Journal of Accounting, Auditing, and Taxation
ISSN **E-ISSN**: 3124-9299
Vol. 1 No. 2 (2026)

Received: June 2026	**Accepted:** June 2026	**Published:** July 2026

Tax Literacy and Voluntary Tax Compliance Among Nigerian Taxpayers

Olufemi Philip Ogunrinde[1], Temitope Reuben Akinsete[2], Babajide Patrick Afuye[3], Olusola Daniel Apalowowa[4], Tokunbo Philips Ajetunmobi[5]
[1]Department of Accounting, Faculty of Management Sciences, Federal University Oye Ekiti, Ekiti, Nigeria
[2]Department of Accountancy, Faculty of Management Sciences, Chukwuemeka Odumegwu Ojukwu University Igbariam, Anambra State, Nigeria.
[3]Department of Economics, Ekiti State University, Ado Ekiti, Ekiti State, Nigeria
[4]Department of Accounting, Faculty of Social and Management Sciences, Achievers University, Owo, Ondo State, Nigeria
[5]Bursary Department, Achievers University, Owo, Ondo State, Nigeria
Email: [1]stainlessphilip@gmail.com, [2]akinsetetope@gmail.com, [3]afuyebabajide095@gmail.com , [4]apalowowadaniel@gmail.com , [5]phillipsajetunmobi@gmail.com

Abstract
Tax evasion has been identified globally as a serious problem as government revenues derived from taxation are essential for economic growth and provision of essential services. The study aimed to investigates the impact of taxpayer literacy on taxpayers' voluntary tax compliance in Nigeria. A survey research design was adopted and a structured questionnaire was administered to 361 taxpayers chosen via a stratified sampling method from a population size of 3,737 tax officers spread across South-West Nigeria. Descriptive and multiple linear regression were applied for data analysis. The study found that taxpayer education has a significant impact on voluntary tax compliance (0.479, t=7.350, p<0.05), taxpayer knowledge has a negative and insignificant impact on taxpayer's voluntary tax compliance (-0.112, t = -1.226, p>0.05) and awareness of tax laws has a positive but insignificant impact on taxpayer's voluntary tax compliance (0.082, t=0.822, p>0.05). the study concluded that taxpayer education contributes positively to voluntary tax compliance; however, tax knowledge and awareness of tax laws do not have a significant impact on tax compliance. The study recommended increased awareness campaign and tax education, engagement of taxpayers and enforcement that strengthens faith in tax administration to improve voluntary tax compliance.

Keywords: *Tax Literacy, Tax Knowledge, Taxpayer Education, Awareness of Tax Laws, Voluntary Tax Compliance*

Abstrak
Penghindaran pajak (*tax evasion*) telah diidentifikasi secara global sebagai permasalahan serius karena penerimaan negara yang bersumber dari pajak merupakan elemen penting dalam mendukung pertumbuhan ekonomi dan penyediaan berbagai layanan publik. Penelitian ini bertujuan untuk menganalisis pengaruh literasi perpajakan terhadap kepatuhan pajak sukarela di Nigeria. Penelitian menggunakan pendekatan survei dengan instrumen berupa kuesioner terstruktur yang disebarkan kepada 361 responden melalui teknik stratified sampling dari populasi sebanyak 3.737 wajib pajak yang tersebar di wilayah Nigeria Barat Daya. Data dianalisis menggunakan statistik deskriptif dan regresi linear berganda. Hasil penelitian menunjukkan bahwa edukasi perpajakan berpengaruh positif dan signifikan terhadap kepatuhan pajak sukarela (β = 0,479; t = 7,350; p < 0,05). Sementara itu, pengetahuan perpajakan

memiliki pengaruh negatif namun tidak signifikan terhadap kepatuhan pajak sukarela (β = -0,112; t = -1,226; p > 0,05), dan kesadaran terhadap peraturan perpajakan berpengaruh positif tetapi juga tidak signifikan (β = 0,082; t = 0,822; p > 0,05). Penelitian ini menyimpulkan bahwa edukasi perpajakan berkontribusi secara positif terhadap peningkatan kepatuhan pajak sukarela. Namun, tingkat pengetahuan perpajakan dan kesadaran terhadap ketentuan perpajakan belum memberikan pengaruh yang signifikan terhadap kepatuhan. Oleh karena itu, penelitian merekomendasikan peningkatan program edukasi dan sosialisasi perpajakan, penguatan keterlibatan wajib pajak, serta penegakan hukum yang mampu meningkatkan kepercayaan masyarakat terhadap administrasi perpajakan guna mendorong kepatuhan pajak secara sukarela.

