EFFECT OF INTERNALLY GENERATED REVENUE ON THE ECONOMIC GROWTH OF PLATEAU STATE

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Abstract

The objective of this study is to investigate the effect of internally generated revenue on the economic growth of the plateau state. The study focuses on pay-on-earnings, direct assessment, license, withholding tax and real gross domestic product of the plateau state. The study adopts time series data from 2014 to 2019; the data were collected data were collected from plateau state bureau of statistics and the plateau state internal revenue service. The data were analyzed using descriptive statistics and a simple line graph, and the null hypotheses were tested using the ordinary least square with the aid of e-views version 10. The results of this study show that that internally generated revenue has significant effect on the economic growth of plateau state. This study recommends that the information communication technology (ICT) for revenue generation should be upgraded or replaced with a more recent one to meet with the demands of both the tax payers and the administrators. The government should invest in innovations, human capital and knowledge management and any other government policy that would boost economic growth in the State.

Keywords: Internally Generated Revenue (IGR), Gross Domestic Product (GDP), Pay as you Earn (PAYE).

INTRODUCTION

The imposition of taxes is just as old as civilization beyond the boundaries of religion, race, and continent. Taxes are compulsory taxes that are levied as a means of economic development (Osho, Ogunyankin & Fadakinte, 2020).There are different types of tax collections specific to each country. Tax is vital to sustaining economic growth, and tax administration is the basic function of a successful state (Nkanor & Udu, 2016). Taxation is supported by law, and any refusal to pay on demand will result in legal sanctions or penalties. Taxes help the government make its citizens more accountable. When governments spend money, they are more responsible for making budget decisions transparent and accessible.

However, taxation an essential socio-legal tool used by government in any society to effectively manage and earn economic and socio-political dividends from governance (Olokooba, 2019). Taxes are any type of levy that is imposed on a person or organization by a governing body or its equivalent, so paying late is a criminal offense. This is a form of compulsory tax that has no direct benefit. Tax is a payment required by a government that does not relate to the benefit or service of any particular government (Spilker, Ayers, Barrick, Outsley, Robinson, Weaver & Worsham, 2019).

Internally Generated Revenue (IGR) is the income that states within the Nigerian Union earn, regardless of their federal account revenues. Internally generated revenue are those revenues that are derived within the state from various sources such as taxes (pay as you earn, direct assessment, capital gain taxes, etc), and motor vehicle license, among others (Adenugba & Oguche, 2013). For this study, internally generated revenue would be proxy by; PAYE, Direct Assessment, withholding tax, and licenses because they are the major constituent of the internally generated revenue via the E-tax platform.

Economic growth is an expansion in the capacity of an economy to produce goods and services, compared from one period of time to another. It can be measured in nominal or real terms, the gross national Product (GNP) or gross domestic product (GDP), although alternative metrics are sometimes used. Economic growth is an important macro-economic objective because it enables increased living standards, improved tax revenues, and helps to create new jobs. Mateer and Coppock (2018) indicate that Economic growth offers the potential for more women and infants to survive childbirth, more people to have access to clean water and better sanitation, and more people to live healthier, longer, and more educated lives.

Gross domestic product (GDP) is the market value of all officially recognized final goods and services produced within a country in a year, or another given period. (Curtis & Irvine, 2016) the outputs of goods and services occur over time, not all at once. They flow over time and must be measured relative to time. GDP measured over three-month and one-year periods are reported as quarterly GDP and annual GDP.

Plateau state is located in the middle belt of Nigeria, with an area of 26,899 square kilometers, the State has an estimated population of about three million people. Plateau state internal revenue service, is a saddle with the responsibility of Revenue administration in the state.

Statement of the problem

Internally Generated Revenue is important for budgeting and it is a powerful fiscal tool to direct and boost the economy. It goes a long way by providing the state with continuous growth and development to keep the society moving (Olalekan & Irewole, 2019). Despite the introduction of e-tax, which is supposed to enhance the effectiveness and efficiency of taxation; the internal revenue service is still finding it difficult to attain its expected tax obligation. The State Revenue Service is striving towards generating more money to enable the state government to meet up with minimum wage to the state workforce (Dashe, 2019).

