Uganda Pentecostal University Journal of Sustainable Development
Journal DOI Prefix: 10.69612
Journal ISSN: 3078-2384
Issue 1, Volume 1

AN EXPLORATION OF THE IMPLICATION OF THE BURDEN OF MULTIPLE TAXATION ON THE TELECOMMUNICATIONS SECTOR

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ABSTRACT

The telecommunications services have witnessed exponential growth in the recent past. This is not unconnected with developments in Information and Communications Technology. Despite this growth, the telecommunications industry has been bedevilled with high and multiple taxation, the resultant effect of which has adversely hindered the overall development in the telecommunications sector. This paper therefore seeks to examine the issue of multiple taxation and how it has impacted on quality telecommunications services. The methodology employed in this paper is doctrinal with the use of both primary and secondary sources of law. The primary source includes statutory provisions and relevant judicial authorities while secondary source includes journal articles and other internet materials. It has been found that the adverse effects of multiple taxation on both the telecommunications service providers and subscribers are too enormous on quality telecommunications services. And this is, among others, as a result of multiple regulatory regime. The paper therefore recommended that all laws and regulations governing telecommunications services should be reviewed with a view to identifying unpleasant multiple regulatory regimes on taxation of telecommunications services and amend or repeal such laws and regulations in such a way to avoid multiple taxes of telecommunications services.

ARTICLE INFORMATION

Keywords

Taxation, Telecommunications, Services, Legislation

Cite This Article (APA)

Bunusu F. M. Dauda A. A, & Ayomide O.T. (2025) An Exploration of the Implication of the Burden of Multiple Taxation on the Telecommunications Sector. *Uganda Pentecostal University Journal of Sustainable Development* 1(1) 1-16. https://doi.org/10.69612/upujsd-2025-11-011

INTRODUCTION

Revenue needs to be generated for the sustenance and effective running of a country. The running of government organs cannot be carried out effectively if funds are not available. One of the major sources of funds to run these organs by most governments all over the world is through taxes collected. These taxes can be direct or indirect. In some instances, there may be only one major source of tax, like petroleum profit tax, which may be more than 80% of the total accruable tax. Any downward trend in prices of commodities always have crushing and devastating effects on the finances of the governments during the forthcoming periods (Oseni, 2018).

The hub of telecommunications has shown to be the largest and fastest growing sector in the largest economy in sub-Sahara Africa and in Africa at large. This has made the sector to flourish and attract a great number of conglomerate companies for investment and partnership. For Nigeria which is the case study for this study, it has been categorised as the new frontier to the process by which the Gross Domestic Product (GDP) of a country can grow, and which has contributed N1.549 trillion to the GDP, in the second quarter of 2017, which represents 6.68 per cent increase from the first quarter of the year (N1.453 trillion). Thus, this has added giant strides to the growth of Nigeria GDP and the drastic development of the socio-cultural and political landscape. Telecommunications accrue for 1.8% of the labour force by occupation in Nigeria, and that has provided indirect and direct employment in the country (Oseni, 2018).

This achievement of the telecommunications industry in the last ten years have invigorated the international belief that communications is a powerful and progressive tool of socio-economic development. The continued boost to socio-economic development in terms of job creation, security and socio cohesion, the impact upon culture and quality of life and the contribution to Gross Domestic product (GDP) are gains which have been recorded by the industry as a direct result of the advent of mobile telephony in Nigeria which was introduced in early 2000. Sadly, however, while this sector has been a major catalyst for socio-economic development, it has become apparent that majority of national stakeholders have failed to recognize the pivotal roles played by the telecommunications sector to long-term socio-economic development of the country. These sections of stakeholders instead continue to perceive the successes of the industry as an opportunity to generate short term and other immediate pecuniary benefits (Oseni, 2018).

The telecommunications sector has been bewildered with so many challenges that have marred the development prospect of the sector, leading to the epileptic growth. Thus, one of the major challenges that causes a clog in the realisation of the potential of the sector is the imposition of multiple taxation, which has caused an episode of lamentation from telecommunications service providers.

The Nigeria Federation comprises of three tiers of government: the federal, state and the local government, which have been given the power by the constitution to impose and collect tax within their jurisdiction in a bid to generate revenue. This has made it a possibility for the occurrences of multiple taxation on the commodity. The governments are keen on generating revenue for the purpose of running the activities of the government. Thus, some governments have no other means of generating revenue other than from tax, since the federal allocation from the central government have not been coming through consistently over the years due to the dwindling of the Federation account. This has led to the introduction of special levies on certain sectors, goods and services.

This paper will therefore examine the issues and challenges multiple taxation creates, especially to the telecommunications sector, its ripple effect and avoidance of multiple taxation among the tiers of government.

MULTIPLE TAXATION

In a close examination of multiple taxation, from the general usage of multiplicity of taxes by the stakeholders, it can be said to manifest in four ways which are:

First, it refers to the various unlawful compulsory payments being collected by the various levels of governments without appropriate legal backing through intimidation and harassment of the payers. Collection of it is characterised by the use of stickers, mounting of road blocks, use of revenue agents/consultants including motor-park touts (Abiola, 2012).

