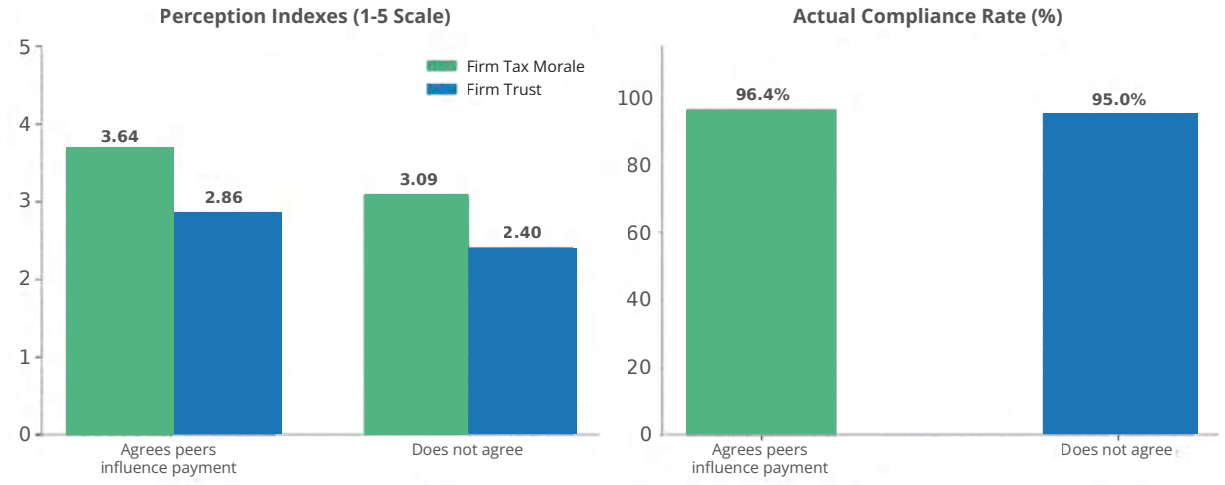
Some firms agreed that other businesses influenced their own tax payment. Their reported compliance when asked to file or provide records was 96.4 percent, compared with 95.0 percent in the other group (Figure 6.6). Around 52.9 percent of firms agreed that firms should pay taxes so the country can develop, while 60.6 percent agreed that the government could fund development without taxing firms (Figure 6.7).

Figure 6.5: Peer, Community and Religious Norms Battery



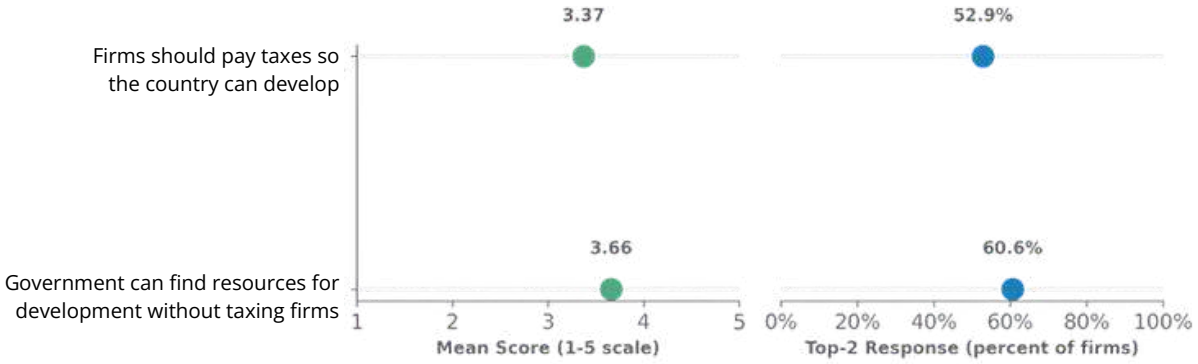
SOURCE: NESG Tax Perception Survey 2026

Figure 6.6: Peer Influence and Compliance Outcomes



SOURCE: NESG Tax Perception Survey 2026

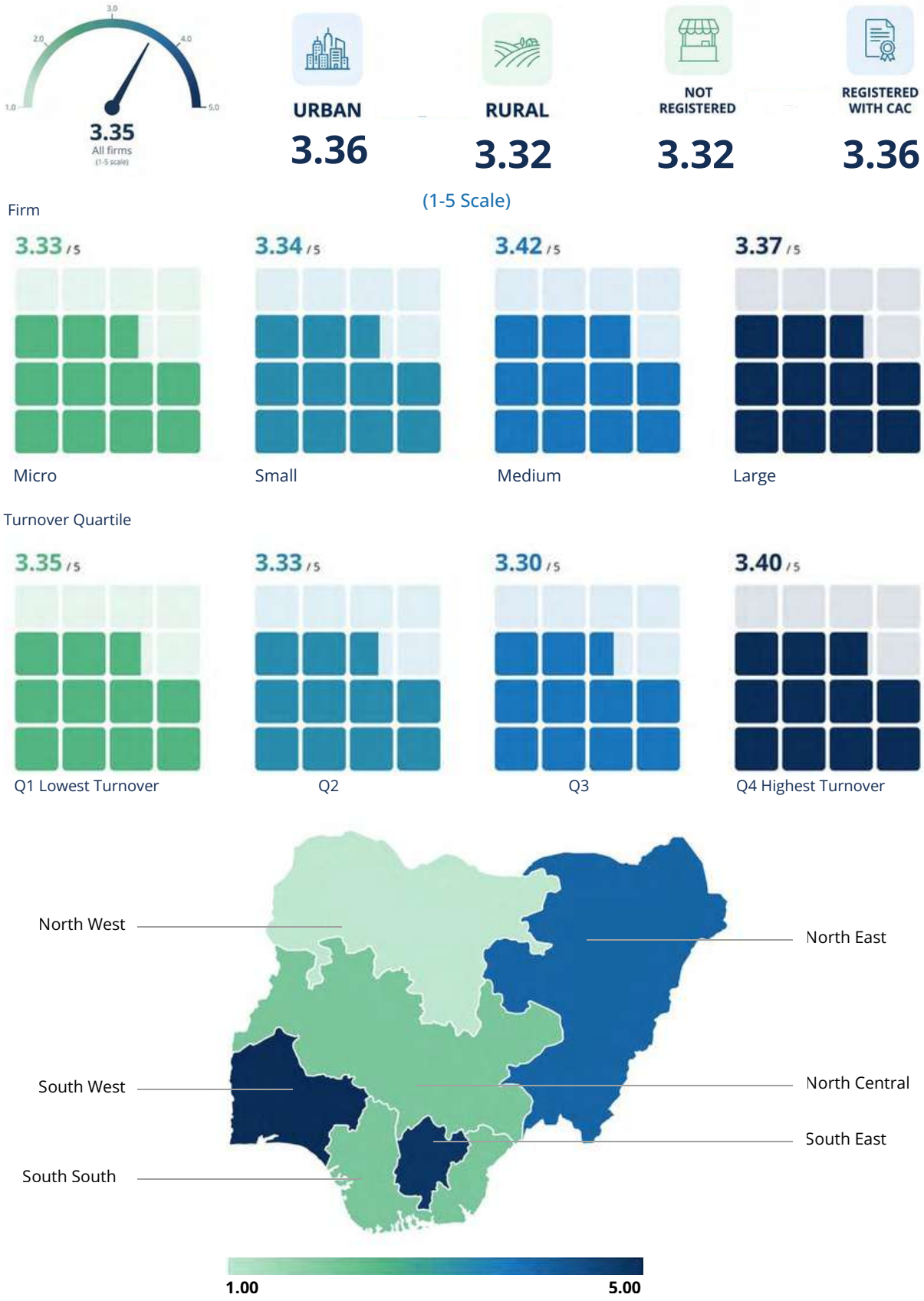
Figure 6.7: Development and Taxation Statements



SOURCE: NESG Tax Perception Survey 2026

Firm tax morale was broadly positive in the survey, with modest differences across firm characteristics and a wider spread across regions. The national mean tax morale score, based on three statements about the authorities' right to collect tax, whether evasion is ever justified, and the duty to pay for development, was 3.35 on a five-point scale (Figure 6.8). In the achieved sample, scores were close across firm-size groups, ranging from 3.33 among micro firms to 3.42 among medium-sized firms. The mean was 3.36 for CAC-registered firms and 3.32 for firms not registered with CAC. It was 3.40 in the highest turnover quartile and 3.30 in the third quartile. Urban and rural firms recorded similar means: 3.36 and 3.32, respectively. Regional means covered a wider range, from 3.22 in the North West to 3.46 in the South West.

Figure 6.8: Tax Morale Index by Firm Characteristics



Note: Turnover quartiles exclude firms that did not report turnover.

SOURCE: NESG Tax Perception Survey 2026

Box 12: What Firm FGD Participants Said About Associations and Tax Payment

Some firm FGD participants said business and trade associations helped members deal with tax obligations. They described associations engaging with tax authorities, discussing group rates and providing receipts or other documents that participants believed could reduce repeated individual demands. Other participants questioned whether associations could represent members independently when they were influenced by political or government interests.

Views on tax avoidance also differed. In some groups, participants said businesses that avoided tax could be admired or envied for keeping more of their income. In others, participants criticised tax avoidance, particularly when compliant businesses believed that competitors who did not pay had lower costs.

6.1.3 Tax Official Evidence

Tax officials described different approaches to engaging community and traditional leaders on tax matters, though they said these approaches were not used consistently across jurisdictions. Some mentioned visits by senior officials, briefings for community leaders, information shared through local networks, and communication adapted to local customs. Some officials believed these efforts helped clarify tax information; others said community leaders had little influence on taxpayers' views or reported willingness to comply. Officials also described business and professional associations seeking common payment arrangements or challenging individual assessments.

6.1.4 Synthesis

Household and firm survey responses showed support for paying taxes among many participants, while the FGD and interview accounts described how these views could vary across communities and situations. Across households and firms, tax payment is commonly viewed as a civic, business and moral responsibility. In the surveys, many households said people should pay even when others do not, and many firms agreed that respected business owners regarded paying tax as the right thing to do. Religious beliefs also featured in responses from both groups: many agreed that religious teaching supported paying taxes, including where officials were perceived as corrupt. These answers describe respondents' views; they do not show that religious beliefs lead to tax payment.

The qualitative evidence also showed that the role of religion in discussions about tax varied across communities. Views were less uniform on whether the wider community condemns tax avoidance or whether non-compliance harms the community. Household FGD participants generally disapproved of tax avoidance in principle, but some described resistance to collection where collectors were seen as unfair or abusive.

Among firms, business and trade associations were described as channels for providing information, engaging tax authorities, and helping members navigate obligations. Officials also described collective negotiations and resistance to assessments. The evidence suggests that social expectations and networks form part of the setting in which taxpayers respond to tax rules and administration. For policy, the findings point to the value of clear communication through trusted local, religious, and business networks, alongside fair and consistent administration.

6.2 Institutional Capacity and Taxpayer Experience

6.2.1 Household Evidence

Households gave mixed ratings of tax processes and their dealings with officials. Ease of completing tax-related processes received the highest positive rating: 47.4 percent. By comparison, 30–35 percent gave positive ratings to officials' explanations, consistency and communication about tax liabilities (Figure 6.9).

In response to statements about bribery, 12.5 percent agreed that officials requested bribes to reduce tax payable, and 44.3 percent agreed that refusing a bribe could lead to unfair treatment. These are perceptions recorded in the survey, not verified reports of personal bribe requests.

Of all households surveyed, 13.7 percent said they had not needed to file a return or pay tax. The remaining 86.3 percent reported a filing or payment channel (Figure 6.10). Among this group, 41.5 percent used a manual channel only: 30.8 percent used a consultant or other third party, and 10.7 percent went to a tax office.

Other reported channels included personal income tax deducted at source (27.2 percent), mobile banking, USSD or fintech apps (13.9 percent), a mix of manual and online methods (12.5 percent), and the tax authority's online platform (4.9 percent).

Of respondents, 38.1 percent said they had never tried to resolve a tax issue; 61.9 percent said they had tried (Figure 6.11). Among those who tried, 21.9 percent said the issue was resolved the same day, 38.6 percent within a few days, 19.7 percent within a few weeks, and 14.2 percent after more than a month. Only 5.6 percent said issues were rarely resolved.

