*Indian Journal of Economics and Financial Issues*
*Vol. 3, No. 2, 2022, pp. 223-236*
*ISSN : 2582-5186*

*https://DOI: 10.47509 /IJEFI.2022.v03i02.04*

**ARF INDIA**
Academic Open Access Publishing
*www.arfjournals.com*

# MULTIPLE TAXATION AND MICROFINANCE BANKS SUSTAINABILITY IN AKWA IBOM STATE, NIGERIA

**Patience E. Offiong[1], Emmanuel E. James[2] and Dr. Raphael S. Etim[3]**

[1]*Department of Accounting, University of Uyo, Uyo., Nigeria*
[2]*Department of Accountancy, Akwa Ibom State Polytechnic, Ikot Osurua*
[3]*Department of Accounting, University of Uyo, Uyo., Nigeria. E-mail: udemeefanga@gmail.com*

**Article History**
Received : 30 October 2022
Revised : 26 November 2022
Accepted : 30 November 2022
Published : 31 December 2022

**To cite this article**
Patience E. Offiong, Emmanuel E. James and Dr. Raphael S. Etim (2022). Multiple Taxation and Microfinance Banks Sustainability in Akwa Ibom State, Nigeria. *Indian Journal of Economics and Financial Issues*, Vol. 3, No. 2, pp. 223-236. https://DOI: 10.47509 / IJEFI.2022.v03i02.04

***Abstract:*** Multiple taxation is an important issue in tax practice that is generating policy attention among the tiers of government, due to its adverse impact on business sustainability in Nigeria. Against this backdrop, this study sought to examine the relationship between multiple taxation and Microfinance banks' sustainability in Akwa Ibom State, Nigeria. 15 licensed Microfinance Banks (MFBs) operating in Akwa Ibom State were sampled using survey research methodology. The data was collected through primary structured questionnaire. Employing Ordinary Least Square (OLS) regression technique, the results showed that taxes ($\beta = -0.255$, S E = 0.077, t-calc. = -2.077, P-value = 0.042 <0.05) and levies ($\beta = 0.320$, S E = 0.106, t-calc. = 2.603, P-value = 0.012 <0.05) have negative and positive relationship respectively with MFBs sustainability in the state. It was recommended among others that the federal, state and local governments should take collaborative steps in eliminating multiple taxation in Microfinance banks in Akwa Ibom State, Nigeria.

***Keywords*: **Multiple taxation, Sustainability and Microfinance Banks, Taxes, Levies.

## INTRODUCTION

Multiple taxation is a situation where the income or profit of a business is subjected to tax more than once, often by two or more tax authorizes. Most times, taxes on Microfinance Banks' (MFBs') income are misappropriating by tax authority. Taxes and levies are misappropriating where there is no specified rate applied, instead flat rates are imposed on businesses without reckons to their ability to pay. Multiple taxation may be unhealthy for the sustainability of MFBs because it is a disincentive for growth, and these at times affect their corporate social responsibility. For instance, after payment of taxes, businesses still operate without sufficient power supply, security from the government and good road network. Adams Smith in his book "the Wealth of Nations" emphasized the need for government at all levels to raise revenue from variety of sources to finance public expenditure, but stipulated that the amount of taxes payable should have relationship with ability to pay, certain rather than arbitrary, payable at times and in ways convenient to the taxpayers, and cheap to administer and collect (Tabet and Onyeukwu, 2019).

Microfinance bank is any company licensed by Central Bank of Nigeria (CBN) to carry on business of providing microfinance services such as savings, loans, domestic fund transfers and other financial services that are needed by the economically active poor, micro, small and medium enterprise. According to CBN, there are 902 registered microfinance banks in Nigeria as at June, 2019 (Lawson, 2017), but twenty of the registered MBFs are licensed to operate in Akwa Ibom state. Proponents of micro finance claim that giving the poor access to finance through MFBs will help them out of poverty. However, to enhance financial services delivery, the 2005 Microfinance policy regulatory and supervisory framework for Nigeria (as revised in 2011) established MFBs as means of formalizing MFBs activities in order to promote financial discipline and sustainability.

