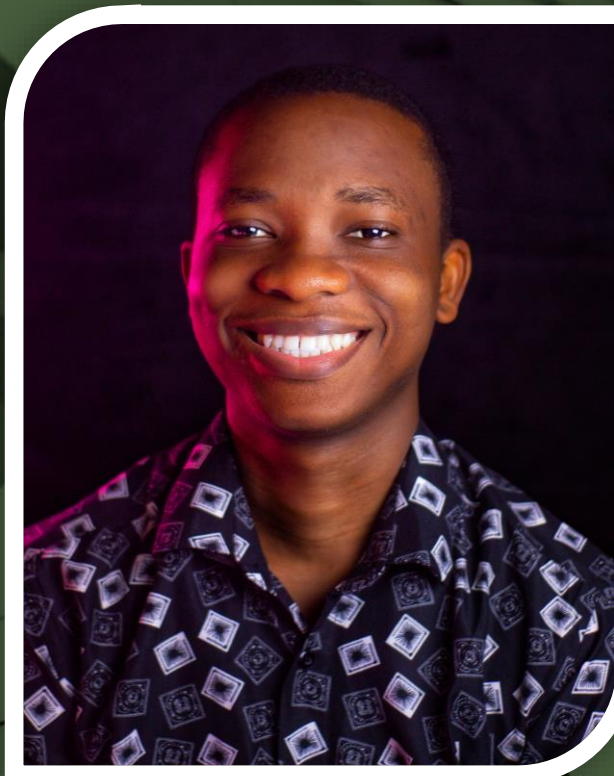


Analysis of Tax Awareness and Payment in Nigeria

DSN POWERBI HACKATHON BY
OLAMILEKAN OMOTOSHO



Introduction

This report presents the findings of an in-depth analysis of tax awareness and payment patterns in Nigeria. The dataset used for the analysis is derived from a survey conducted with over 16,000 individuals across all states of Nigeria, including the Federal Capital Territory (FCT). The primary objective of this analysis was to gain insights into the level of tax awareness among the respondents and factors influencing tax payment behavior.

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Methodology

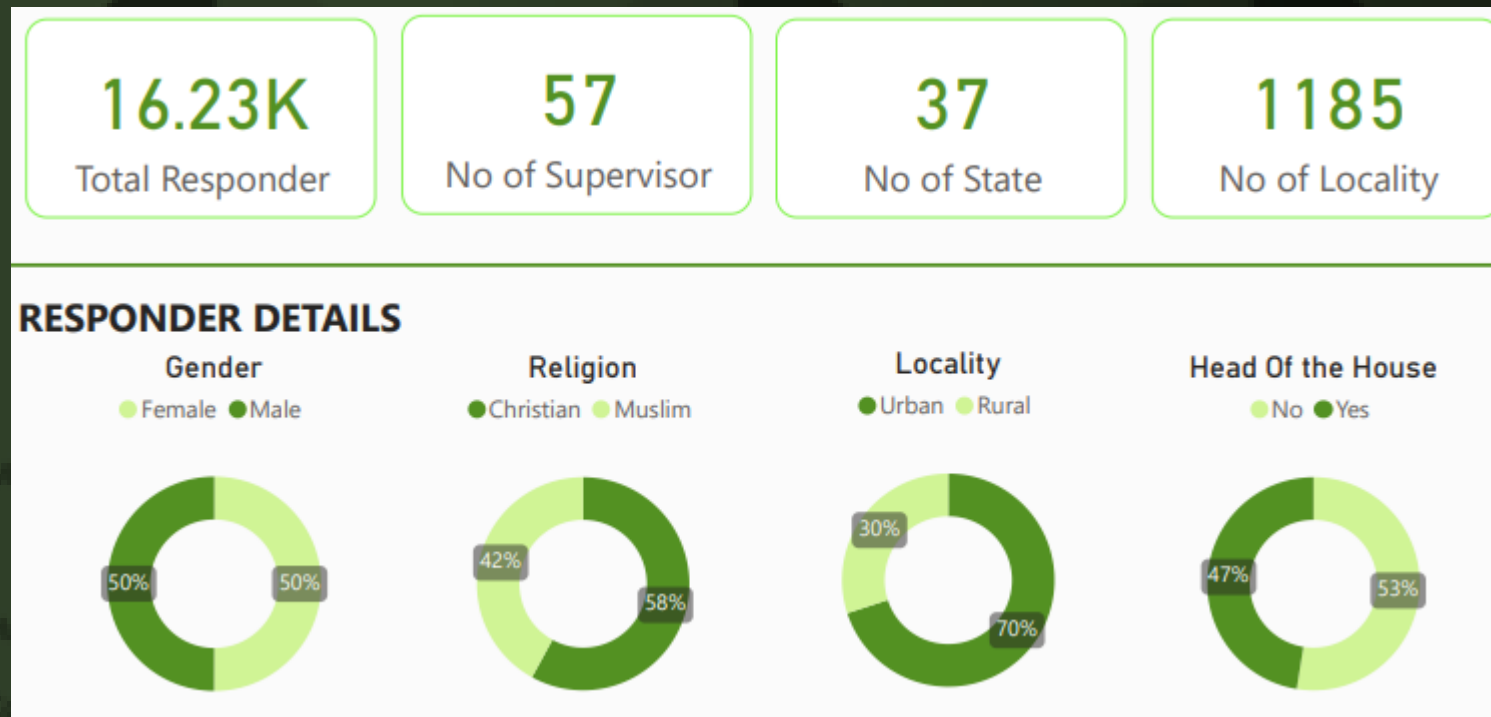
Data Collection: The survey was collected by 57 supervisors from 1185 localities across 37 states in Nigeria. The dataset was collected in an Excel sheet format, and subsequent analysis was performed using PowerBI, utilizing its Power Query Editor for data cleaning and visualization.

