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Effects of Multiple Taxation on the Sustainability of Small-Scale Business Enterprises in Lagos, Nigeria

[1]**Onyemaka P.C.,and** [2]**Chukwudebelu, I.V. (Phd,,**

[1]Department of Management And Entrepreneurial Studies
Paul University, Awka Anambra State, Nigeria
pceprince@yahoo.com, 08032698134

[2]**Department** of Mass Communication, Paul University Awka
izuchukwudebelu@yahoo.com

Abstract

This study investigates the effects of multiple taxes on the sustainability and survival of small-scale businesses in Lagos State, Nigeria. Small-scale businesses constitute a vital component of Nigeria's economy, contributing significantly to employment, innovation, and GDP growth. However, these businesses face the persistent challenge of multiple taxation imposed by different tiers of government. The study adopts a descriptive research design using quantitative methods, where data were collected through structured questionnaires administered to a 400-sampled population of Micro, Small, and Medium Enterprises (MSMEs) in Lagos State. Data were analysed using descriptive statistics and regression analysis statistical tools to test two key hypotheses. Findings reveal that multiple taxation significantly affects the net income of small-scale businesses, thus hindering their sustainability. The study concludes that multiple taxation poses a substantial threat to the survival and growth of small-scale enterprises in Lagos, Nigeria. It recommends that government at all levels should harmonise tax policies, reduce redundant levies, and provide tax incentives to promote small business development and economic sustainability.

Keywords: Multiple Taxation, Small-Scale Business Enterprises, Profitability, Business Sustainability, Tax Burden, Lagos State, Nigeria

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INTRODUCTION

The effects of multiple taxation on the profits of small-scale businesses in Lagos, Nigeria, are highly relevant due to the significant impact of multiple taxation on the growth, sustainability, and profitability of small-scale businesses in Nigeria. In reference to a publication by the National Bureau of Statistics (2023), small-scale businesses contribute 48% to Nigeria's national GDP and account for 96% of businesses and 84% of employment. They are vital for job creation, economic diversification, innovation, and poverty alleviation. With 84% of employment generated by small-scale businesses, they are a key driver of economic growth and development. Supporting these businesses can lead to increased employment opportunities and poverty reduction.

Despite facing multiple taxation challenges, small-scale businesses are a significant source of revenue for the government. However, excessive taxation can hinder their growth and sustainability and ultimately reduce government revenue.

Small-scale businesses in Nigeria are driven by entrepreneurial spirit, innovation and adaptability. They have a strong understanding of local market dynamics, cultural nuances, and consumer behaviours.

The Nigerian government has implemented initiatives to support small-scale businesses, including access to finance, capacity-building programmes, business development services, and favourable policies.

With the right support and policies, small-scale businesses can drive economic growth, create jobs, and contribute significantly to Nigeria's development. They can also leverage technology to improve operations and increase productivity.

Emerging empirical evidence indicates that multiple taxation reduces business profitability, discourages reinvestment, impedes expansion, and threatens enterprise survival (Mbazulike, Ukairo & Umar, 2023; Oloyede, Otusanya & David, 2024). Many small-scale enterprises in Lagos struggle to comply with tax obligations due to limited financial capacity, poor tax education, and lack of supportive institutional frameworks. Consequently, the imposition of numerous taxes on small-scale businesses not only affects their current profitability but also jeopardises their long-term sustainability and competitiveness in the marketplace. This challenge is further compounded by inconsistent tax enforcement practices, which create uncertainty and weaken trust in the regulatory system. Small-scale businesses face challenges such as limited access to finance, infrastructure, and markets, which hinder their ability to grow and remain competitive (IFC, 2020; SMEDAN & NBS, 2021). Multiple taxation is a significant burden that can further affect their growth and sustainability by increasing operating costs and reducing profit margins (Adebisi & Gbegi, 2013; Udeh & Udeh, 2022).

The background of this study highlights the challenges posed by multiple taxation, which imposes heavy tax burdens on small-scale businesses, hampers their growth and performance, and contributes to a high mortality rate, with approximately 80% of small-scale businesses failing to survive beyond their fifth year (SMEDAN & NBS, 2021). This study therefore examines the impact of multiple taxation on the sustainability of small-scale businesses, focusing on how it affects business growth, development, survival, and overall viability, in order to guide evidence-based policy recommendations (Nwankwo & Ifejiofor, 2020). Given that small-scale enterprises contribute about 97% of Nigeria’s business sector and are crucial in job creation and economic development, addressing the issue of multiple taxation is critical to enhancing entrepreneurship and economic progress in Nigeria (Ariyo, 2005; SMEDAN & NBS, 2021).