Multiple taxation is an issue in tax practice that generates controversy among the tiers of government in Nigeria. Although, tax practitioners and authorities/agents claimed the existence of tax laws and policies governing the taxes and levies collectible by each tier of government, Microfinance banks' activities can be hindered when government formulate taxation policies which do not take into consideration income level or ability to pay. The activities of consultants as well as politicians settled by authorities to collect revenue in various local government areas, and the state level possess serious problem to business in terms of multiple taxation, and may threatened going concern status of the business especially MFB in Nigeria and Akwa Ibom state in particular. Also, improper implementation of the tax policies, neglect of appropriate incentive and infrastructural development necessary to facilitate robust business activities of MFBs may adversely impact on the banks overheads and operations (Oseni, 2014). One survey found that 30% of domestic Microfinance banks in 2001 were no longer in operation or lent capital two years later (Murrithi, 2017). This could have been attributable to multiple taxation, which can exert serious burden on MFBs operations. Currently, to the best of the researchers' knowledge, there are limited empirical evidence on the relationship between multiple taxation and sustainability of Microfinance businesses in Nigeria, and none is based on data from Microfinance bank in Akwa Ibom state. The researchers are interested in the relationship between multiple taxes and sustainability of MFBs in Nigeria with particular reference to Akwa Ibom State.

A study of this nature is considered needful because it will broaden the literature base of multiple taxation and Microfinance banks sustainability, which tax regulatory Agency, practitioners could consider in formulating and raising tax assessment on Microfinance banks; and could be of immense benefits to the Microfinance banks operators in Nigeria. If this hydra monster is mitigated by harmonizing the taxes across jurisdiction, it would be to great benefit of the economy and productive systems. The study was limited by closure of some MFBs outlets in Akwa Ibom, State. Moreover, five (5) of the targeted MFBs were not accessable as they were not in operation as at the time of this study. However, the limitation was overcome by focusing the study on Management staff of MFBs in operation. This study is divided into five sections: introduction; literature review; research methodology; findings; and conclusion.

## OBJECTIVES OF THE STUDY

The main objective of this study was to examine the relationship between multiple taxation and Microfinance Banks Sustainability in Akwa Ibom State, Nigeria. The specific objective is to examine the relationship between taxes; levies and triple bottom-line Accounting of Microfinance banks in Akwa Ibom State, Nigeria.

## HYPOTHESIS OF THE STUDY

$HO_1$: There is no significant relationship between taxes; levies and triple bottom-line Accounting of Microfinance banks in Akwa Ibom State, Nigeria.

## LITERATURE REVIEW

### Conceptual Literature

#### *Microfinance Bank and its Sustainability*

Microfinance banking commenced on 15th December, 2005 with the launching of the microfinance policy, regulatory and supervisory framework for Nigeria; and with a specific objective to make financial services accessible to large segment of the productive but financial excluded population (Lawson, 2017). Microfinance banks are characterized by the small size of loans and savings, near absence of asset- based collateral and simplicity of operations. Microfinance banks could be community owned, privately owned, government MFBs, Non-Governmental Organisation own MFB or foreign own MFBs (Zuru, Hashmi ~~and~~ Arshad 2016). Furthermore, Zuru, Hashmi and Arshad (2016) revealed that Microfinance banks differ in terms of their ownership, source of capital, initial amount of capital, legal form, the financial products and services provided to customers, duration of loan, interest rate, repayment installments and the minimum amount of loans provided to customers. However, proper management and coordination of the characteristics of microfinance banks, given a favourable environment, is expected to enhance their sustainability.

Sustainability is the state of the global system, which include environment, social and economic subsystem in which the needs of the present are met without compromising the ability of future generation to meet their own needs. (ISO: 26000, 2012). Sustainability is measured in different ways, but the triple bottom line accounting provides a comprehensive perspective. Sustainability is one of the goals of business, yet measuring the degree to which a business is sustainable can be difficult (Slapper and Hall, 2011). As a method of measuring sustainability, John Ellington coined the phrase triple bottom line in 1994 (Atu, 2013). The triple bottom line is an accounting framework that go beyond the traditional measure of profit, return on investment and shareholders' value to include environment and social dimensions (Onyali, 2014). The triple bottom line framework is adopted by many organisations to evaluate their performances in a broader content as a key instrument to assess the achievement of sustainability (Cletus, 2015). According to Atu (2013), the three bottom line framework are: economic bottom line, social bottom line and environment bottom line.

The financial bottom line is the traditional bottom line concept of a business, that is, the end result of subtracting expenses from revenues. Companies that focused on a financial bottom line see advantages in terms of profit and market share. Being committed to the social bottom line includes, building relationships that will grow revenue and reduce cost, treating employees in an ethical and fair manner, and engaging in equitable compensation. Companies that focus on the social bottom line of their businesses are rewarded with increase turnover. Environment bottom line entails companies ensuring that the materials they use are extracted using sustainable methods and techniques. Environmental measures include; air and water quality, energy consumption, natural resources, sloid and toxic waste (Slapper and Hall, 2011). Microfinance bank sustainability is the management and coordination of environmental, social and financial demands and concerns to ensure responsible, ethical and ongoing success. There is assertion that multiple taxation exerts serious burden on Microfinance banks sustainability in Nigeria.

