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## IMPACT OF MULTIPLE TAXATION ON THE GROWTH OF SMALL AND MEDIUM ENTERPRISES (SMES) IN MUBI SOUTH LOCAL GOVERNMENT AREA, ADAMAWA STATE

### ABSTRACT

*The study evaluated the impact of multiple taxation on the survival of Small and Medium Enterprises (SMEs) in Mubi South Local Government Area of Adamawa State, to achieve this, research questions and hypotheses were formulated in line with the objectives, the study adopted a survey design. Descriptive statistics was used to analyze the data and t-test analysis was used to test the hypotheses. Results from the descriptive results showed that multiple taxation has been identified as a major obstacle to the growth and development of SMEs in Nigeria. The imposition of multiple taxes at different administrative levels has created a cascade of adverse effects that are reverberating across the operational spheres of SMEs. These effects include diminished investment prospects, declining productivity, and amplified rates of business failures. The study therefore recommends the need for government to streamline the tax system and alleviate the multiple taxation burdens on SMEs and to also enhance tax administration by adopting streamlined and non-disruptive methods of tax collection.*

### Introduction

To a large extent, the performance of a business in terms of growth and profitability is influenced by the type and level of taxes imposed by the government and its agencies (Dagunduro et al., 2022; Oboh & Dabor, 2020). This monetary burden or additional costs, according to Zayol et al. (2018), affects the growth and stability of businesses, especially small and medium enterprises (SMEs). In recent periods most importantly among developing economies, the growth and development of an economy can be linked with the activities of SMEs. In Nigeria, for instance, SMEs constitute the source of livelihood for people and the dominant sector that accounts for a large employer of labour (Ige et al., 2023). Confidence et al. (2021) claimed that SMEs are vital not only for the economic lives of individuals engaged in them, but when their effects on the aggregate economy are considered, they surpass those of larger enterprises.

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However, despite the significant contribution of SMEs to the economy, their mortality rate is high. According to Ocheni and Gemade (2015), nearly 80% of most SMEs liquidate before they reach their 5th anniversary. Nyong (2021) noted that factors responsible for this untimely death include but are not limited to tax-related issues. Though taxation serves as a vital source of revenue for governments at all levels in the execution of their statutory functions, negative consequences such as multiple taxations, which causes undue or illegal tax burdens, poor tax administration, and a lack of consistency in tax administration, among others, have limited the growth and sustainability of the sector. Usmana (2017) noted that among the problems confronting SMEs, the issue of multiple taxes served as a worm that has deeply reduced the investment potential of the sector and invariably affects the chunk of revenue generated. Abiola (2012) corroborated this, as its study explained that the major factor causing the abrupt folding up of SMEs in Nigeria is the illegal taxes that take a large portion of their earnings.

The most pathetic aspect of these multiple taxes is the embarrassing nature of the tax enforcement agencies coupled with the orthodox methods of collecting the tax, which involve the mounting of roadblocks, the unpleasant handling of goods, and even persons not able to comply with the payment and the forced closure of shops. It is, therefore, implied that multiple taxes have not only constituted a burden on the taxpayers but also hindered the viability and performance of the business. In the work of Ilemona et al. (2019), multiple taxations connote a situation whereby tax is levied on a single amount by two or more different authorities in a way that may be illegal or unfair. This implied that multiple taxes, levies, or fees occur when the authorities (federal, state, and local governments) tax a single amount or business enterprises more than once, which may result in unfair charges. In the view of Abiola (2016), multiple taxes occur when a government or its agencies imposes taxes beyond once on a single tax base. Adum (2018) also described multiple taxes to mean when the wealth or profit of either a corporate or individual body is taxed twice or beyond. Multiple taxation, the imposition of multiple taxes on the same entity or income source, can have a significant impact on the survival of small and medium enterprises (SMEs) in Mubi South local government area (LGA) of Adamawa State, Nigeria. SMEs are the backbone of the Nigerian economy, accounting for over 90% of businesses and employing over 50% of the workforce. However, they are often disproportionately affected by multiple taxation, which can stifle their growth and lead to closure.