This study therefore seeks to investigate the effects of multiple taxation on the sustainability of small-scale business enterprises in Lagos State. Specifically, the study seeks to examine how multiple taxation influences the survival and long-term stability of Micro, Small, and Medium Enterprises (MSMEs). It further aims to assess the coping mechanisms and strategies that small-scale business owners adopt in order to cushion the negative impact of multiple taxes on their operations and profitability. Additionally, the study strives to identify and propose suitable policy measures that can be implemented to address the challenges associated with multiple taxation, with the goal of promoting a more favourable business environment for small-scale enterprises in Nigeria.

In furtherance of the objectives of the study, several research questions were presented. Firstly, what is the impact of multiple taxation on the sustainability of small-scale businesses in Lagos State? This sought to determine the impact of multiple taxation on the sustainability of small-scale businesses in Lagos State, particularly in terms of their growth, stability, and long-term survival. Secondly, how does multiple taxation cause the winding up of small-scale businesses in Lagos State, Nigeria? This also examined the extent to which multiple taxation contributes to the winding up or closure of small-scale business enterprises within the state. Additionally, what strategies do small-scale businesses employ to mitigate the impact of multiple taxes on their profits? The research explored the strategies small-scale business owners adopted to mitigate or manage the adverse effects of multiple taxation on their operational efficiency and profitability. Finally, what policy recommendations can be proposed to address the challenges posed by multiple taxation on small-scale businesses in Nigeria? The study aimed to identify possible policy recommendations that could effectively address the challenges associated with multiple taxation and improve the business environment for small-scale enterprises in Nigeria.

METHODOLOGY

This study employed a survey research design to comprehensively investigate the effects of multiple taxation on the sustainability of small-scale business enterprises in Lagos, Nigeria. With much focus on Micro, Small, and Medium Enterprises (MSMEs) operating in various sectors of the Nigerian economy, the research gathered quantitative data that provides insights into the challenges faced by these businesses. The study focused on a population of approximately 2.5 million registered MSMEs in Lagos State, as reported by the National Bureau of Statistics (NBS). However, using the Taro Yamane formula, a sample size of 400 was determined, comprising a diverse range of enterprises (micro, small, and medium) and sectors (manufacturing, services, retail trade, and others). The sample selection was purposive, taking into account the expertise and experience of participants within major business hubs in Lagos State. A structured questionnaire was designed which enabled effective data collection on various aspects, including demographic information, understanding of taxation and multiple taxation, impact on business profitability, growth, and sustainability, coping mechanisms, and government policies. This enhanced a comprehensive analysis of the study. Data analysis was conducted using descriptive statistics (frequencies, percentages, mean, and standard deviation) and regression analysis for hypothesis testing. Findings were presented using tables and statistical measures, providing a clear and concise representation of the research outcomes.

RESULTS AND DISCUSSION

Relationship between effect of multiple taxation and sustainability of small-scale business.

Table 1: **Effect of double taxation on small scale businesses**

Model Summary	Coefficient (β)	Std. Error	t-Statistic	Sig. (p-value)	Remarks
Constant (β_0)	0.842	0.162	5.198	0.000	Statistically Significant
Double Taxation (β_1)	-0.711	0.093	-7.645	0.000	Statistically Significant
R	0.823				Strong correlation between taxation and sustainability (inversely related).
R^2	0.678				67.8% of the variation in business sustainability
Adjusted R^2	0.674				Adjusted for sample size, confirming model reliability.
F-statistic	58.43			0.000	Statistically significant.
N (Sample Size)	400				

Source: Field survey 2025

Results in Table 1 below present the regression output analysing the effect of double taxation on the sustainability of small-scale businesses in Lagos State, Nigeria. The results reveal a strong and statistically significant relationship between the two variables. The coefficient (β_1 = -0.711) indicates that for every one-unit increase in double taxation burden, the sustainability of small-scale businesses decreases by approximately 0.71 units, holding other factors constant. This negative coefficient signifies that as the incidence of multiple or overlapping taxes rises, the ability of small enterprises to sustain operations, reinvest profits, and remain competitive significantly declines.

The t-statistic (-7.645) with a p-value of 0.000 suggests that the effect is statistically significant at the 1% level. Therefore, the null hypothesis—that double taxation has no significant effect on the sustainability of small-scale businesses—is rejected. The model's R^2 value of 0.678 indicates that 67.8% of the variation in business sustainability is explained by double taxation, confirming a high explanatory power and model reliability. The F-statistic (58.43, p = 0.000) further reinforces that the regression model is overall significant, implying that the predictor variable (double taxation) reliably explains the observed changes in small business sustainability across the sample of 400 respondents.

