International Journal of Multidisciplinary Research and Development
www.allsubjectjournal.com
Online ISSN: 2349-4182, Print ISSN: 2349-5979
Received: 06-08-2021, Accepted: 23-08-2021, Published: 08-09-2021
Volume 8, Issue 9, 2021, Page No. 78-85

An analysis on contribution of land based taxes to internally generated revenue of Anambra state, Nigeria

Nwafor I V[1], Egolum C C[2]
Department of Estate Management, Nnamdi Azikiwe University, Awka, Nigeria

Abstract
Provision for, and sustained infrastructural development is becoming a major issue in our polity due to poor internally generated revenue. Governments in a bid to solve the problem has resorted to introduction of more taxes and upward review of the existing tax rates without proper evaluation of the performance of these tax rates in place. Land based tax rates is the most hit in this regard in Nigeria. The purpose of this study is to ascertain if these increased land based tax rates have translated into increased land based recurrent revenue in Anambra State. The objectives of this study includes; examining the contribution of land based tax revenue to the internally generated revenue, ascertaining the growth of land based tax revenue within the studied interval, and examining the performance of actual land based revenue and internally generated revenue as against their projected figures. Descriptive statistics was used. The contribution of land based tax revenue to the internally generated revenue of Anambra State is between 1% - 14% within the studied period. Though a progressive growth was witnessed in the contribution over time, however, the state failed to achieve her projected lands based revenue and Internally generated revenue within the studied period except for two different years in both. The study recommended that the state should strategically determine her land based tax rates and estimation of both land based revenue and Internally Generated Revenue for better results. More so adopting one stop shop system in land administration to reduce diversion of public funds by public officers.

Keywords: Anambra state, land based tax rates, land based revenue, internally generated revenue

Introduction

Internally generated revenue (IGR) is a form of lubricant used by governments at all levels to grease the machinery of governance, it guides the state on infrastructure that can be executed from time to time. These lubricants are taxes put in place through acts of parliament to guide rates that can be enforced by law. IGR in normal day to day parlance means the income of a government generated solely from sources within the territorial boundary of the State (Asimiyu and Kizito, 2014) [5]. Constitution of the Federal Republic of Nigeria Cap C23 LFN 2004 referred to it as any income or returns accruing to or derived by the government of the Federation. Eneojo and Tyokoso (2014) [10] noted that taxation is a significant part of Internally Generated Revenue in federal, states and local government of Nigeria and should be well utilized for economic development of the nation.

Taxation is not a new thing in Nigeria or the world over. It is a system of imposing a compulsory levy on all incomes, goods, services, and properties, trustees, executorships and companies by the government (Yunusa, 2003) [33], and Land based tax is a charge on the value of properties owned by individuals and corporate bodies. It is always gazetted by relevant Ministries, Departments and Agencies of Government as a laid down payments for either services provided by them or for infrastructures in place that improved the value of the property. Ogbuefi (2004) [25] listed these taxes and they include; Capital gains tax, Documentary tax, Special Assessment taxes, Development taxes, Betterment Charges, Planning Charges, Incomes Tax on Ownership of Landed Property etc.

These taxes culminate into land-based revenue (LBR), and they are regimented into different revenue sources of the state. For instance, Capital gains tax, development levy, withholding tax on rent etc, are under taxes. Temporal occupational license is under licenses. Anambra State Urban Development board fees, Anambra State property and land use charge tax (APLUC), Deed fees (documentary taxes), layout approval fees, penalty on late payment of rent etc are under fees and fines. Sales of map, sales of layout plan etc are under sales. Earnings from premium on non-state lands is under earnings. Rent on senior staff quarters, rent on junior staff quarters, rent on public building, ground rent etc are under rent on government building. So, even though IGR of Anambra State is categorized into Taxes, licenses, fees, fines, sales, earnings, rent on government buildings, repayments, investment income, interest, reimbursements, miscellaneous, only taxes, licenses, fees and fines, sales, earnings and rent on government building contained land based taxes (Anambra state Accountant General [ANSAG] Report 2015).

These sources of Government's Internally Generated Revenue are published annually by the Office of Accountant General of the Federation and that of her state counterpart for all Ministries, Departments and Agencies of Government and such revenues are grouped as aforementioned and these groupings are made for effective tracking of all receipts in the state and transparent public financial management.

In improving the revenue base of the state, these tax rates are increased by the state executive council, though the serious decline in price of oil in recent years has led to a decline in the funds available to the various tiers of government through statutory allocation. The need for state government to enhance revenue generation from internal sources has therefore become a matter of extreme urgency and importance. State governments in Nigeria are presently doing all within the ambit of the law to expand the revenue base of their state.