Kata Kunci: Literasi Perpajakan, Pengetahuan Perpajakan, Edukasi Perpajakan, Kesadaran Terhadap Peraturan Perpajakan, Kepatuhan Pajak Sukarela

INTRODUCTION

In the international community, the issue of voluntary tax compliance had always been of utmost importance when it comes to public finance management since many governments were highly reliant on tax revenues for the purpose of developing their nations and offering public services (Widyastari & Inayati, 2026; Oladipo et al., 2022). Nevertheless, several nations have been having problems with voluntary tax compliance due to issues of tax evasion, tax avoidance, and low compliance rates, which were primarily attributed to poor taxpayer comprehension of tax regulations and requirements (Isenmila et al., 2021). For this reason, tax literacy became an important determinant of taxpayer voluntary compliance. In particular, developing nations like Nigeria had faced serious difficulties when it came to voluntary tax compliance due to poor taxpayer comprehension of tax laws and requirements as well as their understanding of the significance of taxation to nation-building (Oladele et al., 2024). In this regard, poor taxpayer education, complex tax systems, and insufficient awareness campaigns were responsible for low tax compliance rates.

Tax literacy involved the ability of taxpayers to understand tax obligations, tax policies, filing procedures, and the benefits associated with tax payment. When taxpayers were adequately informed, they were more likely to comply voluntarily without coercion or enforcement actions from tax authorities (Efuntade et al., 2023). Despite various reforms introduced by tax authorities in Nigeria, voluntary tax compliance had remained relatively low. Many taxpayers either failed to file tax returns accurately or completely avoided tax payments due to inadequate understanding of tax laws and procedures (Mitu et al., 2026). Appah and Fadah (2026) identified that poor tax literacy had contributed significantly to misconceptions about taxation, distrust in government spending, and unwillingness to comply voluntarily with tax obligations Furthermore, many taxpayers lacked sufficient awareness regarding the importance of taxation and the penalties associated with non-compliance.

The complexity of tax regulations and insufficient taxpayer education programmes had also worsened the situation. Consequently, low voluntary tax compliance had negatively affected government revenue generation and limited the provision of essential public services and infrastructure. Although several studies had examined tax compliance in Nigeria and other jurisdictions (Akomolafe et al., 2026; Haq & Tarmidi, 2024; Mbilla et al., 2020), little attention has been paid to the impact that tax literacy as a single entity can have on the voluntary tax compliance behaviors of Nigerian taxpayers. Hence, this study aims to investigate the effect of tax literacy on voluntary tax compliance among Nigerian taxpayers. The following research questions were posed: What is the impact of tax knowledge on voluntary tax compliance among

Nigerian taxpayers? In what way does taxpayer education affect voluntary tax compliance in Nigeria? What is the relationship between tax law awareness and voluntary tax compliance among Nigerian taxpayers? The broad objective of this study was to investigate the effect of tax literacy on voluntary tax compliance among Nigerian taxpayers. In particular, the aim is to: evaluate the impact of tax knowledge on voluntary tax compliance among Nigerian taxpayers; analyze the effect of taxpayer education on voluntary tax compliance in Nigeria; examine the relationship between tax law awareness and voluntary tax compliance among Nigerian taxpayers.

The findings of the research served as empirical evidence for tax agencies like the Federal Inland Revenue Service to understand the need for tax literacy in promoting voluntary tax compliance. The study helped in the creation of appropriate taxpayer education and awareness programs that would boost compliance rates. The study made a contribution to the literature on taxation and voluntary tax compliance in Nigeria, as the study revealed the relationship between tax literacy and taxpayer behavior. Taxpayers gained from the study as they understood more about their tax obligations and why it is important to comply voluntarily with tax regulations. This study sought to determine the impact of tax literacy on voluntary tax compliance among taxpayers in Nigeria. The study was limited to taxpayers in the Southwest region of Nigeria, including Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti States. The focus of the study was to examine the relationship between tax knowledge, education, and awareness of tax law as dimensions of tax literacy and voluntary tax compliance. This study was conducted among registered taxpayers and tax officials in the specified states only.

Voluntary tax compliance denoted the readiness of taxpayers to report their income truthfully, calculate their tax obligations and pay their taxes to the relevant tax authorities without any form of pressure from tax agencies (Isenmila et al., 2021). Voluntary tax compliance denoted an internal motivation of complying with tax regulations owing to the knowledge of how fair the tax system is among other attributes. High rates of voluntary tax compliance were perceived as important in revenue collection and public financial management (Nahriah et al., 2026). Voluntary tax compliance lowered the cost of administering taxes since there would be no need for tax authorities to engage in heavy-handed tax collection processes.

Various factors such as taxpayer knowledge and perceptions of tax system fairness impacted voluntary tax compliance (Haq & Tarmidi, 2024; Appah & Fadah, 2026). Where taxpayers were aware of their responsibilities, voluntary compliance became more likely. This was because it promoted accountability and transparency in the process of taxation. Literature had also indicated that education on taxation and literacy on taxation would improve compliance among the taxpayers (Akomolafe et al., 2026; Mbilla et al., 2020; Soyinka et al., 2026). It is worth noting that voluntary tax compliance is a major indication of an effective tax administration system.