The intercept (β_0 = 0.842) shows a positive baseline level of sustainability when the burden of double taxation is minimal or non-existent. This implies that in the absence of overlapping taxes, small-scale businesses demonstrate a natural capacity to remain viable and self-sustaining—largely due to entrepreneurial resilience and favourable market engagement. The R value (0.823) also reflects a strong inverse correlation between taxation intensity and sustainability outcomes.

The regression results provide empirical validation that double taxation significantly undermines the sustainability of small-scale businesses in Lagos State. This finding aligns with the outcomes of previous empirical studies that have examined the impact of taxation on micro, small, and medium enterprises (MSMEs) in developing economies. For instance, Olaoye and Adebisi (2023) found that multiple taxation significantly reduces SME profitability and discourages reinvestment, often leading to premature business closure. Similarly, Omodero (2022) demonstrated that excessive tax burdens in Nigeria constrain capital accumulation, discourage formalisation, and negatively affect employment generation among small firms.

The strong negative coefficient (-0.711) in this study indicates that taxation, when duplicated or uncoordinated across federal, state, and local levels, imposes a cumulative financial strain that erodes profit margins and deters long-term sustainability. Ibadin and Oladipupo (2015) argue that multiple taxation in Nigeria not only diminishes firm profitability but also creates administrative inefficiencies, as business owners often face redundant tax obligations from overlapping jurisdictions. This observation mirrors the current finding, which shows that a substantial proportion (67.8%) of sustainability challenges are statistically attributable to tax multiplicity.

From a theoretical standpoint, this outcome corroborates the Transaction Cost Economics (TCE) Theory (Williamson, 1975), which posits that businesses incur costs not only through production but also through external institutional and regulatory frictions. Multiple taxation represents such a friction—raising transaction costs, diverting limited capital from productive use, and impairing firm-level competitiveness. In the context of Lagos, where many microenterprises operate on narrow margins, the imposition of duplicative levies (e.g., VAT, signage, business premises fees, environmental levies, and local government charges) directly amplifies the cost of doing business. Consequently, these costs reduce available funds for inventory, innovation, and expansion.

Furthermore, the finding aligns with the neoclassical economic theory of taxation, which asserts that excessive taxation distorts resource allocation, reduces savings and investment, and diminishes overall productivity (Musgrave & Musgrave, 1989). Empirical evidence from Adebisi and Gbegi (2021) reinforces this theoretical assertion, showing that Nigeria's multiple taxation framework reduces SMEs' ability to accumulate operational reserves and pursue innovation. This is consistent with the Lagos study, where business owners reported being compelled to increase product prices to maintain profit margins—a strategy that ultimately reduces demand and competitiveness.

Several international studies also corroborate this pattern. For example, OECD (2021) and World Bank (2020) highlight that small enterprises in low- and middle-income countries face disproportionate tax compliance costs compared to large corporations. The burden is compounded by poor tax harmonisation and limited digitalisation of payment systems, leading to inefficiencies that erode productivity and compliance morale. In Nigeria, Ariyo and Jerome (2020) found that such inefficiencies are especially pronounced in metropolitan areas like Lagos, where multiple revenue agencies independently enforce overlapping levies.

The statistical significance of the relationship between double taxation and business sustainability carries profound policy and economic implications. First, it underscores the urgent need for tax harmonisation and institutional coordination across tiers of government to prevent duplication. According to Ocheni, Agba, and Agba (2020), simplifying tax structures through single-window payment systems can reduce compliance costs by up to 30%, thereby improving firm survival rates.

Second, the findings suggest that multiple taxation contributes to informalisation, as many small businesses opt to remain unregistered to evade burdensome levies. This supports the conclusion of Ilegbinosa and Jumbo (2015), who found that excessive taxation fosters informality and undermines government revenue in the long run. Consequently, tax policy reform should aim to balance revenue generation with enterprise sustainability, as the current model disproportionately penalises small-scale enterprises that are the backbone of Nigeria's employment sector.

Third, this study's high R^2 (0.678) value implies that reducing tax complexity could have a large-scale impact on business resilience. As Nwokoye and Eze (2021) emphasise, tax reforms that integrate digital platforms, provide incentives, and introduce progressive thresholds for SMEs have been shown to stimulate job creation and gross domestic product (GDP) growth.