Successive Governments in Anambra State, especially under democratic dispensations in a bid to beef up the revenue base, have in one way or the other reviewed the land based taxes after some interval. These reviews are mostly on the increase following the desire to improve the revenue base of the State. No doubt, land based taxes are vital ingredients for improved revenue in the state, but over the years its contribution to the IGR of the state has not proportionately changed vis-a-*viz* the magnitude of increase in the rates charged (Nwafor and Onyejiaka 2018) [22]. It appears that as the rates are raised, people shy away from desiring to pay taxes and register their land transaction documents where most of these levies are charged. They feel at home with the non-registered title documents despite the enormous risk implications.

Government believed that land based tax increase would enhance the IGR, but without acceptability of the increase by the people, affordability of the tax rates, and even ease of administration, the overall purpose of the increase would be defeated. Therefore, this study examines the proceeds of land based tax rates on the IGR with a view to determining its contribution, growth and performance in the state from 2006 to 2019 for more informed decision making and effective planning generally.

The objective of this study includes to; ascertain the contribution of land based tax revenue to the IGR of Anambra State, examine its growth within the studied period (2006 to 2019) and measure the performance projected land based tax revenue as against the actuals.

Review of Literature

1. Conceptual framework

Land-based taxes are the fees, fines, charges, dues, levies, rates and rents paid on land, either developed or undeveloped to governments for redistribution of wealth and as a form of government control over land (Oyedele, 2017) [27]. Harvey as cited by Onyike (2017) viewed same as taxes payable by individuals or legal entities in respect of interests or estates in real property for wealth creation and development of the nation. Both recognized the fact that land based taxes are payments made with respect to real estate assets. Ogbuefi (2004) [25] submitted that it could be based on ownership, occupation, use, worth or value, depending on socio-political, legal and economic policies of the nation. Tax base can vary between net annual value and capital value; either is always hinged on government policy objective.

Under the Nigerian legal framework, Item 1(j) of the Fourth Schedule of the 1999 Constitution provides as part of the functions government; ‘assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a State’, therefore government from time to time are expected to put in place land based tax rates applicable in their state and they are usually levied on the value of property owned. Onyike (2017) submitted that two most common types of event-driven property taxes are stamp duty, charged upon change of ownership, and inheritance tax, which is imposed in many countries on the estates of the deceased.

The land-based taxes that are obtainable in Nigeria as submitted Ogbuefi (2004) [25], Ani (2017) [4], Igwe and Okagbue (2021) [12] includes: Transfer taxes or documentary taxes (Title registration fees, consent fees, stamp duty), land value tax, neighbourhood improvement levy, development levy, withholding tax (charged on property transactions, either sale or rent in other to legalise receipt of payment or contractual agreement), value added tax (charged on property transactions, either sale or rent because land-based or property transactions are business deal that are VATable), building plan approval charge (payable to the Ministry of Land and Physical Planning), estate development charge, inheritance tax/capital transfer tax, capital gain tax, land use charge, tenement rates, betterment tax, personal income or companies income tax. Table one below presented an application of these land based taxes.

Table 1: Taxes and levies applicable to land and landed property

Tax/Levy	What is taxed?	Basis for determining the tax or levy	When is the tax or levy collected
Development Tax e.g development levy, planning charges	Market value of new development	Cost of overseeing new development or mitigating impact of new development on public infrastructure	Once, at the grant of development permit
Annual LPT e.g tenement rate, land use charge.	Privately owned or controlled land and immovable improvements	Market value of real property or physical characteristics of land and property	Due annually; may be annually, quarterly or monthly.
Estate Tax/ Inheritance tax	Value of real estate above a defined threshold.	Value of real estate transferred as part of inheritance,	Once, following death of estate owner.
Capital gains tax	Value realized on sale of real property	Profit realized on sale of real property	Once, as part of income tax system
Severance tax e.g royalty tax, (commonly collected as exercise taxes)	Natural resources extracted from land	No. or quantity of resource units (tonnes, barrels, etc) extracted.	Due once, when the extraction takes place, payable periodically.
Transfer taxes and stamp fees. Eg stamp duty, consent fees for different purposes, cert. of occupancy fees, title registration fees	Transfer of title of registered land or other land rights to another party	Market value of real property transferred.	At the time registered land right is formally transferred.
Betterment tax e.g planning gain, CEPAC.	Increment in real property value due to public investment or approved change of use.	Improvement in property value due to the public investment or change of use	Once, at the time of public investment or when permission to change land use is granted.

Source: UN-Habitat (2011), land and Property tax: A policy guide. As cited by Onyike, 2017

2. Benefits of land-based taxes

The benefits of land-based taxes include basically efficient land management and administration, employment generation and revenue to the governments. Through land-based taxes, state and local governments can monitor and control physical development within its jurisdiction, create employment, forestall abandoned property, redistribute wealth, carryout developments and generate income. Human beings are generally ambitious and are the only animals that exhibit multi-territoriality, that is, the trait of having control over one abode at a time. Without control human beings are oppressive and will have more than what they can use if they have the resources. This is why there are minimum and maximum standard in housing developments in countries like United Kingdom, Egypt and Rwanda.