Data Cleaning: During the data cleaning process, several steps were taken to ensure data quality and reliability. Columns deemed irrelevant for the analysis were dropped, and data types were adjusted as necessary. Data profiling was conducted to understand the distribution of values and identify potential data discrepancies. Missing values were correctly replaced, and errors were corrected to ensure accurate and consistent insights.

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Analysis

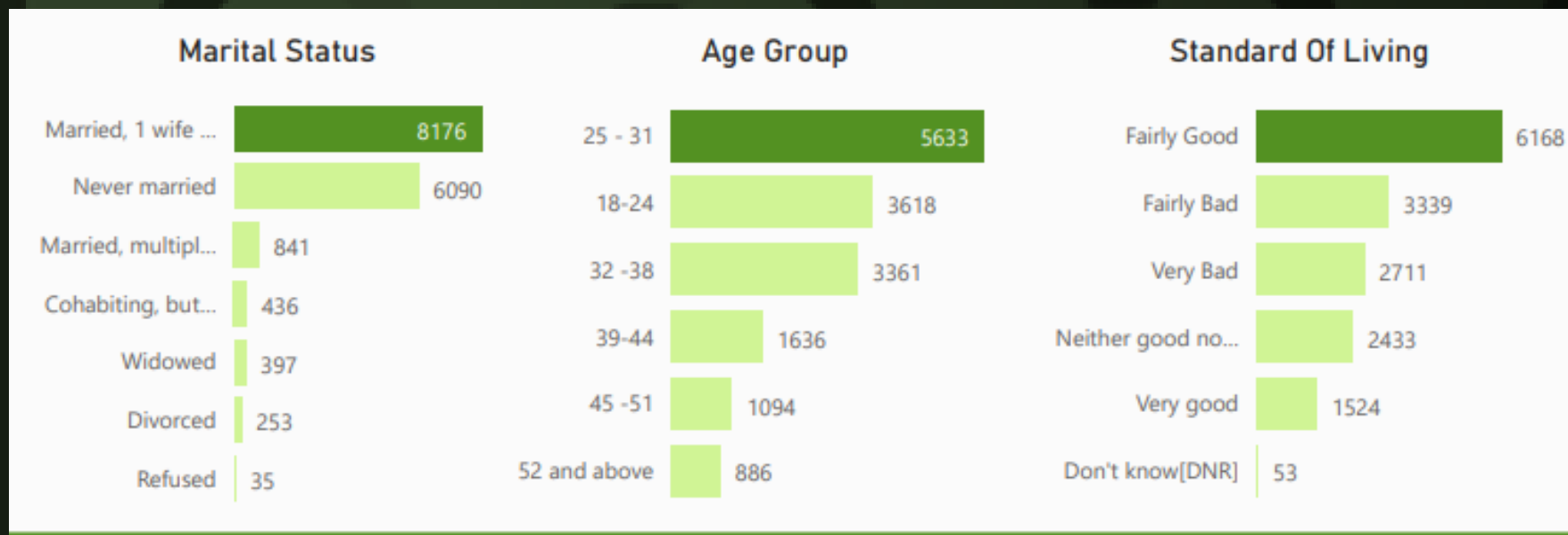
- The analysis revealed that the dataset comprises responses from 16,000 individuals, representing a diverse sample of Nigeria's population.
- The respondents were balanced in terms of gender, with 58% identifying as Christians and 42% as Muslims. Most of the responders (70%) reside in urban localities, and 47% of them are the heads of their families.



