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Research Article

THE PERCEPTION OF TAX FAIRNESS AND TAX KNOWLEDGE OF TAXPAYERS IN RESPONSE TO THE FINANCE ACT OF 2019-2023

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Abstract

In Nigeria, the Finance Act has been reviewed annually since 2019. This study looked into how taxpayers felt about the fairness of taxes and how well-informed they were about taxes in response to this yearly review of the Finance Act of 2019–2023. The objective of the study was to ascertain how taxpayers' perceptions of the fairness of the tax laws outlined in the Finance Act of 2019–2023 differ depending on their level of tax knowledge. The study used survey methodologies to collect data from taxpayers. The information was gathered using a questionnaire. From FIRS offices in the states of Kano, River, and Lagos, information was gathered. The data were analysed using a structural equation model to see if there is a significant relationship between tax knowledge and a perception of tax fairness. According to the findings, taxpayers do not think that the Finance Act of 2019–2023 is fair or that it has enhanced their understanding of taxes. The study recommends, among other things, that the Nigerian government grant access to basic infrastructure because doing so displays the proper use of tax resources.

Keywords: Tax, Finance.

INTRODUCTION

It is impossible to overstate the importance of taxes in the socioeconomic development of any country. If properly managed, it will help among other facets of social welfare, alleviate poverty (Maboshe & Woolard, 2018). As a result, tax evasion has emerged as a major concern for governments everywhere, and a variety of measures have been introduced to lessen evasion and boost internally generated revenue (OlufemiOladipo *et al.,* 2022). According to studies, tax evasion negatively affects the economy and people are more likely to comply with what they are aware of and what they perceive to be just (Amin *et al.,* 2022; Omodero, 2019; Musimenta *et al.,* 2017). The study on the perception of taxpayers on the yearly review of the Finance Act from 2019-2023 is rooted in the importance of taxation in any economy. Taxation is a crucial source of revenue for governments to fund public services and infrastructure. It plays a multiple role in the process of economic development of any nation (Akan and Esekhile, 2016). However, taxpayers often perceive taxation as a burden and may have varying opinions on the fairness of tax policies (Azaka, 2022). The Finance Act of 2019-2023 are pieces of legislation that outline changes to tax policies in a particular jurisdiction; in this case, Nigeria. This act may include changes to tax rates, exemptions, deductions, and other elements of the tax system. It is important to understand how taxpayers perceive these changes and how their level of tax knowledge influences their perception of tax fairness. Fundamentally, tax knowledge affects tax compliance because employees may find the process of understanding what to file, how to file, and how to report taxes to be too confusing or stressful (Saad, 2014). This means that the higher the compliance would be the more thorough the tax regulations and processes are (Bernard *et al.,* 2018).

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The yearly review of the Finance Act simply means different aspects of the Finance Act would be reviewed annually resulting in learning and re-learning of the new updates for implementation by the tax payers. Other studies have examined how the perception of taxpayers influences their response and how it in turn affects revenue generation in Nigeria. No study has investigated how the taxpayers perceive the yearly review of the finance act, their knowledge and their comfort with the yearly review, and how this can affect the way they respond to it.

The following research questions will be investigated in this study:

1. How do taxpayers believe the tax policies described in the Finance Act of 2019–2023 are fair?
2. How well-informed are taxpayers on taxes in light of recent changes to tax policies?
3. How does a taxpayer's opinion of tax fairness differ from their level of tax knowledge?

Significant of the Study

The study is important because it sheds light on how taxpayers perceive and are informed about tax laws. The results can help politicians create tax laws that are regarded as fair and improve taxpayers' comprehension of the tax code. The study can also add to the corpus of knowledge already written about tax perception and knowledge.

Hypotheses

Based on the research questions, the following hypotheses can be formulated:

1. Taxpayers' perception of tax fairness will vary based on the changes in tax policies outlined in the Finance Act of 2019-2023.

