



EFFECT OF MULTIPLE TAXATION ON THE SURVIVAL OF SMALL AND MEDIUM SCALE ENTERPRISES (SMEs) IN KATSINA STATE, NIGERIA

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ABSTRACT

The study evaluated the effect of multiple taxation on the survival of Small and Medium Enterprises (SMEs) in Katsina state, Nigeria. This is to find out if the multiple taxation has an impact on the the survival of SMEs in Katsina state. To achieve this, the study adopted a survey design. Descriptive statistics was used to analyze the data and regression analysis was used to test the hypotheses. Results from the descriptive results showed that multiple taxation has a negative effect on the survival of SMEs in Katsina state. The regression analysis established that multiple taxation has no significant relationship with the survival of SMEs in Katsina state. The study therefore recommended that precedence be given to the size of SMEs in Katsina state as it relates to their profits when making tax laws so as to avoid multiple taxation.

KEY WORDS: *Multiple taxation, Small and Medium Enterprises, Survival, Size*

INTRODUCTION

The survival of Small and Medium Scale Enterprises (SMEs) via appropriate taxation has been on the front burner among researchers, academics, policy makers, entrepreneurs and other key stakeholders as a result of its economic importance and contributions. This may be unconnected to the active part played by SMEs in industrial growth and economic development. In line with the foregoing, Ahmed (2006) confirmed that small and medium scale enterprises are sub-sectors of the industrial sector which play crucial role in industrial development. Their great roles in other sectors of the economy towards nation building cannot be underrated. SMEs have contributed employment generation, growth in Gross Domestic Product, wealth creation, poverty reduction, skill acquisition, infrastructural development and empowerment to the people of Katsina state in particular and Nigerian citizens in general. They provide a good percentage of all jobs and also for local capital formation. Also, Ariyo (2005) observed that a study carried out by the Federal Office of Statistics shows that in Nigeria, small and medium scale enterprises make up 97% of productive units of the economy. This is a proof that SMEs is a major job provider in Nigeria.

Faloyin (2015) stressed that socio-economic contribution of SMEs to the growth of the country cannot be overemphasized as the sector has been the major source of living, new ideas and wealth creation. Ani (2017) asserted that SMEs also contribute massively in developed nations, as they account for about 20% new ideas in Europe in 2014. Similarly, they are also known to have contributed positively to majority of businesses, employment and over



half of the GDP and generate a large proportion of new employment opportunities (Ani, 2017). There is no doubt that this fit can be replicated in Nigeria if adequate measures are put in place.

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 (2009), tax is a major player in every society of the world. Even though tax remains one of the key players in revenue generation in Nigeria generally and Katsina state in particular, caution should be applied in the way it is levied on SMEs so as not to be an impediment. 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, 2004). 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 Katsina state, Nigeria.

STATEMENT OF THE PROBLEM

It has been observed that the increasing cost of running government in recent times, coupled with the dwindling oil revenue has left all tiers of government in Nigeria with herculean task of devising additional means of revenue generation so as to improve their revenue base. Most state governments, Katsina state inclusive, have resorted to effective taxation as a means of improvement to the revenue base. This is a good step in the right direction but the wrong use of this means would spell doom for other sectors of the economy. This is because the quest to increase revenue base through taxation has often led to multiple taxation. Therefore, individuals and businesses mostly are at the receiving end because business structure in Katsina state is generally dominated by the Small and Medium Scale Enterprises (SMEs). Consequently, the survival of this all important sector in the economy of the state has become a great issue in recent times. Also the effect of multiple taxation on the size of these SMEs cannot be undermined. The survival issue if not adequately addressed may remain a mirage. This is due to the rate at which these businesses are folding up and the slow pace at which the few surviving ones are growing (Momoh, 2017). This therefore has raised a serious concern. However, some factors have been identified to be a threat to the survival of these enterprises and common among these factors is tax related issues which include multiple-taxation (Ocheni & Gemade, 2015). The survival of SMEs in Katsina will no doubt generate employment for the teeming populace, reduce poverty, create wealth and lead to overall development of the state. However, multiple taxation of this important sector in Katsina state may jeopardize its survival thereby stalling the aforementioned developments.