Relationship between coping mechanisms employed and perceived effect of multiple taxation on small-scale business enterprises.

Table 2: The correlates of perceived effect of multiple taxation on small scale business

Strategies Employed	Corr. Coefficient (r)	Direction	p-value	Remark
Relocation of business	0.62	Positive	0.000	Significant
Engage in advocacy	-0.58	Negative	0.000	Significant
Effective tax planning	-0.71	Negative	0.000	Significant
Proper records keeping	-0.66	Negative	0.000	Significant
Prioritize tax compliance	-0.74	Negative	0.000	Significant

Source: Field Survey, 2025.

Table 2 presents the correlation coefficients between the coping strategies employed by small-scale businesses and the perceived effect of multiple taxation. The results indicate both positive and negative correlations, revealing how different strategic responses influence how business owners perceive the impact of multiple taxation on their operations.

Relocation of business ($r = 0.62$, positive relationship). The positive correlation between business relocations and perceived taxation impacts suggests that enterprises that experience higher tax burdens are more likely to consider relocating to regions with more favourable tax regimes. This reaction reflects a defensive or avoidance strategy in an effort to escape over-taxation rather than confront it through compliance or advocacy. However, while relocation may temporarily reduce costs, it often results in operational disruption, customer loss, and reduced community embeddedness. This outcome supports findings by Omodero (2022) and Ibadin & Oladipupo (2015) that excessive taxation leads to business mobility, informality, and, in extreme cases, closure.

Engagement in advocacy (r = –0.58, negative relationship). Advocacy and collective representation show a moderately strong negative correlation with perceived taxation effects. This implies that firms involved in advocacy through business associations, trade unions, or chambers of commerce report lower perceived tax burdens. Engagement in advocacy likely increases access to information, channels for dialogue, and collective negotiation power with authorities. These findings resonate with the OECD (2021) and the World Bank (2020), which emphasise that organised private-sector advocacy leads to fairer taxation systems and reduced compliance costs. It underscores the importance of policy participation as a coping and reform mechanism.

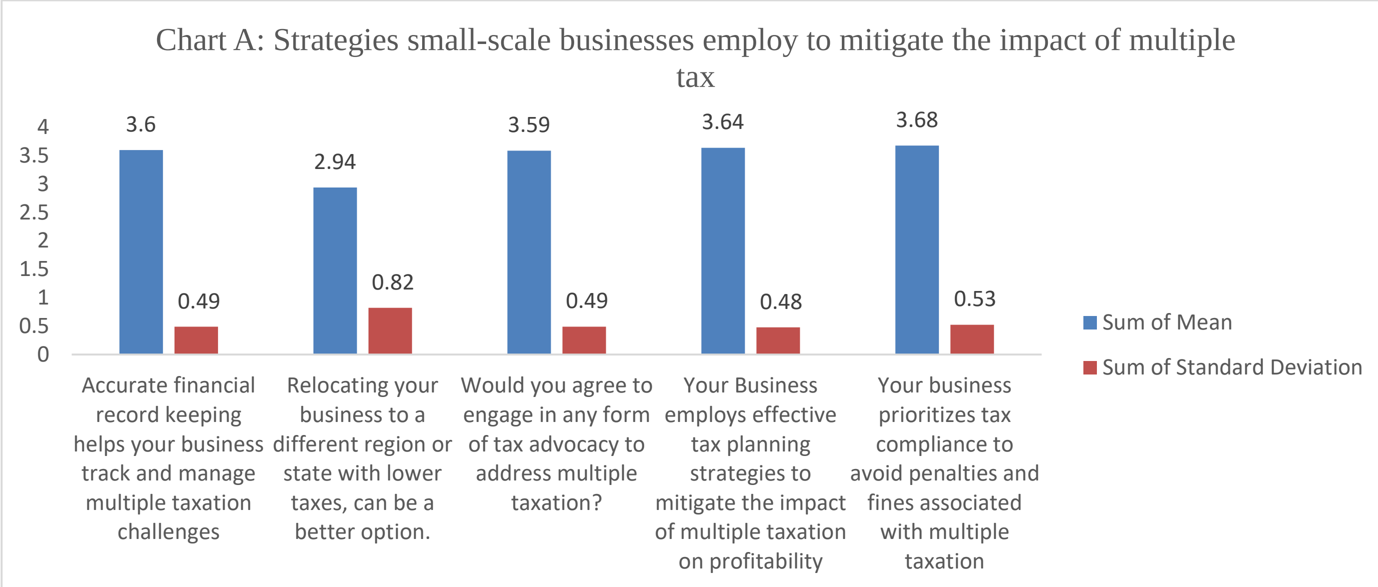
Effective tax planning (r = –0.71, negative relationship). Effective tax planning demonstrates a strong inverse relationship with perceived taxation effects. Businesses with structured tax planning, such as the use of certified accountants, awareness of deductions, and accurate reporting, tend to perceive less burden. This finding reinforces the argument by Olaoye and Adebisi (2023) that knowledge-based planning reduces tax-induced inefficiencies and supports reinvestment. In practical terms, tax planning empowers firms to forecast liabilities and integrate compliance into their financial strategy, mitigating unexpected fiscal stress.

