Assessing the Impact of Enugu State Land Use Charge Law (LUCL) 2017: A Comparative Analysis of Theory and Practice

Nwodo, A. J.[a], Onah, H. C.[b], & Ozoigbokwe, O. M.[c]

[ab]Department of Legal Studies (General Studies), Institute of Management and Technology (IMT) Enugu
[c]Department of Estate Management, Institute of Management and Technology (IMT) Enugu

Abstract

The study assesses the impact of the Enugu State Land Use Charge Law (LUCL) 2017, focusing on the implementation challenges and opportunities in Enugu State, Nigeria. The specific objectives are to evaluate the level of awareness and understanding of the land use charge system, examine the extent of compliance with the payment of the land use charge, and explore the challenges associated with the implementation of the law. A descriptive survey design was employed for the study, with primary data collected through questionnaires. The total population of 1,128 property owners and tax officers was surveyed, with a sample size of 608 obtained using Freund and Williams' formula, and 542 valid responses were returned. Data were analyzed using Likert Scale, and hypotheses were tested using Z-test. The findings revealed that the level of awareness had a significant positive relationship with the understanding of the land use charge system among property owners in Enugu (Z = 23.542, p < 0.05). The extent of compliance showed a significant positive relationship with the payment of land use charges (Z = 23.639, p < 0.05). The study concluded that awareness and compliance are critical to the successful implementation of the LUCL. Based on these findings, the study recommends enhancing public awareness campaigns and improving tax administration to boost compliance and maximize the potential of the land use charge system in Enugu.

Keywords: Land Use Charge Law; Property Owners; Tax Compliance; Urban Development; Revenue Generation; Tax Administration

Introduction

The Enugu State Land Use Charge Law was enacted to enhance the state's internally generated revenue (IGR) by providing a more effective framework for land-based taxation. Historically, Nigeria's property tax system, particularly in Enugu State, has struggled with inefficiencies that have limited its revenue-generating capacity. The inadequacies in tax administration are evident from the state's low IGR, reliance on federal allocations, and the broader socio-economic challenges such as poverty, inadequate infrastructure, and a substantial debt profile (Oyedele, 2017). Enugu also faces significant arrears in salaries and pensions and ranks seventh in the country in terms of debt profile.

Taxation, particularly land-based taxes, is a critical component of government revenue. Despite this, Enugu State's internal revenue system has struggled, as noted by Oyedele (2017), who highlights that land-based taxes—comprising fees, fines, charges, levies, rates, and rents on land—are a major revenue source for both federal and state governments. Enugu State enacted the Enugu State Land Use Charge Law (LUCL) in 2016 with the goal of enhancing its IGR. However, the anticipated benefits of this law have yet to materialize. Effective governance relies on adequate revenue, and while land-based taxes have a long history, their collection mechanisms have evolved over time.

The LUCL was designed to address these issues by consolidating and streamlining land-based taxes, thereby improving revenue collection and management. Land-based taxes, including fees, charges, and levies on land, are crucial for government revenue and development (Yunusa, 2003). Historically, these taxes have been a major source of revenue, even pre-dating colonial rule, and their role has evolved with changes in administrative systems (Aimurie, 2012). The LUCL aimed to modernize the system, providing a unified approach to land taxation that could potentially increase revenue and support urban development.

However, despite these well-intentioned objectives, the LUCL's implementation has faced significant hurdles. The gap between the theoretical benefits of the law and its practical outcomes underscores a need for critical assessment. Issues such as ineffective tax administration, public resistance, and bureaucratic inefficiencies have hindered the law's success (Nwafor & Onyejiaka, 2018). These problems highlight a critical need to evaluate how well the LUCL has been implemented in practice compared to its original theoretical framework.

Assessing the impact of the LUCL through a comparative analysis of theory and practice is essential to understanding its effectiveness. This involves not only examining the law's theoretical goals—such as improved revenue generation and better land management—but also assessing the practical challenges that have emerged since its enactment. By identifying these discrepancies, this study aims to offer insights into the effectiveness of the LUCL and suggest potential improvements for future land use policies in Enugu State.

Statement of the Problem

Land use charge is a tax levied by the government on property owners for the use of their land. The revenue generated from this tax is typically allocated to the provision of essential infrastructure and services for the community. In Nigeria, land use charge is one of several taxes collected at the state level.

Enugu, a southeastern state in Nigeria, introduced its land use charge in 2016 with the primary goal of raising funds for infrastructural development. However, there have been significant concerns regarding the implementation of this charge, including its effectiveness, fairness, and the degree of compliance among property owners.

Questions have also arisen about the adequacy of public awareness regarding the land use charge and how effectively the collected revenue is utilized. These concerns have led to scrutiny of the overall performance of the land use charge system in Enugu. The implementation has been less than satisfactory, with issues linked to the legal framework established by "The Enugu State Land Use Charge Law 2017." This law was designed to address longstanding issues related to property valuation and determine the appropriate rates for property owners. If the land use charge system were implemented with greater efficiency and transparency, it could significantly improve the state's economic conditions, potentially reducing youth unemployment and mitigating associated issues such as youth restiveness and insecurity.

In reality, the implementation of the LUCL has encountered several significant problems like inefficiencies within the tax administration system, including outdated property data and bureaucratic delays, have obstructed the law's successful implementation. These problems undermine the law's potential to boost revenue and support urban development as originally intended. Without addressing these issues, Enugu State risks perpetuating a cycle of inadequate revenue and underdevelopment, hindering its overall progress and growth.

Objectives of the Study

The main objectives of the study is to assess the impact of Enugu State Land use charge law while the specific objectives are to:
  i.   Assess the level of awareness and understanding of the land use charge system among property owners in Enugu.
  ii.   Evaluate the extent of compliance with the payment of land use charge among property owners in Enugu.

Research Questions

The following research questions guided the study:
  i.   What is the level of awareness and understanding of the land use charge system among property owners in Enugu?
  ii.   To what extent is there compliance with the payment of land use charge among property owners in Enugu?

Research Hypotheses

The following hypotheses were formulated for this study:
  i.   The level of awareness has significant relationship with the understanding of the land use charge system among property owners in Enugu
  ii.   The extent of compliance has significant relationship with the payment of land use charge among property owners in Enugu

Significance of the Study

The following are the key significances of this study:
  i.   This study will help fill the knowledge gap in this area of discipline, as the quest for more knowledge continues to grow, especially in this fast-paced age of information and communication technology (including land use charge), which ensures that no one is left behind.
  ii.   This research will provide vital information and a resource base that will offer further insights into the rules and approaches related to land use charge administration, both in Enugu State and elsewhere.
  iii. Additionally, it will serve as a valuable reference for students, researchers, lecturers, and organizations at local, regional, and national levels, including non-governmental organizations (NGOs), community-based organizations (CBOs), faith-based organizations (FBOs), and others with a vested interest in this area of study.
  iv.   Finally, it will contribute to a better understanding of the synergy required by all citizens and residents to improve land use charge administration in Enugu State. A more effective administration will translate into increased government revenue, which will, in turn, support the improvement of human capital and infrastructure in Enugu State.