This study seeks to investigate whether the internally generated revenue has any effect on the Economic growth of plateau

state. A lot of studies have been conducted on effect of internally generated revenue on the economic growth in recent time. For instance, Dang and Dashe (2017) examine the contribution of all the States' IGR to Economic Growth of Nigeria. Also, Igbingie (2018) study the internally generated revenue in Edo state: the problems and Prospects, but no study has been carried out on the effect of internally generated revenue on the economic growth of Plateau state recently. It was against the above backdrops that this study focuses on Plateau state which makes this study very unique and thus, this study intends to attain the Gap.

Research objectives

The major objective of this paper is to ascertain whether internally generated revenue (IGR) has any effect on economic growth. The specific objectives are to:

i. Examine the extent at which pay as you earn (PAYE) has effect on the economic growth of Plateau state.
ii. Determine whether direct assessment of the informal sector of the state has effect on the economic growth of Plateau state.
iii. Ascertain the level at which vehicle license revenue has effect on the economic growth of Plateau state.
iv. Establish the level at which the withholding Taxes has effect on the economic growth of Plateau state.

Research hypotheses

The following hypotheses are stated to examine and test the relationship between internally generated revenue and economic growth.

i. The pay as you earn (PAYE) has no significant effect on the economic growth of Plateau state.
ii. The direct assessment of the informal sector has no significant effect on the economic growth of Plateau state.
iii. The vehicle license revenue has no significant effect on the economic growth of Plateau state.
iv. The Withholding Taxes has no significant effect on the economic growth of Plateau state.

LITERATURE REVIEW

Conceptual framework

This conceptual framework tends to explain the meanings, definitions and other dimensions of the variables and their construct as outlined below.

Internally Generated Revenue (IGR)

These are revenues generated internally apart from other sources of income like subventions, allocation, and grants from Governments. Every organization has various ways of enhancing her internal sources of revenue. For example, in the universities, student registration fees, rent of hall, rent of equipment, donations, dividends, interest, payment for transcript, payment for academic gown among others constitute their internal revenue bases. Internally generated revenues (IGR) are revenues generated by States within the Nigerian federation, independent of their share of revenue from the federation account (Deloitte, 2017).

Internally generated revenue consist of tax related and the non-tax related income to the state generated by ministries departments and agencies (MDAs) but for the purpose of this study, internally generated revenue is proxy by these elements; pay as you earn (PAYE), Direct Assessment, vehicle license and withholding tax.

Pay as you earn (PAYE); is a personal income tax which is assessed and administer in a formalized manner in

accordance with the personal income tax act of 2011. The PAYE focuses on the income of individuals as a result of employment and the employee's income are taxed using a scale (Tanko, 2015). The tax calculated is usually deducted at source and is done by the employer who will then remit the amount to the tax authorities.

Direct assessment

This is an Income Tax which is imposed on self-employed persons. This is usually applied to individuals who run their own small businesses.

Vehicle license

These are revenue generated from the registrations and renewal of motor vehicles and licenses

Withholding Tax

It is the specified amount deducted at source from payment accruing or made to individuals in respect of income receivable for service(s) rendered or from investment and remittance of same to the Relevant Tax Authority in line with the provisions of Personal Income Tax (PITA).

Economic Growth

This is an increase in the production of economic goods and services, compared from one period of time to another. It can be measured in nominal or real terms. Traditionally, aggregate economic growth is measured in terms of gross national product (GNP) or gross domestic product (GDP), although alternative metrics are sometimes used.

Gross domestic product (GDP)

This measures the monetary value of final goods and services, those goods and services that are bought by the final user produced in the state in a given period of time. Gross domestic product (GDP) is a monetary measure of the market value of all final goods and services produced in a period. Nominal GDP estimates are commonly used to determine the economic performance of a whole country or region, and to make international comparisons. The OECD (2017) defines GDP as "an aggregate measure of production equal to the sum of the gross values added of all resident and institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). GDP is considered the "world's most powerful statistical indicator of national development and progress. (Ofurum, Amaefule, Okonya, & Amaefule, 2018).