Analysis

- The majority of respondents (**over 50%**) are married with one spouse, and more than **5,000** respondents fall within the age group of **25-31**.

Moreover, three out of eight respondents reported having a fairly good standard of living, while the majority fell into the "Very bad" or "Neither good nor bad" range.



Analysis

The analysis of tax payment awareness among respondents revealed a concerning trend.

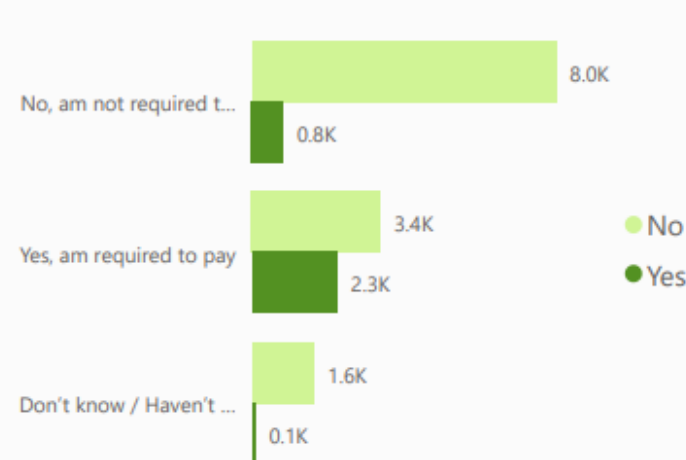
- Over 50% of the respondents were not aware of Personal Income Tax.

- Out of the 8.8k people unaware of Personal Income Tax, only 0.8k actually paid the tax. In contrast, 5.7k out of 10k respondents aware of Personal Income Tax paid for it.

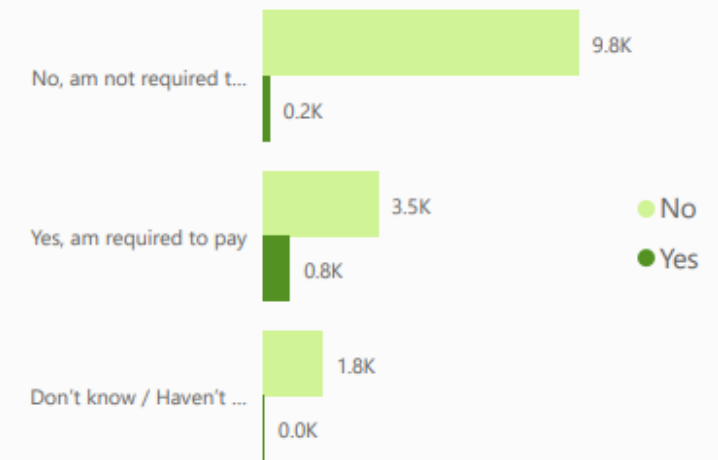
- A similar pattern emerged concerning Property Tax, where out of the 10k respondents who were not aware, only 0.2k paid, while 4.2k out of 10k aware respondents paid the tax.