2. Taxpayers' level of tax knowledge will vary with the changes in tax policies outlined in the Finance Act of 2019-2023.
3. Taxpayers' level of tax knowledge will influence their perception of tax fairness with the changes in tax policies outlined in the Finance Act of 2019-2023.

LITERATURE REVIEW

The literature review for the study on the perception of tax fairness and tax knowledge of taxpayers in response to the yearly review of the Finance Act of 2019-2023 would aim to provide an overview of the existing literature on tax perception and knowledge, as well as the specific tax policies outlined in the Finance Act of 2019-2023. It is worth noting that no study to the knowledge of the researcher has investigated the perception of taxpayers on the yearly review of the Finance Act

The Concept of Tax Fairness

According to Lymer & Oats (2009), fairness refers to a situation in which a taxpayer is taxed in line with their capacity. There are two types of fairness: horizontal and vertical. Individuals with the same income should be taxed at the same rate or have the same tax obligation. Vertical fairness, on the other hand, distinguishes people with different incomes (Njogu, 2019). Overall revenue received affects the overall amount of tax due. Greater income taxpayers must pay greater taxes, and vice versa. The percentage of tax that must be paid increases with income. Studies show that the perception of Tax Payers concerning fairness correlates positively with their compliance (Kim, 2002; Richardson, 2005; Gilligan & Richardson 2005; and Hartner *et al.,* 2008). Additionally, research has demonstrated that judgments of fairness result from genuine or fictitious comparisons between oneself and others (Van den Bos *et al.* 2006; Folger and Cropanzano 2001). Perceptions of fairness are significant because they influence people's propensity to trust authorities, which discourages retaliatory behavior and promotes cooperative behavior. To encourage taxpayer compliance and to reduce tax evasion and avoidance, perceptions of fairness can have significant effects on organizational and individualistic cooperation (Schweitzer and Gibson 2008)

Fairness can also be Distributive, Procedural, and Retributive. According to Kirchler (2007), distributive fairness is a fair exchange of resources that takes into account costs and benefits. It compares individual contributions with the results of those contributions. Taxpayers want to see the results of the money they spend. Procedural fairness also focuses on the view of whether the authority provides fair services and procedures (Van Dijke&Verboon 2010). According to Kirchler (2007), compliance rates will be high if society believes that the system for allocating resources is fair. Last but not least, attitudes of adequate penalties for tax offences among taxpayers are linked to retributive justice (Kirchler 2007). The perception of retributive justice typically arises when taxpayers believe there to be injustice and that their rights are not upheld when a defaulting taxpayer receives no punishment.

The Concept of Tax Knowledge

A complete awareness of the government-created rules and regulations governing the tax system is referred to as having tax knowledge. The three main facets of tax knowledge are general, procedural, and legal (Bornman & Ramutumbu, 2019). General knowledge includes fiscal awareness; procedural knowledge refers to knowing how to comply with tax procedures; and legal knowledge includes rules and regulations. Compliance with the tax system is determined by knowledge of the tax policies. In a voluntary compliance tax system, tax knowledge is crucial, especially when calculating an exact tax liability (Baru, 2016). Adam (2012) asserts that tax knowledge is a crucial component of a voluntary compliance tax system, especially in calculating accurate tax liability. The existence of tax knowledge, which comprises of general information, legal knowledge, and technical knowledge, does not, according to Bird (2014), Maseko (2014), and Mohd (2013), significantly alter tax compliance behaviour. Specific Tax Policies Outlined In the Finance Act of 2019-2023.