### *Multiple Taxation*

Multiple taxation is indiscriminate imposition of taxes and levies on individual and businesses (Offiong, 2019). Multiple taxation can occur where: there are various unlawful compulsory payments collected by local and state government without appropriate legal backing through incrimination and harassment of the payer, collection of which is characterized by the use of revenue agents and consultants including touts; the same level of government imposes two or more taxes on the same tax base. (Nnadiukwu, 2019).

Tax is a compulsory payment made by individuals and businesses to government in accordance with predetermined criteria for which no direct or specific benefit is received by the taxpayer (Offiong, 2019). Although tax is a compulsory payment to government, Adam Smith in his book "the wealth of nation" laid down four basic principles which a good tax system of any country should be based. The principle according to Igboyi (2008) are; equity, certainty, convenience and economy. Furthermore, a tax system is equitable when higher income attracts higher rates of taxes; certain where the amount of tax each taxpayer out to pay, the date for payment and manner of payment is certain and very clear to the tax payer; convenient where tax is levied at the time and in the manner most likely to suit the convenience of the taxpayer; and economical where the tax revenue is more than the cost of collection. However, taxes on individuals/businesses could be direct or indirect. In direct tax, there is a direct relationship between the C tax authority and taxpayer since the tax authority has to assess and collect the tax from the taxpayer (Offiong, 2019). Direct taxes include: Companies' income tax, Education tax, capital gains tax. In the case of indirect tax, there is no direct relationship between the tax authority and the taxpayer, that is, the final consumer, because the tax is collected from the consumers by an intermediary such as producer, wholesaler, retailer and paid to the tax authority (Offiong, 2019). Businesses are taxed at flat rate of 30%. Levies is a general term which include tax, penalty, fines and so on (Offiong, 2019). Levies are paid to Government Institutions, agencies, ministries and not necessarily tax authorities.

According to Section 1(2) of taxes and levies Act, Cap. T2 of 2004 as amended, all companies registered in Nigeria are required to comply with the approved list of taxes and levies. The taxes and levies include: Companies income tax, the capital gains tax, withholding tax, personal income tax, stamp duty, national industrial training fund (NITF), employees compensation scheme, the tertiary education trust fund (Tet Fund) national housing fund contributory pension scheme, customs duties, tenement rates/land use charge, business premises registration fees, town planning and building permits, infrastructure maintenance charges, signpost and mobile advertisement, aviation clearance permit fees, environmental impact assessment/ audit fees (Atapo, 2018***).*** The combination of these taxes and levies, and requirements to contribute to funds, compensation and pension schemes can adversely impact the sustainability of MFBs.

### *Consequences/ Implication of Multiple Taxation on the Economy Growth*

Arbitrary changes which is not in consonance with tax law. At a term to high rate/figures especially the consultant.

Display of lawlessness in the process of tax collection. Security officials show recalcitrant behaviour.

Businesses are often subjected to all manner of taxes and levies from one point to another using ———. Failure to pay leads to harassment of tax payers and impounding of the motor vehicle.

It creates rooms for unauthorized persons to be involved in the collection of taxes and levies.

It creates unfavorable image of business environment, and acts as obstacles to investment in the Nigerian economy

It adds to cost of doing business in Nigerians.

### *Reasons for Harmonization of Taxes*

The harmonization of taxes across jurisdiction would be beneficiary in the following way:

Increase in production potentials of companies;

Reduce prices of goods and services since there will be competition.

Increase economic efficiency.

Enforcement of taxes would be easier/simpler since all states will comply.

Increasing transparency as to how and what to pay, and facilitating procedures for filing taxes.

## THEORETICAL FRAMEWORK

This study is based on the ability to pay theory. Ability to pay theory was developed in 1776 by Adam Smith (Oseni, 2014). The theory holds that people/ businesses should pay taxes in proportion to their capacity (Uzoka & Chiedu, 2018). This means that people/ businesses with higher income should pay more tax than people/businesses with lower income, and that their taxable capacity should be made primarily on the basis of income and property (Chauka, Sehola & Mathebula 2017). The advocates of ability to pay theory are of the opinion that those who have higher income and greater wealth should be obligated to give back more to keep the system running. However, the critics of ability to pay theory argue that the theory is fundamentally unfair, penalizes hard work and success, and reduces incentive to make more money, and that it is difficult to measure taxpayer's ability to pay (Adeyemi & Samson, 2018). Ability to pay theory ensures that the tax payers are not overburdened to the extent that their sustainability will be affected.

## EMPIRICAL REVIEW

The researchers review the following previous studies relating to the study.