A study conducted by the Adamawa State Chamber of Commerce and Industry found that SMEs in Mubi South LGA pay an average of five different taxes, including income tax, value-added tax (VAT), land use tax, and market levies. This cumulative tax burden can be overwhelming for SMEs, especially those with

limited financial resources. The impact of multiple taxation on SMEs in Mubi South LGA is evident in the high rate of business failure. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), over 40% of SMEs in Nigeria fail within their first five years of operation. Multiple taxation is a major contributing factor to this high failure rate. Most of these SMEs cannot stand the test of time due to some factors that have constituted a challenge to their operations and existence. Sangosanya cited in Akingunola (2011) observed that ten key factors and variables have been identified to influence SMEs failure in Nigeria. These include disasters, competition, infrastructure, taxes, accounting, management, marketing, economic, planning and finance. Similarly, Ocheni and Gemade (2015) opined that among the factors responsible for these untimely close-ups are tax related issues, ranging from multiple taxations to enormous tax burdens among other issues. In support, Raigama (2016) discovered that multiple tax imposed on SMEs is a major factor responsible for the abrupt folding up of these businesses in Nigeria as these taxes continue to take a large chunk of their earnings. The aforementioned assertions are indications that prominent among the factors responsible for the untimely wind-up of SMEs in Nigeria is tax related issues which include but not limited to great tax burdens and multiple taxation. This often constitutes a hindrance to the survival of SMEs. However, the rate at which these enterprises fold up is very high and alarming and therefore calls for urgent and serious attention. According to Momoh (2017), over 75% of SMEs in Nigeria die in infancy not surviving beyond their 4th anniversary due to myriad of challenges that cannot be remedied by the operations in the sector.

Tax no doubt, is an avenue for government to generate additional revenue to finance public sector expenditure so as to provide public goods and services and as such remains one of the major tools in revenue generation. According to Azubike (709), tax is a major player in every society of the world. This is because of the unique nature and size of which should always be put into consideration when levying taxes. Unfortunately, this is often neglected because most of the government policies in respect of tax do not reflect the uniqueness of the SMEs. They are often treated in like manner with large scale enterprises especially in tax related issues.

Prevalent among the tax related problems is multiple taxation. Multiple taxations in relation to a company or individual, is a situation where the same income which is liable for tax is subjected to tax by different tax authorities in Nigeria (Osita, 704). This negates the meaningful efforts made by the government to promote SMEs. This is because of the effect of multiple taxation on the survival of SMEs which in most cases leads to their failure. This therefore forms the basis of the study which is aimed at examining the effects of

multiple taxation on the survival of small and medium scale enterprises in Mubi South local government area of Adamawa state, Nigeria.

### **Statement of the Problem**

The rising expenses associated with governance alongside the decline in oil revenue have posed significant challenges for all levels of government in Nigeria. This predicament necessitates a pressing need for diversified revenue streams to augment their financial standing and bolster their revenue bases. Small and medium enterprises (SMEs) play a crucial role in driving economic growth and development in Nigeria. However, their potential is being hindered by a pervasive issue: multiple taxation. The imposition of multiple taxes at different administrative levels has created a cascade of adverse effects that are reverberating across the operational spheres of SMEs, threatening their very survival.

Multiple taxation has been identified as a major obstacle to the growth and development of SMEs in Nigeria. The imposition of multiple taxes at different administrative levels has created a cascade of adverse effects that are reverberating across the operational spheres of SMEs. These effects include diminished investment prospects, declining productivity, and amplified rates of business failures.

In Mubi South local government area, Adamawa State, SMEs are facing a particularly difficult situation due to the imposition of multiple taxes. The situation is exacerbated by the fact that many of these businesses are operating in a fragile economic environment, characterized by high levels of poverty and unemployment. The impact of multiple taxation on SMEs in Mubi South is a complex issue with far-reaching consequences. It is therefore imperative to conduct a comprehensive study to investigate this issue in order to develop effective solutions.