Oladipo et al. (2022) assert that tax literacy referred to the level of taxpayers' understanding of tax laws, policies, procedures, and obligations within a tax system. Tax literacy enabled taxpayers to make informed decisions regarding filing, payment, and compliance processes and included awareness of the benefits and consequences of non-compliance (Appah & Fadah, 2026). High levels of tax literacy were considered essential for improving voluntary tax compliance and enhancing public revenue generation (Nahriah et al., 2026). Tax literacy reduced errors in tax reporting and promoted transparency and efficiency in tax administration. Tax literacy was influenced by tax education, awareness campaigns, tax knowledge, and access to simplified tax information (Akomolafe et al., 2026). The term tax knowledge means the degree of knowledge held by the taxpayer in relation to tax laws, rules, and regulations pertaining to the taxation process within the tax system (Mitu et al., 2026). Tax knowledge enables taxpayers to accurately determine their tax liabilities and comply with statutory requirements, including understanding allowable deductions, exemptions, and penalties for non-compliance (Akomolafe et al., 2026). Adequate tax knowledge is essential for improving voluntary tax compliance and reducing tax errors and evasion. Tax knowledge enhances taxpayers’ confidence in dealing with tax matters and promotes transparency in the tax system influenced by education, tax awareness programmes, and access to reliable tax information (Appah & Fadah, 2026).

According to Akomolafe et al. (2026), taxpayer education increases knowledge among the taxpayers regarding the significance of taxes in the development of any nation. In this study, the term "taxpayer education" has been defined as the practice that educates taxpayers concerning their tax entitlements, duties, and obligations in a tax regime that involves dissemination of information related to taxation laws, tax filing, and payment process. Haq and Tarmidi (2024) state that tax education decreases ignorance and misconceptions associated with tax evasion and non-compliance issues. Good taxpayer education increases the level of voluntary compliance through awareness (Mitu et al., 2026). This education can be achieved using various channels such as seminars, media, workshops, and digital tools by tax authorities (Mbilla et al., 2020).

Tax laws awareness refers to the degree to which taxpayers are familiar with tax legislation and penalties as a measure of compliance and tax evasion prevention. Tax laws awareness refers to the degree to which taxpayers are aware of the existence of tax laws, rules, and penalties imposed. Tax laws awareness entails knowing the tax rates, filing dates, penalties, and compliance processes; this is crucial since awareness of tax laws ensures that taxpayers become more familiar with their statutory obligations regarding taxes (Akomolafe et al., 2026). Tax laws awareness also aids in reducing unintentional tax non-compliance because of ignorance of tax requirements (Widyastari & Inayati, 2026). Higher tax laws awareness increases the rate of voluntary compliance as well as more precise and accurate tax declarations (Nahriah et al., 2026). Awareness may be enhanced by tax law education programmes and enlightenment exercises carried out by the tax authority. Tax laws awareness is extremely important in ensuring effective tax compliance conduct and revenues generation.

Thematic theories have been evaluated. The research will rely on fiscal exchange theory, as it states that taxpayers' voluntary compliance is enhanced by their understanding that taxes paid are used for tangible public benefits and services.

Fiscal exchange theory was first advanced by Kirchler et al. (2008). This theory postulates that individuals will voluntarily comply with their tax duties when they see that government offers valuable goods and services in exchange for the payment of taxes (Oladipo et al., 2025). Fiscal exchange theory presumes that taxpayers consider taxation as a form of social contract between government and citizens (Efuntade et al., 2023). Tax literacy increases knowledge of taxpayers about the use of tax funds to develop the country and increases trust in government and voluntary tax compliance (Omotoso et al., 2026).

Deterrence theory was first formulated by Allingham and Sandmo (1972), suggesting that perceived costs of non-compliance are higher than any gains from tax evasion. Some factors that influence taxpayers' decisions include tax audits, tax penalties, and the probability of being detected (Isenmila et al., 2021; Oladele et al., 2024). This theory is proved through tax literacy since a well-informed taxpayer has a better understanding of tax law, tax penalties, and consequences of noncompliance, which may enable the taxpayer to voluntarily adhere to tax laws (Mitu et al., 2026). Tax literacy may also support this theory in the sense that when a taxpayer is well informed, he/she is aware of the tax laws, tax penalties, and consequences of noncompliance, thus, enabling him/her to follow tax laws without facing any legal penalties (Haq & Tarmidi, 2024). Deterrence theory, the tax compliance of taxpayers is seen as an economic issue that entails the evaluation of risks and benefits associated with tax evasion, as well as the probability of being detected and punished (Soyinka et al., 2026). There is a need for higher probabilities of audit, and penalties in case there is no compliance with the laws, according to Allingham and Sandmo (1972), because evasion entails more cost than benefit. Compliance with tax laws goes beyond ethics and trust; it entails the probability of being penalized after being caught.