Scope of the Study

This research will provide an appraisal of the Enugu State Land Use Charge Law (LUCL) 2017, focusing on the theory and practice of its implementation in Enugu State, Nigeria. While it cannot be exhaustive in discussing every detail of land use charges due to the numerous complex issues involved, it will examine the theoretical framework of the law compared to its practical

application. The study will address the limited indigenous work in this specialized area of revenue generation laws, highlighting the challenge of finding local academic resources. To compensate for this, the researcher will consult secondary works by scholars from outside the jurisdiction for a balanced and comprehensive analysis of the law's impact. Additionally, the study will draw comparisons with similar laws in other states to assess whether there are any new insights that could strengthen the approach to land use charge administration in Enugu State.

Operational Definitions of Terms

Concession Fee: The Concession Fee for a particular month refers to the higher of the following options, as determined by the provisions of the Land Use Charge Law.

Contract Fee: The Contract Fee refers to the price, fee, rent, or royalty payable under a contract within the scope of the Land Use Charge Law, specifically regarding property and land-based charges.

Development Charge: The Development Charge is a fee imposed under the Enugu State Land Use Charge Law, which pertains to charges related to land use and development as set forth by the by-law.

Land Use Charge: The Land Use Charge is a consolidation of all property and land-based rates and charges that are payable under the Land Use Charge system in Enugu State, serving as the core focus of this study.

Late Payment Charge: The Late Payment Charge is the penalty applied when payment for land use charges is not made by the Bill Due Date, or when payment is delayed or insufficient, as per the terms outlined in the Land Use Charge Law.

Management Charge: The Management Charge refers to the fee paid by the supplier to the authority, representing a percentage of all charges related to land use services invoiced to contracting bodies in Enugu State, as part of the land use charge system.

No Charge Bid: A "No Charge Bid" occurs when bids are requested for a group or lot of products related to land use, and a bidder wishes to offer a product without charge. If not indicated, the bid may be considered incomplete or rejected.

Operating Charge: The Operating Charge refers to the amounts charged by registered firms involved in the land use charge process for managing, transferring, or terminating accounts, inclusive of applicable taxes.

Property Management Fee: The Property Management Fee is the fee payable to the manager for overseeing and managing properties under the Land Use Charge Law in Enugu State.

Infrastructure: Infrastructure includes the physical and organizational structures such as roads, schools, hospitals, and other public facilities that support the administration of the Land Use Charge Law in Enugu State.

Compliance: Compliance refers to the adherence to the rules, regulations, and legal provisions outlined in the Enugu State Land Use Charge Law.

Public Enlightenment: Public Enlightenment is the process of educating the public on the Land Use Charge Law, its importance, and how it impacts property owners and residents in Enugu State.

Implementation: Implementation refers to the process of putting the Enugu State Land Use Charge Law into effect, ensuring that it is fully operational and enforced across the state.

Conceptual Framework

Land was considered to be the "original and inexhaustible gift of nature." In modern economics, it is broadly defined to include all that nature provides, including minerals, forest products, and water and land resources. Dr. Marshal saw land as "not merely land in the strict sense of the word, but whole of the materials and forces which nature gives freely for man's aid in land, water, air, light and heat".

What is then the conceptual definition of land?

> "Land is a delineable area of the earth's terrestrial surface, encompassing all attributes of the biosphere immediately above or below this surface including those of the near-surface climate the soil and terrain forms, the surface hydrology (including shallow lakes, rivers, marshes, and swamps), the near-surface..."

The he United Nations Convention to Combat Desertification (UNCCD) defines land as:

"The terrestrial bio productive system that comprises soil, vegetation, other biota, and the ecological and hydrological processes that operates within the system." Alternatively, land is defined by the Convention on Sustainable Development as

> "a delineable area of the Earth's terrestrial surface, encompassing all attributes of the biosphere immediately above or below this surface, including those of the near-surface climate, the soil and terrain forms, the surface hydrology (including shallow lakes, rivers, marshes, and swamps), the near-

surface sedimentary layers and associated groundwater reserve, the plant and animal populations (biodiversity), the human settlement pattern and physical results of past and present human activity (terracing, water storage or drainage structures, roads, buildings, etc.)"

Merriam Webster dictionary defined land as "the solid part of the surface of the earth**,** a corresponding part of a celestial body (such as the moon), ground or soil of a specified situation, nature, or quality, the surface of the earth and all its natural resources. **:** a portion of the earth's solid surface distinguishable by boundaries or ownership.

The Constitution of the Federal Republic of Nigeria also in Section 318 (4), adopts by reference the definition of land as stated in section 18 of the Interpretation Act, which inter-alia provides:

''Land'' includes any building and any other thing attached to the earth or permanently fastened to anything so attached but does not include minerals.

Concept of Land

Land means not merely land in the strict sense of the word, but whole of the materials and forces which nature gives freely for man's aid in land, water, in air and light and heat – Dr. Marshall. The total surface area of planet earth, has been estimated to be of 510 million km2 and comprises only 29% of earth surface (149 million km2), whereas oceans occupy remaining 71% of surface area of planet (361 million km2). Out of total land surface of 149million km2; habitable land accounts for 71% (104 million km2), whereas glaciers occupy 10% (15 million kms2) and barren land accounts for remaining 19% of land (29 million km2.).

In Economics, the word 'land' is used not purely in the sense of the soil or surface of the earth as is typically understood but it stands for all nature, living and lifeless. It includes all natural resources that we can get free from air, water and land. It covers the land surface, whether level or mountainous, oceans, lakes and rivers, mineral deposits, rainfall, water-power, fisheries, forests and numerous other things which nature provides and man uses. The above concept agrees with Black Law Dictionary 7th edition's definition of land as;

"An immovable and indestructible three-dimensional area consisting of a portion of the earth's surface the space above and below the surface and everything growing on or permanently affixed to the land"

What emerges from the definition above is that land may have both a natural and artificial content, through its natural content namely the ground and its subsoil and things below or above the earth's surface, whereas the artificial content includes building and other structures or trees has been added. The legal principle of *"quic quid plantatour solo solo credit"* inures – to the effect that whatever is attached or fixed to the land is part of the land is fully operational. Thus, building material placed on land do not become land until the building is erected and would cease to be part of the land when the building is demolished. Therefore, the term 'land' thus embraces all that nature has created on the earth, above the earth, and below the earth's surface. They are in turn taxable by government to which we have all surrendered or rights under the sovereignty principles. Land-Land based instruments like – property tax, advertisement rights, parking charges, tradable floor, area ratio, transfer of development rights; accommodation reservation, transit-oriented development etc. remain the best instruments for raising resources for the urban, local bodies/parastatal agencies.