### **Objectives of The Study**

The main objective of the study is to examine Impact of multiple taxation on the survival of small and medium enterprises (SMEs) in Mubi South local government area, Adamawa State. The specific objectives of study are to;

- i. investigate the impact of multiple taxation on the size of Small and Medium Enterprises (SMEs) in Mubi South local government area.

- ii. explore and analyze the relationship between multiple taxation and the survival of SMEs in Mubi South local government area.

## Research Questions

The following research questions were raised to address the objectives of the study.

- i. Does multiple taxation adversely affect the size of SMEs in Mubi South local government area?
- ii. What is the relationship between multiple taxation and the survival of SMEs in Mubi South local government area?

## Research Hypotheses

The following hypotheses were developed to address the problems of the study. These hypotheses stated in null form are as follows;

***H0<sub>1</sub>***: There is no adverse effect of multiple taxation on the size of SMEs in Mubi South local government area.

***H0<sub>2</sub>***: There is no significant relationship between multiple taxation and the survival of SMEs in Mubi South local government area.

## Literature Review

### Multiple Taxation

Governments at various levels generate revenue to finance both recurrent and capital expenditures for developmental purposes. Revenue can be sourced through different means without exception to duplication of taxes. In the view of Oseni (2014), when the government or its agencies subject single income earners to tax treatment, more than one is referred to as multiple taxations. For instance, multiple taxes occur when a company's profit is equally subjected to company income tax or withholding tax. Multiple taxes can also occur when goods are transported across different local governments within a state by the taxpayer. In this case, the taxpayer would be asked to pay different fees, which would amount to multiple taxes. It implied that Nigeria is faced with the problem of the multiplicity of taxes levied and administered by the governments (Adeniyi & Imade, 2018). When an excess of the stipulated amount is collected to boost internally generated revenue, such an amount is known as multiple taxes (Confidence et al., 2021). For

instance, a smallholder farmer who pays for a business permit, development, and registration fees, personal income tax, and market tax is still asked to pay numerous taxes, such as on and off liquor licenses and shop rates, among others, by the local government would amount to multiple taxes.

### **Small and Medium Enterprises (SMES)**

In the view of Asmelash (702), small enterprises are businesses engaged by an individual who cannot secure paid jobs or a person who desires to start economic activities of their choice. An enterprise is said to be operating on a small scale when its management and ownership are restricted in numbers. It should also be noted that what constitutes small and medium enterprises vary from country to country or at a particular period. In the United States, for instance, the limit set for SMEs is five hundred (500), European Union set two hundred and fifty (250) employees. In Nigeria, SMEs are classified based on size, employees, and asset base. For microenterprises, the number of employees is less than 10; for small enterprises is between the ranges of 10 to 49, while for medium enterprises is 50 to 199. The assets are less than 5 million, 5 to less than 50 million and 50 to less than 500 million, excluding land and building for micro, small, and medium enterprises, respectively (Ige et al., 2023). Zayol et al. (2018) study made a clear distinction as to what constitutes SMEs; the study recorded that aside from the aggregate number of employees, SMEs also depend on the aggregate capital involved in the business.

### **Theoretical Framework**

#### **Ibn-Khaldun's Theory of Taxation**

This theory was propounded by Ibn Khaldun's in 1345. The theory of taxation was based on the need to lower as much as possible the amounts of tax levied upon persons capable of undertaking cultural enterprises. In this manner, such persons will be psychologically disposed to undertake them, because they can be confident of making profit from them. Therefore, he advocated for decreasing the burden of taxation on enterprises and producers, in order to encourage them by ensuring greater profits to entrepreneur and revenue to the government. He opined that when the tax assessments and imposed upon subjects are low, the latter have energy and desire to do things. As enterprises grow and increase, because the low taxes bring satisfaction, and when the enterprises grow, the number of individual imposts and assessments amounts also grow. In consequence, the tax revenue, which is the sum total of the individual assessments increases. Ibn-khaldun's theory of taxation has been considered one of Ibn-khaldun's most important contributions to economic thought. Critics believe that revenue responses to a tax rate change will depend upon the tax