OBJECTIVES OF THE STUDY

The study was designed to evaluate the effects of multiple taxation on the survival of SMEs in Katsina state and to find out if multiple taxation affects the size of SMEs in Katsina state.

RESEARCH QUESTIONS

- (1) Does multiple taxation adversely affect the size of SMEs in Katsina state?
- (2) What is the relationship between multiple taxation and the survival of SMEs in Katsina state?

RESEARCH HYPOTHESES

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

Ho1: There is no adverse effect of multiple taxation on the size of SMEs in Katsina state.

Ho2: There is no significant relationship between multiple taxation and the survival of SMEs in Katsina state.

CONCEPTUAL ISSUES

Multiple Taxation

Taxation is a process of levying tax to generate revenue to the government. Therefore, it serves as an avenue of financial succor for the provision of public goods and services. Tax is the compulsory levy imposed by the government on business profits, personal income, dividends, and commissions necessary for the infrastructural and social development of the country (Tabet & Onyeukwu, 2019). According to Ogbonna and Ebimobowe (2012), tax is a major source of government revenue all over the world. Similarly, Azubuike (2009) noted that government uses tax proceeds to render their traditional function such as the provision of public goods, maintenance of law and order, defense against external aggression, regulation of trade and business to ensure social economic maintenance. The above is a pointer to the fact that tax is an important tool of economic development.

It is unequivocal that the merits inherent in taxation are great but the problems associated with the multiple-taxation if not checked can outweigh the advantages. In line with the foregoing, Oduola (2006) observed that individuals and corporate bodies express their frustrations about the adverse effects associated with the duplication of tax. Abiola (2016) viewed multiple taxation as a situation where the same level of government imposes two or more taxes on the same base. Adum (2018) described multiple taxation as a case where profit or wealth of an individual or corporate body is taxed repeatedly. Multiple taxation is the levying of tax by two or more authorities on the same declared income and assets (Omes, Teerah & Nzor, 2014). The above views have clearly shown that multiple taxation is a state of taxing a single amount of money severally by several authorities in an unfair way. This therefore makes multiple taxation undeserving and therefore hinders the survival of SMEs. Acute

Small and Medium Scale Enterprises (SMEs)

The concept of small and medium scale enterprises (SMEs) has no universally accepted definition. The reason for this is because SMEs vary from country to country and organization to organization. Also, there is no compromise among the policy makers and researchers as to what clearly distinguishes an enterprise to be small and medium. According to USAID (2004), the problem of SMES identification is more pronounced in the developing countries because apart from the fact that small and medium scale business are difficult to count, they are also difficult to measure individually, hence statistics on the number, size, geographical distribution and activities of enterprises and the SME sub-sectors are partial and highly unreliable. This implies that lack of compromise is more evident in the developing nations of which Nigeria is inclusive. Despite the lack of consensus as to what constitute SMEs, efforts have been made by some authors in this regards.

Globally, SMEs are defined as firms with fewer than 250 employees on their payroll and with a turnover of less than 50million Euro or a balance sheet total of less than 43million Euro (European Commission, 2003). The Central Bank of Nigeria as indicated in Osondu (1991) defined SMEs as any manufacturing process or service with a capital not



exceeding N150,000 in manufacturing and equipment alone. Furthermore, the Central Bank of Nigeria, in its 2005 guideline on Small and Medium Enterprise Investment Scheme (SMEIS), described SME as any enterprise with a maximum asset base of 200million naira (excluding land and working capital) with no lower or upper limit of staff (Etuk, Etuk & Baghebo, 2014). According to the National Council of Industries (2009), SMEs refer to business enterprises whose total costs excluding land is not more than two hundred million naira (N200, 000,000.00) only. The diverse views above are indications that SMEs are basically small in size in the areas of assets base and number of employees. Even though these enterprises are small, their importance in the economic development is enormous because their individual effects are mostly felt than that of the large scale enterprises.