The influence of public trust on voluntary tax compliance in Nigeria was studied by Appah and Fadah (2026). The study adopted a survey research method where the target population consisted of taxpayers in six different states in Nigeria. The sample size for the study was determined using the Cochran formula. Primary and secondary sources of information were considered in this research, but the primary sources of information were gathered through questionnaires which were subjected to tests of validity and reliability. Descriptive, correlation, and multiple regressions analyses were used to analyze the gathered data. The results indicated that tax knowledge had a positive effect on voluntary tax compliance in Nigeria.

Mitu et al. (2026) analyzed European Union-related data concerning the contexts in which stakeholders addressed issues of tax literacy and education within the context of tax morale and voluntary tax compliance, especially those relating to schools, communities, and public sector institutions. Using the PRISMA 2020 protocol, the research conducted systematic searches for relevant articles in Scopus and Web of Science databases (years: 2000-2025) through two search strategies, one for each of the tax literacy and education topics and the other for each of the tax morale and voluntary compliance mechanism issues.

The relationship between the growth of tax base, taxpayer compliance, and voluntary disclosure program on tax revenue in Indonesia was investigated by Nahriah et al. (2026). The control variable used was gross regional domestic product. The research was grounded on Slippery Slope Framework where tax compliance is influenced not only by power of authority but also trust (Kirchler et al., 2008). Additionally, compliance theory from the perspective of the rational economic model (Allingham & Sandmo, 1972) was applied to the research. Explanatory quantitative research was employed for the regression analysis of secondary data collected during 2018–2024 from the Directorate General of Taxes and Statistics Indonesia. The results indicated the existence of a positive relationship between the number of taxpayers and tax revenue.

Tax Education and Its Effect on Revenue Generation among Micro, Small, and Medium Enterprises in Ogun State was studied by Akomolafe et al. (2026). Specifically, tax awareness, tax education, and tax knowledge with respect to revenue generation were considered by the researchers. In conducting their research, a descriptive research design was employed, with data being obtained from 395 MSMEs operators in all three senatorial districts in Ogun State through the use of structured questionnaires. Expert review and the reliability test of the Cronbach's alpha value of 0.83 assured the validity and reliability of data obtained. Descriptive analysis, correlation analysis, and multiple regression analyses were applied in analysing the data.

The effects of tax literacy on the performance of tax revenue in South-West Nigeria were studied by Soyinka et al. (2026) employed a survey research methodology where the survey was administered to both taxpayers and tax administrators in the state capitals including Abeokuta, Akure, Ado-Ekiti, Ibadan, Lagos, and Osogbo. The sample size of 180 respondents was obtained using Yamane's formula at a 95% confidence level. Stratified random sampling was used for data collection. Questionnaires were used to obtain primary data while descriptive analysis, correlation analysis, and OLS regression were applied for analysis. It was found that all dimensions of tax literacy had positive and statistically significant effects on tax revenue performance.

Effects of trust in government, tax digitalisation, and tax education on tax compliance, experience being a moderator, were examined by Haq and Tarmidi (2024). The study adopted a quantitative research approach using primary data obtained from questionnaires. The population was 97,483 individual taxpayers and a sample of 398 respondents was chosen through purposive sampling with the help of Slovin's formula. PLS-SEM was used for data analysis. The findings of the study revealed that trust in government, tax digitalisation, and tax education had positive and statistically significant effects on tax compliance.

Oladipo et al. (2022) conducted a study on tax fairness, tax knowledge and tax compliance in listed manufacturing firms in Nigeria. The study involved 35 firms where a sample size of 20 was used for the survey. In all, 400 questionnaires were administered, with 278 returned and analysed. Data were collected through the use of structured questionnaires and then analysed using correlation analysis, variance analysis, and multiple regression. Findings indicated that there was a positive and significant relationship between tax knowledge and tax compliance in Nigeria.

On the other hand, Mbilla et al. (2020) focused on the role of tax education in relation to tax compliance in Ghana. The study adopted a cross-sectional approach with 400 respondents in the population and a sample size of 200. Data were collected through the administration of structured questionnaires while univariate, bivariate, and multivariate analyses were used for data analysis. The results showed that tax education improved the taxpayers' tax computation knowledge and awareness.