Importance of Land

Land- remains the prime factor of production; providing platform for sustaining all human activities. Land- rightly called is the source of all material wealth; definer of economic prosperity, occupation and standard of living of people/ communities/ countries. Everything existing on this planet earth has genesis in land. Land may be precisely referred to as the original source of all material wealth and as a crucial factor of production. It is of huge and massive importance as everything that we use can be traced ultimately to land. Land is the bastion of basic economic resources, fundamental and critical to the economic development. The land in itself owns us as we shall all someday return to dust.

Land remains the most important factor of production; providing platform for sustaining all human activities, definer of economic prosperity, source of all material wealth; occupation and standard of living of people, communities, countries and virtually everything existing on this planet earth has genesis in land. The economic prosperity of a country is closely linked with the richness of her natural resources and that is why the optimal or otherwise of the performance of land use charge of any entity, be it state, region of country is critical if such nation or entity wishes to move forward. The aphorism that that a country is what nature has made it is true. However, it is possible that a country, rich in natural resources, may remain poor and Nigeria painfully offers itself to such sordid situation owing to some avoidable reasons like corruption. At the national planning, optimum use and sustainable development, land holds key to the address majority of environmental problems facing this planet including global warming, depletion of ozone layer, increasing carbon footprints etc. Pointedly, land or nature has a determining influence in the life, occupations and standard of living of a people hence their inter

dependence to another. The quality and quantity of agricultural wealth in a country depends on the nature of the soil, climate, rainfall etc. in one part. Besides, agricultural products, in turn, form the very basis of trade and industry while industrial prosperity further depends on the presence of rich coal-mines, wind, waterfalls etc.; from which electricity can be generated. Location of industry depends on the proximity of power and raw materials and they are largely determined by nature including the presence of cheap and efficient means of transport - conditioned by land topography. Thus, all aspects of economic life-agriculture, trade and industry—are generally influenced by natural resources which the economists call 'land'. It is therefore evident under this dependency phenomenon that when a country gets her land resources correct, the quality of life of the people will be dependable and robust.

Distinguishing Characteristics of Land

The distinguishing characteristics of land as a factor of production are quite atypical as outlined below:

Land is permanent: One of the major attributes of land is its indestructible state or that it not easy to destroy it. All other factors of production are destructible. Even against all the lethal works of man including the havoc wrought by military hardware like atomic bomb such as was dropped at Hiroshima and Nagasaki in Japan during the Second World War, the devastating effect temporarily affected the land but it has been proved that it can be cured and natural powers restored after some time.

Land lacks mobility: Relative immobility is also another major characteristic of land. Land cannot be moved bodily from one place to another, though; it can be put to many alternative uses and is thus mobile from a limited point of view but generally speaking, land lacks geographical mobility. Attempts have been made by man to reclaim land from the sea as seen in places like Lagos and other world cities abutting the ocean to boost the economic value of such places but while it added to the total land surface area, yet these efforts have produced only negligible tangible mobility results.

Land is a free gift of nature: Land as a free gift of nature - is not a product of man, leaving us with no option than to accept it as it is. However, oftentimes, man tries to improve and modify nature as evident in situations where poor soil and bad climate hamper industrial and commercial prosperity but are modifiable to obtain better results. But ultimately, he (man) cannot completely master it.

Land is of infinite variety: Land-- remains infinite in variety-- differing in physical quality, fertility, location, uses, purposes, flora & fauna, size, shape etc. No man can say where the sandy soil ends and the clay begins, hence it is one of the creations of God that has such attribute of infinite variety. One variety of land dove - tails into another, causing a unique infinite contiguity. Such variations are not found in any other factor of production. However, this attribute of infinite variety does not conform to its quality disposition which is to say the least is diverse. Quality of land in itself attracts different value which correlatively attracts different "use charge" as the case may be.

Why qualities of land differ and the value too?

There are several reasons which account for differences in the qualities of land and appurtenant charges:

Differences in Fertility: Differences in the fertility of land vary and so are the values depending on the purpose for which one is interested in a particular land. Some lands are dry, sandy and rocky too, while others receive ample rainfall. Some have a good climate, while others cannot support human life. The constituents of the soil also vary. All such things make a difference in the quality of the land and the value attached to their use charges.

Differences in Location: Location of land account to a great extent the charge attached to it. A piece of land situate near an infrastructure like market is more convenient than one away from it for purposes of transacting - location or situation an important differentiating factor. A favourable situation may make a less fertile piece of land equal in value to one which is more fertile but has a bad situation translating to the fact that value and location are case to case dependent.

Factors affecting Productivity of Land

From our discussion thus far, it is clear that different pieces of land differ in quality or productivity, hence a number of factors accounting for or affecting the productivity of land depends on the following under listed factors viz;

Human Factor: The injunction of God to man in the Bible to go and conquer the world richly plays out here as factor affecting the productivity of land. Man does not easily surrender to nature. If nature (land) is hostile or unkind to him, he fights back and tries to conquer her. For instance, if rainfall is scanty, man contemplates harvesting rain, water storage, building canals to solve his farm needs. If soil is poor and deficient in certain properties, it can be improved by the addition of manmade or chemical manures to improve soil fertility. In fact, man plays an important part in remedying the

deficiencies of nature and contributing to the productivity of the soil but unfortunately, the same soil that man has done so much to improve will eventually and ultimately devour man

Natural Factors: Natural factors like the soil, climate, rainfall, topography and nature of the coast-line determine whether land produces much or little and the value or charge attached wherefrom. A sandy soil and dry climate are sure to make it unproductive for one purpose but not for another. On the other hand, an alluvial soil, a good climate, and timely rainfall are conducive to rich crops which will make farmers smile to the banks but may a disrupting factor for another reason.

Situation Factor: The situation or location of land is of great importance as to the productivity index. Fertile lands, situated in a remote corner of the country, away from the market, may be left uncultivated. The cost of transporting their produce may be prohibitive. Such land cannot compare with those pieces of land which, though not so rich, are near to market.

Concept of Taxation

In a context where many governments have to cope with less revenue, increasing expenditures and resulting fiscal constraints, raising revenue remains the most important function of taxes, which serve as the primary means for financing public goods such as maintenance of law and order and public infrastructure. Government in a bid to discharge her basic responsibilities to her people resort to taxation and land use charges provides the most critical sources for revenue generation. There are well-recognized principles of taxation viz;

Equity: Equity is an important consideration for the design of tax policy and also an important consideration within a tax policy framework. Equity has two core elements namely; horizontal equity and vertical equity.

Horizontal equity suggests that taxpayers in similar circumstances should bear a similar tax burden.