The level of efficiency of collection of land-based taxes is correlated with the level of civilization of governments (Oyedele, 2017) [27]. While the percentage of success of collection in countries like United States of America and United Kingdom are well over 85%, it is below 1% in Nigeria. Lagos State has success rate of less than 30%, Rivers has 22%, Ogun has 10%, Oyo has 3%., while states like Taraba, Yobe, Adamawa, Borno, Kebbi and Zamfara has 0% (Oyedele, 2017) [27]. On land based tax contribution to Internal revenue, Bird and Slack (2002) submitted that in developed country, the sector contributes well over 4% and between 2% to 0.5% in developing countries (Kelly and Montes, 2001, and Kelly, 2000) [15, 16].

3. The role of land-based tax in economic development of a nation

Richard and Slack (2002) [29] noted that taxes on land have both fiscal and non-fiscal effects. Various scholars have written on the benefits and importance of different types of land-based and property taxes. Some studies have focused mainly on rural land taxation (Bird, 1974, Strasma *et al*., 1987) [9, 30], some on urban property taxes (Bahl and Linn, 1992), and some on land value taxation in contrast to property taxation more generally (Andelson, 2000, Mc Cluskey and Franzsen, 2001, Igwe and Okagbue 2021) [3, 18, 12]. Their roles in any nation includes;

1. Land-based taxes are ways of wealth redistribution. Since housing is a fundamental right of all human beings, it is pertinent that government encourages every resident to have access to land and property. This can only be possible through efficient land-based taxes.
2. Land-based taxes can be used to control physical development: Human co-existence is not possible without control. Land-based taxes are used to control physical development. For example, changing residential to commercial use may attract heavy taxes.
3. Source of Revenue. Taxes on land and property are at best minor but steady revenue sources in all countries. For the developing countries, these taxes accounted for 0.4% of GDP and about 2% of total tax revenues in the 1990s, down slightly from earlier decades, although the equivalent share for the OECD countries remained at a bit more than 1% of GDP and about 4% of all tax revenues throughout the period. According to Nwannekanma (2017) [23], " even with the challenging financial crisis in the country and its attendant effect on businesses, the Lagos State government has announced a revenue performance of N20.7 billion from land administration in the last one-year".
4. Property taxes are major sources of subnational receipts in many countries, and more so in developing than in developed or transition countries. In terms of subnational taxes (instead of subnational revenues, in the 1990s, property taxes accounted for 40% of all subnational taxes in developing countries, 35% (up from 30% in earlier decades) in developed countries, although only 12% in transition countries. In the same period, property taxes financed a bit more than 10% of subnational expenditure in developed and developing countries.
5. Property taxes are much more important in rich (OECD) countries than in developing or transition countries. For example, the highest property tax to GDP ratio (4.1%) was in Canada, followed by the United States (2.9%), and Australia (2.5%): it is likely not a coincidence that all three is rich federations. On the other hand, the lowest ratio recorded (0.01%) was also in a rich federal country (Austria), and some developing and transition countries (South Africa, Latvia) had relatively high (over 1%) ratios, so there is clearly more to it than simply wealth. Countries like Nigeria has 0.001% ratio (Oyedele, 2017) [27].
6. Autonomous expenditure decisions: Local governments are able to make autonomous expenditures because of land-based income they are able to generate. None of these characteristics has changed much in recent decades, with the exception of a relative decline in the importance of land-based taxes as a share of subnational revenue (and expenditure) in developing countries. Dependence on property taxes as a source of local government revenue varies across jurisdictions depending upon many factors, such as the expenditure responsibilities assigned to local governments, the other revenues available to them (such as intergovernmental transfers, user fees, and other taxes), the extent of freedom local governments have with respect to property taxation, the size and growth of the tax base available to them, and their desire and ability to enforce such taxes.

4. Challenges of land-based taxes in Nigeria

Review of property tax administration in various states in Nigeria however shows varying degree of challenges militating against its success as a source of internally generated revenue. Babatunde and Sunday (2008) [6] in a study carried out in Minna, Niger state, observed that the land based taxes levied in the state are stamp duty and business premises registration. They submitted that the major problem of property tax in Niger State is lack of political will to support the assessment and collection of property tax. In Akwa Ibom State, Ndehedehe and Kolawole (2012) [21] in their study reported that land administration is carried out using hard copy revenue data either in the form of maps or descriptive documents. There is no documentary evidence of title for up to 80% of the parcels in Akwa Ibom state. Besides, less than 10% of the state is covered by cadastral survey in hard copy form. Out of 23 Local Government Areas of Kaduna State, according to Ishaya, Dabo and Makama (2012) [13], only three have tenement rating units. The reason for this was that the cost of collection of the tenement rates was higher than the revenue generated from the exercise. If the cost of administering the properties becomes higher than the generated income, then the rating is uneconomical. Also, corrupt practices of revenue officers are part of the problem in the state.