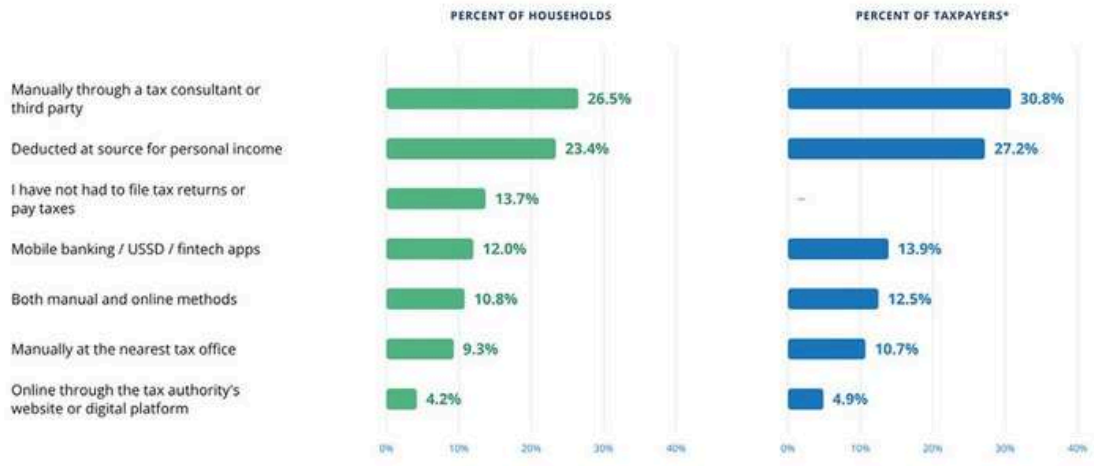
Figure 6.9: Taxpayer Experience Scorecard (Households)



Note: For "Officials clearly explain the amount owed and why", the questionnaire scale ran from "always" to "never"; it is reversed here so that higher = better.

SOURCE: NESG Tax Perception Survey 2026

Figure 6.10: How Households Usually File or Pay Taxes



*Note: *This measures the composition of payment channels utilised by taxpayers*

SOURCE: NESG Tax Perception Survey 2026

Figure 6.11: Time Taken to Resolve a Tax Issue (Households)



*Note: *This measures the experiences of households reporting tax resolutions.*

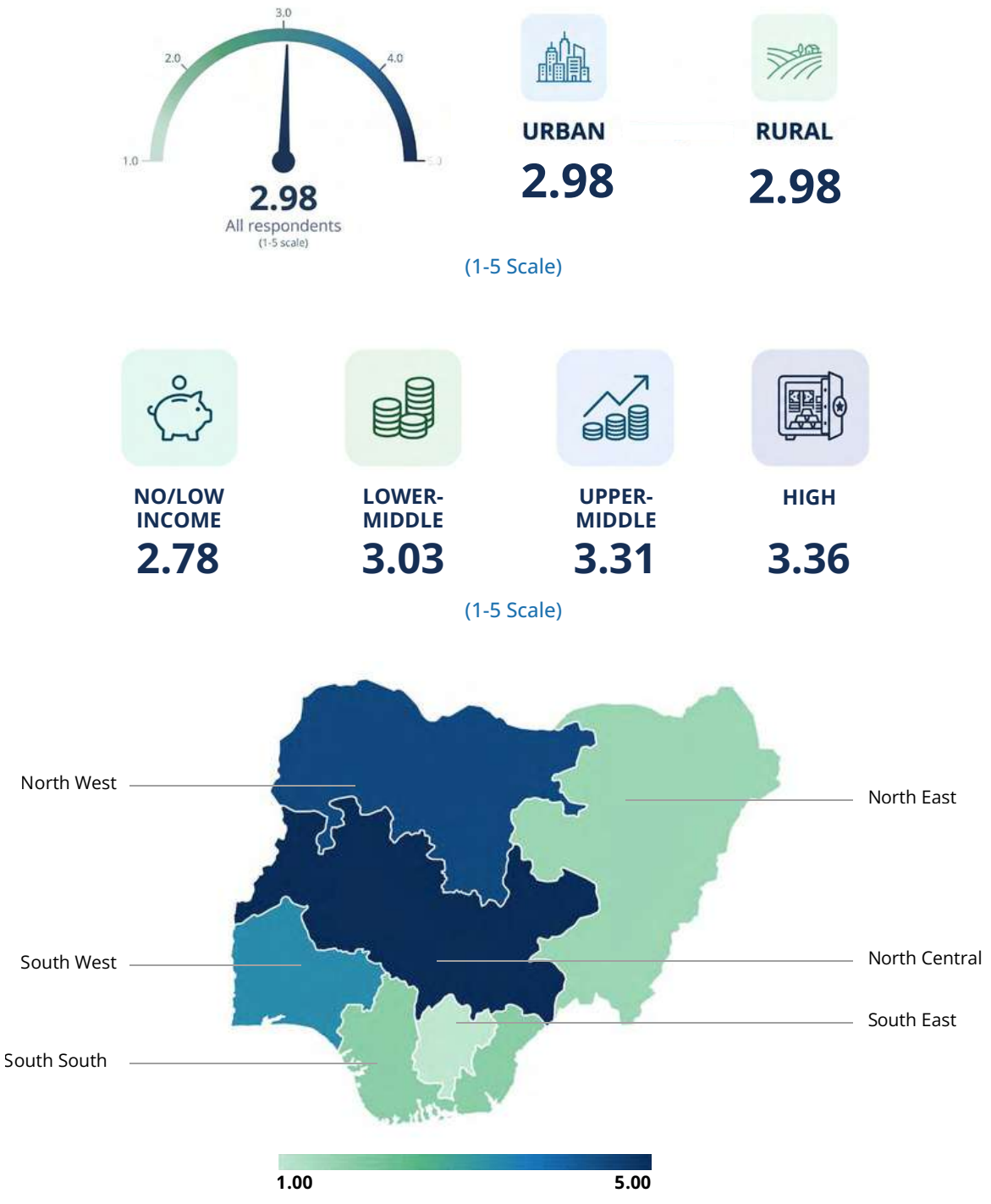
SOURCE: NESG Tax Perception Survey 2026

Household experience scores were similar by location but varied more across income groups and regions in the achieved sample. The household Taxpayer Experience Index averaged 2.98 on a five-point scale (Figure 6.12). In the achieved sample, regional means ranged from 2.81 in the South East to 3.12 in the North Central. By income, the mean ranged from 2.78 among no/low-income respondents to 3.36 among high-income respondents. Urban and rural means were virtually identical, at about 2.98. These are descriptive differences; no significance tests are reported.

Box 13: What Household FGD Participants Said About Taxpayer Experience

The household FGDs add context to the trust scorecard by describing participants' experiences with tax administration. Some participants described federal tax collection as more professional and structured. Others raised concerns about inconsistent or forceful interactions with state or local collectors, and about possible preferential treatment. Participants also described uncertainty about who was authorised to collect particular charges, including occasions when more than one person or group appeared to collect similar charges. Some participants said that individuals continued collecting after they believed those individuals no longer worked for a tax administration. Such accounts suggest that uncertainty about authorised collection can shape how participants view the fairness and legitimacy of tax administration.

Figure 6.12: Taxpayer Experience Index by Household Demographic Characteristics



Source: NESG Tax Perception Survey 2026

6.2.2 Firm Evidence

Firms gave mixed ratings of their dealings with tax authorities. In the taxpayer experience scorecard, 48.9 percent gave a positive rating for officials' helpfulness, while 44.1 percent gave a positive rating for the services received (Figure 6.13). The mean scores were 3.39 and 3.23, respectively, on a five-point scale. Experiences of the time taken to resolve tax issues were mixed: among firms that had tried, 53.6 percent reported resolution the same day or within a few days, while 19.6 percent waited more than a month or said issues were rarely resolved.

Among firms that had tried to resolve a tax issue, 14.5 percent said it was resolved on the same day, 39.1 percent within a few days and 26.8 percent within a few weeks. A further 10.5 percent reported waiting more than a month, while 9.1 percent said issues were rarely resolved (Figure 6.14). About 80.4 percent of those who tried reported an outcome within a few weeks. The remaining responses point to delays or difficulty resolving some issues.

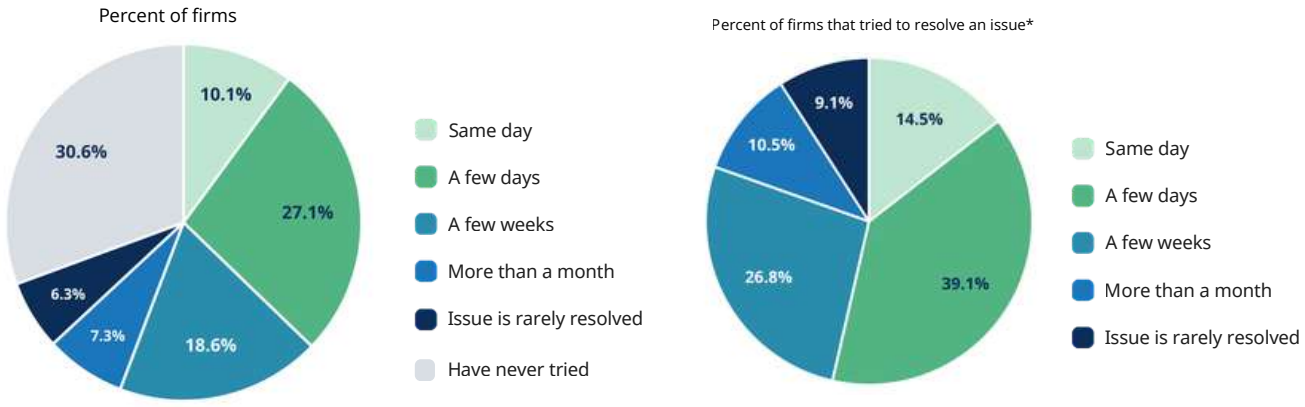
Tax-related contact was also common: 53.1 percent of firms said they had received a demand notice, and 41.3 percent said a government official had visited them about tax matters in the previous three years (Figure 6.15). Separately, 13.9 percent reported being required to make a payment to protect their business, which they described as an illegal fee.

Figure 6.13: Taxpayer Experience Scorecard (Firms)



Note: For time to resolve, the top-2 share is resolution on the same day or within a few days; 19.6 percent waited more than a month or said issues were rarely resolved.
SOURCE: NESG Tax Perception Survey 2026

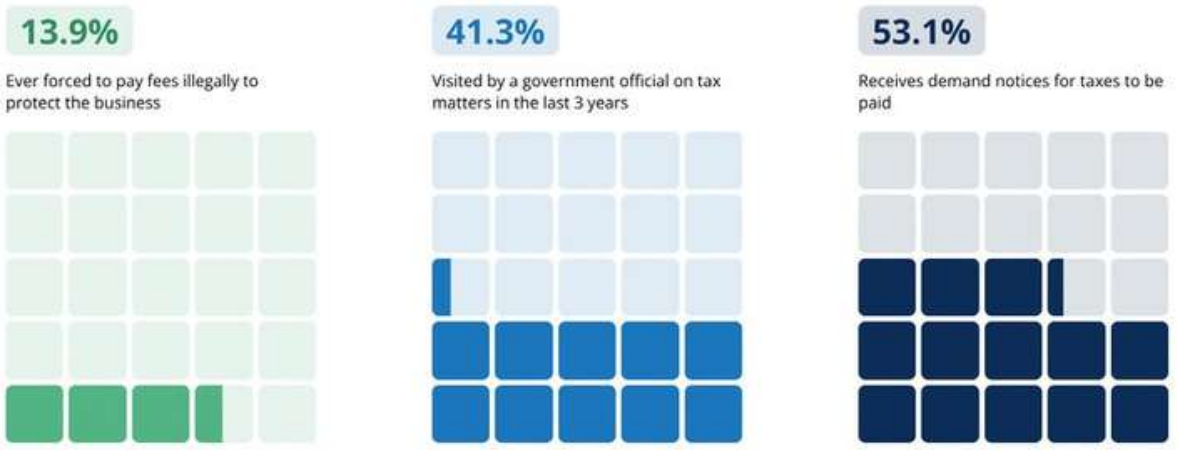
Figure 6.14: Time Taken to Resolve a Tax Issue (Firms)



**Percentages in the second series are calculated among firms that reported trying to resolve a tax issue. The figure describes firms' reported experiences.*

SOURCE: NESG Tax Perception Survey 2026

Figure 6.15: Exposure to Enforcement and to Illegal Fees



SOURCE: NESG Tax Perception Survey 2026



Box 14: What Firm FGD Participants Said About Taxpayer Experience

Firm FGD participants gave mixed accounts of their dealings with tax authorities. Some described difficulty obtaining explanations of tax assessments or responses to complaints. Views also differed across levels of government: participants in some discussions described federal offices as more organised and professional, while others reported more forceful or confrontational interactions with state-level officials. Participants also raised concerns about payments they regarded as informal or unauthorised. Participants emphasised the importance of clear assessments, timely responses and respectful treatment.