Vertical equity is a normative concept, whose definition can differ from one user to another. According to some, it suggests that taxpayers in better circumstances should bear a larger part of the tax burden as a proportion of their income. In practice, the interpretation of vertical equity depends on the extent to which countries want to diminish income variation and whether it should be applied to income earned in a specific period or to lifetime income. Equity is traditionally delivered through the design of the personal tax and transfer systems. Other important considerations within a contemporary tax policy framework are;

Neutrality: A contemporary taxation policy should seek to be neutral and equitable between forms of business activities. A neutral tax will contribute to efficiency by ensuring that optimal allocation of the means of production is achieved. A distortion, and the corresponding deadweight loss, will occur when changes in price trigger different changes in supply and demand than would occur in the absence of tax. In this sense, neutrality also entails that the tax system raises revenue while minimizing discrimination in favour of, or against, any particular economic choice. This implies that the same principles of taxation should apply to all forms of business, while addressing specific features that may otherwise undermine an equal and neutral application of those principles.

Efficiency: Compliance costs to business and administration costs for governments should be minimized as far as possible.

Certainty and simplicity: Tax rules should be clear and simple to understand so that taxpayers know where they stand. Any ambiguity no matter how negligible it may be considered will introduce bad faith. A simple tax system makes it easier for individuals and businesses to understand their obligations and entitlements, engendering compliance without grudges. As a result, businesses are more likely to make optimal decisions and respond to intended policy choices. Complexity also favours aggressive tax planning, which may trigger deadweight losses for the economy.

Effectiveness and fairness: Taxation should produce the right amount of tax at the right time, while avoiding both double taxation and unintentional non-taxation. In addition, the potential for evasion and avoidance should be minimized. The Technical Advisory Groups (TAGs) considered that if there is a class of taxpayers that are technically subject to a tax, but are never required to pay the tax due to inability to enforce it, then the taxpaying public may view the tax as unfair and ineffective. As a result, the practical enforceability of tax rules is an important consideration for policy makers. In addition, because it influences the collectability and the administerability of taxes, enforceability is crucial to ensure efficiency of the tax system.

Flexibility: Flexibility is also an important feature of a good tax policy. Taxation systems should be flexible and dynamic as much as necessary to ensure they keep pace with technological and commercial developments. It is important that a tax system is dynamic and flexible enough to meet the current revenue needs of governments while adapting to changing needs on an ongoing basis. To that extent, the structural features of the system should be durable in a changing policy context, yet flexible and dynamic enough to allow governments to respond as required to keep pace with technological and commercial developments, with a hind sight that future developments will often be difficult to predict.

Concept of Land use Charge Administration

Land use charge is a form of taxation. The Land Use Charge (LUC) as the name implies is a novel imposition on the owner of a property for the use and enjoyment of the property with the primary aim of improving the internally generated revenue base of the State. By definition, the Land Use Charge is an annual charge rate expressed as a percentage of the assessed market value of the property and empowers the state government to vary between owner-occupied property and other property, as well as residential property and commercial or revenue generating property. Idyllically, his variation further includes property for physically-challenged persons and those who have been resident at the same location for at least 12 years, minors; retiree owners of property and occupiers on the one hand, and active owners and occupiers on the other. In general, a contemporary and Land Use Charge Law attempts to consolidate and simplify the calculation and collection of land charges and rates in the concerned state or entity.

The Land Use Charge is backed by the Land Use Law which should harmonize all land based rates and Property Charges (such as Tenement Rate, Ground Rent, Neighborhood Improvement Charge etc.) which are usually collected by the State and Local Governments under one single charge for ease of administration, collection and avoidance of double taxation. Non-compliance to payment of these charges will result in sanctions being imposed on the affected properties in accordance with the provisions of the law.

Who Pays Land Use Charge

The property owner pays the Land Use Charge (LUC). However, an extant property law may provide for payment to be made by the occupier who is then empowered to look up to reimbursement of same from the Property Owner.

Land occupies a unique place in the development process of any individual or society. However, supply of useable land is however limited. No society therefore exists without a regulation of some kind peculiar to it to rationalize the mode of ownership and the use of land. Government has a crucial role to play in administering land for the benefit of the citizens. These regulation or administrations result in form of taxation as a reminder to the citizens that they are subjects of the government to whom the citizens donated their trusts as sovereignty.

In Nigeria, land takes up importance as a commodity for daily use for many purposes. For several decades, land has continued to influence the lives of Nigerians economically, socially and politically. Complex set of relationships has emerged among groups in the process of using land, resulting in physical manifestations of development, frictions and communal clashes over rights in land. This shows that in Nigeria, as in other developing countries, land constitutes a sensitive asset whose administration must be based on meaningful policy decisions to benefit the teaming citizenry.

Generally, tax is a fee charged by a government on a product, income, or activity. It can be levied directly on corporate income or indirectly on goods and services. The sole aim of taxation is to finance government expenditures (Oluwadare and Ojo, 2014). Tax refers to a compulsory levy by a public authority for which nothing is received directly in return but in form of services. Furthermore, tax is an imposition by the government on persons, properties, income, commodities, transactions, etc to provide for general public goods and services. Proceeds from tax form part of the revenue for the provision and maintenance of public services like roads, markets, hospitals, electricity, etc. Adam (2006) sees Internally Generated Revenue as those funds required by the government to finance its activities.

Land use charge sometimes referred to as Property Tax as a form of tax chargeable by the government. It was defined as "a tax imposed by municipalities upon owners of real property within their jurisdiction based on the value of such property (Muhammad and Ishiaku, 2013). Property tax remains the oldest form of tax in history (Carlson, 2004). During the Egyptian, Babylonian, Persian, and Chinese civilization eras, property tax in the form of land and crops were imposed on citizens. Refusal to pay meant one will be sent to court, judged, and be punished accordingly. Thus, taxation was compulsory even in ancient times (Carlson, 2004). Property tax was introduced in sub-Saharan Africa by the colonial masters. However, before the emergence of the Europeans, other forms of taxes existed in Africa. For instance, weaker Kingdoms were taxed to pay an annual tax to their superior kings (Fjeldstad, Chambas and Brun, 2014). Oni (2010) expressly stated that property tax is based on an annual income obtainable from a property and not on capital value in the case of income that is receivable in perpetuity. In Igboland (a tribe of indigenous people found in the eastern geopolitical zone of Nigeria with strong presence in at least five other contiguous states in Nigeria), a land use charge called "ihe mkpe" is as old as the people itself. The Ihe Mkpe land use charges in igboland operated on the basis of the prevailing medium of exchange while the use of the extant land subsided. Agricultural/farm produce also formed as items that are acceptable as land use charges. The logic behind such traditional land use charges operated as a constant reminder to the land users that land was under control and belongs to a constituted authority.