Theoretical Framework

The theory that the study will dwell on is the ability to pay principle and business growth theory. The ability to pay principle was dated back to the sixteenth century and was extended by Jean Jacques Rousseau, Jean-Baptiste Say and John Stuart Mill. This theory is of the view that taxes collected by the government should be based on the capacity to pay. Simply put, taxes should be collected from individuals and businesses that can bear the burden of such tax.

Additionally, the study aligns with the theory of business growth represented in Olawale and Garwe (2010). The business growth theory opined that as a small firm commences and develops, it passes through some stages of growth, and each of these stages has its distinctive characteristics and challenges. He identified these stages of growth to include existence, survival, success, take-off and resource maturity. Therefore, the over-taxing of a business trying to survive the difficult process of survival is not in the best interest of any state or national economy,

Review of Related Empirical Studies

Despite the discussions and studies on tax administration in Nigeria as it relates to multiple taxation, there is still indication that much attention has not been given to the effect of multiple taxation on the survival of SMEs in Nigeria generally and Katsina state in particular. This is clearly manifested on the scarcity of literature on this area, a suggestion that more still need to be done. No known studies have been carried out on this subject in recent years and the few existing ones on this same subject were carried out some years ago and in different states other than Katsina state. Furthermore, most studies on this subject so far concentrated on the effect of multiple taxation on growth, investments and performances of SMEs. This therefore forms the gap for this study and to fill this gap, few related empirical studies were examined below;

Adebisi and Gbegi (2013) on a study titled effect of multiple taxation on the performance of small and medium scale business enterprises using survey design revealed that multiple taxation has a negative effect on SMEs survival. They also observed that the relationship between SMEs size and ability to pay taxes is significant. The study recommended that government should come up with a uniform tax policy that would be favourable to the development of SMEs in Nigeria.

A study by Omesì, Teerah and Nzor, (2014) on the implications of multiple taxation on the economy showed that multiple taxation cripples some sectors of the economy and hinders investment in the country.

Also Ocheni and Gemade (2015) conducted a study on the effects of multiple taxation on the performance of small and medium scale business enterprises in Benue state using survey design. The study found that multiple taxation has a negative effect on SMEs' survival and the relationship between SMEs' size and its ability to pay taxes is significant. They, therefore, among other recommendations, stated the need for SMEs to be levied lower amounts of taxes to ensure that they have enough funds to carry out activities that will result in their growth.

Similarly, Okolo, Okpalaojiego and Okolo (2016) conducted a study on the effect of multiple taxation on investments in small and medium scale enterprises in Enugu state using survey design. The findings revealed that multiple taxation has a negative effect on SMEs investment as well as a significant relation between the SMEs ability to pay tax and investment. They recommended that government should prioritize SME sector as a matter of urgency.

Chukwuemeka (2017) conducted a study on multiple taxation and the operations of business enterprises in Aba metropolis. The aim of the study was to examine the effect of taxation on businesses particularly in Aba. Structured



questionnaires were used to obtain data from selected private business operators in Aba metropolis. Analysis of the data was done using simple percentages. The findings suggest among others that multiple taxation has discouraged the springing up of new businesses enterprise in Aba metropolis.

The study by Sani, Sunday & Godwin (2019) on the effects of multiple taxation on the growth of small and medium enterprises in Nigeria showed that multiple taxation negatively affect the growth of SMEs in Nigeria. The study used survey design via questionnaire. The study among others recommended that government at all levels should address the issue of multiple taxation on SMEs by collecting taxes within their tax jurisdiction at stipulated by law.

Also Nnam, Amara, Ekeke, Okeke & Chukwunwike (2022) on the study of taxation practices and survival of small and medium sized enterprises found that tax practices significantly affect SMEs profitability and investment decisions. Survey design was used for data collection and chi-square and regression analysis were used to test the hypotheses.

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 Katsina 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 eight hundred and four (804) registered small and medium scale enterprises in Katsina state obtained from the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Katsina state and Cooperate Affairs Commission (CAC), Katsina office. The sample size of this study consists of two hundred and sixty two (262) registered SMEs in Katsina state. The sample size was arrived at using Syed (2021) table for determining sample size for a given population. 262 questionnaires were distributed and 251 were returned and usable. The study used cluster sampling technique in selecting the registered SMEs in Katsina state. Descriptive statistics was employed to analyze the data and the research hypotheses were tested using linear regression.