Proper record keeping (r = –0.66, negative relationship). The strong negative correlation between record keeping and perceived taxation burden shows that transparent documentation and financial discipline are key to reducing tax anxiety. Proper records enable firms to defend their tax positions, file accurately, and avoid punitive fines. In the Nigerian context—where multiple revenue agencies overlap—sound documentation prevents redundant assessments. The result corroborates Adebisi and Gbegi (2021), who found that record keeping improves SMEs' capacity to withstand fiscal pressures.

Prioritising tax compliance (r = –0.74, negative relationship). This is the strongest correlation in the table, confirming that tax compliance significantly reduces the perceived negative effects of multiple taxation. Compliant firms are those that pay promptly, adhere to documentation standards, maintain transparency, experience fewer confrontations with tax authorities and enjoy improved legitimacy. The negative correlation indicates that compliance acts as a stabilising force, converting taxation from a punitive experience into a predictable business cost. This finding supports Musgrave & Musgrave's (1989) neoclassical theory, which posits that efficient compliance minimises distortionary effects on business productivity.

Moreover, the chart below shows information on the direct perspective of research responses to further buttress the approaches utilised by small-scale businesses to mitigate or manage the adverse impacts of multiple taxation on their profit margins and business sustainability by business enterprises. Prioritising tax compliance is vital for avoiding penalties and fines linked to multiple taxation, attaining the highest mean score of 3.68 and a standard deviation of 0.53. This underscores that upholding compliance is regarded as a strategy that is both preventive and economical.

Similarly, utilising effective tax planning strategies to alleviate the adverse impacts of multiple taxation on profitability attained another high mean score of 3.64, accompanied by a standard deviation of 0.48, signifying a uniform and pervasive implementation of systematic tax planning measures amongst small-scale businesses. Also, engaging in tax advocacy as a strategy for tackling challenges associated with multiple taxation recorded a high mean score of 3.59 coupled with a low standard deviation of 0.49, underscoring a robust consensus amongst respondents regarding the efficacy of collective advocacy as a strategic approach to mitigate the impact of multiple taxation. A mean score of 3.60 and a standard deviation of 0.49 suggest that robust financial documentation serves a vital function in facilitating transparency, accurate evaluation, and adherence to tax responsibilities.



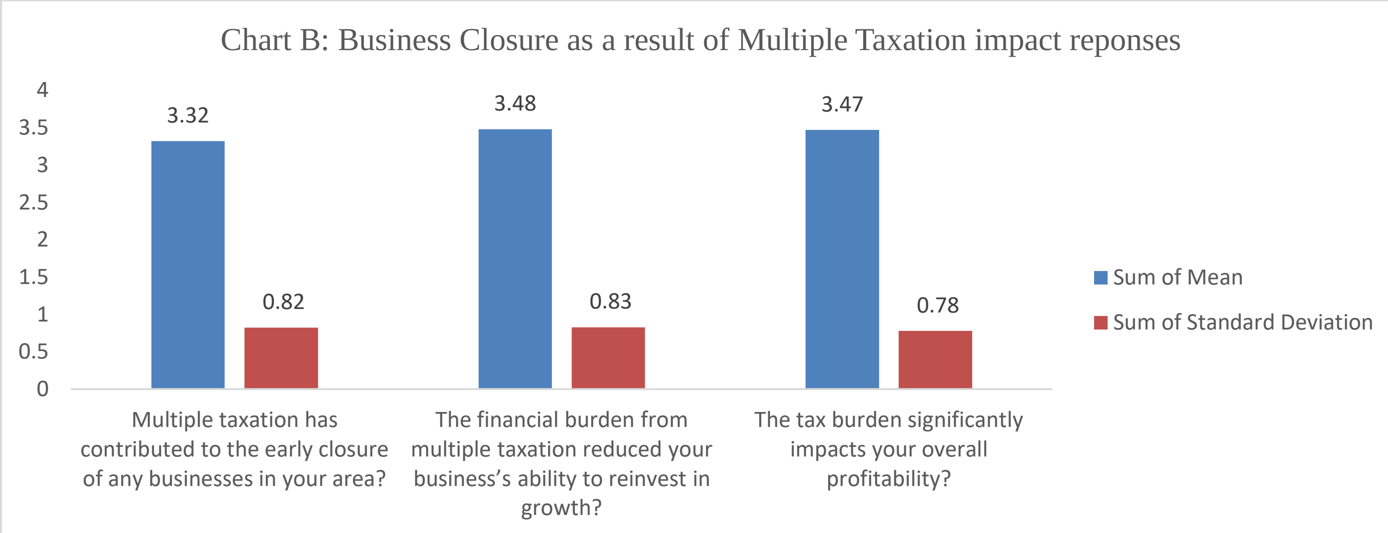
Source: *Researcher's Self Computation/chart from field survey 2025*