Back to the issue of land use charges, the volatility in oil prices in the global market and the free fall if the Naira have hugely impacted negatively on the revenue generation capacity of the Nigeria as a country. This is evident based on the inability of the Federal and State governments to fund public services and infrastructure. Due to the dilapidating and inadequate

infrastructures in Nigeria, both the Federal and State governments have resorted to borrowing from local and international lenders which to say the least, is undeserving as well as very inimical to our economic growth and development. Available indices indicate that as at June 30, 2019, Nigeria owes ₦25.7 trillion in debt both externally and domestically.

The three tiers of government in Nigeria; the federal, state and local governments operate a joint account system with the finances accruing disbursed by – Federal Allocation Account Committee, (FAAC), from which funds are disbursed monthly to the respective tiers. It is no longer news that most States in Nigeria depend substantially on the Federation Account Allocation Committee (FAAC) in financing their budget which amongst other things includes the provision of economic and social infrastructures (Fourie2016). Greater percentage of the states budgets are composed of the FAA allocations than from the internally generated revenue (IGR). A report by the Economic Confidential Magazine (2019), observed that about 10 states in Nigeria for the year 2018 are not viable, the reason being that the ratio of their IGR compared to the allocation from FAA is below 10%. Although Enugu State recorded a 23% ratio, the State cannot be considered viable economically as evident in the recent borrowing spree by the current government of His Excellency, Barr. Peter Mba. The State House of Assembly recent approval whooping sum of 170 billion Naira to be borrowed from two banks in Nigeria is indicative that the State is in the woods, however, this is not peculiar to Enugu State alone as there is an avalanche of evidence that it is gradually spreading to other states and sooner or later, it will become a national problem.

Enugu State is one of the federating states in Nigeria, located in the Southeast geopolitical zone. It was created in 27 August 1991when the then military government carved it out from the then Anambra State. The State has seventeen (17) local government areas viz. – Enugu North, Enugu South, Enugu East, Udenu, Igboeze North, Igboeze South, Nsukka, Uzo Uwani, Igbo Etiti, Ezeagu, Udi, Oji River, Awgu, Aninri, Nkanu East, Nkanu West, Isi Uzo, there senatorial zones made up of Enugu North, East and West and four principal urban cities of Enugu, Agbani, Nsukka, and Awgu. Economically, the state work force is principally agrarian, white collar job, trading, manufacturing etc. The state boasts of a number of markets especially the Ogbete, Kenyatta, New Market, Abakpa, Ogige Nsukka, Orie Orba, Eke Ozzi, 9TH Mile, Oji River, Eke Agbani. Orie Awgu, Nkwo Ezimo - to mention but a few but not in any particular importance. There are mineral deposits, especially quality sands and stones (washed and unwashed) for building and construction purposes. There are industrial estates located in Nsukka, Enugu, 9th Mile, Awgu, Oji River etc. 9th Mile boasts of the highest concentration of industries such as Nigerian Breweries, Nigerian Bottling Company, Pepsi. In the area of oil and gas business, there many filling Stations located in different nooks and crannies of the State, some of them owned by petroleum major marketers such as Pinnacle Oil, NNPC, North West, Oando, Total, Exon Mobil etc. In the area of educational institutions, the famous University of Nigeria Nsukka is located in Enugu State. Other educational institutions includes The Nigerian Law School, Agbani, Enugu State University of Science and Technology, Enugu State University of Medical Sciences – Igboano, private Universities, Polytechnics (State, private and Federal), Colleges of Education (States, private and federal). Secondary/Primary Schools (States, Federal, private) – Command Secondary School, Air Force, Police, Road Safety, Correctional Services etc.

The major cities in the State have reasonable stock of real properties, different types of properties which include; residential, commercial, institutional, and industrial. These are classified based mainly on land use for purpose of administration; the properties are classified into commercial, residential, industrial, and special properties. Commercial properties are further classified into detachable properties, standard bungalow, duplex, blocks of flat/plaza, filling stations, banks, hotels and restaurants. Residential properties are classified into standard bungalow and duplex; while special properties are: private institutions (hospitals and universities), shopping mall/stores, breweries, industries, communication networks, transport companies, supermarkets, and schools (crèche, nursery, primary, secondary and tertiary). All these entities attract various amounts of taxes and land use charges for the government.

The Enugu State House of Assembly enacted the Enugu State Land Use Charge Law, 2016. The Law consolidates all property and land based rates and charges payable under the property rates laws, local government law and assessment law. On the 25th of November, 2017, the Law was amended. After the enactment and the subsequent amendment of the Law until now, there seems to be no empirical or physical evidence on ground speaking to the good performance of the Law in boosting the IGR of the State. The state of disrepair of roads, social services, public utilities and other basic infrastructure in Enugu State is a clear testimony of either poor performance of the LUC or corruption in the system.

The deteriorating value of the naira and its impact on the federal allocations coupled with the ever-increasing demand for the provision of social and economic infrastructures have influenced most state governments to look the way of an impactful property tax (land use charges) reform to boost internally generated revenue as a panacea. Crafting property and land use charge laws in Nigeria may simply be described as lacking in quality and content as many of them are copycat documents adopted and adapted from contiguous states and replicated with little or no consideration to the peculiarities of the coping state. Enugu and Lagos State property tax laws provide a typical example of the insinuation canvassed here. They both look similar in content and outlay yet the states are miles apart, dissimilar in their political, cultural, economic, environmental, human capacity index, infrastructural development, physical imputations etc. Regrettably, these lacks of specifics are implicated in the current dysfunctional property tax system in Nigeria which as it were has limited their capacity to raise

revenues as expected. Property tax vendourship (consultancy and contract) has become a way of either settling political cronies or instrument of politicking and this unholy so called patronage has engendered an all time low abysmal dysfunctional internally generated revenue (IGR) indices across the states and the federation.

Land Use Charge

The Land Use Charge is backed by the State Land Use Law introduced to harmonize all land based rates and property charges (such as Tenement Rate, Ground Rent, Neighbourhood Improvement Charge etc.). They are usually collected by the State and Local Governments under one single charge for ease of administration and collection. Non-compliance to the law results in sanctions on properties/individuals in accordance with the provisions of the law.

Power to Receive Land Use Charge

The power of the State over land in Nigeria is concretized in the Nigerian Constitution which affirms the power of exercise of jurisdiction over all land in Nigeria by demarcating boundaries of all land areas, such as states and local governments in Chapter 1, Part II, Section 8. In addition, the Constitution incorporates the previously enacted Land Use Act (LUA) of 1978, which contains provisions on the ownership and administration of all lands in Nigeria and vesting it on the States Governor to hold same on trust for the people. In addition, section 44(3) of the Constitution specifies that all minerals in, on all land in Nigeria belong to the State. Thus, effectively converting all mineral rich land to State property and potentially liable for expropriation. The property owner pays the Land Use Charge (LUC), however, Section 11 of the Edo State Land Use Charge Law 2012 provides for payment to be made by the occupier who is then empowered to look to reimbursement of the charge from the property owner.