There have been several shortcomings despite the increasing amount of research into tax compliance. Firstly, most of the previous studies, including Akomolafe et al. (2026), Oladipo et al. (2022), and Widyastari and Inayati (2026), concentrated mainly on tax compliance among motor vehicle drivers or listed companies. This approach made their findings less generalizable to other taxpayers in Nigeria. Secondly, previous works explored tax-related constructs like tax knowledge, tax fairness, government trust, and tax education, but they did not focus on all of these aspects in the context of an integrated tax literacy concept. Thirdly, empirical studies in Nigeria (Omotoso et al., 2026; Mbilla et al., 2020) emphasized the significance of tax knowledge or tax education alone while ignoring tax literacy as a whole.

In addition, many studies focused more on tax revenue outcomes or administrative perspectives rather than the behavioural dimension of voluntary tax compliance among individual taxpayers. Moreover, limited attention had been given to how tax literacy holistically influenced voluntary compliance behaviour within emerging economies like Nigeria, where taxpayer awareness levels remained relatively low and compliance gaps persisted. Therefore, this study filled this gap by examining tax literacy comprising tax education, tax knowledge, and awareness of tax laws as a unified construct influencing voluntary tax compliance among Nigerian taxpayers.

The research design used in this study was survey research. It entailed conducting a survey through the use of a well-designed questionnaire among tax officers in South-West Nigeria. The population for this study included tax officers in Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti States. In particular, the study population was made up of 3,737 tax officers working for the Nigeria Revenue Service (former name of FIRS) in South-West Nigeria according to information from the staff register (2026). The researcher used a stratified sampling method to ensure adequate representation among the selected states. The sample size was calculated using Taro Yamane formula, with the population being heterogeneous, and a sample size of 361 was arrived at. Nevertheless, 303 responses were obtained after completion of the questionnaire using Google Forms.

$$n = \frac{N}{1+N(e)2}$$

**N is the study population, and e is the error margin.*

$$n = \frac{3737}{1+3737(0.05)2}$$

$$n = \frac{3737}{1+3737(0.0025)}$$

$$n = \frac{3737}{10.3425}$$

n = 361

Table 1. Reliability Test

Variables	Number of Items	Cronbach's Alpha
Tax_Com	8	.852
Tax_Edu	8	.721
Tax_Know	8	.725
Awar_to_Tax_Law	8	.673

Source: Authors' Computation, 2026

RESEARCH METHOD

Cronbach's alpha was the test of reliability that was conducted in this study. All study variables showed acceptable levels of internal consistency according to the reliability test. Tax compliance showed the highest value of cronbach's alpha coefficient, which implies that the construct is highly reliable when the items used to measure it are considered. Both tax education and tax knowledge had acceptable reliability coefficients. Despite having the lowest Cronbach's alpha coefficient among the variables measured, awareness of tax laws still met the criteria for reliability since the value was acceptable for an exploratory study. On the account of methodological literature, it is acceptable to have a cronbach's alpha value of at least 0.60 in exploratory studies, while 0.70 is good reliability. The reliability coefficients obtained imply that the items used to measure the different constructs were adequately consistent. Consequently, the research instruments could be considered reliable enough to collect data on tax literacy and voluntary tax compliance in Nigeria.

The functional relationship is expressed as:

$$VOLCOM = f(TAKNOW, TAXEDU, AWTLAW)$$

The econometric model is specified as:

$$VOLCOM = \beta_0 + \beta_1 TAKNOW + \beta_2 TAXEDU + \beta_3 AWTLAW + \mu$$

Where:

VOLCOM = Voluntary Tax Compliance
TAKNOW = Tax Knowledge
TAXEDU = Taxpayer Education
AWTLAW = Awareness of Tax Laws
μ = Error Term

The data collected, which were mainly from a Likert scale, were subjected to linear regression analysis method to examines the correlation direction. The dependent variable for the study is voluntary tax compliance, while the independent variables include tax knowledge, taxpayer education, and awareness of tax laws.

RESULTS AND DISCUSSION

Table 2. Descriptive Statistics

	Tax_Com	Tax_Edu	Tax_Know	Awar_to_Tax_Law
Minimum	2.17	1.27	1.33	2.76
Maximum	4.00	4.00	4.00	4.57
Mean	3.1909	3.1265	3.0724	3.5349
Std. Deviation	.39608	.51273	.51580	.47078
Skewness	-.429	-1.153	-.573	.283
Kurtosis	.517	2.950	1.485	-.467

Source: Authors' Computation, 2026

The table presents that the average self-reported value of voluntary compliance was high among the respondents (Mean=3.1909, SD=0.39608). A fairly high level of self-reported tax education was reported by the respondents (Mean=3.1265, SD=0.51273) along with a high value for self-reported tax knowledge among the respondents (Mean=3.0724, SD=0.51580). The highest self-reported average score was that of awareness on the various tax regulations (Mean=3.5349, SD=0.47078). Minimum and maximum ranges of responses were largely on the positive side. Skewness values indicated that many respondents had the self-reported levels for tax literacy and tax compliance at high level and kurtosis values indicated that variables are close to normal.