Table 3: Winding up of small-scale businesses in Lagos State, Nigeria as a multiple taxation impact

S/N	Item Statement	Strongly Agree	Agree	Strongly Disagree	Disagree	Mean	Standard Deviation	Remarks
1	Multiple taxation has contributed to the early closure of any businesses in your area?	52%	31%	3%	14%	3.32	0.82	Agreed
2	The financial burden from multiple taxation reduced your business's ability to reinvest in growth?	66%	20%	4%	10%	3.48	0.83	Agreed
3	The tax burden significantly impacts your overall profitability?	**59%**	35%	6%	0%	3.47	0.78	Agreed
	Total Mean					**10.27**		Agreed

N = 400; Likert Scale = 4; Threshold mean = 7.645
Source: *Researcher's Self Computation from field survey 2025*

The chart "B" below provided displays the opinions of business owners regarding the degree to which multiple taxation affects the closure of small-scale enterprises in Lagos State. This is viewed on the three key indicators: business closure, reinvestment ability and profitability. Specifically, a mean score of 3.32 and a standard deviation of 0.82 indicated that multiple taxes had contributed to the early closure of businesses in their area. Similarly, the financial burden from multiple taxation reduces their ability to reinvest in business growth, thus reflecting in a mean score of 3.48 and a standard deviation of 0.83. Furthermore, a mean score of 3.47 and a standard deviation of 0.78 show that the tax burden significantly affects their overall profitability. with a mean score of 3.47 and a standard deviation of 0.78. The overall mean score of 10.27, translating to an average mean of 3.42, positions itself within the "Agreed" category on the 4-point Likert scale. This reflects a substantial agreement amongst respondents that multiple taxation plays a considerable role in the closure of small-scale businesses. Essentially, the results imply that multiple taxation places significant financial strain on small enterprises, diminishes profitability, and hampers reinvestment capacity, thus heightening the prospect of business termination. This highlights the imperative for tax restructuring and supportive fiscal measures to foster a more conducive atmosphere for the sustenance and expansion of small businesses in Lagos State, Nigeria.



Source: Field survey 2025

The study's findings in Table 3 below suggest that multiple taxes are a significant contributor to the winding up of small-scale businesses in Lagos State, Nigeria. The finding that 83% of respondents believe multiple taxation has contributed to the early closure of businesses in their area is a significant concern. Looking at it from the financial strain perspective, multiple taxation can lead to a significant financial strain on small-scale businesses, making it challenging for them to operate sustainably. The cumulative effect of various taxes can reduce businesses' profit margins, limit their ability to invest in growth initiatives, and increase their vulnerability to financial shocks.

Also from a premature closure perspective, the financial strain caused by multiple taxation can be so severe that it forces businesses to shut down prematurely. This can have far-reaching consequences, including loss of livelihoods, reduced economic activity and impact on small-scale businesses.

Business closure can lead to job losses, affecting not only the business owners but also their employees and dependants. Business closure can reduce economic activity in the area, affecting local economic growth and development. Small-scale businesses are particularly vulnerable to the effects of multiple taxation due to their limited resources and financial capacity. The financial strain caused by multiple taxation can limit their ability to invest in growth initiatives, hire new staff, develop new products or services, and respond to changes in the market. Also, the respondents believe multiple taxation contributes to early business closure, highlighting the need for policy intervention, whereby the policymakers should consider measures to alleviate the tax burden on small-scale businesses, such as simplifying the tax structure, implementing tax incentives or exemptions, and streamlining tax administration processes, with respect to the reduced ability to reinvest in capacity for expansion. The finding that 86% of respondents agree that multiple taxation reduces their business's ability to reinvest in growth is a critical insight. Exploring this insight, multiple taxation can limit businesses' ability to invest in growth initiatives; businesses may struggle to expand their operations, enter new markets, or increase their production capacity.