Finance Act 2019

The Nigerian Finance Act 2019 introduced amendments to seven major tax laws, affecting companies in Nigeria. The Capital Gains Tax Act now exempts compensation for loss of office in the sum of N10 million and below from capital gains tax of 10%. The Companies and Income Tax Act has also been amended, with rules governing the deductibility of expenses in arriving at assessable profit being amended. The minimum tax computation has been shifted from capital-based to revenue-based at a flat rate of 0.5% of the company's turnover, with companies having turnover of N25,000,000 and below totally exempted from tax. Companies are now subject to taxation based on the provision of digital and permanent establishment. Dividends paid out of exempted incomes/profits are no longer considered taxable profit and are subjected to tax in the hands of the company in that year of assessment. The provisions of the Finance Act as they pertain to Company Income Tax become effective with effect from the 2020 Assessment year, which has its basis in the financial year ending in 2019. The Value Added Tax Act has been increased by 50% from 5% to 7.5%, with a compliance threshold now over N25 million. Taxable persons are now required to register for VAT 'upon commencement of business', and non-resident companies with a physical presence or significant economic presence in Nigeria must register with the FIRS for VAT and issue VAT invoices to their Nigeria customers. The recipient of the service from non-resident companies is now charged with the responsibility of deducting and remitting the VAT on the service to the FIRS. Incorporeal property, including rights, patents, trademarks, and royalties, is now covered under the Stamp Duties Act. In particular, VAT is no longer applied to basic food purchases, services provided by microfinance institutions, and tuition for early childhood, primary, secondary, and postsecondary education. The Petroleum Profit Tax Act is now subjected to a final tax of 10% withholding tax for income or dividends paid out of after-tax petroleum profit by upstream operators. The Personal Income Tax Act now allows for tax deductions on pension contributions, provident funds, and other assets without Joint Tax Board/FIRS approval (Bakertilly, 2020).

Review of Related Studies on Tax Fairness

Olufemi *et al.* in 2022 examined how listed manufacturing enterprises in Nigeria's tax compliance behaviour was impacted by tax fairness. The outcome demonstrates that the desire of corporate taxpayers to pay taxes is significantly influenced by their impression of fairness. This makes sense because most people react positively to what they judge to be fair. The findings of Sellywati & Mohd's (2015) study on fairness and individual tax compliance in Malaysia support this point of view. The outcome of the survey of 82 academics reveals that the respondents' view of fairness may have an impact on their tax compliance behaviour. One of the ways in mitigating tax avoidance and evasion is when the Tax Payers see fairness in the Tax they pay. This also was the findings from the study by Jonathan (2020).

Finance Act 2020

The Finance Act, signed by Nigeria's President Muhammadu Buhari on 31 December 2020, introduced over 80 amendments to existing tax and regulatory legislation. The Act aimed to address ambiguities and provide clarity, while also establishing the Crisis Intervention Fund and Unclaimed Funds Trust Fund to address COVID-19-related expenditures and agencies (EY, 2021).

Finance Act 2021

The Finance Act, signed by Nigeria's President Muhammadu Buhari on 31 December 2021, introduced over 40 amendments to Nigeria's tax and regulatory legislation. These changes aim to address ambiguities and clarify provisions for business activities in Nigeria. This Alert summarizes the key changes and their impact on Nigeria's tax system (EY, 2022).

Finance Act 2022

The Finance Act 2022 introduced key changes to Nigeria's tax system, including the chargeability of gains on digital assets, capital losses on chargeable assets, and the income derived from gaming, gambling, betting, or lottery businesses. Companies engaged in commercial winning, capture, production, and utilization of gas will be entitled to a single 50% investment tax credit on their qualifying expenditure. The investment allowance of 10% on qualifying expenditure incurred on plant and equipment will be repealed, but not affected by assets acquired before 31 December 2022. The rural investment allowance will be repealed, and the partial tax exemption from CIT granted on income in convertible currencies derived from tourists by hotels will be repealed. The CIT rate for a gas-flaring company will be increased from 30% to 50%. An import levy of 0.5% will be imposed on eligible goods imported into Nigeria from outside Africa to finance Nigeria's capital contributions, subscriptions, and other financial obligations to multilateral institutions. All services provided in Nigeria will be liable to excise duty at rates specified via a Presidential Order. The PPTA will be amended to align with the Petroleum Industry Act, including penalties for incorrect or late returns, recognition of the Nigerian Upstream Petroleum Regulatory Commission, and tax deductibility of contributions to approved decommissioning and abandonment funds. The sharing formula for revenue from Electronic Money Transfers will be amended, and general anti-avoidance transfer pricing rules will be introduced. Importers of goods purchased online from non-resident suppliers appointed by the FIRS will be required to provide proof of appointment and VAT charged on the invoice. The redefinition of buildings for VAT purposes will exclude fixtures or structures that can be easily removed from land. A public officer is required to seek administrative approvals and ensure an approved procurement plan, with failure to comply liable to 3 years imprisonment and a fine of N100,000 on conviction (pwc, 2022).