Tax Payment Awareness

Awareness Of Personal Income Tax and Payment of the Tax



Awareness Of Property Tax and Payment of the Tax



16.23K

Total Responder

57

No of Supervisor

27

No of State

11.05

Analysis

Reasons for Non-payment of Taxes

According to the dataset, the top three reasons cited for not paying taxes include:

- Poor services received from the government
- High tax rates, making it unaffordable for people
- Perception of an unfair tax system, leading to tax evasion and mismanagement of government funds

CAUSE

Main Reason for not paying Tax



Analysis

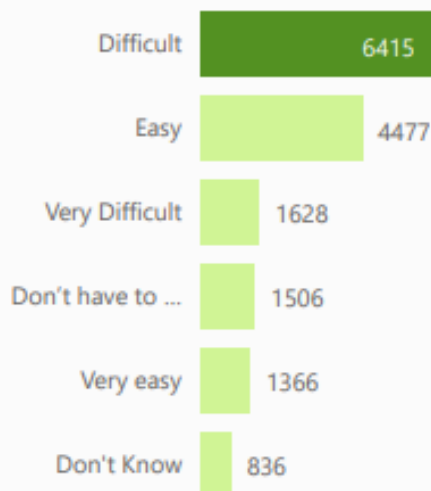
Willingness to Pay Taxes

Only 25% of the respondents agreed that it is easy to find information on taxes to be paid, indicating a potential need for improved accessibility and communication of tax-related information. Additionally, 9 out of 16 respondents expressed their willingness to pay taxes if the government's service quality improved.

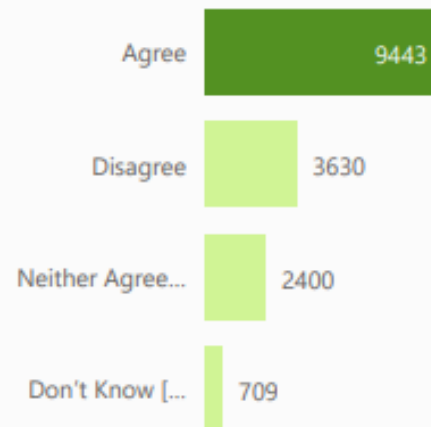
Moreover, 50% of the respondents agreed to pay higher taxes for better services, signaling a correlation between service satisfaction and tax compliance.

Possible Solution

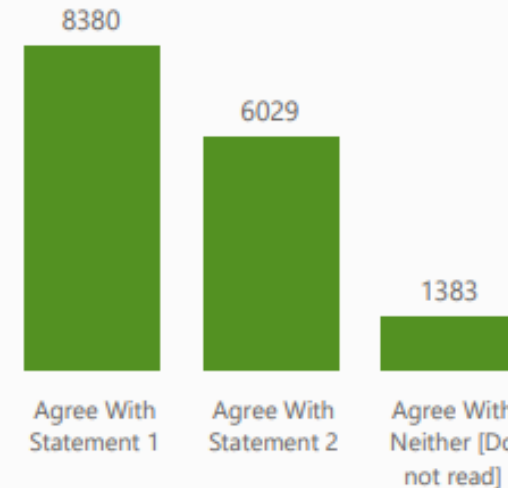
Ease of Finding Tax to be Paid



People Will Pay When Govt Improve Services



Pay higher taxes for better services (S1) or lower taxes for worse services (S2)



Recommendations

Based on the insights derived from the analysis, the following recommendations are proposed to enhance tax awareness and improve tax payment behavior in Nigeria:

- **Enhanced Awareness Campaigns:** The government should invest in comprehensive and targeted awareness campaigns to educate citizens about various forms of taxes and simplify the process of tax payment.
- **Transparency and Accountability:** Establishing a transparent system for tracking how tax revenue is utilized will foster trust among the people and encourage higher tax compliance.
- **Accountability Measures:** Implement measures to hold various offices accountable for the tax revenue they collect, ensuring proper utilization of funds.
- **Improved Public Services:** An improvement in the quality of public services will likely motivate citizens to contribute their fair share of taxes.
- **Tax Reduction Considerations:** The government should explore the possibility of reducing taxes in specific areas to alleviate the burden on citizens, while still ensuring sufficient revenue for public services