Tabet and Onyeukwu (2019) examined multiple taxation and Small and Medium scale Enterprise (SMEs) financial performance in Abuja, Nigeria. The study was a survey of fifteen (15) selected SMEs in AMAC area with a population of four hundred and fifteen (415). A sample of two hundred was determined using RAOSOFT sample technique. Source of data for this study was primary through structured questionnaires. Data collected were analyzed using correlation. The result showed a strong correlation between multiple taxation and financial performance of SMEs in Abuja, Nigeria. Thus, the researchers concluded that multiple taxation correlates strongly with performance of SMEs in Abuja, Nigeria.

Adebisi and Gbeji (2013) investigated the effect of multiple taxation on the performance of Small and Medium scale Enterprise. Survey research design was adopted in the study. The population of the study was 91, while a sample size of 74 was derived using Taro Yamani. Questionnaires was the instrument for data collection in the study. Data collected were analysed using percentages and Analysis of Variance. The researchers found out that multiple taxation has negative effects on SMEs performance; they recommended that government should introduce uniform tax policies that will enhance performance of SMEs in Nigeria.

Okolo, Okpaloajiego and Okolo (2016) examined the effects of multiple taxation on investment in SMEs. Survey research design was adopted in the study. The study was conducted on 80 registered SMEs business in Enugu state. The researchers focus was on managing directors, who constituted the assessable population of the study. The population was studied given its small size. Questionnaire was used to collect the required data. Data collected were analyzed using simple percentages and Analysis of Variance. It was found out that multiple taxation has negative effect on SMEs investment. The researchers recommended that government should consider tax policy that encourages investment in SMEs, by consolidating all taxes in one slot and latter distribute to various government purses rather than having many closely related but different taxes at the same time.

Marfo and Poprah (2018) examined the impact of contemporary challenges on the sustainability of Microfinance institution (MFIs) in Ghana. The researchers adopted a cross-sectional survey design, and data were collected using structured questionnaires. The sample size for the study was 36 MFIs with a total of 331 respondents. Factor analysis was used to analyse the data obtained. The findings revealed that institutional framework, capacity building and funding, regulations and supervision, and coordination were contemporary challenges faced by MFIs in Ghana. The researchers concluded that institution framework, capacity building and funding, regulations and supervision, and coordination challenges contributed adversely to the sustainability of Microfinance operations in Ghana.

Daniel (2019) investigated the effect of multiple taxation on Small/ Medium Enterprises (SMEs) in Nigeria. The main objective of the study was to examine the relationship between multiple taxation and the survival of SMEs in Nigeria. The study was conducted on 82 SMEs from a population of 104. A structured questionnaire was used in data collection. Data collected were analysed using Pearson moment product co-efficient and regression. Result showed that multiple taxation has a negative impact on the survival of SMEs in Nigeria. This study is relevant to the present research because SMEs and MFBs operate within the same environment.

Ocheni and Gemade (2015) studied the effects of multiple taxation on the performance of Small and Medium scale Enterprises (SMEs) in Benue State, Nigeria. The researchers utilised survey research design with a sample size of 74 SMEs. A structured questionnaire was administered on the respondents to obtain required data. Data obtained were analyzed using Analysis of Variance (ANOVA). Result showed that multiple taxation has negative effect on SMEs performance in Benue state. Although this study focused on SMEs, it has implications for MFBs since they operate in the same environment.

Aribaba, Oladele, Ahmodu, and Yusuf (2019) examined the effect of tax policies on the survival of Entrepreneurship in Ondo state, Nigeria. The sample size of the study was 152 Entrepreneurs of 9 local government of the state using judgmental sampling technique. Structured questionnaires were used for data collection. Data collected were analyzed using regression. The result showed that multiple taxation accounted for 43% of the variability of SMEs sustainability in Ondo state, Nigeria. The researchers concluded that, there was a negative significant effect of multiple taxation on sustainability of Entrepreneurship. MFBs are form of entrepreneurship and equally likely to be affected by multiple taxes as SMEs.

Adeniyi and Imade (2018) examined the effect of multiple tax regimes on sustainable development among Small and Medium scale Enterprises in Lagos state, Nigeria. Survey design was utilized in the study. The sample size for the study was 250 Small and Medium scale business owners selected using judgmental sampling. Structured questionnaire was administered on the respondents. Data collected were analysed using linear regression. Findings showed a significant effect of multiple tax regimes on Small Medium scale Enterprises sustainable development. However, none of the empirical studies revived in this study was conducted using data from Microfinance banks in Akwa Ibom state or measuring sustainability by triple bottom-line reporting accounting.