Table 3. Model Summary

R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.225	.217	.35038	2.406

Source: Authors' Computation, 2026

The table shows the model summary of the effect of tax literacy on voluntary tax compliance by Nigerian taxpayers. The Adjusted R Square value of 0.217, in addition, means that after accounting for the number of explanatory variables, about 21.7 percent of the total variation in voluntary tax compliance was explained by tax literacy variables. This implies that variables like tax education, knowledge of tax, and awareness of tax laws played a crucial role in influencing the extent of voluntary tax compliance by taxpayers. Moreover, the low value of Durbin-Watson statistic of 2.406 proves the lack of existence of auto-correlation among the residuals and hence the results show that tax literacy plays an important role in determining voluntary tax compliance by Nigerian taxpayers.

Table 4. ANOVA

Model	Sum of Squares	Df	Mean Square	F	P-Value
Regression	10.672	3	3.557	28.976	.000
Residual	36.706	299	.123		
Total	47.378	302			

a. Dependent Variable: TAX_COM
b. Predictors: (Constant), Awar_to_Tax_Law, Tax_Edu, Tax_Know
Source: Authors' Computation, 2026

The table provides the Analysis of Variance (ANOVA) output for the regression model analysis of the association between tax literacy and voluntary tax compliance among Nigerian taxpayers. The Analysis of Variance (ANOVA) result shows that the regression model is statistically significant given the F-statistic value of 28.976, with an associated p-value of 0.000 that is below the significance level of 0.05. This suggests that the tax literacy comprising tax education, tax knowledge, and tax law awareness had a significant effect on voluntary tax compliance among Nigerian taxpayers.

In the regression model analysis, the regression sum of squares value of 10.672 shows the amount of variability in voluntary tax compliance caused by the tax literacy variables, whereas the residual sum of squares value of 36.706 depicts the amount of unexplained variability owing to external variables. Hence, the null hypothesis that tax literacy variables do not significantly affect voluntary tax compliance among Nigerian taxpayers was rejected, while the alternative hypothesis was upheld.

Table 5. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	P-Value
(Constant)	2.056	.157		13.060	.000
Tax_Edu	.370	.050	.479	7.350	.000
Tax_Know	-.086	.070	-.112	-1.226	.221
Awar_to_Tax_Law	.069	.084	.082	.822	.412

Source: Authors' Computation, 2026

Tax education had a positive and significant impact on voluntary tax compliance by Nigerian taxpayers (=0.479, t=7.350, p=0.000) which suggests that higher tax education levels will have a significant effect on the voluntary compliance behaviour. This indicates that taxpayers who are educated on tax matters are aware of their duties and more willing to voluntarily comply. However, tax knowledge had a negative and statistically non-significant impact on voluntary tax compliance (= -0.112, t= -1.226, p =0.221) that is, an informed taxpayer is not necessarily a tax compliant taxpayer. In relation to awareness of tax laws, they are positively and statistically insignificant impact on voluntary tax compliance (=0.082, t=0.822, p=0.412). Overall tax education had the most positive impact on voluntary tax compliance of all the tax literacy constructs examined. This also implies that taxpayers are better driven toward voluntary tax compliance through the delivery of practical tax education rather than just tax knowledge or tax law awareness. It can be inferred that effective tax administration, trust and perceived equity were factors that are likely to influence a tax compliant behavior based on tax knowledge.

Table 6. Collinearity Statistics

Tolerance	VIF
.610	1.639
.309	3.241
.262	3.813

Source: Authors' Computation, 2026

The table shows the results of the collinearity analysis of the independent variables employed in the regression analysis of tax literacy and voluntary tax compliance behavior in Nigeria. It was found out that the tolerance values for tax education, tax knowledge, and awareness of tax laws were 0.610, 0.309, and 0.262 respectively, while their corresponding VIFs were 1.639, 3.241, and 3.813 respectively. This implies that the three factors were distinct enough from each other and that there was no excessive correlation between any two of them to the extent of violating the assumptions of multicollinearity in the regression model.

Table 7. Coefficient Correlations

Model			Awar_to_Tax_Law	Tax_Edu	Tax_Know
1	Correlations	Awar_to_Tax_Law	1.000	-.388	-.755
		Tax_Edu	-.388	1.000	-.028
		Tax_Know	-.755	-.028	1.000
	Covariances	Awar_to_Tax_Law	.007	-.002	-.004
		Tax_Edu	-.002	.003	-9.747
		Tax_Know	-.004	-9.747	.005

a. Dependent Variable: TAX_COM

Source: Authors' Computation, 2026

The coefficient correlations and covariances for the tax literacy variables considered in this study for predicting voluntary tax compliance among the taxpayers in Nigeria are shown in Table 4.6. From the findings, there were moderate and weak negative correlations between awareness of tax laws, tax education, and tax knowledge. In particular, there existed a moderate negative correlation between awareness of tax laws and tax education (-0.388) and a strong negative correlation between awareness of tax laws and tax knowledge (-0.755). Tax education and tax knowledge were found to be associated with a very weak negative correlation (-0.028). Covariance was quite low, implying that the independent variables were not moving together in an excessive manner causing instability in the regression model.