In Bauchi state, Muhammad and Ishiaku (2013) [20] listed lack of political will, inadequate records of taxable properties, unpopularity of the tax, inadequacy/lack of skilled personnel and corrupt practices of officials as the major challenges militating against the success of property tax administration. Added to this was that most taxable properties are owned by the ruling class which made it difficult to effect compliance. Oluwadare and Ojo (2014) [26] in their study in Olorunda Local Government Area of Osun State observe that inadequate knowledge of spatial distribution of properties and the haphazard manner in which the property tax record is kept contributed to the huge amount of revenue being lost by the government. Their study further revealed that only financial institutions are up-to-date in the payment of property tax probably due to the fear of losing customers in case they are prosecuted. The study concluded that government can meet up with its financial obligations by establishing GIS Unit for accurate management of property tax records.

In 2012, Edo State obtained a loan of N7.5 billion from the World Bank. Out of which the government proposed to computerize the Ministry of Lands and Surveys and create the Edo State Geographical Information System (EGIS) that will be one-stop system for all land transactions. Although GIS laboratory exist but data on property characteristics and ownership needed for property tax administration are lacking. Available hardcopy cadastral map covers only the Government Reservation Area (GRA). In spite of these inadequacies Edo State government went ahead to sign into law, Land Use Charge in 2012. Only Lagos State and Federal Capital Territory (FCT) have success stories. In Lagos, all land taxes were subsumed under Land Use Charge and land documents were electronically converted to create digital database of properties. In the case of FCT, cadastral coverage exists right from the creation of FCT. Lagos and FCT have organized property information needed to administer property tax. FCT is yet to commence property tax but for Lagos, study showed that there is a positive relationship between internally generated revenue and infrastructural development (Adesoji and Chike, 2013) [2].

The above review therefore agrees with UN (2013) observation that revenue buoyancy depends largely on improved administration. A common denominator in all the failing states is that they all suffer from weak institutional framework for administering property tax. This is a fall out from lack of clear policy on property tax management. Although the Federal Government granted the state governments authority to collect property tax there was however no specific guideline on property tax management that will provide direction. These identified challenges can be addressed through policy reform as submitted by Ezeudu (2017) [11] on strategies that can assist government at all levels improve the sector contribution to IGR and they include; public tax enlightenment/education, objective assessment and collection, dependable database, coordinated town planning and urban development, motivation of consistent tax payers, prosecution of defaulters, involvement of neighborhood development associations, accountability through beneficial projects, good administrative setup, and full involvement of relevant professional.

However, the conceptual framework above has identified the contextual meaning of land based taxes, its benefits in economic development and inherent challenges submitted so far by various authors in Nigeria. Thus, no study has examined the sector contribution to the growth and development of southeast states of Nigeria.

Theoretical framework

1. Ibn khaldun theory

Applicable tax rates and its contribution as revenue to government has always being a subject of public debate. The Ibn Khaldun's (1332 to 1406) theory on taxation as espoused by Islahi (2006) [14] identified two different effects of tax rates on revenue, which includes; the arithmetic and the economic effects. The theory opined that the two effects have opposite results on revenue in case the rates are increased or decreased. According to the arithmetic effect, if tax rates are lowered, tax revenues will be lowered by the amount of the decrease in the rate and vice versa. The economic effect however proposed that lower tax rate positively impact on work, output and employment. The theory suggests that minimal tax rates should be encouraged so that incentive to work are not killed and for taxes to be freely paid.

2. Optimum tax theory

Optimum tax theory was propounded by Mirrlees (1971). This theory seeks to stipulate a given rate of the tax at which a given amount of government revenue can be raised, with minimum distortion in an economy. This is important in order to achieve social efficiency through a desired adequate income distribution or an improvement of welfare. This theory incorporates the various subsisting interconnection between taxation and economic growth, and development.

3. Laffer curve theory

Laffer curve theory was postulated by Prof Arthur Laffer in 1979 on the premise of Ibn Khaldun's submissions. It is a theoretical representation of the relationship between government revenue raised by taxation and all possible rates of taxation. This theory is demonstrated with a curve, thus the Laffer curve which is constructed through an experiment.

The shape of the curve implies that as tax rates rise, tax revenues will also increase. However, these increased tax revenues will only increase until a peak, and after which, the tax revenues begin to decline. This means that after a point it is counter-intuitive to keep increasing tax rates. The demonstration of this theory is presented in figure 1 below.