Finance Act 2023

The Finance Act 2023, signed by former President Muhammadu Buhari, introduces significant changes to tax laws and regulatory frameworks to promote economic growth, fiscal stability, and sustainable development. It aims to strike a balance between fiscal stability and economic growth, addressing digital economy challenges, and improving tax administration. Notable changes include increased tertiary education tax, deductible capital losses, and a revised VAT filing deadline for FIRS-appointed agents (EY, 2023).

President Tinubu's Signing of Four Executive Orders

President Bola Tinubu signed four executive orders, including the suspension of the five percent Excise Tax on telecommunication services and the escalation of Excise Duties on locally manufactured products. The Finance Act (Effective Date Variation) Order, 2023, defers the commencement date of changes, while The Customs, Excise Tariff (Variation) Amendment Order, 2023, shifts the commencement date to August 1, 2023. Additionally, Executive Order 4 suspends the Green Tax on Single Use Plastics and the Import Tax Adjustment levy on certain vehicles (Angbulu, 2023).

Review of Related Studies on Tax Knowledge

The Partial Least Square Structural Equation Model was used by Neba *et al.* (2022) to analyze data from 450 registered Indian MSMEs. The study revealed that tax knowledge improved operational efficiency and shielded businesses against tax fraud. These findings are in tandem with the study of Riana (2019) and Azaka, (2022). According to Riana's (2019) results, while tax knowledge and how effectivea tax system is affected how well-informed individual firm taxpayers complied with the law in the Cikarang region, taxpayer awareness had little bearing on compliance. Additionally, research by Azaka from 2022 revealed a significant association between tax compliance and tax attitude. Additionally, it was found that perceptions of fair taxation were a reliable predictor of tax compliance. Additionally, tax awareness among participants was positively correlated with tax compliance. It was found that SMEs in developing countries do not adhere to the tax regulations in a related study by Wadesango *et al.* (2018), a literature review on the impact of tax knowledge on tax compliance among small and medium-sized firms in a developing country. Additionally, increasing tax literacy alone won't have a good effect on SMEs' tax compliance behaviour if high tax rates and corruption are not addressed. Wadesango *et al.* (2018) and Amin, 2022 both agreed that tax awareness was one of the factors determining the level of tax compliance. The study looked at how effective and adequate Malaysian citizens' tax knowledge was. conformity with registration axe. This shows that while having a working knowledge of taxes may help with compliance, it is not the only determinant and may not matter in circumstances when there is a high percentage of tax evasion and corruption. This study differs slightly from those of Neba *et al.* (2022), Riana (2019), and Azaka (2022).

Because corruption and high unemployment rates might be discouraging, this study is realistic. According to studies by Bird (2014), "SMEs' tax compliance behaviour is not greatly impacted by their access to tax information. Fauziati *et al.* (2016) also found that tax compliance in Indonesia is not greatly influenced by one's level of tax understanding. Similar findings were reported by Alm *et al.* (2012), who claimed that increased tax awareness among SMEs had no impact on attitudes towards taxes and behaviours linked to taxes. Maseko (2014) found no association between tax knowledge and tax registration compliance, but a somewhat negative relationship between tax compliance and tax knowledge.