Empirical review

Osho, Ogunyankin and Fadakinte (2020) study the impact of pay as you earn on social and economic development (proxy by gross domestic products) in Nigeria. Secondary time series panel data was collected for the period 2009 to 2018 from the statistical bulletin of the Central Bank of Nigeria (CBN). The study employed ordinary least squares (OLS) techniques based on the computer software E-view 10 version for the analysis of data, where gross domestic products (GDP) is the independent variable, proxy for social and economic development, was regressed as a function of personal income tax (PIT) and value added tax (VAT), the independent variables. The results of the analysis showed that both personal income tax and value-added tax have significantly positive impact on social economic development. The study did not establish a clear link between the dependent variables and the proxies, it indicate personal income tax (PIT) as a component of Pay as you earn (PAYE) while the reverse should have been case, also the period covered is not up to date it should have covered up to 2019 since

the work was carried out in 2020. This study intends to attain the gap.

Omodero, Ekwe and Ihendinihu (2018) study the impact of internally generated revenue on economic development in Nigeria. This study made use of ex-post facto research design to specifically examine the impact of total IGR (TIGR), Federal Government Independent Revenue (FGIR), States IGR (SIGR) and Local IGR (LIGR) Governments IGR on the Real Gross Domestic Product (RGDP i.e. proxy for economic development) of the country. The time series data employed covered a period from 1981 to 2016 and were gathered from the Central Bank of Nigeria (CBN) Statistical Bulletin. The statistical tool used for the data analysis was the multi-regression and t-test for test of hypotheses. The findings of the study revealed that TIGR, SIGR and LIGR have robust and significant positive impact (p-value = 0.000 < 0.05) on RGDP, while FGIR also indicated positive and significant influence on RGDP. There was an existence of high correlation between the dependent and independent variables. The study concluded that the positive impact of IGR is not out of place but the physical evidence is apparently lacking and therefore government policies that could eradicate sharp practices in the government system are required. The study adopted the ex-post facto research design and the time series for the study stopped at 2016, while this study also used time series and commenced from 2014 till date, this gap is what this study intend cover.

Odum, Odum and Egbunike (2018) examine the effect of direct income tax on gross domestic product with the key focus on the Nigerian fiscal policy framework and adopting time series data dating from 2007 to 2016 and collected from budget office of the federation, federal inland service publications, central bank of Nigeria statistical bulletin and the national bureau of statistics. The data was analysed using pearson coefficient correlation, granger causality test, ordinary least square method of regression, johansen cointegration test and error correction model. In order to establish the stationarity of the variables, the Augmented Dickey-fuller unit root test was employed. Findings from the study reveal that direct income tax has significant positive effect on gross domestic product at 5% level. The component of the dependent variable used for the study does not fit in with dependent variable, direct income tax should have been proxy by income Tax and not fiscal policy, and also the period covered has elapse. In the light of the above, this paper sets to evaluate the contribution of the internally generated revenue on the economic growth of Plateau State with a view to examining the lapses responsible for inadequate IGR in Plateau State.

Dang and Dashe (2017) in their study ‘‘Empirical Analysis of the Contribution of States' IGR to Economic Growth of Nigeria: A Panel Study’’ the study examines how the actual amount of States' IGR contributes to real Gross Domestic Product (GDP) in Nigeria using panel data for the period 2011 to 2016 and 36 cross sections, representing 36 states of the federation. Descriptive statistics and Panel Fully Modified Least Square (FMOLS) technique were used in analyzing the data. The study carries out a Kao Residual Cointegration Test and arrives at significant co integration between the variables. The study's finding show that States' IGR has little and insignificant contribution to economic growth in Nigeria. The data used for the study stop at 2016 while this study exceeded their time frame which is up to

2019 beside, their study adopted panel data while this study used time series data.