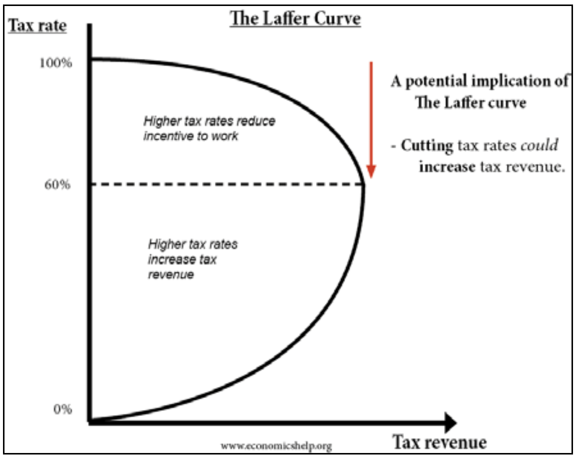

Fig 1: Laffer curve

Figure 1 above is a graphic illustration of the concept of the Laffer Curve, not the exact levels of taxation corresponding to specific levels of revenues. At a tax rate of 0 percent, the government would collect no tax revenues, no matter how big the tax base. Likewise, at a tax rate of 100 percent, the government would also collect no tax revenues because no one would be willing to work for an after-tax wage of zero.

Between these two extremes there are two tax rates that will collect the same amount of revenue: a high tax rate on a small tax base and a low tax rate on a large tax base. The Laffer Curve itself does not say whether a tax cut will raise or lower revenues. Revenue responses to a tax rate change will depend upon the tax system in place, the time period being considered, the ease of movement into underground activities, the level of tax rates already in place, the prevalence of legal and accounting-driven tax loopholes, and the proclivities of the productive factors. If the existing tax rate is very high-in the "prohibitive range" then a tax-rate cut would result in improved tax revenues. The economic effect of the tax cut would outweigh the arithmetic effect of the tax cut.

Above all the theory insisted that increasing tax rate beyond a certain point will become counterproductive for raising further tax revenue because of diminishing returns. There must be a point in the curve in which tax rate is adjudged to be optimum and will certainly yield better revenue.

This study carefully evaluated these theories and adopted the laffer curve, since the intention is to examine the contribution of land based tax rates to the IGR of Anambra state within a particular period and ascertain the growth with respect to constant upward review of land based tax rates in the state.

Research Methodology

1. Data structure and technique of analysis

Secondary data were used for the purpose of this study. Data were sourced and collected from relevant materials such as textbooks, Newspapers, Journals and other official documents. Data in respect of states governments' finances in the Annual Reports of Anambra state government accountant general report from 2006 to 2019 were used. This period was chosen mainly because it was the time when the new accounting standard in use currently was adopted. The format clearly identified sectoral contribution to the IGR of the state, thus the ability to examine the contribution of land based tax to the IGR of the state, its growth over time and the performance of both the land based revenue and internally generated revenue of the state. Descriptive techniques such as summary statistics and line graphs were employed for analyzing the sourced data.

Results and Discussion

The discussion in this section is based on the research objectives as stated earlier in the introduction of the study.

1. Contribution and growth of land based taxes to the internally generated revenue of Anambra state from 2006 to 2019.

The desire to improve the revenue base of the state, encouraged most states in Nigeria to increase their land based taxes as captured by Nwafor and Onyejiaka (2018) [22] especially since the inception of democratically elected officials. The effort in this section to examine the contribution from this sector to the IGR with its growth within the studied period. Within the studied period, Anambra state reviewed her fees for five times; 2006, 2013, 2014, 2015 and in 2016 state reformed her land based tax payment system, introducing a lump sum charge to all applicants of Certificate of Occupancy. Table 2 below presented a picture of the sector contribution to the IGR of the state.

Table 2: Annual contribution of land based revenue (LBR) to IGR of anambra state, from 2006 to 2019

Year	Actual LBR #	Annual Actual IGR #	%Contributed
2006	65,236,129.19	4,660,276,868.72	1.40
2007	187,610,978.23	6,023,865,075.31	3.11
2008	176,442,196.97	6,063,449,455.57	2.91
2009	174,760,363.85	6,512,614,019.31	2.68
2010	168,173,010.54	7,725,561,681.53	2.20
2011	285,021,778.43	6,815,179,492.64	4.18
2012	165,054,697.27	7,523,633,009.42	2.19
2013	460,741,997.81	8,701,031,064.39	5.30
2014	469,362,308.52	12,862,094,088.40	3.65
2015	633,963,875.22	13,383,351,271.09	4.74
2016	2,035,362,783.00	14,862,633,724.94	13.69
2017	1,827,729,114.09	18,197,787,013.29	10.04
2018	1,914,826,432.04	17,161,534,822.13	11.16
2019	3,657,455,281.53	25,183,562,969.89	14.52

Source: Field survey 2021

Table 2 above shows consistent increase of land based tax revenue contribution to the internally generated revenue of the state, from little above 1% in 2006 to above 14% in 2019, which is still very poor giving the enormous revenue opportunities of the sector. Figure one below presented a clear picture of the LBR growth in the state.