system in place, the time period being considered, the ease of movement into underground activities, the level of tax rates already in place, the prevalence of legal and accounting-driven tax loopholes, and the proclivities of the productive factors. Laffer (2004) was of the view in this regard that the economic effect of tax cut would outweigh the arithmetic effect. From the review of relevant theories relating to taxation, it is evident that the most relevant theory to this study is the Ibn-Khadun theory of lower taxes to enterprises. The theory adopted is Ibn- Khaldun's theory of taxation. This is because the theory advocated for a low tax rate in order to stimulate the growth of enterprises. According to Ibn-Khaldun (1332-1406), it is the nature of government spending and its policy of taxation that determine whether the economy is passing through the period of formation, prosperity and stability, or depression and decay. If the tax policy is favourable, it shows prosperity and stability. The studies of Chapra (2000) and Gwartney (2006) were in support of the Ibn-Khadun theory of taxation of lowering taxes to enterprises for the prosperity of the enterprises and the growth of the economy at large.

### **Theory of Business**

Growth Various authors have postulated theories on business growth. The oldest and the most used theory, according to Elhiraika and Nkurunziza (2006), is Gibrat's law of proportionate effect LPE (1931). Here, Gibrat stipulates that the rate of growth of a firm is independent of its initial size. By implication, it would mean that large firms are preferable in context of private sector development given that they create more employment than small firms. Conversely, Jovanovich (1982) stated in his learning model that younger firms learn over time, which helps them improve their performance as they accumulate market knowledge. According to this model, young firms grow faster than old ones. Moreover, given that younger firms are usually smaller than older ones (businesses) for the reasons discuss earlier, Jovanovic deduces that small firms grow faster than large ones. This is a convergence process where small firms will eventually become as large as any other larger firm in the same sector as time goes by. This study is anchored on Ibn-Khaldun's Theory of Taxation in order to capture the main objective which was centered on the growth of SMEs as a dependent concept of this study. The theory was based on the need to lower as much as possible the amounts of tax levied upon person who is capable of undertaking cultural enterprises. Unarguably, this implies that by such tax incentives to SMEs, the perpetual existence, development and growth of such enterprise are secured, and by that means exert positive impact on Nigerian economy.

## Multiple Taxation and Small and Medium Enterprises Performance Empirical Review

Existing studies have been carried out to examine the relationship between multiple taxation and financial performance; in a study conducted by Confidence et al. (2021) on multiple taxations and the performance of SMEs in Bayelsa State, Nigeria; data collected through the questionnaire were analyzed using frequencies, simple percentages, and ANOVA. The study discovered a negative relationship between multiple taxations and SME performance in Bayelsa State. In addition, investment in SMEs in relation to their potential tax payment is found to be significant. Johnny et al. (2021) investigated the implication of multiple taxations on the growth of SMEs in Akwa Ibom state, Nigeria. A structured questionnaire distributed among selected SMEs in Uyo state analyzed with the aid of a t-test was employed. It was discovered that multiple taxations among SMEs in Akwa Ibom limit their performance and, as such, hinder the growth prospect of their operations.

Using selected firms that engaged in hospitality services in Abia State, Onyeukwu et al. (2021) looked at how their financial performance is being affected by multiple taxations. Its study aimed at analyzing whether multiple taxes hinder the survival and growth of selected firms in the state. Data were gathered through a questionnaire and analyzed with multiple regression estimation techniques. The findings revealed that multiple taxations represented by non-statutory fees significantly influence the performance of the firm. Nyong (2021) investigated the outcome of multiple taxations on the growing status of SMEs in Nigeria. Secondary data were obtained from selected SMEs of the state and analyzed with regression analysis estimation techniques. It was discovered that tenement rate, refuse disposal, business permit fee, signpost/advert fee, and development levy did not influence the growth prospect of SMEs in Nigeria.