Theoretical Review

Internally generated revenue theory

This study adopted the fiscal federation theory. Fiscal federalism is part of broader public finance discipline. The term was introduced by the German-born American economist called Richard Musgrave in 1959. Fiscal federalism deals with the division of governmental functions and financial relations among levels of government. Governments at various levels impose taxes and collect revenue to pay for planned public expenditures and put in place regulatory and other measures required for the society to realize cherished policy goals. This theory has its foundation on the theory of public goods which explains the role the state in the economy Musgrave, (1959). These roles as identified for the government sector were the roles of government in correcting various forms of market failure, ensuring an equitable distribution of income, and seeking to maintain stability in the macro-economy at full employment and stable prices.

Economic growth theory: Endogenous growth theory propounded by Romer (1994) holds that economic growth depends on investment in human capital, innovation and knowledge management. Endogenous growth is long-run economic growth at a rate determined by forces that are internal to the economic system, particularly those forces governing the opportunities and incentives to create technological knowledge. The theory also supports government policies that could boost economic growth in a nation. These policies include all measures governments take to encourage exploitation of IGR opportunities within the domain of every state and local government in a nation. There is no homogeneity in IGR sources and opportunities existing in states and local governments, but the government at the center gives states the privilege to harness all available resources within the ambit of the law and constitution of the country.

METHODOLOGY

Research Design:

The study adopts ex-post facto. This is a post event research. This is designed to investigate the relationship between the Internally Generated Revenue (PAYE , Direct Assessment, Licenses and Withholding Taxes) and the Economic Growth (Real Gross Domestic Product) other non-tax revenues collectable by MDAs of the State Government are not consider for this assessment only the Internally Generated Revenue assessed by the Plateau State Internally Generated Revenue Service.

Methods of Data Collection

The secondary data was extracted from the total collection report of Plateau State Internal Revenue Service from 2014-2019 which was obtained from the state internal revenue service and the Gross Domestic Product (GDP) for the same period 2014-2019 was obtained from the Plateau State Bureau of Statistics, Jos.

Population and Sampling Technique

The population of this study comprises of all payments made by tax payers on PAYE, Direct Assessment, Licenses, and Withholding Taxes. Census sampling technique was adopted for this study.

Procedure for Data Analysis and Model Specification

This research work examine the effects of Internally Generated Revenue on the economic development of Plateau state,

internally generated revenue is proxy by PAYE, Direct Assessment, Licenses, and Withholding Taxes and Economic growth is proxy GDP.

$GDP = \beta_0 + \beta_1 PAYE + \beta_2 DA + \beta_3 LI + \beta_4 WT + \varepsilon$

Where;

GDP = Gross Domestic Product

PAYE = Pay As You Earn

DA = Direct Assessment

LI = Licenses

WT = Withholding Taxes

β_0 = Constant/Intersect

β_1, β_2, $and \beta_3$ are rates of change of the Internally Generated Revenue variables with respect to GDP

ε = is the error term associated with the model of the Generated Revenue variables with respect to GDP

Apriori Expectation

It is expected $that \beta_1 \beta_2 \beta_3 > 0$

Method of data analysis

The data collected for this study were presented using descriptive statistic and simple line graph and the stated null hypotheses were stated using ordinary least square (OLS) with the help of e-views version 10.

ANALYSIS AND RESULT

Data Presentation

In this segment, data was presented, analyzed, and interpreted. Data were collected from Plateau state bureau of statistics and Plateau state internal revenue Service from the period of 2014 to 2019 years of assessment.