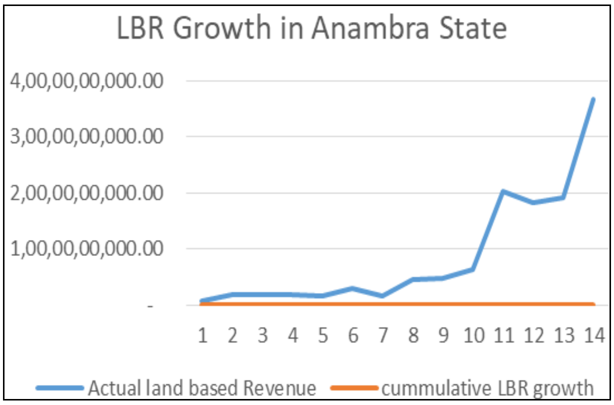

Fig 1: LBR growth in Anambra state from 2006 to 2019

Like table 2 indicated, there is a steady growth of the sector's contribution and expansion, though less than 5% from 2006 to 2015, but increased meaningfully from 2016 to 2019, but in all far less than 40% as expected in developing economies, so there is room for more concerted efforts to beef up the revenue size of the sector. Think home initiative of government using ANSIPPA framework (Anambra state investment promotion and protection agency) should be capitalized to rack in more funds through land based revenue sources. Anambrarians everywhere in the world are coming home to buy and develop, bottlenecks of any kind should be removed and such reforms as witnessed in 2016 should be encouraged. Automating land based tax payment system should be considered by government to stop all manner of fraudulent activities by public servants.

2. Performance of land based revenue of Anambra state from 2006 to 2019

Planning is an important stage of any envisaged or expected improvement. Budget is the annual action plan of government and it contains all expected income and expenditure for the year. Receipts of all sectors are equally compiled and released to the general public at the end of the year, and this oftentimes revealed reasons behind abandoned or uncompleted projects. This section through table 3 below examined the sector performance within the studied interval.

Table 3: Anambra state land based revenue projections and actuals

Year	Actual Revenue	Annual stimate	Variation	%Achieved
2006	65,236,129.19	306,951,000.00	-241,714,870.81	21%
2007	187,610,978.23	669,000,000.00	-481,389,021.77	28%
2008	176,442,196.97	502,620,000.00	-326,177,803.03	35%
2009	174,760,363.85	264,051,000.00	-89,290,636.15	66%
2010	168,173,010.54	293,100,000.00	-124,926,989.46	57%
2011	285,021,778.43	310,190,000.00	-25,168,221.57	92%
2012	165,054,697.27	217,960,000.00	-52,905,302.73	76%
2013	460,741,997.81	259,699,888.00	201,042,109.81	+177%
2014	469,362,308.52	301,830,000.00	167,532,308.52	+155%
2015	633,963,875.22	859,500,000.00	-225,536,124.78	74%
2016	1,812,131,866.74	2,974,490,170	-1,214,051,766.00	62.64%
2017	1,827,792,114.09	2,618,919,141.00	-791,127,026.91	69.79%
2018	1,914,826,432.04	10,497,689,517.00	-8,582,863,084.96	18.24%
2019	3,657,455,281.53	5,661,716,797.00	-2,004,261,515.47	64.60%

Source: Field survey 2021

Table 3 above shows that for 14years Anambra State failed to achieve her projected land based revenue except for 2013 and 2014. Only two years within the studied interval surpassed the expectation of governance. This is not only a failure of planning but it goes to show that government needs serious efforts in revenue generation. A proper analysis is needed to ensure pragmatic projection, and adequate infrastructure should be in place too, to ensure overall best performance.

3. Performance of internally generated revenue (IGR) of Anambra state from 2006 to 2019

The fluid that sustains the life of government is the internal revenue. It underlies the creation and viability of any state. Anambra State currently has many uncompleted projects and one of the reasons is hinged on poor IGR and economic recession that affected the economy of Nigeria. Table 4 below shows IGR performance of the state within the studied period.