Table 8. Collinearity Diagnostics

		Condition	Variance Proportions			
Dimension	Eigenvalue	Index	(Constant)	Tax_Edu	Tax_Know	Awar_to_Tax_Law
1	3.970	1.000	.00	.00	.00	.00
2	.014	16.590	.62	.01	.23	.01
3	.013	17.597	.22	.90	.06	.01

4	.003	35.334	.16	.09	.71	.98

a. Dependent Variable: TAX_COM

Source: Authors' Computation, 2026

The table represents the collinearity diagnostics of the regression model used in studying the effect of tax literacy on voluntary tax compliance among Nigerian taxpayers. The eigenvalue and condition index approaches were used to test for multicollinearity problems among tax education and tax laws awareness. From the findings, it is evident that the first dimension had an extremely high value of eigenvalue at 3.970 and condition index of 1.000, meaning that there was stability in the base of no multicollinearity issues. However, later dimensions had relatively higher condition index levels of 16.590, 17.597, and 35.334, implying that there was presence of moderate to high level of multicollinearity in the regression model particularly in the latter. The variance proportions showed that both tax education and tax laws awareness loaded highly on the same condition index of 16.590, with scores of 0.90 and 0.98 respectively.

Table 9. Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.5288	3.5054	3.1909	.18798	303
Residual	-.97633	.75818	.00000	.34863	303
Std. Predicted Value	-3.522	1.673	.000	1.000	303
Std. Residual	-2.787	2.164	.000	.995	303

a. Dependent Variable: TAX_COM

Source: Authors' Computation, 2026

The table shows the predicted values and it varied from 2.5288 to 3.5054 with a mean of 3.1909, which means the predictions had medium concentrated at the center of tax compliance levels. From the values shown in table 4.8 the errors in predictions (residuals) have the mean 0.00000 and standard deviation 0.34863. So, the prediction errors were symmetrically dispersed. The range of standardized predicted values varied between -3.522 and 1.673 and standardized residual varied between -2.787 and 2.164. This shows that there was no significant biasness between predictions made by the model.

The finding of the study showed that tax education has a positive influence on voluntary tax compliance of Nigeria taxpayers. This means that when taxpayers were educated about taxes, their rate of voluntary tax compliance will improve due to their understanding of the tax system. This finding supports Akomolafe et al. (2026); Haq & Tarmidi (2024) and Mbilla et al. (2020) who also showed that tax education positively influences tax compliance. It was discovered that tax knowledge has no significant influence on voluntary tax compliance, this means that without knowledge about the tax system, voluntary tax compliance is unlikely to happen. The contrary finding is from Widyastari & Inayati (2026); Appah & Fadah (2026) and Oladipo et al. (2022) who all observed a positive relation between tax knowledge and voluntary tax compliance. This might be due to the differences in research context and in how tax knowledge was measured in the studies. Likewise, tax law awareness has no influence on voluntary tax compliance of Nigeria taxpayers. The implication is that the level of taxpayers' awareness about the tax law can be high without contributing to the improvement of voluntary tax compliance behaviour. This supports the idea that voluntary compliance is subject to certain institutional and behavioral variables like trust in the government, efficiency of tax authorities, tax morale and fairness of the tax system.

The contrasting finding to this is Akomolafe et al. (2026) and Soyinka et al. (2026) who observed a positive relation between tax awareness and tax compliance behavior or performance. In the overall sense of all the variables included in the study, tax education seems to be the strongest determinant of voluntary tax compliance. The implications are that, although voluntary tax compliance is influenced by certain knowledge and awareness variables, these variables were not significantly positively correlated to voluntary tax compliance.

In relation to the findings, the study came to conclusions the tax knowledge did not have any significant impact on voluntary tax compliance among Nigerian taxpayers. In other words, having knowledge of tax regulations would not motivate Nigerian taxpayers to comply with their tax obligations; taxpayer education had a great impact on the increase in voluntary tax compliance among Nigerian taxpayers. The conclusion is drawn from the fact that regular educational programmes play an important role in promoting voluntary compliance; and the study found that awareness of tax laws did not have any significance on voluntary tax compliance among Nigerian taxpayers.