6.2.3 Tax Official Evidence

A consistent theme across the in-depth interview (IDI) sessions with tax officials is the uneven distribution of staffing and operational resources, particularly at the local government level. Local offices frequently reported shortages of personnel, vehicles, and basic office equipment relative to the geographic areas they are expected to cover, while state-level headquarters more often described more developed human resource structures and, in some cases, relatively adequate staffing.

These differences in operational capacity provide useful context for the varied taxpayer experiences reported in the household and firm FGDs, particularly where local collection activities are undertaken with limited personnel and operational resources. For example, some officials described prolonged difficulties with the availability of proper receipt books and reliance on less formal record-keeping arrangements. Other tax officials reported staffing constraints arising from retirements and difficulties replacing experienced personnel, alongside gaps in information-technology infrastructure and skills.

A second cross-cutting issue concerns the physical and operational risks faced by some tax officials during field activities. Officials in several locations independently described experiences involving threats, detention, the need for police escorts and avoidance of areas where confrontations with taxpayers or community members were considered likely.

These accounts highlight the security challenges that can accompany field-level tax administration and provide context for the emphasis placed by some officials on persuasion, engagement and voluntary compliance rather than relying primarily on enforcement. Officials also identified other operational challenges, including proposed workforce reductions, mobility constraints, and the need for greater coordination across administrative boundaries to address tax-related activities and reported cases of unauthorised or illegal collection extending beyond individual jurisdictions.

6.2.4 Synthesis

Households find filing easy but explanations and resolution harder. About 47 percent rate the ease of completing tax processes positively, compared with about 30 percent for officials' explanations, consistency, and clarity about the amount owed. Among households that tried to resolve an issue, 60.5 percent report resolution the same day or within a few days and 19.8 percent after more than a month or not at all.

Firms are similar (53.6 and 19.6 percent). Unofficial payments add to the cost: 15.5 percent of households report unexpected charges, and 13.9 percent of firms say they were forced to pay a fee they considered illegal[9]. Focus group participants said such payments weigh more heavily on lower-income households. Officials described shortages of staff, vehicles, and equipment, mainly in local offices, and security risks in the field.

[9] Note that the two questions differ, so the figures cannot be compared directly.







CHAPTER 07

Digitalisation, Voice and Accountability

This chapter combines two themes, namely Digitalisation and Innovation, and Voice and Accountability. Both concern the channels available to a taxpayer beyond the basic act of paying: the digital channels increasingly used to file and pay, and the channels available to raise a concern, lodge a complaint, or seek redress.

7.1 Digitalisation and Innovation

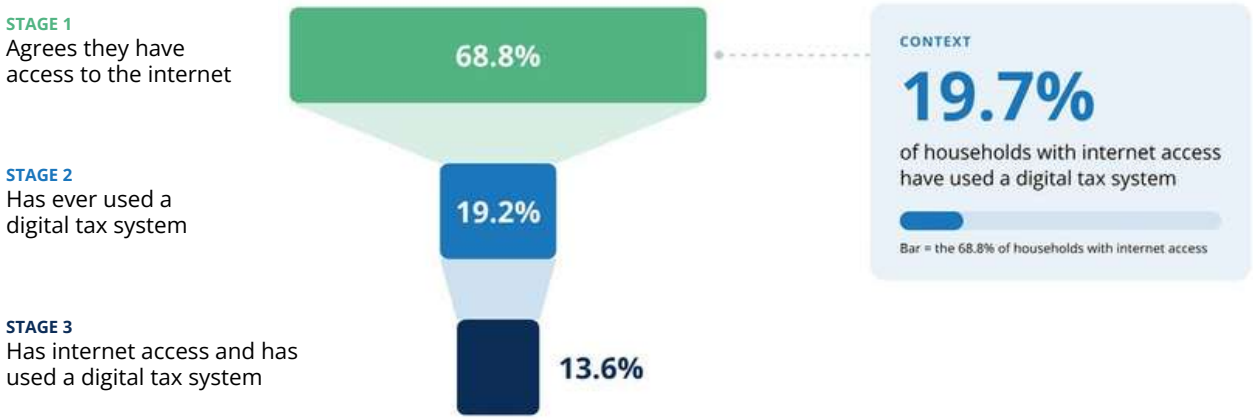
7.1.1 Household Evidence

Internet access is much more common among households than the use of digital tax services. Of surveyed households, 68.8 percent said they have internet access, but only 19.2 percent have ever used a digital tax system, and the share is 19.7 percent even among households with access (Figure 7.1). Users rate the experience well: mean ratings are between 3.44 and 3.49 out of 5, and 58.0 to 64.7 percent rate each aspect good or very good, from ease of use (64.7 percent) and ease of access (62.4 percent) to the potential to reduce corruption (60.6 percent), reliable proof of payment (58.8 percent) and improvement over time (58.0 percent) (Figure 7.2).

Users name several barriers. Poor or unreliable connectivity was the most common, cited by 63.6 percent of users; between 24.7 and 27.3 percent also named technical problems such as downtime and login failures, security and privacy concerns, complex procedures, or difficulty understanding the platform (Figure 7.3).

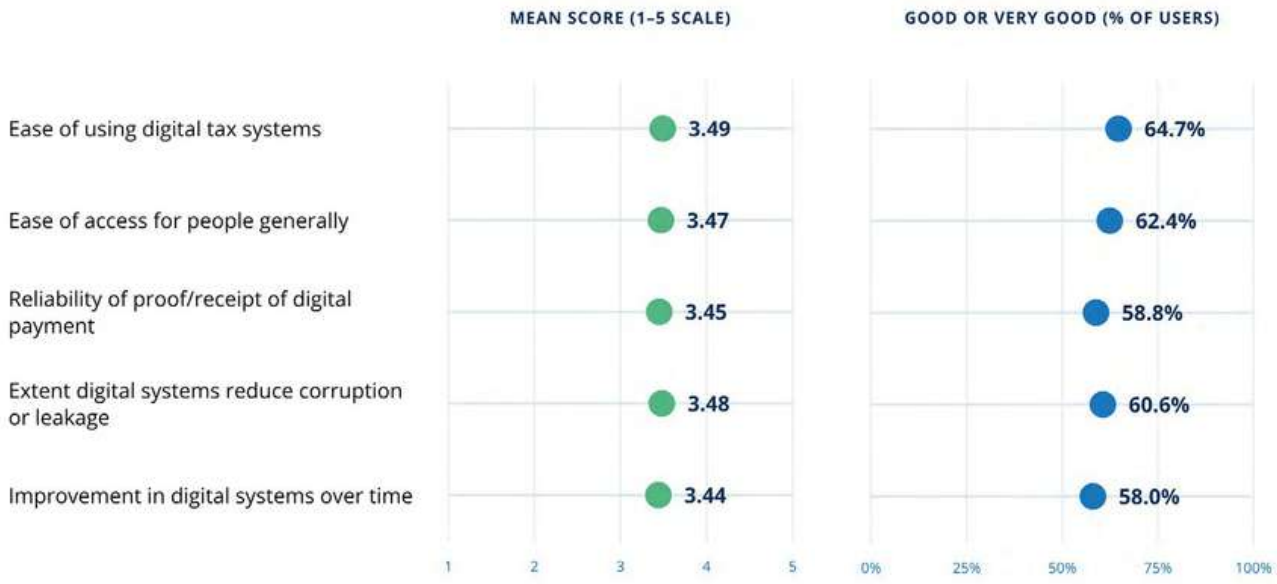
Barriers were asked of users only, so they do not explain why others do not use digital services. Users score higher than non-users on trust (2.17 against 1.97 on a four-point scale) and on the taxpayer experience index (3.16 against 2.94), and lower on tax morale (3.27 against 3.38) (Figure 7.4). Digital use is higher among better-educated and higher-income households (Figure 7.5), so these differences do not show what digital use does.