## RESEARCH METHODOLOGY

This study adopts the survey research design. The design is appropriate because, it is an effective technique when opinions of people with experience are sought to determine cause effect relationship. The population of this study is made up of twenty (20) Microfinance banks licensed to operate in Akwa Ibom State. Out of the 20 licensed Microfinance banks, 15 were still in operation as at the time of this study. The fifteen Microfinance banks in operation formed the sample size of this study. The main source of data for the study was primary, collected th**ro**ugh a structured questionnaire. Five copies of questionnaires were administered to management staff of the fifteen (15) MFBs in operation in Akwa Ibom State as at the time of the study, which result in a total of seventy-five (75) respondents. The questionnaire comprised 18 items with 6 items on triple bottom-line accounting, 6 items on taxes and 6 items on levies. All items on the questionnaire were rated on 5-point Likert scale ranging from Strongly Disagree (1) to Strongly agreed (4) and 0 for neutral. The questionnaire was distributed and collected by the researchers to ensure high response rate. A total of 60 questionnaires were returned in a valid form which gave response rate of 80%. Data obtained were analysed using Ordinary Least Square (OLS) regression technique.

## MODEL SPECIFICATION

The model (multiple Regression) adopted in this study is stated in a general form as Y= f ($X_i$), where Y= Sustainability- measured by Triple Bottom Line (TBL), X = Multiple Taxation measured by Taxes (TA) and Levies (LE) while i is the number of X ranging from one (1) to two (2). In a functional form, it is expressed as: TBL= F (TA, LE)

Deriving regression equation from the functional form we have:

$$TBL = \beta_{0\,+}\,\beta_1 TA_1 + \beta_2 LE_2 + e_t$$

Where:

TBL = Triple Bottom Line measured by environmental, social and financial goals achievements.

$\beta_0$ = a constant

$\beta_{1,}$ $\beta_2$ = estimated coefficients of the independent variables

TA= Taxes

LE= levies

$e_t$ = error term

## RESULTS AND DISCUSSION OF FINDINGS

**Table 1: Descriptive statistics for the research variables**

| *Variables* | *N* | *Minimum* | *Maximum* | *Mean* | *Std. Deviation* | *Skewness* | | *Kurtosis* | |
|---|---|---|---|---|---|---|---|---|---|
| | *Statistic* | *Statistic* | *Statistic* | *Statistic* | *Statistic* | *Statistic* | *Std. Error* | *Statistic* | *Std. Error* |
| Taxes | 60 | 4.00 | 20.00 | 12.52 | 3.34 | -0.11 | 0.31 | -0.15 | 0.61 |
| Levies | 60 | 8.00 | 43.00 | 16.95 | 5.35 | 1.74 | 0.31 | 8.30 | 0.61 |
| Triple bottom line Accounting | 60 | 5.00 | 21.00 | 14.62 | 3.88 | -0.48 | 0.31 | -0.02 | 0.61 |

*Source:* Field Survey, 2022

Table 4.1 represents the descriptive statistics for the variables considered in the study. Result shows mean of 12.52, 16.95 and 14.62 for taxes, levies and triple bottom line accounting with standard deviation of 3.34, 5.35 and 3.88. This result implies higher mean score was obtained on levies compared with that of taxes and triple bottom line accounting. The standard deviation obtained for levies (5.35) was also higher than that of taxes and triple bottom line, meaning that scores obtained on levies were more dispersed than that of other variables. The skewness of -0.11, 1.74 and -0.48 with kurtosis of -0.15, 8.30 and -0.02 were obtained for taxes, levies and triple bottom line accounting respectively. The result indicates that both taxes and triple bottom line accounting were skewed to the left (skewness less than 0) while levies was positively skewed (skewness greater than 0). This implies that the scores obtained on taxes and triple bottom line accounting decreased often than it increased while that of levies increased more than it decreased. Other descriptive statistics like minimum and maximum are as presented in Table 1.

**Table 2: Multiple regression summary showing the influence of taxes and levies on triple bottom line Accounting**

| *Model* | *R* | *R Square* | *Adjusted R Square* | *Std. Error of the Estimate* | *Durbin-Watson* |
|---|---|---|---|---|---|
| | 0.386 | 0.149 | 0.119 | 3.13611 | 2.248 |

*Source:* Field Survey, 2022

**Table 4.2** represents summary of the multiple regression showing triple bottom line accounting relationship with taxes and levies. The result shows coefficient of determination of 0.149 with adjusted R-square of 0.119 which implies that only 11.9% variation in triple bottom line accounting is explained by taxes and levies. Result also shows Durbin Watson statistic of 2.248 which is greater than 1 but less than 3.00 indicating that there is no evidence of autocorrelation. .