Therefore, one may conclude that taxpayers are more concerned with how their money is spent than with their level of tax expertise. When Behnud (2013) examined the effect of trust in authorities on tax compliance in a controlled laboratory context, he likewise argued for this position. The findings demonstrated that total transparency on public spending and giving taxpayers the option to choose how their money is used result in higher tax compliance in tax systems with low power. Also, Mei Tan and Chin-Fatt (2000) used students enrolled in an introductory taxation course at a New Zealand tertiary institution to evaluate the relationships between an increase in tax knowledge on perceptions of fairness and tax compliance attitudes. The findings showed that attitudes towards tax compliance and views of justice were unaffected significantly by an increase in tax knowledge.

Summary of Literature Review

The literature review for the study on the perception of tax fairness and tax knowledge of taxpayers in response to the yearly review of the Finance Act of 2019-2023 provides an overview of the existing literature on tax perception and knowledge, as well as the specific tax policies outlined in the Finance Act of 2019-2023. The review looks at the idea of tax fairness, numerous elements that affect how fair taxes are seen by taxpayers, and several methods for measuring tax fairness. It also examines the idea of tax knowledge, the various elements that affect taxpayers' tax literacy, as well as the various methods for gauging tax literacy. The review then focuses on the specific tax policies outlined in the Finance Act of 2019-2023, examining the changes made to tax rates, exemptions, deductions, and other elements of the tax system. It also explores the rationale behind these changes and their potential impact on taxpayers. Overall, the literature review provides a comprehensive overview of the existing literature on tax perception and knowledge and the specific tax policies outlined in the Finance Act of 2019-2023. It informs the research questions and hypotheses of the study and provides a basis for the data collection and analysis. None of the literature reviewed studied the perception of taxpayers on the yearly review of the Finance Act in Nigeria since the Finance Act of 2019 to the present Finance Act viz-a-viz what the Taxpayers believe to be fair and knowledgeable. This study, therefore, hopes to bridge that gap.

RESEARCH DESIGN AND METHODOLOGY

The survey research design was chosen as the methodology for this investigation. Survey research is a specific form of research design where surveys are used as the main method of data collection. Surveys can be carried out for a variety of reasons, but a recurring element is that they provide respondents with a simple means of sharing or demonstrating their opinions or knowledge about a certain subject (Mills, 2021). Questionnaires were shared randomly among 180 taxpayers who visited the FIRS offices in Kano State, River State, and Lagos State. The number 180 was judgmentally picked comprising 60 respondents from each selected State. However, 150 respondents returned the questionnaire filled. These States were selected for their high investors and high Tax revenues (Oyedeji, 2023). The questionnaires were structured to elucidate the taxpayers' perception of their understanding of the yearly review of the Finance Act 2019-2023 and how they see fairness in this review; and finally, how these factors influence their compliance. The statistical tool used for this study is the Structural Equation Model. A multivariate statistical analytic method called structural equation modeling is employed to examine structural relationships. This method examines the structural link between measured variables and latent constructs by combining component analysis and multiple regression analysis. The researcher favors this approach since it estimates numerous and connected dependencies in a single exploration. Endogenous and exogenous variables are the two types of variables employed in this analysis (Gowtham et al, 2023).

Data Presentation

The responses were collated and the output is as shown below:

		SA	A	U	D	SD	TOTAL
Q1	You see genuine reason in the yearly review of the Finance Act of 2019-2023	9	14	8	81	38	150
Q2	The tax reform captured in the finance act 2019 is fair to tax payers	4	17	3	68	58	150
Q3	The tax reform captured in the finance act 2020 is fair to tax payers	7	15	6	78	44	150
Q4	The tax reform captured in the finance act 2021 is fair to tax payers	8	16	8	55	63	150
Q5	The tax reform captured in the finance act 2022 is fair to tax payers	10	10	7	84	39	150
Q6	The tax reform captured in the finance act 2023 is fair to tax payers	15	12	8	75	40	150
Q7	Revenues gotten through tax has been used judiciously to favour tax payers	13	14	12	73	38	150
Q8	You have not lost track on the updates in the yearly review of the Finance Act of 2019-2023	14	13	5	52	66	150
Q9	You understand the updates in the yearly review of the Finance Act of 2019	10	13	7	59	61	150
Q10	You understand the updates in the yearly review of the Finance Act of 2020	8	15	9	49	69	150
Q11	You understand the updates in the yearly review of the Finance Act of 2021	6	11	4	55	74	150
Q12	You understand the updates in the yearly review of the Finance Act of 2022	18	3	10	50	69	150
Q13	You understand the updates in the yearly review of the Finance Act of 2023	14	12	6	58	60	150
Q14	you are very knowledgeable in tax	12	12	11	60	55	150

