

Title: Factors that Affect Tax Compliance among Small and Medium Enterprises (SMEs) in North Central Nigeria

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Abstract: Tax is an important stream of revenue for government's development projects. However tax compliance among SMEs is poor. Therefore, this study was conducted using SMEs in Zaria, North Central Nigeria to evaluate and rank the factors that encourage non-compliance with tax obligation by SMEs. It was found that high tax rates and complex filling procedures are the most crucial factors causing non-compliance of SMEs. Other factors like multiple taxation and lack of proper enlightenment affect tax compliance among the SMEs surveyed only to a lesser extent. Therefore, it is recommended that SMEs should be levied lower percentage of taxes to allow enough funds for business development and better chances for survival in a competitive market. The government should also consider increasing tax incentives such as exemptions and tax holidays as these would not only encourage voluntary compliance but also attract investors who are potential viable tax payers in the future.