**Table 4.3: ANOVA result summary showing the influence of taxes and levies on triple bottom line accounting**

| *Model* | *Sum of Squares* | *df* | *Mean Square* | *F-calc.* | *F-crit.* | *P-value* |
|---|---|---|---|---|---|---|
| Regression | 98.378 | 2 | 49.189 | 5.001 | 3.16 | 0.010 |
| Residual | 560.605 | 57 | 9.835 | | | |
| Total | 658.983 | 59 | | | | |

*Source:* Field Survey, 2022

Result in Table 4.3 shows calculated F-value of 5.001 and critical F-value of 3.16 with p-value of 0.010. The calculated F-value (5.001) is greater than critical F-value (3.16). Given–a–p-value of 0.010, that is less than 0.05; there is significant relationship between triple bottom line accounting, and taxes and levies. This result also indicates that taxes and levies account–for significant variation in triple bottom line accounting. The summary of the individual relationship of the independent variables is presented in Table

**Table 4.4: Summary of the parameter estimates showing individual influence of taxes and levies on triple bottom line accounting**

| *Model Coefficients* | *Unstandardized* | | *Standardized Coefficients* | *t-calc.* | *Sig.* | *Collinearity Statistics* | |
|---|---|---|---|---|---|---|---|
| | *B* | *Std. Error* | *Beta* | | | *Tolerance* | *VIF* |
| (Constant) | 11.191 | 1.950 | | 5.740 | 0.000 | | |
| Taxes | -0.160 | 0.077 | -0.255 | -2.077 | 0.042* | 0.987 | 1.013 |
| Levies | 0.276 | 0.106 | 0.320 | 2.603 | 0.012* | 0.987 | 1.013 |

*Source:* Field Survey, 2022

*Significant at 5% ($p<0.05$).

Table 4.4 shows the parameter estimate of TBL (Triple Bottom Line) with TA (Taxes) and LE (Levies), and VIF (Variance Inflation factor). The result reveals that taxes (β = -0.255, S E = 0.077, t-calc. = -2.077, P-value = 0.042 <0.05) has a significant negative relationship with triple bottom line accounting. The standardized beta coefficient of -0.255 obtained for taxes means that, if other variables are held constant, for every ₦1 increase in taxes, triple bottom line accounting will decrease by ₦25.50. The t-calculated of -2.077 with p-value of 0.042 < 0.05 obtained implies that taxes have a significant negative relationship with triple bottom line accounting.

The result in Table 4.4 also shows that levies (β = 0.320, S E = 0.106, t-calc. = 2.603, P-value = 0.012 <0.05) has a significant positive relationship with triple bottom line accounting. The result yielded standardized beta coefficient of 0.320 for levies which implies that if other variables are held constant, for every ₦1 increase in levies, triple bottom line accounting will increase by ₦32.00. The t-calculated of 2.603 with p-value of 0.012<0.05 means that levies have a significant positive relationship with triple bottom line accounting. The VIF of 1.013 and 1.013 were obtained for taxes and levies respectively. The result shows that VIF values were consistently less than ten (10) meaning that there is no evidence of multicollinearity.

Appendix I (Structured questionnaire) represents statements soliciting opinions from management staff of microfinance banks in Akwa Ibom State, about the relationship between multiple taxation and MFBs sustainability. The responses ranged from strongly degree (1) to strongly agreed (4) and 0 for undecided. Analyses of the returned questionnaire indicated that management staff of MFBs have varying opinions about implication of taxes and levies on the operations of MFBs in the state.

The hypothesis in the study was tested to determine the relationship between MFBs sustainability (measured by triple bottom line Accounting) and multiple taxation, measured by taxes, and levies. The regression result in table 4.3 shows a significant negative (B = -0.255, t=-2.077, P=0.042) relationship between taxes and triple bottom line accounting. This result is in tandem with a *prior* expectation of the researchers. The result means that, the more the taxes, the lesser the MFBs achievement of triple bottom line (financial, social and Environmental goals). Given the results, taxes are major factors that threaten Microfinance bank operations, and consequently their sustainability, in Akwa Ibom State. The finding of the study is consistent with the study of Adeniyi and Imade (2018) and Adebisi and Gbeji (2013).

The regression analysis result in table 4.3 for levies indicate significant positive relationship (B=0.320, t- calc =2.603, P =0.012) between levies and triple bottom line accounting. This contradicts the *apriori* expectation of the researchers. This result implies that additional levies on MFBs operation increases their financial, social and environmental achievements. This result is only obtainable in the short run where MFBs may shift the burden of levies paid to customers/clients in saving or loan rate (price), since levies are not well regulated. That is, the customer will then 'pay' the levies indirectly by collecting lower interest rate on their savings, or pay higher interest rate on loan. In the long run, customers are most likely to look for alternative cheaper sources of finance, and the patronage of MFBs will be reduced. Consequently, the MFBs sustainability will be affected negatively. The findings are in contrast with that of Ocheni and Gemade (2015) that multiple taxation negatively affected the SMEs sustainability, and by extension MFBS.