Imperativeness of Land Use Charge(s)

All plans and programs of government are based on revenue, especially internally generated revenue because of its reliability. In appraising the Performance of Land Use Charge Implementation in Enugu State, Nigeria, it is important to appreciate that an efficient method of land-based tax law revenue to meet the growing needs of the state for infrastructural development is imperative. Adam (2006) sees revenue as those funds required by the government to finance its activities. Internally generated revenues (IGR) are funds generated by states within the Nigerian federation, independent of their share of revenue from the federation account (Deloitte, 2016). Nigeria is classified as one of the Low-Income Developing Countries (LIDCs) being one of the 59 IMF member nations; principally defined by income per capita level below a threshold of $2,700 as set in 2016 by International Monetary Fund. (IMF, 2019).

Empirical Review

In Enugu State, in a study titled "Assessing the Challenges and Prospects of Land Use Charge Administration in Enugu State, Nigeria. (The Potentials of Property Taxation as a Veritable Alternative for Improved Revenue Generation in Nigeria) (Policy/governance) by Obinna and Philips (2022), the report showed that the prospects of property tax (Land Use Charge) increase self-determination and self-reliance by the State on itself thereby building development and fostering the social contract between the taxpayers and the State (Monkam & Moore, 2015; Goodfellow, 2015; McClusky, 2016). The study also noted that efficient Land Use Charge (LUC) administration system in Enugu State will increase the self-reliance status of the State; noting that from financial reports of National Bureau of Statistics between 2011 – 2015 fiscal years; the average contribution of IGR to budgetary expenditure of the State was 17.89% (Nnamani & Egbo, 2017). Economic Confidential Magazine on States IGR compared to FAA - showed indication that the State still largely depend on the FAA to provide public service and infrastructure. They also found that existing infrastructure dilapidated and posited that effective implementation of the LUC and the attendant boosting of revenue therefrom will forge the State ahead financially, facilitate new ones and adequately maintain the existing ones thereby engendering robust economic development. The work also attributed what they referred to as "very tight budget" of the state and believed that increase in IGR via LUC will help to provide paved roads, drainage systems, potable water, street lights, and parks etc in identified areas. To actualize the above listed prospects, they contended that the revenue board should adopt (i) an appropriate valuation technique, (ii) develop information technology (IT) systems, (iii) engage the Estate Surveyors and Valuers, (iv) amend some sections of the LUC, and (v) address resistance from the property owning elites.

Nwafor and Egolum (2021) observed same scenario in Anambra and Enugu states, where differences were much in what was budgeted and actuals received. The gap is worrisome against the fact that for nine years, the State could not boost of 50% of what was budgeted as land based revenue. This could be the reason for abandoned projects in the states. Chinaza Henry et. al. (2021), posits that in 2012, Edo State obtained a loan of N7.5 billion from the World Bank out of which the government proposed to computerize the Ministry of Lands and Surveys and create the Edo State Geographical Information System (EGIS) that will be one-stop system for all land transactions in the State. While GIS laboratory exist, data on property characteristics and ownership needed for property tax administration are lacking. Available hardcopy cadastral map covers only the Government Reservation Area (GRA). In spite of these inadequacies Edo State government went ahead to sign into law Land Use Charge in 2012.

Only Lagos State and Federal Capital Territory (FCT) have success stories. In Lagos, all land taxes were subsumed under Land Use Charge and land documents were electronically converted to create digital database of properties. In the case of FCT, cadastral coverage exists right from the creation of FCT. Lagos and FCT have organized property information needed to administer property tax. While as at the time of their study, FCT is yet to commence property tax Lagos study showed that there is a positive relationship between internally generated revenue (from land based taxes) and infrastructural development (Adesoji & Chike, 2013).

Methodology

Research Design

The research adopts a **descriptive research design** to assess the impact of Urban Planning Laws, specifically focusing on the Land Use Charge System in Enugu urban. The **problem** restates that the Land Use Charge Law was introduced to facilitate access to land and promote property development in Nigeria. However, the law has had negative effects in Enugu, including housing shortages, high rents, and procedural delays in land acquisition.

Area of Study

The **study area** is Enugu, the capital of Enugu State, located in southeastern Nigeria. Enugu has a population of 722,664 and a rich history tied to coal mining, which contributed to its early development. Today, the city is known for its industries, education institutions, and growing movie industry.

Sources of Data

The **sources of data** include primary sources such as questionnaires, oral interviews, and personal observations, as well as secondary sources including periodicals, textbooks, the internet, and company records.

Population of the Study

The **population of the study** comprises 1,128 landlords (property owners) and tax officers within the Enugu Metropolis.

Sample Size

Due to the large population size, time constraints, and high costs, a sampling method was used for the study. The sample was drawn from property owners and tax officers using a stratified sampling method. To determine the appropriate sample size, the researcher applied Freund and William's statistical formula as referenced by Uzoagulu (2011).

$$n = \frac{Z^2 N(pq)}{N(e)^2 + Z^2(pq)}$$

Where n = Sample Size

N = The population

p = Probability of success/proportion

q = Probability of failure/proportion

Z = Standard error of the mean

e = Limit of tolerable error (or level of significance)

N = 1128

p = .5

q = (1 − .5) = .5

Z = 97 percent = 2.18

e = 0.02 percent

$$= \frac{(2.18)^2 \, X \, 1128 \, X \, .5 \, X \, 5}{1128(.03)^2 + (2.18)^2 \, X \, .5 \, X \, 5}$$

$$\frac{4.752 \, X \, 1128 \, X \, .25}{1128(.03)^2 + 4.752 \, X \, .25}$$

$$\frac{1340.177}{2.203} = \quad = 608.342 \quad \simeq \underline{608}$$

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Sampling Technique

The sampling technique applied in the study was the multistage random sampling. The sample size for each ministry was determined in accordance with Kumar's proportional allocation formula thus:

$$P(A) = \frac{Nh(n)}{N}$$

Where:

P(A)	=	Proportion allocation
Nh	=	Population of each ministry
n	=	Overall sample size
N	=	Overall targeted population

Substituting the above formula, the sample size for each ministry will be calculated as done below:

NO	NAMES	SAMPLE SIZE	
1.	Property Owners	1078 x 608 1128	= 581
2	Tax Officers	50 x 608 1128	= 27
	Total		**608**

Source: Field Survey, 2024

The sample size for this study is 608

Instrument of Data Collection

The research instrument used for data collection is questionnaire. The questionnaires were prepared in such a way that there were multiple choice answers and members in the group were asked to respond to close-ended as well as open-ended ones. Face-to-face interview was also conducted due to the technical nature of this research with selected professionals in the field of Estate Management.

Method of Data Presentation and Analyses

The questionnaire responses were cleaned, grouped into various categories and entered in the SPSS version 20 software to facilitate analysis using descriptive statistics. Frequency distribution tables were used to present the data generated from the respondents. Data from the questionnaire were analyzed using simple percentages, mean and standard deviation. The data were expressed in scale

For the 5-point likert scale questions, the scale and decision rule stated below were used in analysing the findings.