Table 4: Anambra state IGR projections and actuals from 2006 to 2019

Year	Annual Actual IGR	Annual Estimated IGR	Variation	%Achieved
2006	4,660,276,868.72	3,600,240,000.00	1,060,036,868.72	129.44
2007	6,023,865,075.31	8,499,609,940.00	-2,475,744,864.69	70.87
2008	6,063,449,455.57	6,000,000,000.00	63,449,455.57	101.06
2009	6,512,614,019.31	34,527,970,000.00	-28,015,355,980.69	18.86
2010	7,725,561,681.53	12,000,000,000.00	-4,274,438,318.47	64.38
2011	6,815,179,492.64	12,267,620,560.00	-5,452,441,067.36	55.55
2012	7,523,633,009.42	24,052,085,000.00	-16,528,451,990.58	31.28
2013	8,701,031,064.39	41,464,053,025.25	-32,763,021,960.86	20.98
2014	12,862,094,088.40	31,947,057,000.00	-19,084,962,911.60	40.26
2015	13,383,351,271.09	68,155,701,444.00	-54,772,350,172.91	19.64
2016	14,862,633,724.94	27,438,299,051.00	-12,575,665,326.06	54.17
2017	18,197,787,013.29	20,401,235,517.00	-2,203,448,503.71	89.20
2018	17,161,534,822.13	30,000,000,000.00	-12,838,465,177.87	57.21
2019	25,183,562,969.89	35,994,442,306.00	-10,810,879,336.11	69.97

Source: Field survey 2021

Similar to the land based revenue of Anambra State, the IGR as presented in table 4 above failed to surpass the projected figures, within the same period, only in 2006 and 2008 were they able to achieve well above what was planned.

Findings, Recommendations and Conclusion

1. Major findings

Within the studied interval, the contribution of land based tax revenue to the internally generated revenue of Anambra state is below 14%, though with a gradual increase from 2006 to 2019. From 2006 to 2019, the state only surpassed her projected LBR in 2013 and 2014 and had shortfalls in all other years. In IGR, within the same period, the state surpassed her IGR in two different years only; 2006 and 2008. Planning for what you can achieve is the beginning of every task, those figures adopted as budget estimates are obviously in doubt and using same for project execution will adversely affect the state.

2. Recommendations

a. Land based tax rates in place should be strategically reviewed at any point in time policy makers feel that it is necessary. Every revision must consider, acceptability, affordability, and ease of administration.

b. Introducing e-based land-based tax system will reduce any form of corruption, and delays in titling and registration.
c. Capacity building is highly needed for officers who prepare annual estimates, government must ensure that realistic economic indices are used empirically to arrive at figures put in place as expected recurrent revenue.
d. Land based taxes should be restructured and re-engineered through increased public awareness, keeping of accurate data and efficient methodological manner of collection, with a view to increasing their revenue.

Conclusion

Land based tax being a major source of internal revenue to government should be giving adequate attention at all times, especially during fiscal policy decisions. Government policy to review existing land based tax rates without critical evaluation of compliance of current rates must stop and planning to raise a particular figure as its IGR without proper analysis of previous year's performance should be jettisoned. Current land based tax collection system should be reformed to accommodate e-payment system if meaningful growth is ever expected from the sector.