The policy implication of this study are: that if Microfinance banks in Akwa Ibom State are still indiscriminately taxed by Federal, State and local Government, they will continue to close down operation within the first five years of operation because of unfavorable business environment; and that non-regulation of levies amongst the tiers of Government will continue to enable MFBs in Akwa Ibom to shift the burden imposed by levies to customers, which in the long run will threaten their survival and impaired sustainability.

## CONCLUSION

Based on the findings of this study, it is concluded that multiple taxation significantly affects the sustainability of MFBs in Akwa Ibom state, while taxes have negative relationship with MFBs sustainability, levies are positively related with MFBs sustainability in Akwa Ibom State. The researchers concluded that multiple taxation exert serious burden on sustainability of microfinance banks in Akwa Ibom State in the short and long run; and that the current practice of corporate taxes in Akwa Ibom State, Nigeria, does not create favourable business environment for Microfinance banks operations.

## RECOMMENDATIONS

Based on the conclusion, it was recommended that various levies and taxes should be harmonized to enhance efficiency. Federal, state and local governments should take collaborative steps in eliminating multiple taxation in Nigeria. Government should formulate taxation policies that can boost and support the growth of MFBs. For instance, businesses should be taxed on a graduated scale just like the personal income tax system. This will ensure that the ability to pay principle is accommodated in MFBs tax policies thus giving such entities more undistributed income for future developmental planning. Also, State and local governments should make relevant laws and bye laws to prohibit its agencies or local communities from collecting extra-levies from MFBs. Further studies on MFBs sustainability could dwell on other variables other than multiple taxation, such as government support, number of customers, and portfolio size.

## *References*

Adebisi, J.F and Gbeji, D.O. (2013). Effect of Multiple Taxation on the Performance of Small and Medium Scale Business Enterprises. (A study of West African Ceramics Abeokuta, Kogi state). *Mediterranean Journal of Social Science,* 4 (6), 323-334.

Adeniyi, S. I and Imade, O.G (2018). Effect of multiple tax regimes on sustainable. Development among small scale enterprises in Lagos state, Nigeria. *ACTA universities Decubitus,* 14 (1), 99-11.

Adeyemi, A. A. and Samson (2018). Contemporary issue in Corporate Income Tax in Nigeria: A Review of Precept and Practice. *European Journal of Accounting, Auditing and Finance Research,* 6 (4), 59-78.

Akapo, R. (2018) Nigeria: Multiple Taxes, Levies and Regulations in the Nigerian telecommunication industry.

Amos, O. A. and Uniamikogbo, E. (2016). Sustainability and Triple Bottom Line: An Overview of Interrelated Concepts. *Igbinedion University Journal of Accounting,* 2, 88-126.

Aribaba, F. O, Oladele, R, Ahmodu, A.O. and Yusuf, S. A (2019). Tax policies and entrepreneurship sustainability in Ondo state, Nigeria. *Journal Global Entrepreneurship Research*, 9 (53).

Atu, O. K. (2013). Triple Bottom Line Accounting: A Conceptual Expose. *Journal of Business and Management*, 13 (4), 30-36.

Chauka, K. R. Sehola, M. P. and Mathebula, N. E (2017). Reflection on Ability to Pay Theory: A Taxation in the Context of South African Municipalities. A Conference Paper: International Conference on Public Administration and Development Alternatives, Botswana.

Cletus, O. A (2015). Triple Bottom Line (TRL) Accounting and Sustainable Development in Nigeria. *International Journal of Advance Research, Management and Finance*, 2 (1), 51-60.

Daniel.O. (2019) effect of multiple taxation on small/ medium. Enterprises in Nigeria. *International Journal of Advanced Research and Publication*, 3 (4), 26-31.

Field, A. P. (2013). *Discovering Statistics using IBM SPSS Statistics: Series on Quantitative Applications in the Social Sciences*, 07–092. Newbury Park, CA: Sage, pp. 101.

Igboyi, L. (2008). Principles and Practice of Taxation, Anan Study Pack.

International Standard Organisation (ISO) 26000 (2012). The Magazine of the International Organisation for Standardization, 3 (1): ISSN 2226-1095.

Lawson, B. (2017). The Nigeria Microfinance: An Imitative of the National Organizing Committee of the International year of Microcredit. Newsletter, vol. 24 www.yearofmicrocrdit.org.