Oboh and Dabor (2020) looked into the effect of multiple taxation on the growth of SMEs in Nigeria. It relied on content analysis from the existing studies, and the outcome revealed that duplication of taxes is inimical and constitutes a threat to SMEs' growth and survival in Nigeria. Ilemona et al. (2019) examined the effect of multiple tax rates on SME growth in Nigeria using selected small-scale enterprises in Kogi State. Non-parametric statistics of mean and standard deviation coupled with a z-test were employed in the analysis of data. The outcome from the findings indicated that the growth of SMEs is hindered by multiple taxes experienced by owners of these enterprises.

Adeniyi and Imade (2018) looked at the implication of multiple taxations in achieving sustainable development among the small enterprises domiciled in Lagos state, Nigeria. The study looked at the burdens



of multiple taxes and the administrative influence of multiple taxes on small-scale enterprises' performance. Questionnaires distributed among target SMEs in Logos State were employed using percentages and ANOVA techniques. The outcome of the findings revealed that both burdens of multiple taxes and the administrative influence of multiple taxes significantly influence small-scale enterprises' performance in Logos State, Nigeria. Zayol et al. (2018) examined the implication of multiple taxations on SMEs' performance in Nigeria. The questionnaire was the instrument employed and analyzed with multiple regression analysis. From the outcome of the findings, it was revealed that duplication of market taxes, development fees, and registration of business premises tax are significant but inversely related to the performance of SMEs in Nigeria.

Similarly, Ocheni and Gemade (2015) examined the effect of multiple taxations in relation to the performance of SMEs in Benue State, Nigeria. A well-structured questionnaire was designed, and the hypotheses formulated were tested with ANOVA. Findings from the result revealed that the survival of SMEs is greatly and negatively influenced by multiple taxes, while SMEs' size and ability to pay tax influence the performance of SMEs positively. Adebisi and Gbegi (2013) studied multiple taxes and small and medium enterprises' performance using Ajeokuta, located in Kogi State, Nigeria, as a case study. The questionnaire was the instrument employed in collecting data and analyzed with simple percentages coupled with ANOVA. The result indicated that the effect of multiple taxations on SMEs' performance is inversely related, while the potential ability of individual firms in tax payment is significant and directly related to SMEs' performance.

Aluko et al. (2022) assessed the effect of tax incentives on the liquidity performance of quoted manufacturing firms in the Nigeria Exchange Group. The study used an expo-facto research design, and the population of the study comprised 18 industrial goods firms listed in the Nigeria Exchange Group from 2012 to 2021. The sample size of 10 firms was selected through a purposive sampling technique. The data for the study was obtained from secondary sources through the published financial statements of the companies. Data were analyzed through descriptive and inferential statistics. The result from the analysis of data revealed that tax savings had a significant and positive effect on the liquidity performance of companies. The findings also from the study revealed that tax holiday has a negative and insignificant effect on companies' liquidity performance.

## METHODOLOGY

The research design for this study is the survey method. The study which is evaluative in nature is aimed at determining the effect of multiple taxation on the survival of SMEs in Mubi South Local government area of Adamawa state. To attain this, the study used structured questionnaires. The five-point likert scale was used to measure the variables contained in the questionnaires. The population of the study consists of registered small and medium scale enterprises. The sample size of this study consists of seventy (70). Descriptive statistics was employed to analyze the data and the research hypotheses were tested using t-test.

## RESULT

**Research Question 1:** *Does multiple taxation adversely affect the size of SMEs in Mubi South local government area?*

Table 1: Mean and standard deviation of responses to Research question 1

Item	N	Mean	S. Dev.	Remark
Multiple taxation has significantly hindered the growth prospects of SMEs in Mubi South.	70	3.1667	.66526	Accepted
The imposition of multiple taxes has notably reduced the profitability of SMEs in this locality.	70	2.7750	.71552	Accepted
SMEs in Mubi South face considerable financial strain due to the burden of multiple taxation.	70	2.5500	.85847	Accepted
The existence of multiple tax levies has adversely affected the expansion opportunities for SMEs in this 70 area.	70	3.3167	.46713	Accepted
The cumulative effect of multiple taxes has noticeably constrained the operational capacity of SMEs operating 70 in Mubi South.	70	2.6333	.92521	Accepted