RESULT

Research Question 1: Does multiple taxation adversely affect the size of SMEs in Katsina state?

Table 1: Adverse effect of multiple taxation on the size of SMEs in Katsina State.

S/N	Items	Agree(%)	Undecided(%)	Disagree(%)	X	SD
1	Multiple taxation leads to slow growth of SMEs.	227(90.4)	5(2.0)	19(7.6)	4.19	0.877
2	There is lack of expansion in operations of SMEs.	221(88.1)	12(4.8)	18(7.2)	4.16	0.829
3	Profit margin of SMEs is reduced as a result of multiple taxation.	208(82.8)	14(5.6)	29(11.6)	4.04	0.985
4	It leads to the collapse of the business.	177(70.6)	16(6.4)	58(23)	3.78	1.204
5	Reduction in the cash available for daily operations.	192(76.5)	15(6.0)	44(17.5)	3.83	1.069
6	It results to decline in returns on investment.	192(76.5)	23(9.1)	36(14.4)	3.85	1.057
7	Decline in tax compliance.	198(78.8)	23(9.2)	30(12.0)	4.04	1.044
8	Capital base of SMEs continuously remain small	154(61.3)	22(8.8)	75(29.9)	3.55	1.193
9.	Difficulty in engaging the services of qualified and professional personnel	145(57.7)	21(8.4)	85(33.9)	3.44	1.223
10	The number of workers/staff employed is quite small	132(52.2)	31(12.4)	88(35.1)	3.36	1.207
	Grand Mean				3.82	1.069

Source: Field Survey, 2023 (The decision criteria is Mean = 3.00)



Table 1 shows the result of adverse effect of multiple taxation on the size of SMEs in Katsina state. 227 respondents representing 90.4 per cent agreed that multiple taxation leads to slow growth of SMEs in Katsina while 19 respondents representing 7.6 per cent disagree. This implies that multiple taxation hinders fast growth of SMEs. 221 respondents representing 88.1 per cent agreed that there is lack of expansion in operations of SMEs in Katsina while 18 respondents representing 7.2 percent disagreed. This is an indication that expansion in operations of SMEs in Katsina state is adversely affected by multiple taxation. 208 respondents representing 82.8 per cent agreed that profit margin of SMEs in Katsina state is reduced by multiple taxation while 29 representing 11.6 per cent disagreed. This means that multiple taxation diminishes profit margin of SMEs. 177 respondents signifying 70.6 per cent agreed that multiple taxation leads to the collapse of SMEs in Katsina state while 58 respondents constituting 23 per cent disagreed. This shows that multiple taxation of SMEs in Katsina state is a contributing factor to their collapse. 192 correspondents representing 76.5 percent of the respondents agreed that multiple taxation leads to reduction in the cash available for daily operations while 44 respondents constituting 17.5 per cent disagreed. This implies that multiple taxation does not increase cash available for operations. 192 correspondents representing 76.5 per cent agreed that multiple taxation results to decline in returns on investment while 36 respondents which constitute 14.4 per cent disagreed. This implies decline in returns on investment of SMEs is majorly attributed to multiple taxation. 198 respondents representing 78.8 per cent agreed that multiple taxation of SMEs leads to decline in tax compliance while 30 respondents representing 12 per cent disagreed. This supports the statement that multiple taxation discourages tax compliance. 154 respondents representing 61.3% agreed that multiple taxation makes capital base to continuously remain small while 75 correspondents comprising 29.9% disagreed, an indication that hinders the growth of capital base. 145 correspondents representing 57.7% agreed that multiple taxation of SMEs leads to difficulty in engaging the services of professional personnel while 85 respondents making up 33.9% disagreed. This shows that multiple taxation is an impediment to the engagement of professional personnel. 132 correspondents consisting 52.2 per cent agreed that multiple taxation of SMEs makes the number of workers employed quite small while 88 respondents representing 35.i% disagreed, an indication that multiple taxation reduces the number of workers employed.

Research Hypothesis 1: There is no adverse effect of multiple taxation on the size of SMEs in Katsina state.