Table 1: Descriptive Statistics

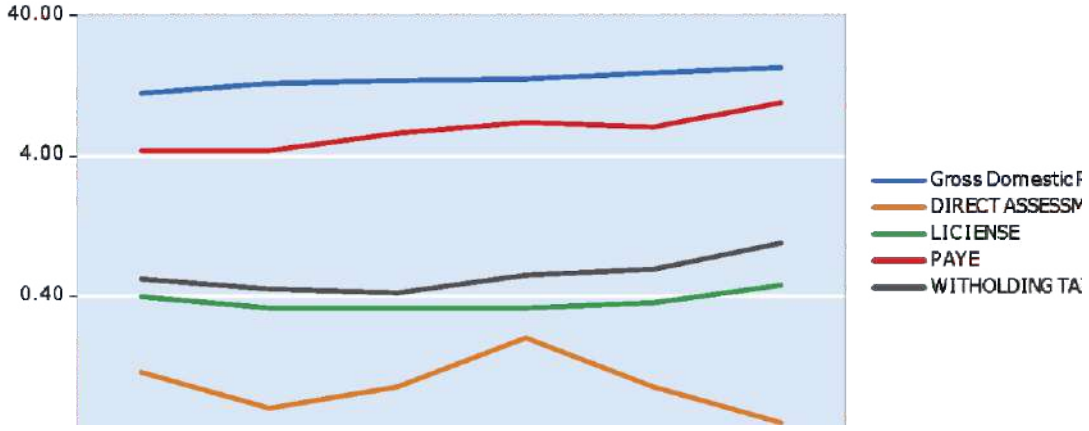
	Gross Domestic_ Product	Direct Assessment	License	PAYE	Withholding_ Tax
Mean	14.13833	0.101414	0.370947	6.216852	0.589125
Median	13.97000	0.090000	0.345000	6.095000	0.546177
Maximum	17.08000	0.200000	0.480000	9.520000	0.950000
Minimum	11.06000	0.050000	0.326363	4.343281	0.420000
Std.i Dev.	2.092017	0.053344	0.060263	1.927231	0.191077
Skewness	-0.028180	1.108334	1.093697	0.711999	1.238127
Kurtosis	2.158169	3.069059	2.759952	2.497488	3.265899
Jarque-Bera	0.177964	1.229596	1.210579	0.570072	1.550634
Probability	0.914862	0.540750	0.545916	0.751987	0.460558
Sum	84.83000	0.608483	2.225679	37.30111	3.534751
Sumi Sq. Dev.	21.88268	0.014228	0.018158	18.57109	0.182553
Observations	6	6	6	6	6

Source: Author's compilation using Eviews 10

Table 1 presents the descriptive statistics of the variables employed. The descriptive statistics shows the trend and comprehensive evidence about the variables. The Mean tells us about the average values of the set of the variables. The Plateau State GDP has the highest average value of ₦14.13 billion, while the Direct Assessment has the lowest value of ₦0.10 billion. The Median tells us about the middle values for each of the variables. The Plateau State GDP has the highest Median value of ₦13.97 billion, while the Direct Assessment has the lowest Median value of ₦0.09 billion. The Maximum and the Minimum tell us about

the highest and the lowest figures for each of the variables. Plateau State GDP has the values ranges from 11.06 to 17.08; PAYE has the values ranges from 4.34 to 9.52, Withholding tax has the values ranges from 0.42 to 0.95, Licence has the value ranges from 0.32 to 0.48 and Direct Assessment has the values ranges from 0.05 to 0.20. Also, the Standard Deviation tells us about the deviation from the sample mean with respect to each of the variables. Plateau State GDP has the highest Standard Deviation of ₦2.09 billion while Direct Assessment has the lowest Standard Deviation of ₦0.05 billion.

Besides, Skewness tells us about the distribution of the variables. For normal Skewness, the value must be less than zero. If the value of a variable is more than zero, then the variable is said to be an abnormal distribution. However, based on this, only Plateau State GDP has a Normal Distribution Curve with a value of -0.028180. Direct Assessment, Licence, PAYE and Withholding tax have Abnormal Distribution Curves with values of 1.108334, 1.093697, 0.711999 and 1.238127 respectively. Kurtosis measures the fitness and flatness of the distribution of the series. If Kurtosis value is less than 3, it means the distribution of the variable is normal, but when it is more than 3, the distribution of the variable is said to be abnormal. However, based on this, the Kurtosis values of Direct Assessment and withholding tax are abnormal indicating a value of 3.06 and 3.26 respectfully; all the variables indicated Normal Distributions. Jarque-Bera measures the difference between the skewness and kurtosis of each of the variables. Withholding tax has the highest Jarque-Bera value of 1.550634 while Plateau State GDP has the lowest Jarque-Bera value of 0.177964. At 5% level of significance, the values of all the four variables are not significant; this is because the P-values of the variables are more than 5%, therefore, the Null Hypotheses must be accepted, and concluded that the variables are not highly statistical significant, i.e. the distributions of the variables are normal. Finally, the table shows that the total number of observations of the descriptive statistics model is 10.