Figure 7.1: Digital Adoption Funnel



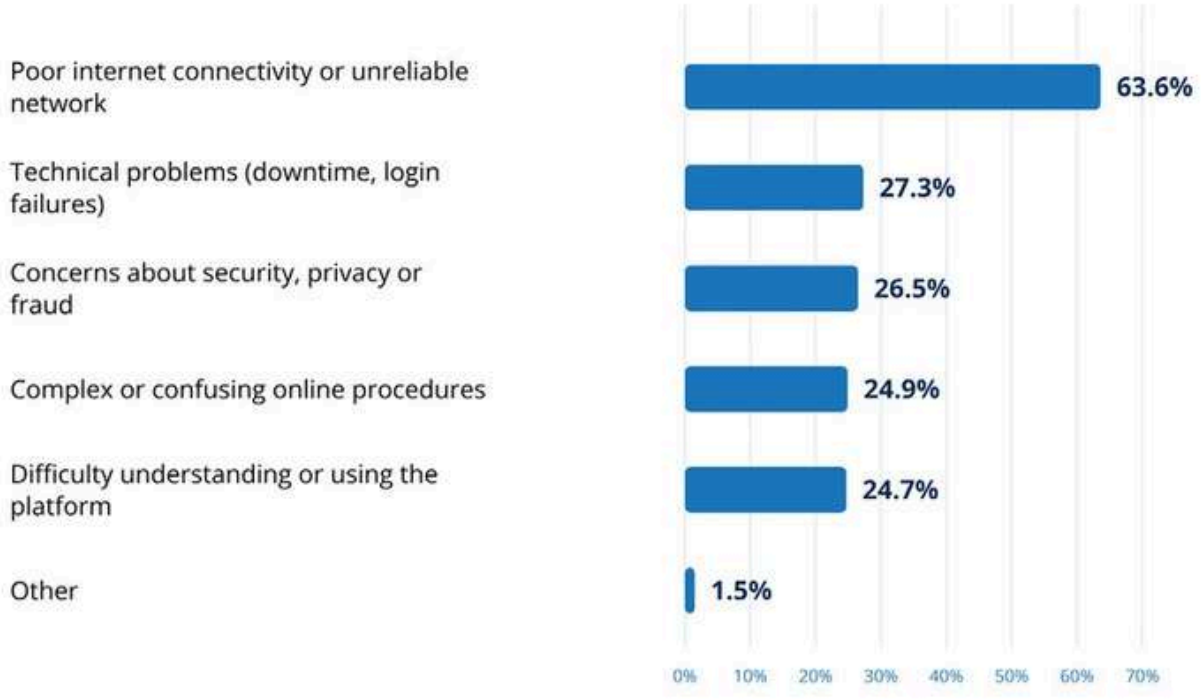
SOURCE: NESG Tax Perception Survey 2026

Figure 7.2: Digital Tax System Quality Ratings, Among Users Only



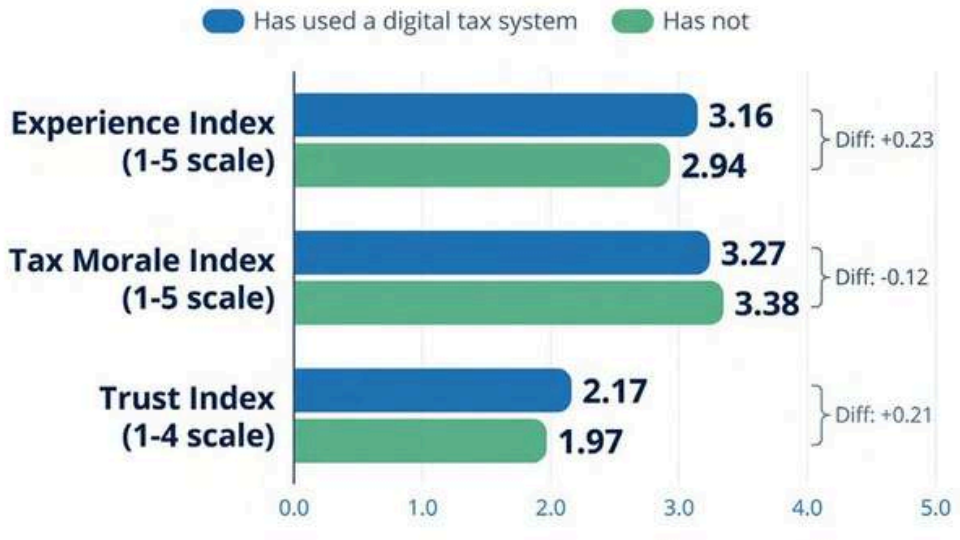
SOURCE: NESG Tax Perception Survey 2026

Figure 7.3: Barriers to Digital Tax System Use, Among Users



SOURCE: NESG Tax Perception Survey 2026

Figure 7.4: Attitudinal Profile of Digital Users Against Non-Users



SOURCE: NESG Tax Perception Survey 2026

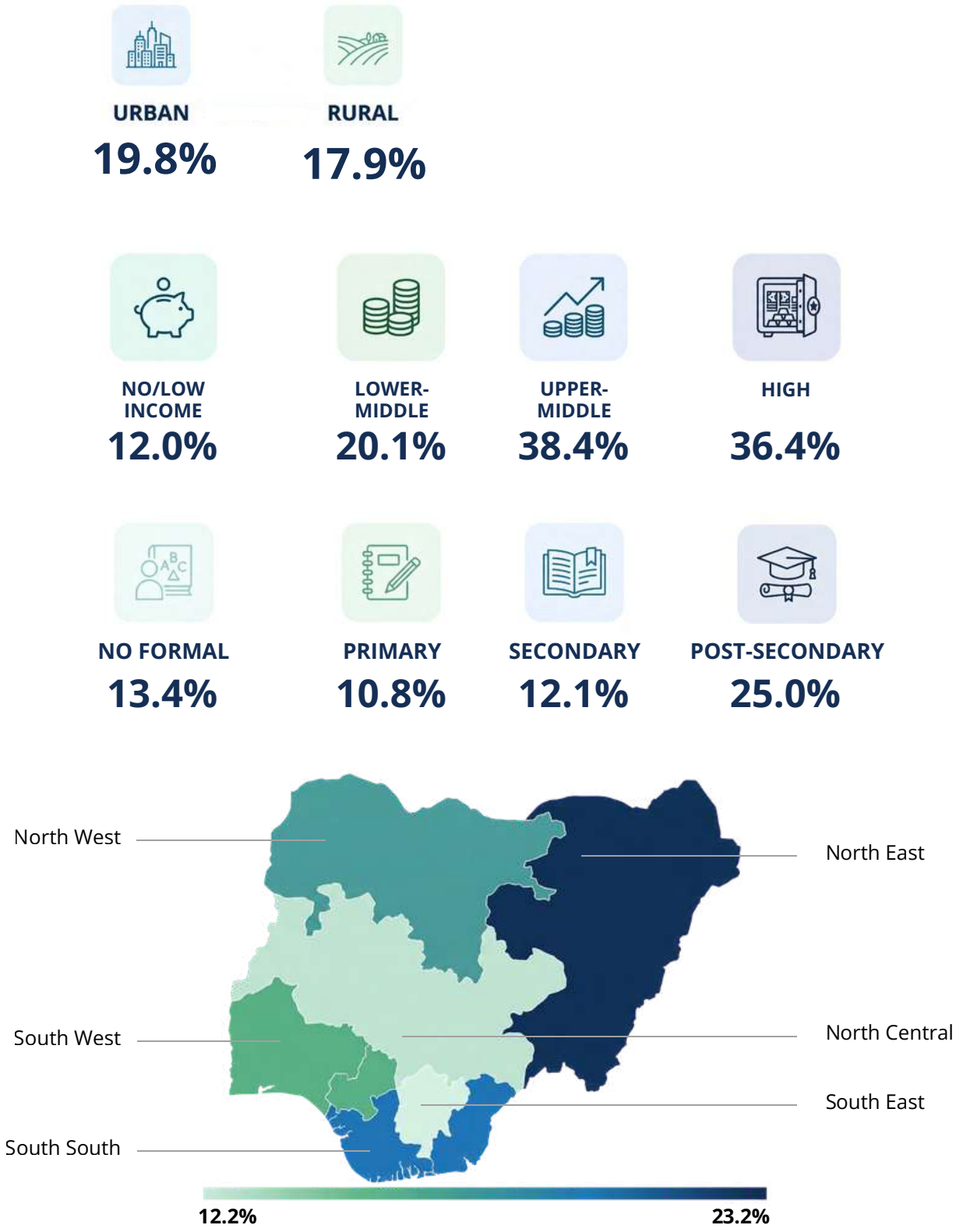
Box 15: What Household FGD Participants Said About Digital Tax Services

The household FGD evidence provides additional context for the relatively low adoption of digital tax systems, highlighting differences in familiarity with digital services as well as constraints on the supply side. Participants with greater familiarity with digital services generally reported more positive experiences, while some participants in rural and informal sector settings described limited or no use of digital tax platforms. Across the discussions, there was a recurring preference for clearly identifiable and verifiable government payment channels, particularly in response to concerns about the use of personally named accounts for tax payments. Views on AI-enabled tax assistance were mixed, with some participants expressing reservations due to limited familiarity with the technology, while others indicated openness to its use where adequate guidance and training are provided. The discussions suggest that broader adoption of digital tax systems depends not only on taxpayer connectivity and digital literacy, but also on confidence in the authenticity and verifiability of official payment channels and the availability of practical support for users with limited digital experience.

Digital tax adoption varies across household socio-economic and demographic characteristics, with the most pronounced differences associated with education, income, and region. In the achieved sample, digital tax use differed across household groups. The reported rate ranged from 10.8 percent among households with primary education to 25.0 percent among those with post-secondary education; it was 12.0 percent among no/low-income households and higher in the upper-middle- and high-income groups (Figure 7.5). Regional rates also differed, while urban and rural rates were relatively close. The results raise practical questions about affordability, connectivity, digital familiarity, and access that would need further investigation.



Figure 7.5: Digital Adoption by Household Demographic Characteristics



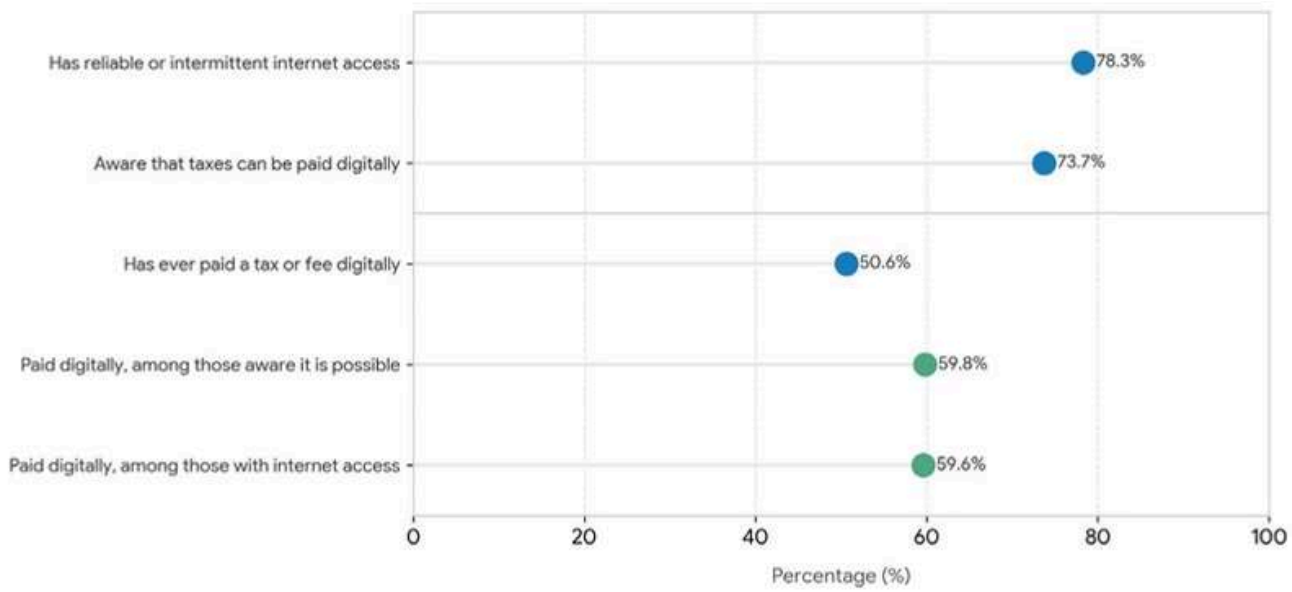
SOURCE: NESG Tax Perception Survey 2026

7.1.2 Firm Evidence

Internet access among firms is relatively high, yet awareness of digital tax payment channels has not translated fully into actual usage. Among surveyed firms, 78.3 percent reported reliable or intermittent internet access (the survey does not separate the two), and 73.7 percent knew that taxes could be paid digitally. Among the surveyed firms, 50.6 percent had ever paid a tax or fee digitally, and the share was 59.6 percent among firms with access and 59.8 percent among those aware that digital payment was possible (Figure 7.6).

Users rated ease of use (3.53 out of 5), clarity compared with face-to-face payment (3.76), and fairness (3.72) above the midpoint of 3. Receiving clear proof of payment scored 2.16 on a 0–3 scale (midpoint 1.5) and accessibility to most businesses 2.99 on a 1–4 scale (midpoint 2.5), both also above their midpoints (Figure 7.7). About 67.7 percent said they used digital systems more than a few years earlier, 71.8 percent said that digital systems make compliance easier, and 70.5 percent said that digital payment reduces opportunities for bribery.

Figure 7.6: Digital Adoption Among Firms

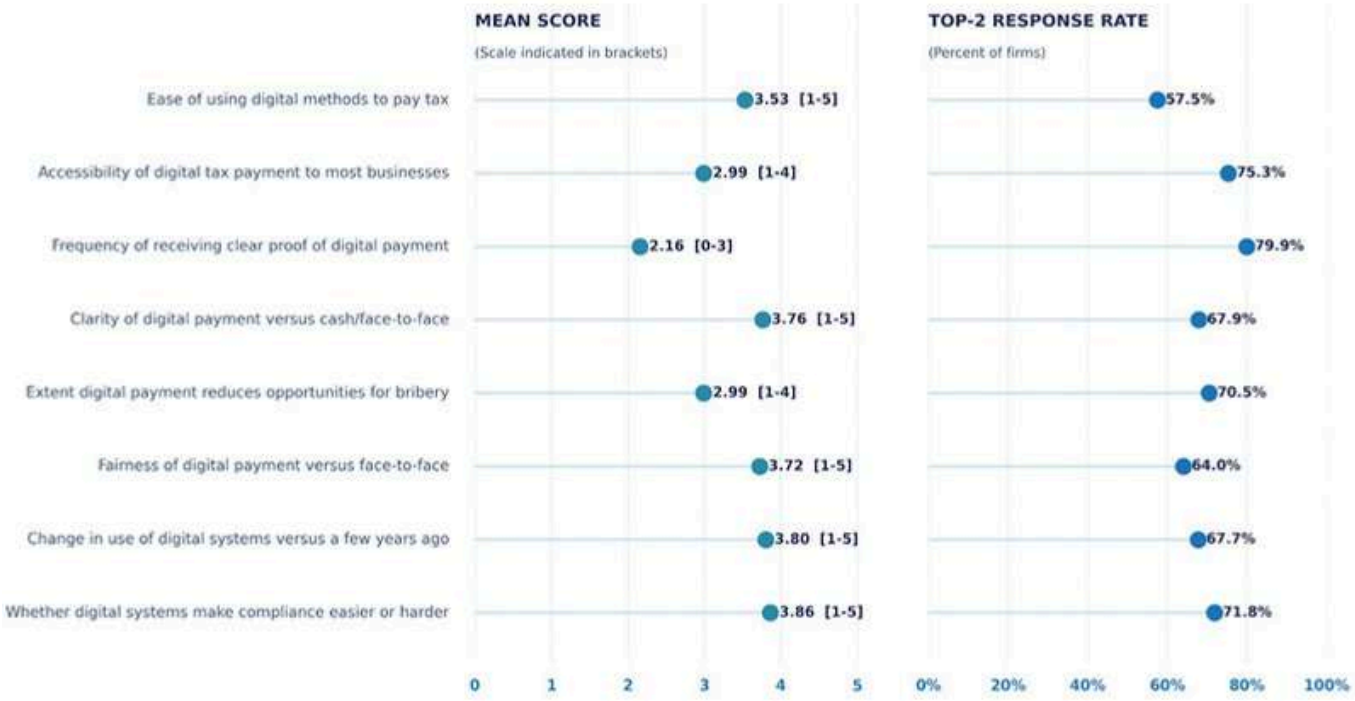


Note: All items exclude "don't know" answers; the last two items are among firms that answered the payment question.