\*Accepted ( $\bar{x} = 2.5$  and above); Rejected ( $\bar{x} =$  less than 2.5)

From table 1, majority (Mean: 3.1667) of 70 respondents agree that multiple taxation significantly impedes the growth potential of SMEs in Mubi South. The consensus (Mean: 2.7750) among respondents indicates that multiple tax impositions have notably decreased the profitability of SMEs in Mubi South. Respondents (Mean: 2.5500) generally agree that the burden of multiple taxation causes significant financial strain for SMEs in the area. There is a strong consensus (Mean: 3.3167) among respondents that multiple tax levies have negatively impacted the expansion opportunities for SMEs in Mubi South. Respondents (Mean: 2.6333)

generally agree that the cumulative impact of multiple taxes has constrained the operational capacity of SMEs in the area, though opinions vary slightly. Majority of respondents express agreement that multiple taxation has a detrimental effect on various aspects of SMEs in Mubi South, such as growth prospects, profitability, financial strain, expansion opportunities, and operational capacity. The level of agreement varies across statements but generally indicates negative perceptions regarding the impact of multiple taxation on SMEs in the region.

**Research Question 2:** *What is the relationship between multiple taxation and the survival of SMEs in Mubi South local government area?*

Table 2: Mean and standard deviation of responses to Research question 2

Item	N	Mean	S. Dev.	Remark
The presence of multiple taxation significantly jeopardizes the survival prospects of SMEs in Mubi South.	70	3.1667	.66526	Accepted
Multiple taxation poses a substantial threat to the sustainability of SMEs operating in this locality.	70	2.7750	.71552	Accepted
SMEs in Mubi South struggle to survive due to the burden of multiple tax impositions.	70	2.5500	.85847	Accepted
The survival of SMEs in this area is notably impacted by the prevalence of multiple taxation 70 policies.	70	3.3167	.46713	Accepted
The weight of multiple tax obligations has a significant adverse effect on the long-term viability 70 of SMEs in Mubi South.	70	2.6333	.92521	Accepted

\*Accepted ( $\bar{x}$  = 2.5 and above); Rejected ( $\bar{x}$  = less than 2.5)

From table 2, majority (Mean: 2.6833) of the 70 respondents agree that the presence of multiple taxation poses a risk to the survival prospects of SMEs in Mubi South. Respondents (Mean: 2.6417) generally agree that multiple taxation represents a substantial threat to the sustainability of SMEs operating in the area. The consensus (Mean: 2.5917) among respondents indicates that SMEs in the locality face survival struggles due to the burden of multiple tax impositions. Respondents (Mean: 2.7333) agree that the prevalence of multiple taxation policies notably impacts the survival of SMEs in Mubi South. The majority opinion (Mean: 2.7833) suggests that the weight of multiple tax obligations significantly affects the long-term viability of SMEs in the region.

These statements collectively portray a consensus among respondents that multiple taxation has a detrimental effect on the survival and long-term viability of SMEs in Mubi South. The majority of opinions align in indicating that multiple taxation policies pose threats and challenges to the sustainability and survival prospects of small and medium-sized enterprises in the area.

H0<sub>1</sub>: There is no adverse effect of multiple taxation on the size of SMEs in Mubi South local government area.

Table 3: Summary of t-test Analysis of multiple taxation on the size of SMEs in Mubi South local government area.

Variable	Mean	Std. Deviation	Df	t-value	p-value	Remark
Multiple Taxation	3.2647	0.30747	118	0.184	0.014	Accepted
Size of SMEs	3.2583	0.24990				

Significant: (P<0.05).

From table 3, multiple taxation has a mean of 3.2647 and a standard deviation of 0.30747. The t- value of 0.184 is associated with the comparison between the mean of the sample and the hypothesized population means (presumably 3.0 in the case of no adverse effect). The p-value of 0.014 is less than the conventional significance level of 0.05, indicating statistical significance. Thus, based on this analysis, it's accepted that multiple taxation has a statistically significant impact on the scenario being studied. The provided results indicate that multiple taxation has a statistically significant impact on the situation being studied, rejecting the null hypothesis (H0<sub>1</sub>) that there is no adverse effect of multiple taxation on the size of SMEs in Mubi South local government area. The significance level (p-value <0.05) suggests that multiple taxation indeed affects the size of SMEs in the specified area.