The graph above indicates a constant increase in GDP from ₦11.06b in 2014 to ₦17.08b in 2019. PAYE has a value of ₦4.36b in 2014, a decline of ₦4.34b in

2015, and an increase with a value of ₦5.77b in 2016, ₦6.89b in 2017, ₦6.42b in 2018 also indicate a decline in 2018 while ₦9.52 indicate an increase in PAYE for the period 2019. The Direct Assessment has a value of ₦0.11 in 2014, a decline in 2015 with a value of ₦0.06, ₦0.09b in 2016, an increase in 2017 with a value of ₦0.20b and a decline in 2018 with a value of ₦0.10b and also a decline in 2019 with the value of ₦0.05b. The licience has a value ₦0.40 in 2014, a decline with a value of ₦0.33 in 2015 to 2017 then grew to ₦0.36b in 2018 and also increased to ₦0.48b in 2019. Withholding tax has a value of ₦0.53 in 2014, decline to ₦0.45 in 2015, also a decline in 2016 with a value of ₦0.42b, then maintain continues increase with the value of ₦0.56b in 2017, ₦0.62b in 2018 and ₦0.95b in 2019.

Test of hypothesis

Dependent Variable: PLATEAU STATE GROSS_DOMESTIC_PRODUCT
Method: Least Squares
Date: 09/24/20 Time: 18:23
Sample: 2014 2019
Included observations: 6

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DIRECT_ASSESSMENT	-15.52246	7.417803	-2.092596	0.2838
LICENSE	-33.02649	17.01505	-1.941016	0.3029
PAYE	0.816112	0.483868	1.686642	0.3407
WITHOLDING_TAX	8.921419	8.249843	1.081405	0.4751
C	17.63411	4.284984	4.115326	0.1518

R-squared	0.972960	Mean dependent var	14.13833
Adjusted R-squared	0.864802	S.D. dependent var	2.092017
S.E. of regression	0.769221	Akaike info criterion	2.188030
Sum squared resid	0.591701	Schwarz criterion	2.014496
Log likelihood	-1.564089	Hannan-Quinn criter.	1.493360
F-statistic	8.995674	Durbin-Watson stat	2.912159
Prob(F-statistic)	0.044433		

Source: Compilation of the author, based on the analysis results using Eviews

The R-square value is 0.97; it means that the model has successfully predicted the variables. This implies that 97% changes in the Plateau State Gross Domestic Products are explained by the changes in Direct Assessment, License, PAYE, and Withholding Tax. The value of 86% of the Adjusted R-squared value indicates that there is a strong relationship between the Plateau State Gross Domestic Products and the Plateau State Internally Generated Revenue. Also, the P-value of 0.2838 indicates that the Plateau State Direct Assessment has no significant effect on the Plateau State GDP, the P-value of 0.3029 indicates that the Plateau State License has no significant effect on the Plateau State GDP, the P-value of 0.3407 indicates that the Plateau State PAYE has no significant effect on the Plateau State

GDP, and the P-value of 0.4751 indicates that the Plateau State Withholding Tax has no significant effect on the Plateau State GDP.

Finally, the P-value (Probability F-statistic) is 0.044433, less than 0.05. We therefore, reject the null hypothesis and conclude that Plateau State Internally Generated Revenue has significant effect on the Plateau State Economic Growth.