SOURCE: NESG Tax Perception Survey 2026



Figure 7.7: Digital Tax System Quality Ratings

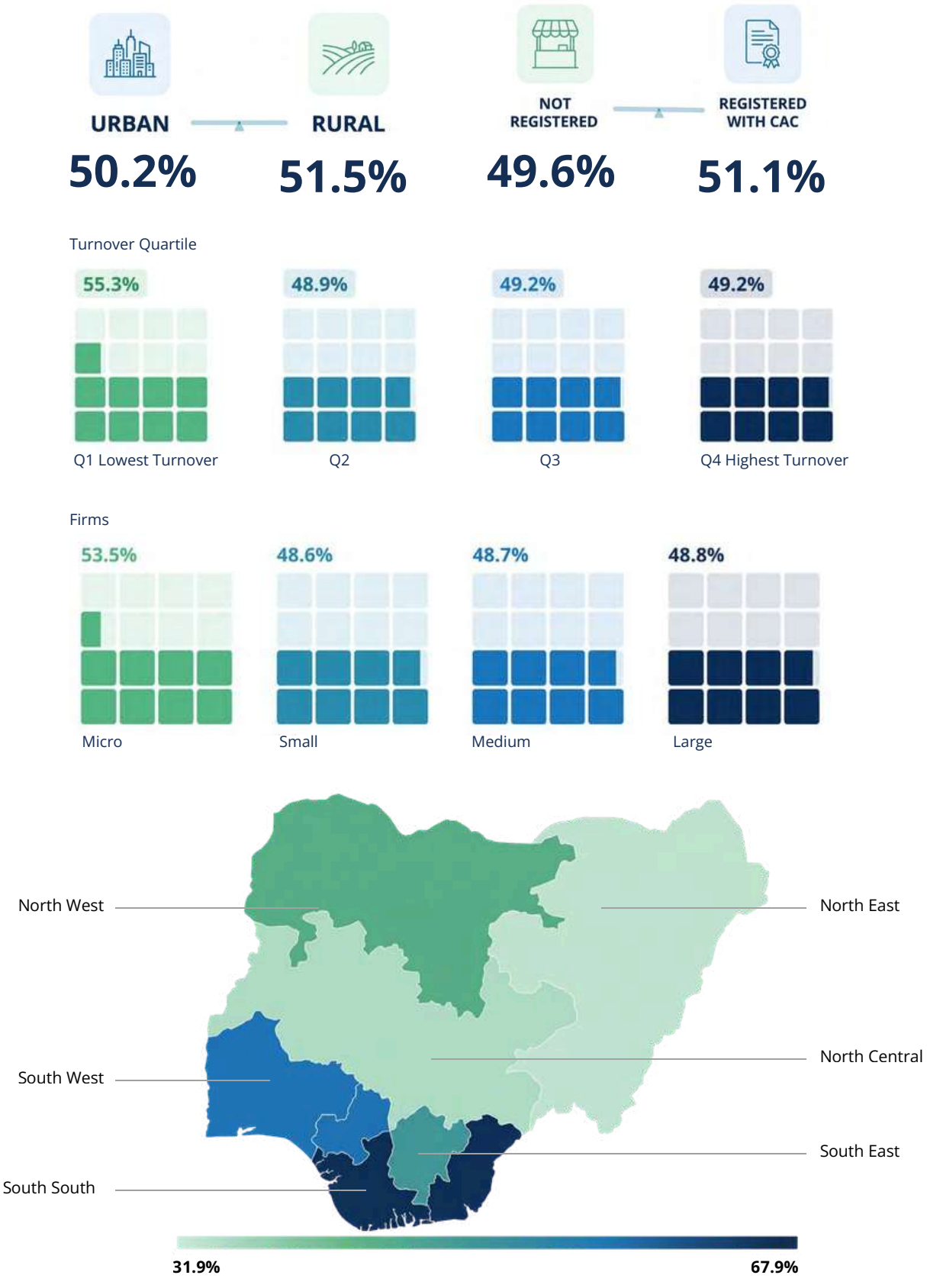


SOURCE: NESG Tax Perception Survey 2026

Digital payment differs more by region than by other firm characteristics. It was 31.9 percent in the North East, 35.2 percent in the North Central and 39.8 percent in the North West, against 61.7 to 67.9 percent in the three Southern regions (Figure 7.8). Rates were closer across firm size, registration, turnover and location; micro firms (53.5 percent) were slightly above the other size groups (48.6 to 48.8 percent). The Digital Tax System Index averaged 3.72 on a five-point scale and was lowest among large firms (3.58) (Figure 7.9).

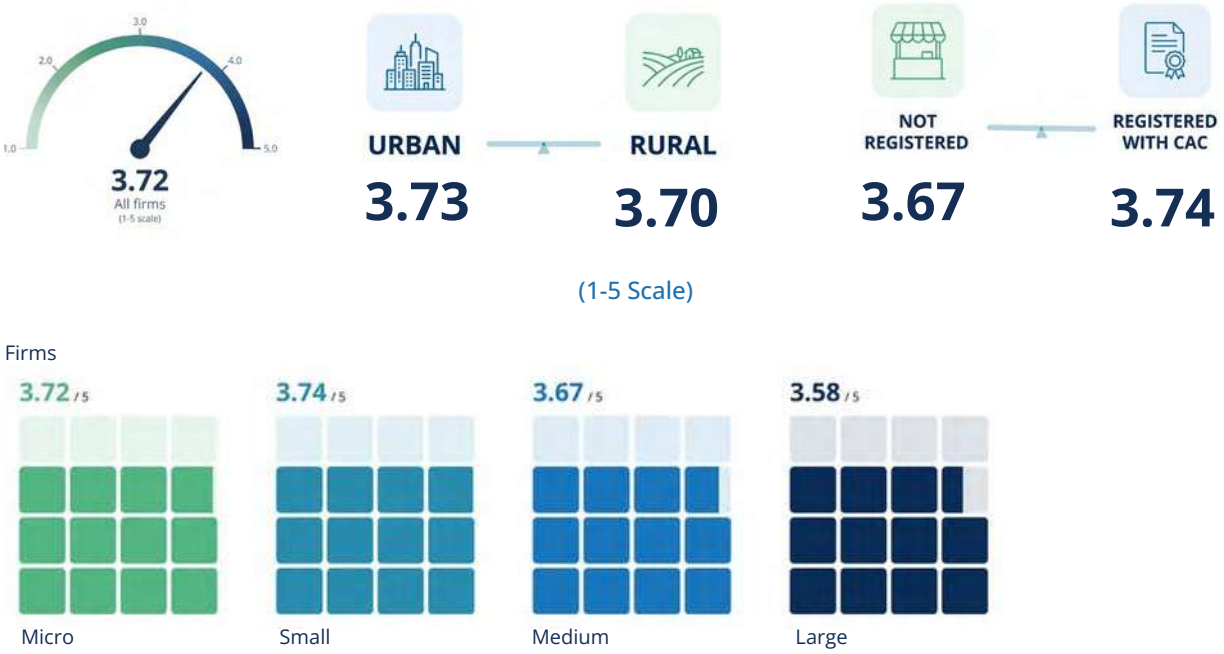


Figure 7.8: Digital Adoption by Firm Characteristics



SOURCE: NESG Tax Perception Survey 2026

Figure 7.9: Digital Tax System Index by Firm Characteristics



SOURCE: NESG Tax Perception Survey 2026



Box 16: What Firm FGD Participants Said About Digital Tax Payment

The firm FGD evidence provides additional context for the substantial gap between awareness of digital tax payment and actual adoption, pointing to both taxpayer- and collector-side factors. Across several discussions, cash remained a common channel for informal, field-level tax collection, with some participants reporting that collectors preferred cash over digital or traceable payment methods. Some participants associated this preference with concerns about the reduced scope for unauthorised retention or diversion of funds; however, these are reported perceptions and do not establish the motives, extent or prevalence of such practices. The qualitative evidence suggests that barriers to digital adoption may extend beyond firms' access to digital technology and willingness to use digital channels to include the practices, processes and incentives surrounding tax collection. To this end, several groups proposed a system that would provide clear and verifiable confirmation of payment, particularly to reduce the risk of repeated payment demands after a transaction has been completed.

7.1.3 Tax Official Evidence

Tax officials described different stages of digital tax administration across the offices represented in the interviews. Some local authorities reported established automated systems, while some local offices described constraints involving connectivity, equipment and staff capacity. Officials also said that digital systems still require checks on the information entered by taxpayers. More broadly, officials described digitalisation as dependent on reliable infrastructure, trained staff, accurate records and operational safeguards.

7.1.4 Synthesis

Evidence from households, firms and tax officials indicates that digitalisation has considerable potential to improve tax administration, but experiences differ across households and firms. Households showed a particularly wide gap between general internet connectivity and engagement with digital tax systems, while firms showed relatively stronger progression from connectivity and awareness to actual digital payment. Among users, both households and firms generally reported positive experiences with digital platforms, particularly regarding ease of use, convenience, transparency, traceability, and the potential to reduce opportunities for informal payments or revenue leakage.

However, persistent barriers—including unreliable connectivity, technical problems, security and privacy concerns, complex procedures, and limited familiarity with digital platforms—continue to restrict wider adoption.

The qualitative evidence further suggests that digital capability matters: some household FGD participants identified limited familiarity among some taxpayers and, in some cases, among collectors as potential constraints. Continued reliance on cash-based tax collection, identified by some firm FGD participants, also suggests that the transition to digital administration remains incomplete.

A recurring issue across the household and firm discussion groups is the importance of confidence in the integrity and verifiability of digital payment channels. Participants expressed a preference for clearly identifiable government platforms or accounts and reliable confirmation of payment, particularly where concerns exist about payments being made through personally named accounts or where taxpayers may subsequently face repeated demands. This complements the broader perception among digital users that electronic systems can improve transparency and reduce opportunities for corruption or revenue leakage.

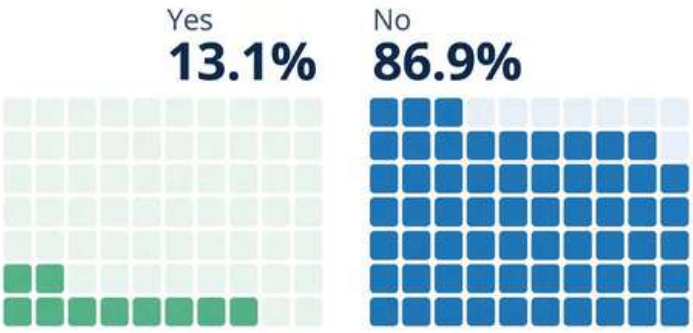
Tax officials also provided an additional perspective by highlighting differences in the maturity and operational reliability of digital tax administration. While some offices have established automated and self-service systems, others continue to face constraints relating to connectivity, equipment, staffing and digital skills. The evidence also suggests that digitalisation does not eliminate the need for effective administrative controls: inaccurate, incomplete or deliberately understated information entered into digital systems may still require independent verification and cross-checking.