References

1. Abiola GA, Ehigiamusoe UK. Analysis of internally generated revenue and its implications on fiscal viability of state governments in Nigeria. Journal of Empirical Economics,2014:2(4):216-228. Retrieved from (www.academia.edu/7966239).
2. Adesoji AA, Chike FO. The Effect of Internal Revenue Generation on Infrastructural Development. A study of Lagos State Internal Revenue Service Journal of Educational and Social Research, 2013, 3(2). DOI:10.5901/jesr.2013.v3n2p419
3. Andelson RV. Land-Value Taxation Around the World, (3rd ed.). Malden, MA: Blackwell, 2000.
4. Anih C. Valuation based property taxation: A prerequisite for sustainable revenue generation in Nigeria. Proceedings of 47th Annual Conference NIESV, 2017.
5. Asimiyu AG, Kizito EU. Analysis of internally generated revenue and its implications on fiscal viability of State Governments in Nigeria. Journal of Empirical Economics,2014:2(4):216-228.
6. Babatunde AA, Sunday AA. Property tax as a tool for effective and sustainable development: a case study of Minna Metropolis; Paper presented at the Mandatory Continuing Professional Development (MCPD) Workshop on "Effective Property tax administration as a tool for good governance"; The Nigerian Institute of Estate Surveyors and Valuers, Minna, Niger State, Nigeria, 2008.
7. Bahl R, Linn JF. Urban Public Finance in Developing Countries. New York: Oxford University Press, 1992
8. Bird M, Slake E. Land and property taxation: A review. A working paper of the Lincoln Institute of Land Policy, 2002. Retrieved from http://www1.worldbank.org/publicsector/decentralization/June2003Seminar/LandPropertyTaxation.pdf
9. Bird RM. Taxing Agricultural Land in Developing Countries. Cambridge, MA: Harvard University Press, 1974.
10. Eneojo S, Tyokoso G. Taxation and revenue generation: An empirical investigation of selected states in Nigeria. Journal of Poverty, Investment and Development, 2014. Retrieved from https://www.researchgate.net/publication/274070871_Taxation_and_Revenue_Generation_An_Empirical_Investigation_of_Selected_States_in_Nigeria
11. Ezeudu CU. Strategies for enhancing land based taxation in Nigeria: A critique of Anambra Property and land use charge. Proceedings of 47th Annual Conference NIESV, 2017.
12. Igwe C, Okagbue C. Achieving SDG, Goal 11 through efficient land based taxes administration in Anambra State. Conference proceedings of 2021 MCPD seminar Anambra State NIESV, 2021.
13. Ishaya DA, Dabo D, Makama B. Enhanced Procedure for Property Tax Assessment and Collection in Kaduna North Local Government Area of Kaduna State in Nigeria. Annual World bank Conference on Land and Poverty: The WorldBank- Washington DC, April,2012:23(26):1-15.
14. Islahi AA. Ibn Khaldrun's Theory of Taxation and its Relevance Today. Islamic Research and Training Institute Spain, 2006. www.muslimheritage.com/default.cfm
15. Kelly R, Montes M. Improving revenue mobilization in Malawi: study on business licensing and property rates. Government of Malawi and United Nations capital development fund. UNDP, 2001. Retrived from https://www.gsdrc.org/...improving-revenue
16. Kelly R. Designing effective property tax reforms in sub-saharan Africa: Theory and international experience. Paper presented at the African property tax renaissance conference hosted by the international property tax institute, cape town, South Africa, 2000.
17. Kelly R. Property Taxation in Indonesia: Challenges from Decentralisation. Lincoln Institute Product Code: WP03RK1, 2003.
18. McCluskey WJ, Franzsen RCD. "Land Value Taxation: A Case Study, 2001.
19. Mirrlees JA. A Pure Theory of Underdeveloped Economics: Agriculture and Development Theory, Yale University Press, New Haven, 1975.
20. Muhammad M, Ishiaku B. An assessment of the prospects of property tax administration in Nigeria: A case study of Bauchi state board of internal revenue. Elixir International Journal,2013:59(2013):15284-15289
21. Ndehedehe C, Kolawole B. Principles and Practice of Land Management and Administration in Akwa Ibom State. Journal of Environmental Science and Resources Management, 2012, 4. www.cenresin.org
22. Nwafor I, Onyejiaka C. Comparative analysis of deed fees contribution to land based revenue of Anambra, Enugu, and Ebonyi states, Nigeria from 2006 to 2014. International Journal of Multidisciplinary Research and Development,2018:5(10):65-72. Retrieved from https://www.researchgate.net/publication/333092333_Comparative_analysis_of_deed_fees_contribution_to_land_based_revenue_of_Anambra_Enugu_and_Ebonyi_states_Nigeria_from_2006_to_2014

23. Nwannekanma B. Lagos generates N20 billion in land administration. The Guardian, Monday, May 8, 2017, 31.
24. Office of Accountant General Report, 2015.
25. Ogbuefi JU. Comparative property rating and taxation. Enugu: Institute for Development Studies, 2004.
26. Oluwadare CO, Ojo O. Database Creation for Tenement Rate Collection: The Role of GIS. Pacific Journal of Science and Technology,2014:15(1)190-199.
27. Oyedele, O. *Land-based taxes for sustainable development of Nigeria*. Conference proceedings on Property Tax Reform. Department of Estate Management, Faculty of Environmental Sciences, University of Lagos, Lagos, 2017. Retrieved from https://www.researchgate.net/publication/318725792_Land-based_Taxes_for_Sustainable_Development_of_Nigeria
28. Oyike J. Identification and examination of the land based revenue generation opportunities in a diversified Nigerian economy. Proceedings of 47th Annual Conference NIESV, 2017.
29. Richard MB, Slack E. Land and Property Taxation: A Review, 2002. Available at http://www1.worldbank.org/publicsector/decentralization/June2003Seminar/LandPropertyTaxation'.
30. Strasma JOHN *et al*. Impact of Agricultural Land Revenue System on Agricultural land Usage (Burlington, VT: Associates in Rural Development, 1987.
31. The Constitution of the Federal Republic of Nigeria, 1999. Available at https://books.google.com.ng/books?id=IfDbAQAACAAJ&dq=1999+constitution+of+nigeria&hl=en&sa=X&ved=0ahUKEwjZo6yDi5jUAhULLVAKHUDcAr8Q6AEILjAD
32. UN-Habitat. Property Tax Regimes in East Africa. The Global Union Economic Dialogue Series. United Nations Human Settlements Programme, Nairobi. www. unhabitat. org York: Oxford University Press, 2013.
33. Yunusa A. Understanding the principles and practice of taxation in Nigeria. Lokoja: Jimsy Colour Print, 2003.