The financial burden of multiple taxation can limit businesses' ability to hire new staff, develop new skills, or invest in employee training. Businesses may struggle to invest in research and development, innovation, or new product development.

The consequences of reduced reinvestment in growth initiatives can be far-reaching, such that businesses may struggle to grow, innovate, or expand, leading to stunted growth and reduced competitiveness. Businesses that are unable to invest in growth initiatives may become less competitive, leading to reduced market share and profitability. The lack of investment in research and development can limit innovation, making businesses less responsive to changing market conditions.

Some of the implications for small-scale businesses are that it makes them vulnerable to the effects of multiple taxation on reinvestment. The reduced ability to reinvest in growth initiatives can limit their ability to respond to changing market conditions, compete with larger businesses, and achieve long-term sustainability.

The finding that 94% of respondents believe the tax burden significantly impacts their overall profitability is also a critical insight. Multiple taxation can have a substantial impact on businesses' bottom line, reducing their profitability and making it challenging for small-scale businesses to sustain themselves. The tax burden can eat into businesses' profit margins, limiting their ability to invest in growth initiatives, pay dividends, or retain earnings.

The significant impact of multiple taxation on profitability can make it challenging for businesses to maintain their financial stability and sustainability. Businesses may struggle to maintain cash flow, meet financial obligations and invest in growth initiatives.

Some of the consequences for small-scale businesses are that the reduced profitability caused by multiple taxation can impede small-scale businesses' ability to compete on a level playing field with larger businesses, navigate changing market conditions and achieve long-term sustainability and growth.

The findings support Oloyede, Otusanya, & David's (2024) position, which states that multiple taxation reduces the profitability of SMEs, as it increases their tax burden and reduces their ability to invest in growth opportunities, thus resulting in a negative impact on profitability.

Table 4: Proposed Policy recommendations to address the challenges posed by multiple taxation on small-scale business sustainability in Nigeria.

S/N	Item Statement	Strongly Agree	Agree	Strongly Disagree	Disagree	Mean	Standard Deviation	Remarks
1	Do you think the current tax policies (federal, state, local) are favorable for the growth of small businesses?	7%	10%	52%	31%	1.72	0.91	Disagree
2	Reducing the number of taxes/levies and implementing a flat tax rate can improve the sustainability of small businesses in Nigeria?	62%	35%	3%	0%	3.56	0.65	Agreed
3	Provision of tax incentives for small business will enhance their growth and profitability.	62%	38%	0%	0%	3.62	0.49	Agreed
4	Do you agree that the government will address the issue of multiple taxation in the near future	21%	48%	14%	17%	2.76	0.94	Agreed
	Total Mean					**11.66**		

N = 400; Likert Scale = 4; Threshold mean = 7.645
Source: *Researcher's Self Computation from field survey 2025*

The research study explores policy recommendations that can be proposed to address the challenges posed by multiple taxation on small-scale businesses in Nigeria from the respondent point of view.

The overwhelming majority of respondents (83%) believe that the current tax policies (federal, state, and local) are not favourable to the growth of small businesses. This suggests that the current tax policies are seen as a hindrance to the growth and development of small-scale businesses in Nigeria; that is, it suggests that the tax environment is perceived as hostile, with too many taxes, high tax rates, or complex tax regulations.

The unfavourable tax environment can hinder small business growth and development in several ways. High taxes can reduce profit margins, making it challenging for small businesses to sustain themselves. Complex tax regulations and high taxes can discourage investment in small businesses. Small businesses may struggle to comply with multiple tax laws and regulations, increasing their administrative costs.

Hence, the finding highlights the need for tax policy reform to create a more favourable environment for small business growth. Policymakers should consider simplifying tax laws, reducing tax rates, and providing incentives to support small business development, which are necessary to address these challenges.

All respondents (100%) believe that providing tax incentives for small-scale businesses can enhance their growth and profitability. Tax incentives can help to reduce the financial burden on small-scale businesses, enabling them to invest in growth initiatives, create jobs, and contribute to economic development. On average, 69% of respondents believe that the government will address the issue of multiple taxation in the near future; 31% are sceptical about the government's willingness to take action. This highlights the need for continued advocacy and engagement between small-scale businesses, policymakers, and other stakeholders to ensure that the concerns of small-scale businesses are heard and addressed.