Analyses

The Structural Equation Model was used in testing the three hypotheses and the result is as shown below:

Table 1. Model tests

Label	X²	df	p
User Model	6.17e-13	71	1.000
Baseline Model	3.61e0+7	91	< .001
Scaled User	6.17e-13	71	1.000
Scaled Baseline	6.90e0+6	91	< .001

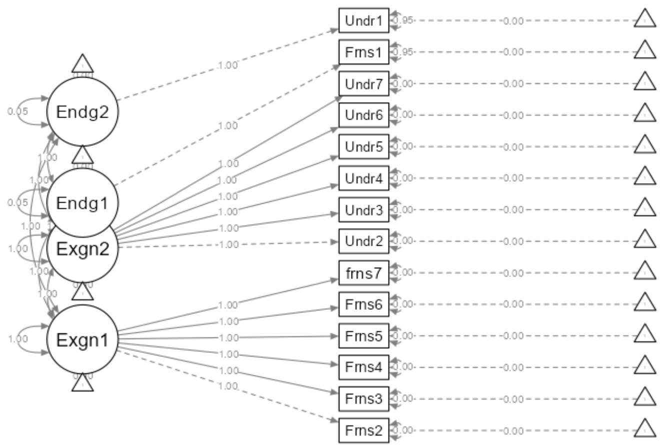
Table 2. Fit indices

			95% Confidence Intervals		
Type	SRMR	RMSEA	Lower	Upper	RMSEA p
Classical	0.000	0.000	0.000	0.000	1.000
Robust	0.000		0.000	0.000	
Scaled	0.000	0.000	0.000	0.000	1.000

Table 3. User model versus baseline model

	Model
Comparative Fit Index (CFI)	1.000
Tucker-Lewis Index (TLI)	1.000
Bentler-Bonett Non-normed Fit Index (NNFI)	1.000
Relative Noncentrality Index (RNI)	1.000
Bentler-Bonett Normed Fit Index (NFI)	1.000
Bollen's Relative Fit Index (RFI)	1.000
Bollen's Incremental Fit Index (IFI)	1.000
Parsimony Normed Fit Index (PNFI)	0.780

The Chi-Square (Baseline Model), which is greater than 0.05, indicates that the model is appropriate for the data. Additionally, the Comparative Fit Index (CFI) of 1 supports this. The CFI calculates the relative increase in fit between the posited model and the baseline model. It is a normed fit index since its values range from 0 to 1, with higher numbers denoting a better fit. CFI ≥ 0.95 is the standard measurement for a good fit (Hu & Bentler, 1999). A proportionate decrease in misfit per degree of freedom is measured by the TLI. According to Hu and Bentler (1999), a cutoff value for the goodness of fit is typically TLI ≥ 0.95; moreover, the TLI in our model is 1. The RMSEA is a measure of the badness of fit; it produces lower values for a better match. According to Hu and Bentler (1999), an acceptable RMSEA is less than or equal to 06, and our model is 0.000 in our model. The direction of the link between the returns on two assets is measured by covariance. Asset returns move together when there is a positive covariance, but they move inversely when there is a negative covariance (Adam, 2023). The table below with positive covariance reveals that the exogenous variables are in the same direction as the Endogenous variables.