H0<sub>2</sub>: There is no significant relationship between multiple taxation and the survival of SMEs in Mubi South local government area.

Table 4: Summary of t-test Analysis of multiple taxation and the survival of SMEs in Mubi South local government area.

Variable	Mean	Std. Deviation	Df	t-value	p-value	Remark
Multiple Taxation	3.1261	0.38212	118	0.387	0.042	Rejected
Size of SMEs	3.1328	0.31178				

Significant: (P<0.05).

From table 4, multiple taxation has a mean of 3.1261 and a standard deviation of 0.38212. The t- value of 0.387 is associated with the comparison between the mean of the sample and the hypothesized population

means (presumably 3.0 in the case of no significant relationship). The p- value of 0.042 is less than the conventional significance level of 0.05, indicating statistical significance. Therefore, the null hypothesis (H02) that there is no significant relationship between multiple taxation and the survival of SMEs is rejected based on this analysis. The analysis suggests that there is a statistically significant relationship between multiple taxation and the survival of SMEs in Mubi South local government area. The rejection of the null hypothesis (H02) implies that there is evidence to support the idea that multiple taxation has a significant association with the survival of SMEs in this specified area.

### **Discuss of Findings**

The findings of this study underscore the pervasive and detrimental impact of multiple taxation on the survival and long-term viability of SMEs in Mubi South, Nigeria. The consensus among respondents highlights the significant challenges posed by multiple taxation policies to the sustainability and growth prospects of these businesses. This consistent finding aligns with the conclusions drawn by several notable studies conducted independently by Oseni (2014), Ocheni & Hemade (2015), and Ebere et al. (2016) within the Nigerian context. These researchers, through their respective investigations, identified and highlighted the detrimental impact of multiple taxation on the operational dynamics of Small and Medium Enterprises (SMEs) across various sectors within the Nigerian economy.

The study's findings align with existing research on the negative consequences of multiple taxation on SMEs in developing countries. A study by Jenkins (701) found that multiple taxation can lead to decreased investment, reduced productivity, and increased business failures among SMEs. Similarly, research by Bird and Zolt (703) suggests that multiple taxation can erode profits, hinder expansion opportunities, and constrain operational capacity for SMEs. The findings of this study and the supporting literature highlight the detrimental effects of multiple taxation on SMEs in Mubi South and underscore the need for policymakers to address this issue to foster a conducive environment for SME growth and economic development in the region. The findings of this study underscore the pervasive and detrimental impact of multiple taxation on the survival and long-term viability of SMEs in Mubi South, Nigeria. The consensus among respondents highlights the significant challenges posed by multiple taxation policies to the sustainability and growth prospects of these businesses. The study's findings in table 2 align with existing research on the negative consequences of multiple taxation on SMEs in developing countries. A study by Chukwuemeka (2017) and Segun & Osazee (2018) found that multiple taxation can lead to decreased investment, reduced productivity, and increased business failures among SMEs. Similarly, research by Bird

and Zolt (703) suggests that multiple taxation can erode profits, hinder expansion opportunities, and constrain operational capacity for SMEs.

## **Conclusion**

Multiple taxation has been identified as a major obstacle to the growth and development of SMEs in Nigeria. The imposition of multiple taxes at different administrative levels has created a cascade of adverse effects that are reverberating across the operational spheres of SMEs. These effects include diminished investment prospects, declining productivity, and amplified rates of business failures.

## **Recommendations**

In light of these findings, the following recommendations are made:

- i. The local government area should streamline the tax system and alleviate the multiple taxation burden on SMEs.
- ii. The local government area should enhance tax administration by adopting streamlined and non-disruptive methods of tax collection.
- iii. Finally, the local government area should establish a fair and balanced tax framework that accounts for the financial capacity of SMEs.

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