The findings suggest that policymakers should prioritise policy reforms that simplify the tax structure, reduce the tax burden, and provide tax incentives for small-scale businesses. By taking these steps, policymakers can help to create a more favourable business environment that supports the growth and development of small-scale businesses in Nigeria.

In conclusion, looking at the researcher's hypothesis testing to examine the effect of multiple taxation on small-scale businesses in Lagos State, Nigeria. The findings from the hypotheses collectively demonstrate that multiple taxation has a significant and detrimental impact on the sustainability of small-scale businesses in Lagos State. The regression results reject the first hypothesis, confirming that increases in multiple taxation directly reduce business sustainability by eroding profit margins and limiting reinvestment capacity. The second hypothesis reveals that coping mechanisms, such as tax planning, advocacy, and proper record keeping, help reduce the perceived burden of taxation, while strategies like business relocation are associated with higher perceived impacts. This suggests that firms equipped with better financial management and institutional support are more resilient to tax pressures. The third hypothesis shows that socio-economic characteristics, including age, years of experience, and duration in business, heighten the perceived negative effects of taxation, while higher education and larger business size reduce this perception. Overall, the study concludes that multiple taxation poses a substantial challenge to business survival, and addressing it through tax harmonisation, education, and supportive policy frameworks is crucial for sustaining small-scale enterprises in Lagos. All three hypotheses were rejected, confirming the significant impact of multiple taxation on small-scale businesses in Lagos State, Nigeria.

However, it is worthy to note that a more than average range of respondents believe that the government will address the issue of multiple taxation in the near future. This finding is in line with the researcher objective, which seeks to identify policies that can be proposed to address the challenges posed by multiple taxation on small-scale businesses in Nigeria.

Conclusion

This study examined the effects of multiple taxation on the sustainability of small-scale business enterprises in Lagos, Nigeria, recognising the crucial role small-scale businesses play in employment generation, poverty reduction, innovation, and economic diversification. The findings provide strong empirical evidence that multiple taxation significantly undermines the growth and sustainability of small-scale businesses. The regression analysis clearly established that multiple taxation has a strong negative effect on business sustainability, as reflected in the coefficient value ($\beta = -0.711$), which shows that increased tax burden directly reduces the ability of businesses to generate profit, reinvest earnings, and remain competitive. The model's explanatory power ($R^2 = 0.678$) further indicates that a substantial proportion of sustainability challenges faced by small-scale businesses are attributable to excessive and overlapping taxation.

The analysis showed that certain strategies, including effective tax planning, meticulous financial record-keeping, prioritising tax compliance, and business advocacy, can help businesses navigate the challenge of multiple taxation. These strategies are not uniformly accessible to all small businesses. Micro-enterprises, in particular, often lack the knowledge, financial resources, and institutional support required to implement these strategies effectively. Conversely, businesses that resort to relocation or informality often experience disruptions that threaten long-term viability. This finding underscores the uneven resilience capacity among small businesses and the need for supportive structures to enhance compliance and sustainability.

Furthermore, the study established that the cumulative effects of multiple taxation—manifesting as reduced profit margins, diminished reinvestment capacity, and heightened operational uncertainty—have contributed to the premature closure of small-scale businesses in Lagos. The descriptive findings validated business owners' perceptions that excessive taxation significantly affects their ability to expand, retain staff, stabilise operations, and grow competitively. Notably, 83% of respondents affirmed the link between multiple taxation and early business closure, while 86% indicated that tax burdens limit reinvestment for growth, and 94% reported negative effects on profitability. These findings align with established theoretical perspectives, including transaction cost economics and neoclassical taxation theory, which assert that excessive regulatory burdens distort resource allocation and impede enterprise growth.

The study therefore concludes that multiple taxation poses a substantial and systemic threat to the sustainability of small-scale enterprises in Lagos State. Without policy intervention, the continued imposition of overlapping taxes by federal, state, and local authorities could escalate business failures, worsen unemployment, suppress innovation, and weaken local economic resilience. However, the study also finds a measure of optimism: a considerable number of business owners expressed confidence that reforms can be achieved if government agencies harmonise tax policies and implement incentives tailored toward small business growth.

In summary, the sustainability of small-scale businesses in Lagos is strongly dependent on the establishment of a fair, transparent, and streamlined taxation system. Addressing the problem of multiple taxation is not only necessary for protecting small enterprises but also essential for ensuring inclusive economic development, employment stability, and long-term national growth.

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