7.2 Voice and Accountability

7.2.1 Household Evidence

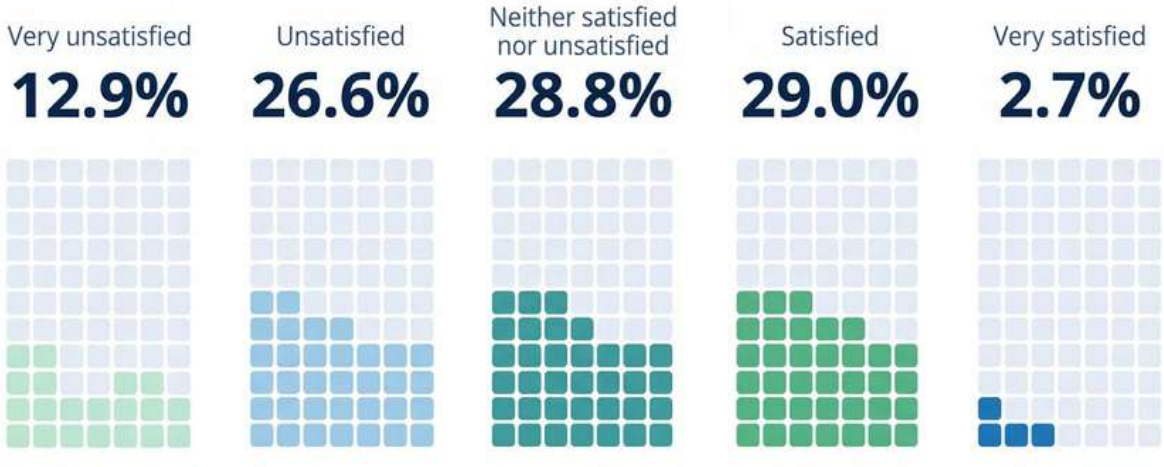
Citizen participation and accountability in the tax system remain relatively weak. Only 13.1 percent of households reported having been consulted by the government on tax matters; 86.9 percent said they had not (Figure 7.10). Responses on complaint handling were divided: 31.7 percent were satisfied, 39.5 percent dissatisfied, and 28.8 percent neither satisfied nor dissatisfied (Figure 7.11). On a five-point scale, households gave similar mean ratings to whether citizens can influence tax policy (2.57) and whether government considers their views (2.59). The mean rating for people's freedom to speak openly about tax issues was somewhat higher, at 2.85 (Figure 7.12).

Figure 7.10: Ever Consulted by Government on Tax Issues



SOURCE: NESG Tax Perception Survey 2026

Figure 7.11: Confidence a Tax Complaint Would Be Handled Fairly



SOURCE: NESG Tax Perception Survey 2026

Figure 7.12: Citizen Influence Over Tax Policy



Note: The questionnaire scale ran from "always" to "never"; it is reversed so that higher = more positive.

SOURCE: NESG Tax Perception Survey 2026

Box 17: What Household FGD Participants Said About Taxpayer Voice and Complaint Mechanisms

The household FGD evidence highlights considerable variation in experiences of taxpayer voice and complaint mechanisms. Across several discussions, formal complaint channels were described as unfamiliar, difficult to access or insufficiently trusted, while some participants expressed concerns that raising complaints could result in unfavourable treatment. For example, one group reported a perception that lodging a detailed complaint could lead to closer scrutiny or a higher subsequent tax assessment. In contrast, another group described complaint mechanisms as accessible and reported instances where challenging perceived unfair treatment could lead to positive changes. The discussions also indicate that business and market associations, as well as structured community-leadership channels, can provide alternative avenues for collective representation where formal mechanisms are less accessible.

7.2.2 Firm Evidence

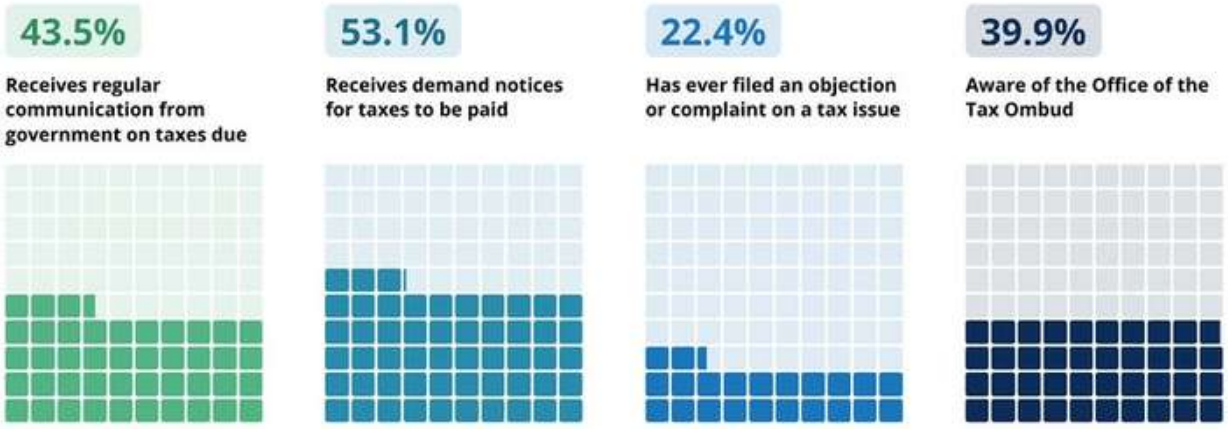
Few firms reported using formal complaint channels, although most expressed at least moderate confidence that complaints would be handled fairly. Only 43.5 percent of firms said they received regular communication from government about taxes due, while 53.1 percent had received a tax demand notice (Figure 7.13). Just over one in five (22.4 percent) had filed a tax objection or complaint, and 39.9 percent knew of the Office of the Tax Ombud.

Across all firms, 68.0 percent were at least moderately confident that a complaint would be handled fairly (Figure 7.14). Among firms that had filed an objection, 51.6 percent said they were satisfied with its handling; 24.4 percent were dissatisfied and 24.0 percent neither satisfied nor dissatisfied (Figure 7.15).

When asked to identify problems with the tax system, firms most often selected perceived corruption among tax officials (67.2 percent), high tax rates (61.3 percent), lack of information about what and how to pay (58.4 percent), and costly or time-consuming payment processes (51.4 percent) (Figure 7.16).

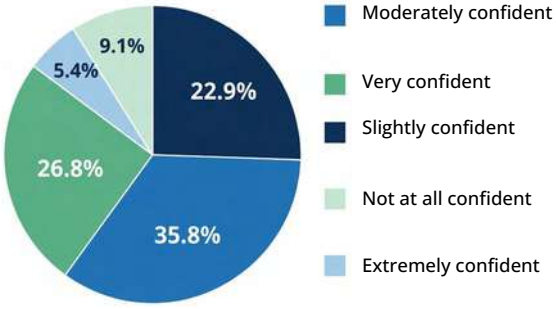
Firms that had filed an objection and those that had not gave almost identical mean ratings for confidence in fair complaint handling: 2.96 and 2.97, respectively (Figure 7.17). The firms that had filed an objection recorded a somewhat higher mean trust score (2.72 against 2.56) and a lower mean tax-morale score (3.18 against 3.39).

Figure 7.13: Communication, Objections and Ombud Awareness



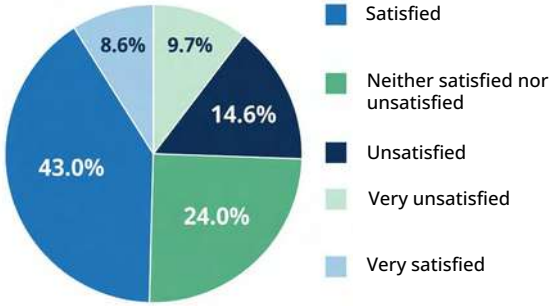
SOURCE: NESG Tax Perception Survey 2026

Figure 7.14: Confidence a Complaint Would Be Handled Fairly



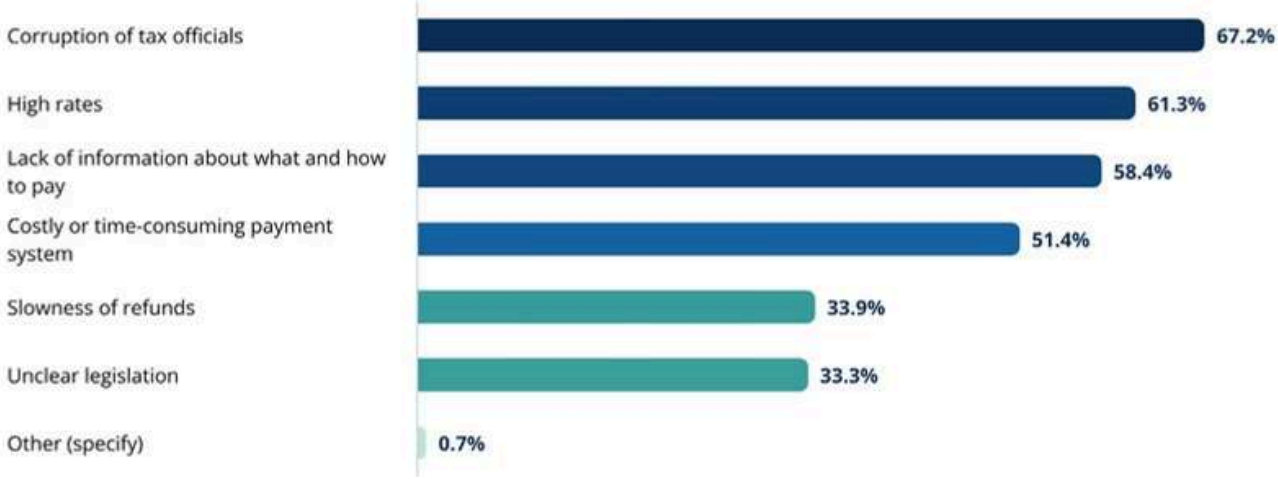
SOURCE: NESG Tax Perception Survey 2026

Figure 7.15: Satisfaction With Handling of a Past Objection



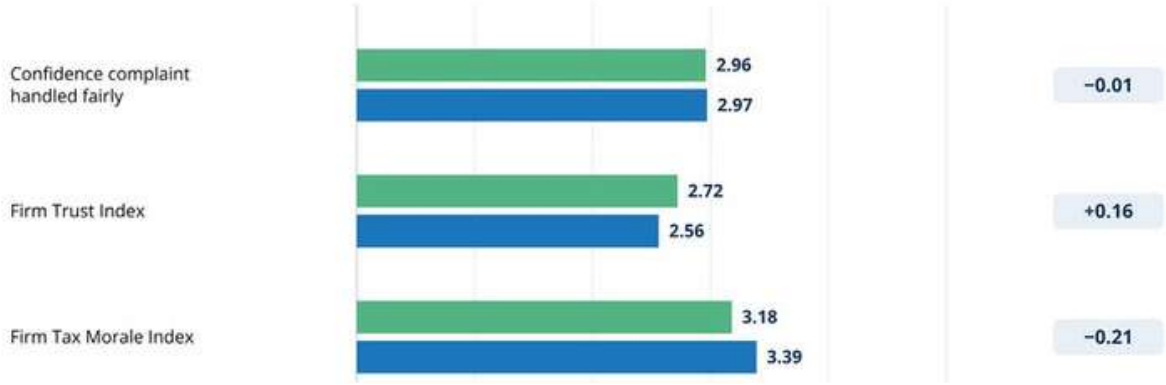
SOURCE: NESG Tax Perception Survey 2026

Figure 7.16: Major Problems With the Tax System



SOURCE: NESG Tax Perception Survey 2026

Figure 7.17: Attitudinal Profile of Firms That Have Filed an Objection



SOURCE: NESG Tax Perception Survey 2026

Box 18: What Firm FGD Participants Said About Taxpayer Voice and Complaint Mechanisms

Firm FGD participants described raising concerns or challenging tax decisions as difficult, uncertain or unlikely to produce satisfactory outcomes, with several groups expressing limited confidence in formal complaint mechanisms. However, these experiences were not uniform, as some groups reported that complaint channels were accessible and that firms could raise concerns without significant difficulty. Business and trade associations emerged as recurring channels through which firms can articulate concerns collectively, particularly where direct engagement with tax administration is perceived as difficult. While such accounts suggest that mechanisms for government responsiveness to firm concerns may exist, the accessibility, credibility and perceived effectiveness of these mechanisms appear to vary across firms and contexts.