Marfo, M. and Poprah J. A (2018). Contemporary Challenges and Sustainability of Microfinance Institution in Ghana. *Journal of Economics and Development Studied*. 6(4), 104-121.

Murrithi, R.W, (2017). Factors Influencing the Sustainability of Microfinance Institution in Murang’a Town, Kenya. A PhD Thesis, University of Technology, Kenya.

Nnadiukwu, A. (2019). How Multiple Taxes Affect Nigeria Companies. Business news.

Ocheni, S.I and Gemade, T. I (2015). Effect of multiple taxation on the performance of small and medium scale business enterprises in Benue state. *International Journal of Academic research in business and social sciences*, 5 (3): 345-356.

Offiong, B. (2019). *Personal Income Tax in Nigeria, 3rd Edition*, Lagos: The CIBN Press Ltd. PP

Okolo, E., Okpaloajiego, E and Okolo, C. (2016) effect of multiple taxation on investment in small and medium enterprises in Enugu state, Nigeria. *International journal of economics and management engineering*, 10 (1).

Onyali, C. I (2014). Triple Bottom Line Accounting and Sustainable Corporate Performance. *Research Journal of Finance and Accounting*, 5 (8): 195-209.

Oseni, M. (2014). Multiple taxation as a bane of business development in Nigeria. *Journal of Interdisciplinary Studies*, 3 (1): 121-128.

Tabet, R and Onyeukwu, P. (2019). Multiple Taxation and Small and Medium Scale Enterprises (SMEs) Financial Preformation in Abuja, Nigeria. *World Journal of Innovation Research*, 6 (2), 65-82

Uzoka, P. I and Chiedu, C. O (2018). Effect of Tax Revenue on Economic Growth in Nigeria. *International Journal of Social Sciences and Management Research*, 4 (7):17-24.

World Bank Group (2017). Nigeria’s Microfinance Bank Sector: Review and Recommendation. World Bank, Washington. Dc@ World Bank. https://openknowledge.worldbank.org/handle/10986/31320license:ccby3.0 IGO.

Dear Respondent,

We are conducting a study on multiple taxation and Microfinance Sustainability in Akwa Ibom State, Nigeria, specifically focusing on Management staff of Microfinance banks. Kindly help in expressing your opinion on the following statements.

Thank you.

**Questionnaires**

| *S/N* | *STATEMENT* | *SA (4)* | *A (3)* | *UD (0)* | *D (2)* | *SD (1)* |
|---|---|---|---|---|---|---|
| | Triple Bottom-line Accounting | | | | | |
| 1. | Taxes/ levies are factors responsible for low profit of MBFs in Akwa Ibom state. | | | | | |
| 2. | Taxes/levies reduce portfolio size of MFBs in Akwa Ibom State | | | | | |
| 3. | Taxes / levies reduce number of customers served in MFBs in Akwa Ibom State. | | | | | |
| 4. | Taxes/levies affects MFBs' ability to undertake corporate social responsibility in. Akwa Ibom state | | | | | |
| 5. | Taxes/levies destroy investors' confidence in the MFBs in Akwa Ibom State. | | | | | |
| 6. | Taxes/levies negatively affect solid waste management in MFBs in Akwa Ibom State. | | | | | |
| | **Taxes** | | | | | |
| 7. | Microfinance banks pay Akwa Ibom state environment protection agency fees, waste disposal and cleaning of dirt fees and companies' income tax. | | | | | |
| 8. | MFBs pay taxes to federal, state and local governments | | | | | |
| 9. | Amount of taxes paid by MBFs has a relationship with their ability to pay. | | | | | |
| 10. | Taxes constantly exert serious burden on the operations of MFBs in Akwa Ibom state. | | | | | |
| 11. | Money paid as taxes are always receipted for, and such receipts indicate the authority responsible for the collection. | | | | | |
| 12. | Apart from companies' income tax, other taxes paid by MBFs are proportionate to profit made for that period. | | | | | |
| | **Levies** | | | | | |
| 13. | Levies paid by MBFs have adverse effect on MFBs operations in Akwa Ibom State. | | | | | |
| 14. | Microfinance banks estimate the cost of the levies and also do adequate financial planning. | | | | | |
| 15. | Levies on Microfinance banks in Akwa Ibom state are well regulated. | | | | | |
| 16. | MFBs pay levies to State and Local Government in Akwa Ibom State. | | | | | |
| 17. | Levy authorities still harass Microfinance banks after payment of company income tax. | | | | | |
| 18. | Mode of payment of levies on Microfinance activities in Akwa Ibom State are convenient to MFBs. | | | | | |

*Note:* SA (Strongly Agreed); A (Agreed); UD (Undecided); D (Disagree); SD (Strongly Disagree)