Table 2: Summary of Linear Regression analysis on the effect of multiple taxation on the size of SMEs in Katsina state, Nigeria.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.473	.237		6.224	.000
Multiple taxation on size of SMEs	.003	.006	.036	.567	.571

From table 2, linear regression was used to test hypothesis 1 which states that there is no significant effect of multiple taxation on the size of SMEs in Katsina state. The p-value 0.571 is greater than 5% level of significance. This implies that there was no significant effect of multiple taxation on the size of SMEs in Katsina state. Therefore the hypothesis which states that there is no significant effect of multiple taxation on the size of SMEs in Katsina state is accepted.

The data and the descriptive results for research question two are presented in Table 3.



Research Question 2: What is the relationship between multiple taxation and the survival of SMEs in Katsina state?

Table 3: Relationship between multiple taxation and the survival of SMEs in Katsina State.

S/N	Items	Agree(%)	Undecided(%)	Disagree(%)	X	SD
1	High mortality rate of SMEs in Katsina	177(70.5)	27(10.8)	47(18.7)	3.73	1.102
2	Quantity and quality of goods produced and services provided by SMEs are negatively affected	213(84.9)	18(6.4)	22(8.8)	4.08	0.933
3	Decline in sales of goods and services of SMEs	174(69.3)	30(12.0)	47(18.7)	3.70	1.071
4	It hinders investment in new equipments and machineries	183(72.9)	20(8.0)	48(19.1)	3.75	1.157
5	There is increase in the cost of operation	221(88.0)	11(4.4)	19(7.6)	4.18	0.862
6	Funding of capital projects is negatively affected	180(71.7)	25(10.0)	46(18.3)	3.76	1.084
7	It slows down the introduction of new and different ways of doing business	179(71.3)	18(7.2)	54(21.5)	3.76	1.163
8	It endangers the effective management of SMEs	165(65.7)	27(10.8)	59(23.5)	3.65	1.133
9	It brings insufficiency of funds	181(72.1)	17(6.8)	53(21.1)	3.81	1.140
10	It leads to increase in the prices of goods and services	229(91.2)	8(3.2)	14(5.6)	4.41	0.859
Grand Mean					3.88	1.050

Source: Field Survey, 2023 (The decision criteria is Mean = 3.00)

Table 2 shows the relationship between multiple taxation and the survival of SMEs in Katsina state. 177 respondents representing 70.5 per cent of the respondents agreed that high mortality rate of SMEs in Katsina state is attributed to multiple taxation while 47 respondents representing 18.7 per cent disagreed. This means that multiple taxation is a major contributing factor to the collapse of SMEs. 213 consisting 84.9 per cent respondents agreed that quantity and quality of goods produced and services provided by SMEs are negatively affected by multiple taxation while 22 respondents representing 8.8 per cent disagreed. This is an implication that multiple taxation of SMEs does not reduce the quantity and quality of goods and services. 174 respondents comprising 69.3 per cent agreed that multiple taxation of SMEs leads to decline in sales of goods and services while 47 respondents constituting 18.7 per cent disagreed. This shows multiple taxation adversely affect the sales of SMEs. 183 respondents constituting 72.9 per cent agreed that multiple taxation hinders investment in new machineries and equipments while 48 respondents signifying 19.1 per cent disagreed. This implies that multiple taxation does not encourage investment in new machineries and equipments. 221 respondents indicating 88 per cent agreed that multiple taxation of SMEs increases cost of operation while 19 respondents symbolizing 7.6 per cent disagreed. This shows that multiple taxation of SMEs encourages high cost of operation by SMEs. 180 respondents representing 71.7 per cent agreed that multiple taxation negatively affect the funding of capital projects by SMEs while 46 respondents signifying 18.3 per cent disagreed. This means that multiple taxation is an impediment to the funding of capital projects by the SMEs. 179 respondents constituting 71.3 per cent agreed that multiple taxation slows down the introduction of new and different ways of doing business while 54 respondents constituting 21.5 per cent disagreed. This shows that multiple taxation does not encourage innovations by SMEs. 165 respondents representing 65.7 per cent agreed that multiple taxation endangers effective management of SMEs while 59 respondents representing 23.5 per cent disagreed. This signifies that multiple taxation is a threat to effective management of SMEs. 181 respondents representing 72.1 per cent are in agreement that multiple taxation leads to insufficiency of funds for SMEs while 53 respondents comprising 21.1 per cent disagreed. This shows that multiple taxation of SMEs limits the availability of funds for SMEs. 229 respondents representing 91.2 per cent agreed that multiple taxation increases the prices of goods and services while 14 respondents representing 5.6 per cent disagreed. This shows that multiple taxation is a contributing factor to hike in prices of goods and services of SMEs.