7.2.3 Tax Official Evidence

Tax officials described formal channels for taxpayer complaints and objections in the jurisdictions covered by the interviews. Some gave examples of taxpayer feedback followed by a change in administrative procedure or resolution of a complaint; others spoke in general terms. Examples of taxpayer feedback influencing administrative practice included the modification of a mandatory email requirement following difficulties experienced by users, the reinstatement of shop allocations following complaints from a group of market women, and the escalation of concerns through market associations. One official referred to the Office of the Tax Ombud, which the official described as established under the Joint Revenue Board of Nigeria (Establishment) Act, 2025[10], as a route for addressing taxpayer complaints.

Another mentioned a local whistleblower-protection bylaw under development. Officials differed in their assessment of whether taxpayers felt safe raising complaints and whether feedback led to policy change. The evidence suggests that complaint and feedback mechanisms are present and can generate tangible responses in some circumstances, but their visibility, accessibility, responsiveness, and perceived protection for complainants remain uneven.

7.2.4 Synthesis

Evidence from households, firms and tax officials indicates that formal channels for taxpayer participation, complaints and objections exist, but their practical reach, accessibility, credibility and responsiveness remain uneven.

[10] Federal Republic of Nigeria (2025b).

Household participation in tax-related consultation appeared limited, while perceptions of citizens' ability to influence tax policy, government responsiveness to public views and transparency in the use of tax revenues remained relatively weak. Firms similarly reported limited proactive communication on tax obligations and relatively low use of formal objection and complaint mechanisms, while awareness of the Tax Ombud appeared limited. These findings imply that there is a gap between the formal availability of avenues for taxpayer engagement and their actual use by taxpayers.

The qualitative evidence provides further context for this gap. Household and firm participants described formal complaint channels as unfamiliar, difficult to navigate or potentially ineffective in some circumstances, while others reported that such channels were accessible and could produce positive outcomes. Business, market and community associations emerged across the discussions as important alternative channels for collective representation, particularly where direct engagement with government was perceived to be difficult. Tax officials similarly identified such associations as useful intermediaries for communicating concerns, facilitating dialogue and escalating issues.

The tax official evidence also indicated that taxpayer feedback can, in some circumstances, contribute to changes in administrative practices or the resolution of specific complaints, although the extent and consistency of such responsiveness varied across officials' accounts. The evidence further suggests that taxpayer voice is closely linked to broader concerns about the quality, transparency and integrity of tax administration.

Firms identified corruption, the burden of taxation, inadequate information and costly or time-consuming payment processes among the principal weaknesses affecting their experience of the tax system, while households reported limited clarity regarding tax policy changes, tax information and the use of public revenue. These concerns indicate that accountability extends beyond the availability of complaint mechanisms to include whether taxpayers receive timely and understandable information, can challenge decisions fairly, obtain meaningful responses to their concerns, and receive feedback on how public resources are used.




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CHAPTER 08

Policy Priorities and Action Points

This chapter provides key policy recommendations arising from the survey findings. The policy priorities and action points are presented theme by theme.

8.1 Knowledge and Awareness

The main knowledge gap is understanding of how specific provisions apply to different taxpayers, including exemption thresholds, taxpayer categories and filing requirements. Recommendations 1 and 2 shift from general sensitisation to guidance built around the taxpayer's situation.

Recommendation 1

Develop a taxpayer-centred tax literacy and communication framework: Tax authorities should translate the Nigeria Tax Act 2025 into practical guidance for each taxpayer group, organised around the questions taxpayers actually face: who is liable, what is exempt, what must be filed, when payment is due, how to appeal, and what rights apply.

- Publish plain-language guides for households, employees, self-employed persons, and small businesses, with short, obligation-specific materials (FAQs, infographics, videos, radio) in major local languages.
- Maintain one regularly updated repository of authoritative guidance so that different channels do not give conflicting interpretations.
- Provide online liability and exemption checkers that let taxpayers confirm which obligations apply to them.
- Announce changes to rules, thresholds, and procedures well before they take effect, and correct misinformation quickly through a rapid-response process.

Recommendation 2

Strengthen proactive taxpayer education: Education should be built into routine contact with the tax system. This matters most for households and businesses with little prior experience of formal tax administration.

- Work through trusted intermediaries: employers, business and market associations, professional bodies and community organisations.
- Pair digital communication with radio, community outreach and help desks for taxpayers with limited internet access.
- Train frontline officials to give consistent, courteous explanations, and track recurring questions and filing errors to identify provisions that need clearer guidance.

8.2 Trust, Legitimacy and Fairness

The evidence shows a broad trust deficit. Taxpayers cite inconsistent demands, unclear collection arrangements, weak verification of payments, informal collection practices, and uncertainty about whether money collected reaches government accounts. Visible safeguards should let taxpayers see that a payment is legitimate and let the government trace the revenue.

Recommendation 3

Strengthen the integrity and traceability of tax collection: Tax administrations should reduce discretionary collection points and make every legitimate payment independently verifiable.

- Gradually phase out cash collection where practical and tightly regulate it where it remains.
- Issue an immediate, standardised, and verifiable receipt for every payment, and let taxpayers confirm that it was credited to the correct government account.
- Provide safe channels for reporting suspected unauthorised collection without risk of reprisal.

Recommendation 4

Strengthen accountability for collection and remittance: Potential revenue leakage should be examined along the whole collection chain.

- Reconcile assessments, collections, receipts, and remittances at regular intervals, with audit trails for payments passing through banks and intermediaries.
- Apply risk-based monitoring to unexplained gaps between assessed, collected, and remitted amounts.
- Supervise field collection more closely and tighten controls over third-party collectors.
- Apply sanctions and disciplinary procedures to unauthorised collection, unsupported demands, and failure to account for revenue.

8.3 Fiscal Exchange and the Social Contract

Households know little about tax-funded projects, and firms sometimes bear private costs for electricity, water, security and other services the state does not reliably provide. Firms' stated willingness to accept higher taxes where services improve suggests that taxpayers respond to a fiscal exchange that is both visible and credible.

Recommendation 5

Make the fiscal exchange visible: Connect tax collection to tangible public benefits through better service delivery and clearer reporting on how revenue is used.

- Publish accessible information on major tax-funded projects, including location, cost and implementation status.
- Report on the use of tax revenue throughout the year.
- Provide citizen-friendly expenditure dashboards and other accessible fiscal-information tools.
- Create channels for communities and businesses to give feedback on the quality of publicly funded services.

Recommendation 6

Link tax communication to service-delivery improvements: Taxation and public services should not be presented as separate policy questions. Each visible improvement in services is an opportunity to show what public revenue delivered. Priority areas are:

- Basic infrastructure and services that directly affect household welfare and businesses
- Services that benefit vulnerable households and disadvantaged groups.
- Local projects, where the link between revenue and community benefit is easiest to demonstrate.

8.4 Compliance Behaviour and Willingness

Compliance also covers timeliness, completeness, accuracy, and the taxpayer's experience of the process. The evidence points to affordability, cash-flow pressure, complexity, multiple obligations, fairness, public services, and trust as the main influences.

Recommendation 7

Simplify the compliance journey: Tax authorities should reduce the administrative and financial costs of compliance.

- Give taxpayers a single consolidated view of their obligations and deadlines, with personalised reminders ahead of due dates.
- Remove duplicate registration, filing, and payment steps across federal, state, and local levels, and review overlapping charges.
- Offer lawful payment arrangements to taxpayers facing genuine, temporary cash-flow difficulty.

Recommendation 8

Adopt a balanced framework for voluntary compliance and enforcement: Enforcement should stay credible and sit alongside education, assistance, and proportionate treatment. Punitive measures should come after efforts to secure voluntary compliance.

- Use education and reminders as the first response to minor or first-time failures.
- Keep enforcement procedures transparent, predictable, and proportionate, and state taxpayers' rights clearly throughout.

8.5 Social and Individual Norms

Tax morale is a useful foundation for compliance, but social norms are not uniformly supportive. They are shaped by perceptions of fairness, institutional legitimacy, and the conduct of tax officials. Moral appeals alone may not raise tax morale. Efforts should reinforce the social legitimacy of compliance.

Recommendation 9

Build a positive social norm around compliance: Tax authorities should work through trusted social networks to present compliance as a shared civic and economic responsibility.

- Run engagement programmes with business associations, professional bodies, and community organisations, and enlist respected community and business leaders as partners.
- Present compliance as a contribution to shared services and development.



- Include tax education in civic and financial literacy programmes, and engage religious and community networks in ways that respect their institutional independence.

Recommendation 10

Address the legitimacy conditions behind social norms: Norms favouring compliance last only where taxpayers see the system as fair and legitimate. Messaging on compliance must be matched by good treatment of taxpayers. This requires:

- Consistent application of tax rules and fair, proportionate enforcement.
- Professional and respectful dealings with taxpayers.
- Visible action against unauthorised collection and corruption.

8.6 Equity and Progressivity

Support is relatively strong for the principle that those with greater ability to pay should contribute more. Concerns about the formal–informal divide, exemptions, enforcement consistency and the treatment of comparable taxpayers show that equity depends on coverage, enforcement and administration as well as on rates.

Recommendation 11

Strengthen horizontal and vertical equity in tax administration: Taxpayers in similar circumstances should be treated alike, and those with greater capacity should carry a proportionately greater burden.

- Review whether formal businesses carry a disproportionate effective burden. Officials noted that these businesses are easier to reach through filing requirements and payroll deductions, so they are more visible to tax administrations than informal operators.
- Improve the identification of taxable informal activity, using objective criteria and without targeting low-income or vulnerable taxpayers.

Recommendation 12

Protect vulnerable taxpayers while broadening the compliance base: Expanding the tax base should not shift the relative burden onto low-income households, vulnerable groups or small businesses.

- Explain exemptions and reliefs in simple, accessible terms.
- Monitor whether vulnerable taxpayers are wrongly assessed or charged, and put in place mechanisms to correct unequal treatment.
- Provide dedicated support for women-owned and other disadvantaged businesses.

8.7 Institutional Capacity and Taxpayer Experience

Taxpayer experience depends on the operational capacity of tax administration. Gaps in staffing, mobility, equipment, digital infrastructure, record-keeping, and field security limit officials' ability to serve taxpayers promptly and consistently. From the taxpayer's side, the main weaknesses are poor explanations, inconsistency, slow response and unresolved complaints.

Recommendation 13

Strengthen the operational capacity of tax administration: Investment should cover staff, equipment and field logistics as well as digital platforms.

- Assess capacity periodically across staffing, skills, mobility, equipment and ICT, and base staffing plans on taxpayer numbers, workload and geographic coverage.
- Improve recruitment and replacement of critical technical staff, with continuous training in tax legislation, taxpayer service, digital systems and professional conduct.
- Improve field mobility, logistics and security for officials carrying out legitimate field work.

Recommendation 14

Establish taxpayer service standards: A published service charter should set minimum standards for taxpayer interaction and issue resolution. It should specify:

- Response times for enquiries and time limits for resolving complaints and objections.
- Standards for communicating assessments, liabilities, and taxpayer rights and obligations.
- Escalation procedures for issues not resolved within the stated periods.
- Mechanisms for monitoring adherence, with periodic review to locate administrative bottlenecks.



Recommendation 15

Strengthen safeguards against informal payments: Taxpayers report paying informally, and stronger safeguards are needed. The safeguards should not assume that every such payment originates within formal tax administration.

- Issue official identification to authorised tax personnel and reduce face-to-face cash transactions.
- Provide confidential channels for reporting suspected informal payments.
- Analyse complaints and administrative data for recurring patterns, and investigate and discipline staff where evidence supports wrongdoing.
- Guarantee that taxpayers can obtain official receipts and verify payment status.