Scale

Strongly Agree (SA)	-	5
Agree (A)	-	4
Neutral (N)	-	3
Disagree (D)	-	2
Strongly Disagree (SD)	-	1

Decision Rule

If Mean $\geq$ 3.0, the respondents agree

If mean $\leq$ 3.0, the respondents disagree

 Z- Test and Pearson correlation coefficient, (r), were used to test the hypotheses, determine the nature, and strength of the research variables.

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Z –Test

$$Z - \frac{\chi - \mu}{\frac{\sigma}{\sqrt{n}}}$$

Where;

$\overline{\chi}$ = Population mean

μ = Sample mean

σ = Standard deviation

n = Sample size

Data Presentation and Analysis Based on Research Questions

The presentation and interpretation of data were based on the questionnaire administrated to the property owners and Registered Estate Surveyors and Valuers of Enugu North local government Area under study.

Administered and Return of Questionnaire

Questionnaires were administered to selected respondents within the study area. The total number of questionnaires administered was 608, but a total of 542 were retrieved. The analysis of the distributed questionnaire is shown in Table1 below.

Table 1: Allocation and Return of Questionnaire

Details	No Given Out	No Returned	Not Returned
Property Owners	581	515	66
Tax Officers	27	27	0
Total	**608**	**542**	**66**

Source: Field Survey, 2024.

The above table shows that out of a total of 608 copies of questionnaire distributed to property owners and Tax officers, a total of 542 duly completed and returned, while a total of 66 were not returned. This gives a return rate of 89percent which is adequate to make generalization.

The level of awareness and understanding of the land use charge system among property owners in Enugu

Table 2: Responses on the level of awareness and understanding of the land use charge system among property owners in Enugu

Response Option		5 SA	4 A	3 N	2 DA	1 SD	∑f X	_ X	Std.D	Decision
1.	The property owners are aware of tax payment in Enugu.	100	1216	252	186	41	1795	3.3	1.04	Agree
		20	304	84	93	41	542			
		4	56	15	17	8	100%			
2.	Due to awareness the property owners pay as when due in Enugu	700	916	207	142	33	1998	3.7	1.17	Agree
		140	229	69	71	33	542			
		26	42	13	13	6	100%			
3.	The Landlords do not need any reminder for payment of land charge in Enugu	795	568	312	110	82	1867	3.4	1.40	Agree
		159	142	104	55	82	542			
		29	26	19	10	15	100%			
4.	There is adequate information on where to	1200	256	312	204	32	2004	3.7	1.35	Agree

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		5	4	3	2	1	∑f X	_X	Std.D	Decision
	remit the money in Enugu	240	64	104	102	32	542			
		44	12	19	19	6	100%			
5.	A specific office designated for the tax payment and known to property owners in Enugu	575	1068	207	116	33	1999	3.7	1.11	Agree
		115	267	69	58	33	542			
		21	49	13	11	6	100%			
	Total grand mean and Std. D.							**3.56**	**1.21**	

Source: Field Survey, 2024

Table 2 shows that property owners in Enugu are aware of tax payment, with a mean score of 3.3 and a standard deviation of 1.04. Due to this awareness, property owners make timely payments, with a mean score of 3.7 and a standard deviation of 1.17. Landlords do not require any reminders for the payment of land charges in Enugu, with a mean score of 3.4 and a standard deviation of 1.40. There is adequate information on where to remit the money in Enugu, with a mean score of 3.7 and a standard deviation of 1.35, and a specific office designated for tax payment that is known to property owners in Enugu, with a mean score of 3.7 and a standard deviation of 1.11. Finally, it was agreed that the objectives of urban planning laws in Enugu State, Nigeria, have been achieved to a great extent, with a grand mean score of 3.56 and a total standard deviation of 1.21.

The extent of compliance with the payment of land use charge among property owners in Enugu North Local Government Area

Table 3: Responses on the extent of compliance with the payment of land use charge among property owners in Enugu North Local Government Area

	Response option	5	4	3	2	1	∑f X	_X	Std.D	Decision
		SA	A	N	DA	SD				
1.	The landlord owners have been regular in the payment of land use charge system in Enugu	955	776	156	138	36	2061	3.8	1.23	Agree
		191	194	52	69	36	542			
		35	36	10	13	7	100%			
2.	The occupiers of leases have been complaint in the payment	905	568	282	88	81	1924	3.5	1.41	Agree
		181	142	94	44	81	542			
		33	26	17	8	15	100%			
3.	There is maintenance and update of infrastructure service hence tax compliance	1215	628	195	116	19	2173	4.0	1.15	Agree
		243	157	65	58	19	542			
		45	29	12	11	4	100%			
4.	Social and economic transformations are all enhanced due to tax compliance	1160	656	183	74	48	2121	3.9	1.27	Agree
		232	164	61	37	48	542			
		43	30	11	7	9	100%			
5.	The provision of infrastructure and amenities proved successful compliance	1175	704	138	112	29	2158	4.0	1.19	Agree
		235	176	46	56	29	542			
		43	32	8	10	5	100%			
	Total grand mean and standard deviation							**3.8**	**1.27**	

Source: Field Survey, 2024

Table 3 indicates that landlord owners have been regular in paying the land use charge in Enugu North Local Government Area, with a mean score of 3.8 and a standard deviation of 1.23. Occupiers of leases have been compliant in their payments, with a mean score of 3.5 and a standard deviation of 1.41. There is maintenance and updating of infrastructure services, which contributes to tax compliance, with a mean score of 4.0 and a standard deviation of 1.15. Social and economic transformations have been enhanced due to tax compliance, with a mean score of 3.9 and a standard deviation of 1.27. The provision of infrastructure and amenities has proven successful in promoting compliance, with a mean score of 4.0 and a standard deviation of 1.19. Finally, it was agreed that various socio-economic problems have been generated by the urban planning laws on development in Enugu State, with a grand mean score of 3.8 and a total standard deviation of 1.27.