Research Hypothesis 2: There is no significant negative relationship between multiple taxation and the survival of SMEs in Katsina state.

Table 4: Summary of the linear regression analysis on the relationship between multiple taxation and the survival of SMEs in Katsina state, Nigeria

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	39.760	1.076		36.945	.000
Multiple taxation on survival of SMEs	-.555	.633	-.056	-.876	.382

From table 4, linear regression was used to test the hypothesis 2 which states that there is no significant relationship between multiple taxation and the survival of SMEs in Katsina state. The p-value of 0.382 is more than the 5% level of significance. This implies that there was no significant relationship between multiple taxation and the survival of SMEs in Katsina state. Therefore the hypothesis which states that there is no significant relationship between multiple taxation and the survival of SMEs in Katsina state is accepted.

DISCUSSION OF THE FINDINGS

The descriptive results by the respondents showed that multiple taxation adversely affects the size of SMEs in Katsina state, even though it is not significant. This is contrary to the study by Adebisi and Gbegi (2013). Some of the identified negative effects include slow growth of SMEs as observed by Sani, Sunday and Godwin (2019) as well as lack of expansion on the operations of SMEs. Also reduction on the profit margin of SMEs, decline of returns on investment as well as reduction in the cash available for daily operations is other negative effects which validates the study by Okolo, Okpalaojiego and Okolo (2016) and Nnam et al (2022). Profits available for day to day activities of these SMEs go a long way to determine the extent of growth, expansion in operations, availability of funds for further investments, increase in capital base among others. Therefore, multiple taxation of these profits endangers the size of these SMEs in Katsina state. In conclusion, since the grand mean of 3.88 is greater than the decision mean of 3.00, it is a strong indication that multiple taxation has an adverse effect on the size of SMEs in Katsina state.

Secondly, the result from the respondents indicates that multiple taxation has a negative relationship with the survival of SMEs in Katsina state though not statistically significant. The finding invalidates the study by Ocheni and Gemade (2015). Some of the identified negative effects include increase in the prices of goods and services, increase in the cost of operation, reduction in quantity and quality of goods produced and services provided and insufficiency of funds. Others include high mortality rate of these SMEs, hindrance to funding of capital projects, slow down in new and different ways of operating these SMEs. The overall results of the responses in table 3 shows that the grand mean was 3.88 which is greater than the decision mean of 3.00 implying that the respondent's responses on the relationship between multiple taxation and survival of SMEs in Katsina state is negative.

CONCLUSION

The study established that multiple taxation has adverse effects on the survival of SMEs in Katsina state. Multiple taxation has major negative effects on SMEs survival including slow growth, lack of expansion in operations, reduction on the profit margin, decline of returns on investment as well as reduction in the cash available for daily operations. Other effects include increase in the prices of goods and services, raise in the cost of operation, decline in quantity and quality of goods produced and services provided and deficiency of funds. The study therefore concludes that taxing SMEs may be an avenue for income generation for the government, as such; a step in the right direction but the wrong use of it via multiple taxation may spell doom for the survival of SMEs in Katsina state.

Recommendations

The following recommendations were made in line with the findings of the study:

1. Since multiple taxation adversely affects the size of SMEs in Katsina state, the size of these SMEs as it relates to their profits should be precedence to the government when making tax laws so as to support the survival of SMEs in Katsina state.



2. The study therefore recommended that the issue of illegal levies by different unions as well as taxation by different tiers of the government outside their control should be re-assessed and addressed to ensure that taxes within their tax power as stipulated by law are collected.

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