

**THE IMPACT OF TAXES ON SMALL BUSINESSES IN NIGERIA: CASE  
STUDY OF SELECTED SMALL BUSINESS IN ADO-ODO OTA LOCAL  
GOVERNMENT, OGUN STATE.**

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**14PAA00739**

**COVENANT UNIVERSITY**

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**POST GRADUATE DIPLOMA  
DEPARTMENT OF ACCOUNTING  
COVENANT UNIVERSITY, OTA.**

**A RESEARCH SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, COLLEGE  
OF BUSINESS AND SOCIAL SCIENCES. COVENANT UNIVERSITY, OTA, IN  
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
POSTGRADUATE DIPLOMA IN ACCOUNTING.**

**MAY 2016**

## **DECLARATION**

I, Oyekola Oluwakemi Olaronke declare that this project report is based on a study undertaken by me in the Department of Accounting, College of Business and Social Sciences, Covenant University, Ota.

To the best of my knowledge, the work presented in this dissertation is original except as acknowledge in the text. All sources used in the study have been cited and no attempt has been made to project the contributions of others as my own. Also the material has not been submitted, either in whole or in part for a degree in this or any other University.

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Student Researcher

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Signature and Date

### **CERTIFICATION PAGE**

It is hereby certified that this research project written by Oyekola Oluwakemi Olaronke was duly supervised by me and submitted to the Department of Accounting, College of Business and Social Sciences, Covenant University, Ota, Ogun State.

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**DR. FAKILE S.A**

**PROJECT SUPERVISOR**

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**DATE**

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**DR. UWUIGBE. U**

**HEAD OF DEPARTMENT**

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**DATE**

## **DEDICATION**

This project is dedicated to Almighty God and my late husband, Mr. Oyekola Oyetunde Jacob.

## **ACKNOWLEDGEMENTS**

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## **Abstract**

*Small business plays a very important role in the development of every economy across the globe. It contributes to economic development of any country in terms of employment creation, innovation, uplifting the people's standard of living and financial contribution to the growth of the country's Gross Domestic Product. However, small businesses are faced with diverse challenges among which government tax regulations and policies have been identified as posing threat to their growth potentials. The study examined the impact of taxes on small businesses in Nigeria. This study employed a cross section design, while a primary source of data was used in gathering information on how tax regulations and policies influence the growth and survival of Small businesses. A total of 420 small business entrepreneurs were considered out of the entire population in Ado-Odo/Ota Local Government, Ogun State, Nigeria and questionnaires were given in that regard, but only 203 of the questionnaires were retrieved. The study shows that tax policies has strong positive effect on the growth of small businesses in Ado-Odo/Ota Local Government, Ogun State, Nigeria. Therefore, the study recommends that a good tax base should be set for small businesses and the level of compliance should be analysed when making effort to broaden the tax net, also, government should address the issues of multiple taxation via proper harmonisation of the tax system, and that a friendly tax policy on tax holiday for all newly established small businesses that will ensure a growth limit which can be said to be a level stable enough to sustain tax payment.*