8.8 Digitalisation and Innovation

Digitalisation is among the strongest opportunities identified by the study; however, availability does not guarantee adoption. The challenge is turning connectivity and awareness into sustained use by making digital tax services reliable, simple, secure and trustworthy.

Recommendation 16

Build a unified and interoperable digital tax experience: Digital reform should give taxpayers access to relevant services through clearly identified, interoperable official platforms.

- Give taxpayers secure accounts showing payment history, outstanding liabilities and receipts.
- Make registration, assessment, payment and verification systems interoperable.

Recommendation 17

Remove the infrastructure and usability barriers to digital adoption: Digital investment should address the practical obstacles taxpayers identified.

- Improve network reliability and system uptime, and offer alternative access channels where connectivity is poor.
- Strengthen cybersecurity, privacy and fraud protection, and train officials and collectors to use digital systems effectively.

Recommendation 18

Strengthen digital controls and data integrity: Digitalisation should be treated as a reform of administrative control as well as of service delivery.

- Reconcile digital assessments, payments and government accounts routinely.
- Use data matching and risk-based analytics to flag inconsistencies in taxpayer declarations, with independent verification of taxpayer information.
- Monitor system failures, unresolved transactions and payment-verification problems, and maintain backup systems to ensure continuity.
- Set clear protocols for correcting erroneous digital assessments and payments.

8.9 Voice and Accountability

Taxpayer voice mechanisms exist formally but are little used. Many taxpayers do not know the available channels. It needs awareness, accessibility and visible responsiveness.

Recommendation 19

Raise awareness and improve accessibility of taxpayer voice mechanisms: Tax administrations should make participation and grievance mechanisms easier to find and use.

- Publicise complaint, objection, appeal and Tax Ombud mechanisms across multiple channels, and explain when and how taxpayers can challenge a decision.
- Keep complaint procedures simple enough to use without specialist knowledge, through both digital and non-digital channels.
- Set defined timelines for acknowledgement, investigation and resolution.

Recommendation 20

Protect taxpayers and ensure independence in complaint handling: Taxpayers need confidence that raising a legitimate concern will not bring adverse treatment.

- Put in place safeguards against retaliation or discrimination after a legitimate complaint, with confidential reporting for sensitive cases.
- Strengthen the capacity and visibility of independent taxpayer-protection bodies.
- Analyse complaint outcomes for recurring weaknesses, and publish aggregated figures on complaints received, resolved and outstanding.

Recommendation 21

Institutionalise taxpayer feedback in policy and administrative reform: Engagement should move beyond consultation to a structured feedback loop in which government shows how taxpayer concerns shaped policy or administration. This should include:

- Consultation before major policy or administrative changes, including structured engagement with business, professional, market and community associations.
- Feedback mechanisms after major reforms, with results published alongside the government's response.
- A central system for analysing recurring complaints and feedback, and publishing how they changed policy or administration.

8.10 Cross-Cutting Implementation Priorities

The nine (9) themes reinforce one another. Taxpayers who cannot verify a payment may not trust the system, and taxpayers who do not trust it will not use its digital services or raise complaints. The 21 recommendations should be delivered as one programme. The priorities below follow the CORE framework and cover only what the individual recommendations cannot: who leads, what comes first, how to respond to each group, and how progress is judged.



Table 8.1: CORE Framework for Cross-Cutting Implementation Priorities

	Priority	Key actions	Responsible Institution	Proposed Timeframe
C	**Coordinate under one lead institution**	Assign one body to coordinate delivery across federal, state and local tax authorities, with authority to resolve overlaps between agencies.	Lead: Joint Revenue Board (JRB) Implementing partners: Nigeria Revenue Service (NRS), State Internal Revenue Services (SIRS), relevant Federal and State Ministries of Finance, and Local Government revenue authorities.	Immediate (0 to 12 months)
O	**Order delivery in phases**			
	Phase 1: Build trust and control	Put verifiable receipts, collection controls, administrative capacity and service standards in place first. Start two low-cost publication steps in parallel: publish project location, cost and status, and publicise complaint, objection, appeal and Tax Ombud channels.	Lead: NRS, SIRS and relevant Local Government revenue authorities, each within its jurisdiction. Supporting institutions: JRB for coordination; the Tax Ombud and relevant tax dispute-resolution bodies for taxpayer redress; and Federal, State and Local Government finance, budget and service-delivery agencies for public project disclosures.	Immediate (0 to 12 months)
	Phase 2: Reduce the compliance burden	Roll out guidance, simplification, balanced enforcement and digital systems on the trusted base created in Phase 1. Add citizen dashboards and community feedback channels. Set complaint timelines. Put protections against retaliation in place as complaint channels become more visible.	Lead: NRS, SIRS and Local Government revenue authorities for implementation within their respective jurisdictions. Supporting institutions: JRB for harmonisation; relevant Ministries of Finance and ICT agencies for digital infrastructure and interoperability; and the Tax Ombud and other authorised redress bodies for complaints and taxpayer protection.	Medium term (12–36 months)
	Phase 3: Sustain legitimacy	Link tax communication to service-delivery improvements, and consolidate social norms, equity and structured feedback loops, which depend on earlier gains being visible to taxpayers.	Lead: NRS, SIRS and Local Government revenue authorities, working with the relevant Ministries of Finance. Supporting institutions: Federal, State and Local Government budget and service-delivery agencies, JRB, and relevant civic and community organisations.	Medium to long term (36–60 months)
R	**Respond to each group's main constraint**	Segment taxpayers using tax perception survey indicators of knowledge, trust, compliance burden, digital access and voice, then lead with the matching recommendations for each segment.	Lead: JRB to coordinate the use of findings across jurisdictions. Implementing partners: NRS, SIRS and Local Government revenue authorities to tailor taxpayer education, service improvements, digital access and engagement to their respective taxpayer groups.	Medium term (12–24 months, using the 2026 study as the baseline)
E	**Evaluate progress and enforce accountability**	Repeat the tax perception survey at fixed intervals as the baseline for a national taxpayer-experience dashboard. Track outcome indicators (compliance, registration, digital adoption) alongside experience indicators (trust, perceived fairness, service quality, complaint resolution). Give each major reform a baseline, target, deadline and named responsible institution, and report progress publicly.	Lead: JRB, subject to agreement on its coordinating and reporting mandate. Reporting institutions: NRS, SIRS and Local Government revenue authorities, each reporting on reforms within their jurisdiction.	Every two years after the baseline


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CHAPTER 09

Conclusion

The evidence in this report points to a tax system whose legitimacy remains broadly intact but whose institutional credibility and day-to-day administration need substantial strengthening. Around three in four households accepted the government's right to collect taxes, and tax morale among both households and firms sat modestly above the scale midpoint. Most respondents accept taxation in principle. The problems they report lie in how the system is administered. The task is to turn that acceptance into a system taxpayers experience as clear, fair, predictable, transparent and able to deliver visible public value.

This distinction shapes the reform agenda. Taxpayers' reservations are tied to their experience of the system: uncertainty about obligations and exemptions, inconsistent demands and collection practices, limited visibility of what tax revenue funds, difficulty resolving tax issues, reported informal payments, and limited confidence in the channels for participation and redress. Greater awareness of the Nigeria Tax Act 2025 is still needed. The 21 recommendations in Chapter 8 therefore pair taxpayer education with stronger institutions, verifiable controls and a more visible fiscal exchange.

The study also found positive signs. Among firms asked to file a return or provide tax records, 95.8 percent reported complying, and 94.7 percent of those said they did so by the deadline. Users of digital tax systems generally reported favourable experiences and saw their potential to improve traceability and reduce opportunities for informal payments, although availability has not yet translated into widespread adoption. Formal accountability channels exist, including the Office of the Tax Ombud, but only 24.3 percent of households and 39.9 percent of firms were aware of it. Business, market and community associations give taxpayers a further route to raise concerns collectively. In several areas, the more immediate task is to make existing institutions more visible, accessible and consistently effective, as Recommendations 19 to 21 propose, while building the digital and control systems set out in Recommendations 16 to 18.

Experiences of the tax system differ widely, and this is among the study's most important findings. They vary between households and firms. Tax officials offer a further perspective, which is sometimes more positive than taxpayer accounts, and the interviews showed considerable variation in how far officials acknowledge operational constraints and taxpayer concerns. These accounts should not be interpreted as simple disagreement, since each group sees a different part of the system. No single experience represents all taxpayers, which is why the CORE framework asks implementers to respond to each group's main constraint.

Perception and experience indicators should become a routine part of performance monitoring. Revenue collected, assessments issued and platforms deployed remain important measures, but they capture only part of the taxpayer experience. Perception data complement them by showing how taxpayers experience the system, including how clearly they see the link between taxes paid and public benefits.

Repeating the Tax Perception Survey at fixed intervals alongside conventional revenue and process measures, as the CORE framework proposes, would show whether reforms are taking hold. The Nigeria Tax Act 2025 supplies the legislative foundation, and implementation should now narrow the gap between what the law provides and what taxpayers experience.

The sequence matters. Verifiable payments, sound collection controls and clear service standards should come first, because guidance, digital services and appeals to civic duty are unlikely to be believed without them. If this gap narrows, compliance can rest on knowledge, fairness, trust and a visible fiscal exchange as well as on enforcement, and that is where the long-term legitimacy of the reform will be decided.





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Annexes

Annex 1: Reporting Conventions

Weights: National and regional estimates use oversample adjustment factors (Tables 2.1 and 2.2) so that each oversampled state contributes its main-sample share. No further weighting is applied; estimates are not calibrated to population totals.

Bases: Percentages exclude "don't know", refused and not-applicable answers unless stated otherwise; this applies to knowledge questions as well. The Tax ID funnel (Figure 5.10) uses all respondents as its base. Questions asked only of a subgroup are labelled with their base in the table notes.

Units: In the household and firm tables, "percent of households" and "percent of firms" refer only to the households and firms captured under the NESG Tax Perception Survey. Accordingly, the findings should not be generalised to all households and firms in Nigeria.

Scales: Means are reported to two decimals and percentages to one. Where the questionnaire ran from a positive to a negative answer (for example, "always" to "never"), the scale is reversed so that higher values are more positive; this is stated in the table notes. "Top-2" is the share choosing the two most positive answers.

Inference: Differences between groups are descriptive.

Annex 2: Fieldwork, Response and Data Quality

Pilot and fieldwork: The household and firm questionnaires were piloted in Lagos from 5 to 12 May 2026. Main fieldwork ran from the first week of July to the second week of September 2026.

Interviewer training: Interviewers, supervisors and quality control officers all attended a two-day training on 1 and 2 May 2026. The South West and South South teams trained in Lagos. The North East, North West, North Central and South East teams trained in Abuja. Each team received tablets, routers, cover sheets and questionnaires in English, Hausa, Igbo, Yoruba and Pidgin.

Contact and response outcomes: The study contacted 21,026 households. Of these, 18,000 completed the interview and 2,736 refused; the other 290 did not result in an interview. For firms, we contacted 11,160 firms. Of these, 9,097 completed the interview and 1,856 refused. The other 207 did not result in an interview. Of the firm interviews, 6,226 (68.4 percent) were done at the first visit, 1,706 (18.8 percent) at the second and 1,165 (12.8 percent) at the third.

The totals of 18,000 households and 9,097 firms are the sample targets that were reached. They are not response rates measured against a fixed list of sampled units. When a household or firm refused, or could not be reached after the allowed return visits, interviewers moved to the next one and did not substitute another member of the same household.

Outcome	Households	Share (percent)	Firms	Share (percent)
Contacted	21,026	100	11,160	100
Interviewed	18,000	86	9,097	82
Refused	2,736	13	1,856	17
Other	290	1	207	2
Cooperation rate		87		83

Note: The cooperation rate is interviews divided by interviews plus refusals.

Data quality control: Quality control officers checked the responses in every interview. The tablets were programmed to accept only valid answers and to follow the questionnaire routing. "Don't know" and refused answers are kept in the dataset but left out when percentages and means are calculated, unless a table says otherwise.



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