

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

This paper is written the view to shed light on the taxation as a source of revenue generation in Ilorin local government. And offer suggestion on how to improve the source of local government, it must be understood that wants can never be satisfies based on their unlimited less. It was vied that prompted me to look into the taxation as source of revenue generation with particular of Ilorin west local government.

Before now, it is fact that a lot of research has been carried out with regards to the activities of local government. So many problems which are connected with taxation and as a form of revenue generation had been defined and army recommendation have been offered in spite of this, the paper intends in its own small way. To further identify the problem in Ilorin west local government and there after suggestion as to the step to be taken to rectify these problem and increase tax yield in this local government. In attempt to carryout this project work, this paper briefly and explicitly touches varies are of taxation. It is therefore divided into five chapters each dealing with specific aspect of taxation and revenue generation or with a particular reference to the Ilorin west local government. This success of any government be is federal, state and local depend extensively on the availability of financial resources of its disposals and the judicious use to which those resources are made from the time immemorial government imposes various forms of taxes, aimed of raising enough to cover the cost of administrative activities and defend. This therefore is not unusual to some powerful kings to levy taxes on the inhabitant or their area of administration for their own purpose.

This continue to exult until when later it was understood that certain services such as maintain of law and order, defence against external aggression, provision of social amenities which could serve as means of continuity to the communities who might be as the brink of collapse in moderbsociety therefore it is the duty of the government of any state to regulate certain activities of individual of group that might prove hazardous resources at the government disposal, the bulk of which could only be made a reality through taxation.

Taxation is almost as old as the world itself for instant, in 1217, it was stated in magna certain Britain that no aid shall be imposed in the kingdom unless by the common council of the realm.

As early as 1799, income tax introduced as temporary measure to last for a period of one year.

As new development project were increased, the government need to increase current expenditure to (Ojo0.01982305-306) administration them as in the cases of hospital, school, road maintenance among others, these for in Nigeria, very high percentage of government revenue come from duties on import, export, post tax, e.t.c. Taxation therefore is not only an influence on the economic policies.

At the level, local government have tremendous functions to form. In order to execute these functions effectively they will match their purpose to existence.

The financial resources available to the local government, they were expected to prepare and execute their development programmers as a means of straightening the ability of the local government or perform their functions taxations was introduced as local level, by 1976, and poll tax has been the only uniform type of tax in the whole country. This source of revenue was one of the most reliable and independent sources to the council by statutory allocation and as a result, emphases were laid on the introduction of rates changes fees e.t.c. most reliable and widest source of revenue accruing to the local government to provide the necessary service to the people at grassroots.

1.2 STATEMENT OF THE PROBLEM

There are three tiers of government in Nigeria federal, state and local level of these three tiers. The local government are less funded and are resources of the local government is the tax that is being collected from the local government in Ilorin.

In Ilorin, government in particular the situation is not different, it is the problem of taxation as a source of revenue generation that this project intends to examine.

How adequate is tax as revenue for Ilorin west local government if effective, what other method can be employed to make tax collection effective? How judicious is the spending of these source of revenue in Ilorin west local government? These are some of the problems that this study would look out.

1.3 PURPOSE AIM AND OBJECTIVE

No organization can boost of its existence if it can fulfil the purpose for which it is being set up in facts, no purpose can be achieved if there are no means (resources) of their disposal to finance the project.

Hence this paper aims at addressing itself to the taxation as a form of revenue operation in Ilorin west local government achieve the purpose of it existence.

This general base of this study therefore is to collect data on taxation, analyse these data and provided an insight to the general attitude of the people of the local government towards the course of tax collection. The user of these taxes in the area as well as offering recommendation on how the problem will be overcome.

It also wants to bring into focus the problem confronting taxation in Ilorin local government to improve tax yield in the areas.

1.4 SIGNIFICANCE OF THE STUDY

By and by, what do means by the heading above? That is, it means the importance of taxation and revenue generation in Ilorin local government. As it is cleared and well understood that government need money to carry out its administration effectively and as the matter of fact tax is concerned, its not penalty for any legal offence.

Therefore, taxation and revenue generation are importance and useful in government expenditure. That is, that it's the total expenses incurred by public authorities at local government authorities incur expenses or spend its taxes and revenue generation. The significance base on the brief following:

LEGITIMACY: That is, it is said that power to tax is power to rule.

CAPITAL EXPENDITURE: To serve public interest in local government.

RECRUITMENT EXPENDITURE: These are meant to be used or consumed within fiscal year such as payment of workers wages repairs and maintenance.

1.5 SCOPE AND LIMITATION OF THE STUDY

The scope of the study will be focused on taxation as a form of revenue generation in Ilorin not my focus except Ilorin west local government.

1.6 ORGANIZATION OF THE STUDY

This section introduces what each chapter contains.

Chapter 1; Introduces the study origin, its aims and objective, significance, limitation or scope of the study. Chapter 2: It gives the literature review of the topic taxation and generation, and examines general system of Nigeria taxation. Chapter 3: This chapter simply brief the history of Ilorin west local government area, the background including the habit of the grassroots people towards taxation. It also deal with their occupation, health and delivery system. Chapter 4: Gives proper presentation and interpretation of the study, including brief history and proposed evidence used as a basis for further investigation. Chapter 5: This deals with brief of what the whole paper contains, after which a number of recommendation are offered. Including onion with reasonable ending.

1.7 DEFINITION FOR TERMS OR OPERATIONAL TERMS

In taxations many terms and concepts are used, they are as follows:

1. TAX ASSESSMENT: This refers to the determinations of amount of tax to be paid by an individual or group of persons in a given year.

2. TAX COLLECTION: This is the realization of the amount of tax to be paid.

3. TAX AUDIENCE: The legal means by which tax can be minimized.

4. TAX EVASION: This is the opposite of tax audience, this is deliberate criminal manipulation of tax laws. The illegal means of minimizing tax payer liability.

- 5. TAX BASE:** This is the legal description of an objective with reference to which tax applied.
- 6. TAX AUTHORITY:** A body of person that are responsible under law for imposition of tax
- 7. TAX LEGISLATION (LAW):** This refer to various laws that are enacted.
- 8. TAX JURISDICTION (BOUNDARY):** This refers to the power and right to enact and apply the tax law within a particular jurisdiction.

In order to ensure a wider coverage of the study most of the important town in local government area will be visited and also official of the local government sectorian will be interviewed.