Test of Hypotheses

Hypothesis One:

H_1: The level of awareness has significant relationship with the understanding of the land use charge system among property owners in Enugu

Table 4: Contingency Table of Cumulative Responses for Research Question One

Options	χ	F	Fχ	$\chi - (\bar{\chi})$	$(\chi - \bar{\chi})^2$	$\Sigma f(\chi - \bar{\chi})^2$
Strongly Agree	5	674	3370	-1.435	2.060225	1387.918
Agree	4	1006	4024	-0.435	0.189225	190.360
Neutral	3	430	1290	-0.565	0.319225	137.267
Disagree	2	379	758	1.565	2.448225	928.256
Strongly Disagree	1	221	221	2.565	6.574225	1454.009
Total	15	2710	9663			**4097.808**

Source: Field Survey, 2024

Mean Score ($\bar{\chi}$):
$\bar{\chi}$ = Fχ / N = 9663 / 2710 = **3.565**

Variance (S^2):
$S^2 = \Sigma f(\chi - \bar{\chi})^2$ / (N - 1) = 4097.808 / 2709 = **1.513**

Standard Deviation (S):
S = $\sqrt{(S^2)}$ = $\sqrt{(1.513)}$ = **1.230**

Level of Confidence: 0.05
Critical Value: 1.96
Statistical Tool Used: Z-test

Table 5: Descriptive statistic on the level of awareness has significant relationship with the understanding of the land use charge system among property owners in Enugu North Local Government Area

N	Mean	Std. Deviation	Minimum	Maximum
542	3.565	1.230	1	5

Source: Field Survey, 2024

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Table 6: Z – test on the level of awareness has significant relationship with the understanding of the land use charge system among property owners in Enugu North Local Government Area

		The level of awareness has significant relationship with the understanding of the land use charge system among property owners in Enugu
N		**542**
Normal Parameters	Mean	3.565
	Std Deviation	1.230
Most Extreme	Absolute	.292
Most Extreme	Positive	.292
Differences	Negative	-.218
Kolmogorov-Smirnon Z		23.542
Asymp. Sig.(2-tailed)		.000

a.　Test distribution is Normal
b.　Calculated from data

Source: Field Survey, 2024

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value of 23.542 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms that the level of awareness had significant positive relationship with the understanding of the land use charge system among property owners in Enugu.

Decision

Furthermore, comparing the calculated Z- value of 23.542 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that the level of awareness had significant positive relationship with the understanding of the land use charge system among property owners in Enugu North Local Government Area

Hypothesis Two

H_1: The extent of compliance has a significant relationship with the payment of land use charge among property owners in Enugu.

Table 7: Contingency Table of Cumulative Responses for Research Question Two

Options	χ	F	Fχ	χ - (x̄)	(χ - x̄)²	Σf(χ - x̄)²
Strongly Agree	5	1082	5410	-1.149	1.318201	1428.457
Agree	4	833	3332	-0.149	0.022201	18.493
Neutral	3	318	954	0.851	0.724201	230.296
Disagree	2	264	524	1.851	3.426201	904.517
Strongly Disagree	1	213	213	2.851	8.121201	1731.307
Total	15	2710	10433			**4313.070**

Source: Field Survey, 2024

Mean Score (x̄): $x̄ = Fχ / N = 10433 / 2709 =$ **3.851**

Variance (S²): $S² = Σf(χ - x̄)² / (N - 1) = 4313.070 / 2709 =$ **1.592**

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Standard Deviation (S): S = √(S²) = √(1.592) = **1.262**

Level of Confidence: 0.05
Critical Value: 1.96
Statistical Tool Used: Z-test

Table 8: Descriptive statistic on the extent of compliance has significant relationship with the payment of land use charge among property owners in Enugu North Local Government Area

N	Mean	Std. Deviation	Minimum	Maximum
542	3.851	1.262	1	5

Source: Field Survey, 2024

Table 9: Z – test on the extent of compliance has significant relationship with the payment of land use charge among property owners in Enugu North Local Government Area.

		The extent of compliance has significant relationship with the payment of land use charge among property owners in Enugu
N		542
Normal Parameters	Mean	3.851
	Std Deviation	1.262
Most Extreme	Absolute	.284
Most Extreme	Positive	.284
Differences	Negative	212
Kolmogorov-Smirnon Z		23.639
Asymp. Sig.(2-tailed)		.000

    a.   Test distribution is Normal
    b.   Calculated from data

Source: Field Survey, 2024

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With a Kolmogorov-Smirnov Z-value of 23.639 and an Asymp. Significance of 0.000, the responses from the respondents, as displayed in the table, are normally distributed. This affirms the assertion by most respondents that the extent of compliance has a significant positive relationship with the payment of land use charges among property owners in Enugu.

Decision

Furthermore, by comparing the calculated Z-value of 23.639 against the critical Z-value of 1.96 (for a 2-tailed test at a 95% level of confidence), the null hypothesis was rejected. Therefore, the alternative hypothesis was accepted, which states that the extent of compliance has a significant positive relationship with the payment of land use charges among property owners in Enugu.

Summary of Findings

The findings of the study revealed significant relationships between various factors related to the land use charge system in Enugu. First, the level of awareness was found to have a significant positive relationship with the understanding of the land use charge system among property owners in Enugu, with a statistical value of Z (95, n = 542) = 23.542, p < 0.05. Second, the extent of compliance also showed a significant positive relationship with the payment of land use charges among property owners in Enugu, with a statistical value of Z (95, n = 542) = 23.639, p < 0.05. These findings highlight the crucial role of awareness and compliance in the successful implementation of the land use charge system.

Conclusion

The study provides a comprehensive assessment of the Enugu State Land Use Charge Law (LUCL) 2017, evaluating its theoretical underpinnings and practical implementation. The findings reveal that the level of awareness and the extent of compliance among property owners in Enugu are crucial factors influencing the effectiveness of the LUCL. The significant positive relationships found between awareness and understanding, as well compliance and payment of land use charges, underscore the importance of educating the public and ensuring effective tax administration.

Despite these positive relationships, challenges such as inadequate public awareness, bureaucratic inefficiencies, and resistance to new taxes persist, impeding the full realization of the law's objectives. Addressing these challenges through targeted public awareness campaigns, improved tax administration processes, and better infrastructure could enhance compliance and revenue generation, facilitating the achievement of the LUCL's goals.

Ultimately, the study highlights the need for continuous evaluation and reform of the land use charge system to ensure its alignment with both the theoretical aims of equitable land-based taxation and the practical realities of urban development in Enugu. Strengthening the relationship between theory and practice will be key to optimizing the law's impact on property development, infrastructure growth, and overall economic progress in the state.

Recommendations

The following recommendations become necessary based on the findings of the study:
i.   The study found that a significant relationship exists between awareness and understanding of the Land Use Charge Law (LUCL) among property owners. To improve the effectiveness of the law, it is recommended that the Enugu State Government implement targeted public awareness campaigns. These campaigns should focus on educating property owners about the purpose, benefits, and obligations under the LUCL. Utilizing various media platforms, including community engagement, workshops, and digital channels, will help increase awareness and reduce confusion or resistance towards the law, fostering better compliance.
ii.   The findings highlight a positive relationship between compliance and the payment of land use charges. To further enhance compliance, the government should invest in modernizing the tax administration system. This includes updating property records, incorporating technology to streamline tax collection processes, and addressing bureaucratic delays. Additionally, improvements in infrastructure, which are key to the successful implementation of the LUCL, should be prioritized. Efficient tax administration, paired with better public services and infrastructure development, will likely increase property owners' confidence in the system and encourage timely payments.

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