Discussion of findings

The findings from the analysed data of this study shows that Plateau State Direct Assessment, Licience and withholding tax has no significant effect on the Plateau state GDP which is in contrast with the findings of Odum, Odum and Egbunike (2018) which state that direct income tax has significant positive effect on gross domestic product. The findings also reveal that the PAYE of Plateau State has no significant effect on the Plateau State GDP which is also in contrast with the findings of Osho, Ogunyankin and Fadakinte (2020) which indicates that PAYE (personal income tax) has significant effect on the GDP.

Based on the analysis of the P-value (probability F- statistic), the findings conclude that Plateau State Internally Generated Revenue has significant effect on the Plateau State Economic Growth. This is in conformity with the findings of Dang and Dashe (2017) which indicates that States' IGR has little and insignificant contribution to economic growth in Nigeria.

SUMMARY, CONCLUSION, AND RECOMMENDATION

Summary of major findings

In this study, the research methodology of the data collection, analysis and interpretation of result were undertaken. In collecting data for this study, the researcher adopted the use of secondary data. The descriptive statistics and least square Data method was used in analysis and interpreting results. The study provides the recommendation and conclusion base on the findings.

Conclusion

The study, using four proxies together with six years' time series and Plateau state as a study was able to figure out that the Internally Generated Revenue for the period 2014 to 2019 years of assessment has a significant effect on the economic growth of Plateau State.

Recommendation

After a careful analysis of the data collected using the descriptive statistics and least square technique of time series method, the study recommends that the information communication technology (ICT) for revenue generation should be upgraded or replaced with a more recent one to meet with the demands of both the tax payers and the administrators. The government should invest in innovations, human capital and knowledge management and any other government policy that would boost economic growth in the State. Also the researcher deems it necessary to make the following recommendations:

i. Base on the result of the findings, Pay as you earn (PAYE) is the major contributing component of Internally generated revenue of Plateau State, therefore the study recommends that the PAYE should have wider coverage fully Automated and made assessable to the required taxpayers at their disposal with minimal intervention, and a constants follow up mechanism should be ascertained for an effective and convenient transactions that will enhance the collation of Internally Generated Revenue.

ii. The direct assessment tax is the third contributing component of the internally generated revenue of plateau state. This consist of wider range of different aspect of the informal sector in different categories, the study recommends that the sector should be classified into segments, through capturing of eligible tax payers in this sector, and ensure their consistent payments of their tax obligation with an access to direct online payment of their taxes with a digital receipt for conveniences, these will enhance the expansion of the internally generated revenue of Plateau state.

iii. The licensee is the second contributing component of the internally generated revenue of plateau state internally generated revenue, the study recommends that it should be fully Automated and convenient with an effective communication link between the State revenue service and other Government agencies saddle with similar responsibility for a fast and timely delivery of licenses to tax payers when due.

iv. Withholding Tax is the least contributing component of the internally generated revenue of Plateau state this is due to the fact that a lot of tax payers are not knowledgeable about the importance of withholding tax, in lieu of the above; the study recommends that the service embark on a mass sensitization and awareness of the importance of withholding taxes.

v. Economic growth indicates the expansion of the state's potential gross domestic product (GDP) or output, the government should identify the gross domestic product of the state so as to deploy the most suitable and adequate measures to enhance their total output which will also lead to growth of the internally generated revenue.

Suggestion for further study

The researcher, having studied the effects of internally generated revenue on the economic growth of Plateau state, is suggesting a further study on the effects of electronic taxation on the economic development of plateau state.

Contribution to knowledge

The study is indicating that a constant increase in economic growth is a catalyst or major determinants of the expansion of the internally generated revenue. A government that wants to improve it internally generated revenue must ensure and maintain a constant growth in gross domestic product.

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APPENDICES

YEAR	PAYE	DIRECT ASSESSMENT	LICENSE	WITHOLDING TAX	Gross Domestic Product
2014	4.36	0.11	0.40	0.53	11.06
2015	4.34	0.06	0.33	0.45	13.04
2016	5.77	0.09	0.33	0.42	13.87
2017	6.89	0.20	0.33	0.56	14.07
2018	6.42	0.09	0.36	0.62	15.71
2019	9.52	0.05	0.48	0.95	17.08