The study recommended that disseminating tax knowledge should be considered by implementing measures that build the trust of taxpayers in order to encourage voluntary compliance; the Nigeria Revenue Service (formerly FIRS) and other tax authorities should intensify taxpayer education programmes through workshops, seminars, digital platforms, and public enlightenment campaigns to improve taxpayers' understanding of their obligations and encourage voluntary compliance; and tax authorities should move beyond creating awareness of tax laws and focus on simplifying tax regulations, improving taxpayer engagement, and demonstrating the benefits of tax payments through visible public service delivery to strengthen compliance behaviour. The findings implied that tax policy should place greater emphasis on comprehensive taxpayer education rather than relying solely on the dissemination of tax information and legal provisions. Therefore, tax authorities should develop policies that combine education, trust-building initiatives, and transparent utilization of tax revenues to encourage voluntary compliance among taxpayers.

REFERENCES

Akomolafe, J. A., Akindele, Y., & Ojo, G. I. (2026). Impact of tax education on revenue generation: a case study of micro, small, and medium enterprises in Ogun State. *International Journal of Economics, Business and Social Science Research*, *4*(1), 90-109.

Allingham, M. G., & Sandmo, A. (1972). Income tax evasion: A theoretical analysis. *Journal of Public Economics, 1*(3–4), 323–338. https://doi.org/10.1016/0047-2727(72)90010-2

Appah, E., & Fadah, D. (2026). Public trust and voluntary tax compliance in Nigeria: moderating role of taxpayers'education. *International Journal of African Innovation and Multidisciplinary Research, 11*(2), 109-140. https://doi.org/10.70382/mejaimr.v11i2.103.

Efuntade, O. O., Efuntade, A. O., & FCIB, F. (2023). Tax compliance (active tax payers) and non-oil tax revenue in Nigeria: Exposition of fiscal exchange theory and expectation proposition. *World Journal of Finance and Investment Research*, *7*(1), 83-97.

Haq, F. A., & Tarmidi, D. (2024). Trust in government, tax digitalization and tax education influence tax compliance with experience as a moderation. *Educoretax*, *4*(8), 994-1005.

Isenmila, P. A., Adegbayibi, A. T., and Apalowowa, O. D. (2021). Tax regulations and tax compliance in Ondo State, Nigeria. *Global Journal of Accounting, 7*(2), 125-136.

Kirchler, E., Hoelzl, E., & Wahl, I. (2008). *Enforced versus voluntary tax compliance: The "slippery slope" framework*. *Journal of Economic Psychology, 29*(2), 210–225. https://doi.org/10.1016/j.joep.2007.07.004.

Mbilla, S. A. E., Abiire, M. A., Atindaana, P. A., & Ayimpoya, R. N. (2020). Tax education and tax compliance in Ghana. *Journal of Accounting, 8*(1), 1-22.

Mitu, N. E., Mitu, G. T., & Zglavoci, M. (2026). Stakeholders in tax literacy and tax education in the European Union: Schools, communities, and public institutions in relation to tax morale and voluntary tax compliance: A systematic review. *Social Sciences*, *15*(4), 256.

Nahriah, S., Tatariyanto, F., & Sugiyanto, S. (2026). The role of tax base expansion and taxpayer compliance in increasing tax revenue in Indonesia through the voluntary disclosure program. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, *9*(1), 9873-9887.

Oladele, R., Apalowowa, O. D., & Deji-Oyeleye, B. O. (2024). Digitalization of tax services and tax compliance among corporate tax payers in Nigeria. *International Journal of Innovative Research in Accounting and Sustainability (IJIRAS), 9*(2), 69-77.

Oladipo, B. U., Morakinyo, O. O., Iheanacho, V., & Soyinka, K. A. (2025). Tax administration and personal income tax compliance in Nigeria. *Journal homepage: www. ijrpr. com ISSN*, *2582*, 7421.

Oladipo, O. A., Nwanji, T. I., Eluyela, F. D., Godo, B., & Adegboyegun, A. E. (2022). Impact of tax fairness and tax knowledge on tax compliance behavior of listed manufacturing companies in Nigeria. *Problems and Perspectives in Management*, *20*(1), 41-48.

Omotoso, L. T., Adenike, O. M., & Babalola, O. (2026). Tax compliance and economic growth in Nigeria: Evidence from Southwest Nigeria. *Journal of Accounting, Auditing and Taxation*, *1*(1), 16-23.

Soyinka, K. A., Dabo, O. O., Sunday, O. M., & Falaye, S. B. (2026). An empirical analysis of the relationship between tax literacy and tax revenue performance in south-west, Nigeria. *International Journal Research Publication Analysis, 2*(1), 01-34.

Widyastari, N., & Inayati, I. (2026). The influence of tax knowledge and tax fairness on voluntary tax compliance of motor vehicle taxpayers in DKI jakarta. *DIA: Jurnal Administrasi Publik*, *24*(1), 143-156.