Variances and Covariances

The Path Diagram below reveals a relationship between what the Tax Payers deem as fairness in the yearly review of the Finance Act and the knowledge they have on the Finance Act of each year under review. It further shows that Tax Payers are really not interested in the yearly updates of the Finance Act and so they do not see reasons for these updates. This in turn affects the way they react to self-assessment, seeking to avoid and where possible evade tax.

Variances and Covariances								
				95% Confidence Intervals				
Variable 1	Variable 2	Estimate	SE	Lower	Upper	B	z	p
Fairness	Knowledge	0.99900				19.98000		
Fairness2	Fairness2	0.00100	0.00	0.00100	0.00100	0.00100		
Fairness3	Fairness3	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
Fairness4	Fairness4	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
Fairness5	Fairness5	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
Fairness6	Fairness6	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
fairness7	fairness7	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
Understanding2	Understanding2	0.00100	0.00	0.00100	0.00100	0.00100		
Understanding3	Understanding3	0.00100	0.00	0.00100	0.00100	0.00100		
Understanding4	Understanding4	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
Understanding5	Understanding5	0.00100	0.00	0.00100	0.00100	0.00100		
Understanding6	Understanding6	0.00100	0.00	0.00100	0.00100	0.00100		
Understanding7	Understanding7	10.00e-4	0.00	10.00e-4	10.00e-4	10.00e-4		
Fairness1	Fairness1	0.95000	0.00	0.95000	0.95000	0.95000		
Understanding1	Understanding1	0.95000	0.00	0.95000	0.95000	0.95000		
Exogenous1	Exogenous1	0.99900				1.00000		
Exogenous2	Exogenous2	0.99900				1.00000		
Fairness	Fairness	0.05000				1.00000		
Knowledge	Knowledge	0.05000				1.00000		
Exogenous1	Exogenous2	0.99900				1.00000		
Exogenous1	Fairness	0.99900				4.46990		
Exogenous1	Knowledge	0.99900				4.46990		
Exogenous2	Fairness	0.99900				4.46990		
Exogenous2	Knowledge	0.99900				4.46990		

We can therefore conclude that:

1. Taxpayers' perception of tax fairness will not vary based on the changes in tax policies outlined in the Finance Act of 2019-2023. This is because most of the Tax Payers are not interested in studying the content of each year's policy review and they have concluded that Tax policies instituted by the Nigerian Government are not fair towards the ordinary Nigerian. Of course, they desire to see where their monies are going.
2. Taxpayers' level of tax knowledge will not vary with the changes in tax policies outlined in the Finance Act of 2019-2023. This is so because tax payers are not concerned with studying the yearly review of Tax policies. Before they can conclude the study of a year's Finance Act, another update is released making it cumbersome to start studying the afresh.
3. Taxpayers' level of tax knowledge will not influence their perception of tax fairness with the changes in tax policies outlined in the Finance Act of 2019-2023. This is because a conclusion has been drawn by Tax Payers on the lack of fairness of tax policies in Nigeria.

Recommendation

1. The Nigeria Government should build the confidence of Tax Payers by using the funds gotten from Tax Payers to improve the lives of their citizenry by providing basic amenities, a conducive environment for businesses, and the creation of Jobs.
2. Tax policy design should be done with the future in mind. A review should be done after several years as this would enable tax payers to understudy the recent one.
3. Tax policy design should consider the different factors that influence taxpayers' perception of tax fairness, such as distributive justice, procedural justice, and interactional justice. Policymakers should aim to design tax policies that are perceived as fair and equitable by taxpayers.
4. Tax education and communication programs should be developed to improve taxpayers' understanding of the tax system. Policymakers should consider the different factors that influence taxpayers' level of tax knowledge, such as education, income, and demographic factors, when designing tax education and communication programs.
5. Tax education and communication programs should be designed to improve taxpayers' perception of tax fairness. Policymakers should consider the relationship between tax knowledge and perception of tax fairness when designing tax education and communication programs.
6. Further research is needed to explore the relationship between tax perception, tax knowledge, and tax compliance. Policymakers should consider the findings of this study and other similar studies when designing tax policies and tax education and communication programs.

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