Second, it refers to situations where a taxpayer is faced with demands from two or more different levels of government either for the same or similar taxes. A good example here is the administration of the Value Added Tax (VAT) and Sales Tax simultaneously.

Third, the term refers to where the same level of government imposes two or more taxes on the same tax base. A good example is payment of Companies Income Tax, Education Tax and Technology Levy by the same company.

Fourth, it refers to cases whereby various government agencies impose taxes in the form of fees or charges (Abiola, 2012).

Therefore, multiple taxation is a phenomenon which describes an income that is subjected to tax more than once, often by two or more different authorities in a way that may be unfair or illegal. Multiplicity of taxes connotes paying similar taxes on the same or substantially similar tax base. Examples of multiple taxes include Companies Income Tax, Information Technology Tax (NITDA Levy), Education Tax, Nigerian Content Development Levy, all of which are based on income or profits and Value Added Tax, Sales Tax and Hotel Consumption Tax which are all based on sales (Oseni, 2018). Multiple taxation is often referred to when same asset or event is taxed multiple times by different jurisdictions in a federal system. This has caused a decadence in the course of doing business in the country, making it difficult for Small and Medium Enterprises (SMEs) and infant industries to thrive which reduces the economy viability of the country, and catalyse or boost unemployment rate (Ibrahim, 2016).

However, multiple taxes should be distinguished from numerous taxes which posits many but different taxes on different tax bases. For instance, in relation to a company or individual a situation may arise where the same profit for a company or income of a person which is liable for tax in Nigeria has been subjected to tax by another tax authority in Nigeria or another country outside Nigeria. In such situations relief is usually granted to that tax payer for the earlier tax paid or to which he may be liable for. Specific agreements are made between the two countries with a view to preventing such multiple taxes or to provide relief against it (Oseni, 2018).

Thus, there is a difference between double taxation and multiple taxation. Double taxation occurs when same type of taxes is paid on the same sources of earned income twice. For example, companies are considered to possess a separate and distinct legal personality apart from the shareholders, who are not in the position to benefit from the company's income but they are entitled to dividends with respect to their shares when distributed. The shareholder may nevertheless benefit from the undistributed profit in the event of winding-up of the company when all the debts and liabilities of the company have been met. Thus, the company and its shareholders are treated separately. This was enunciated by the celebrated case of *Salomon v. Salomon*. When companies pay out dividends to shareholders, those dividend payments incur income tax liabilities for the individual shareholders who receive them even though the earnings that provided the cash to pay the dividends were already taxed at the corporate level. Double taxation also occurs where a country levies tax on an income that has already been taxed in the same or another country. Double taxation may lead to agreement between two countries that a person living in one country shall not be taxed by both countries on the income earned in the other country. However, double taxation does not include the imposition of different taxes concurrently on a particular source of income or profit, nor same property of the same piece of property to different person when they hold different interests in it, or when it represents different values in their hands, as when both the mortgagor and the mortgagee of the property are taxed in respect of their interests in it, or when a tax is laid upon the capital or property of a corporation and also upon the value of its share stock in the hands of the separate stockholders (Garner, 2003).

The distinguishing factor between multiple tax and double taxation is that the former is being administered through illegal and unfair practices which is usually orchestrated within the jurisdiction of a certain country by different tax authorities while for double taxation it occurs mostly between two countries and there is no rule that prohibits international double taxation. So it is for the countries in the international arena to solve double taxation problems.

INCIDENCES OF MULTIPLE TAXATION

Multiplicity of taxes goes against the cardinal principles of taxation. Though the government needs revenue to perform its responsibilities to its citizens, in this light it cannot be done in a haphazard, arbitrary and capricious manner. A taxpayer is entitled to know and determine in advance how much he is obligated to pay and in what circumstances. This highlights why certainty is one of the principles of taxation (Ian, 1992).

Multiplicity of taxation began to rear its ugly head in Nigeria in the late 1980s when revenue accruing to States and Local government from the Federal Account began to dwindle (Izendomi, 2018)). This was so because most of the States depended on the revenue allocation from the Federation Account which made most State governments to have a dysfunctional Board of Internal Revenue (BIR). This made some State governments to issue out their tax administration to private consultants for assessment and collection in such a manner that eventually sidelined the tax administrators within the civil service (Abiola, 2012).

These private consultants started by reviewing the rates and fees payable for different governmental services ostensibly to reflect the economic realities. In some cases, the rates and fees were skewed too high. For instance, business premises levy and development levy were imposed on certain corporate bodies arbitrarily without legal basis. Notwithstanding that some of the practices were unorthodox and raised serious issues of rule of law; the revenue objective was paramount to the States because they were in dire need of revenue to execute their functions. The States therefore did not take any serious action to address the concerns of taxpayers (Abiola, 2012).

Therefore, multiplicity of taxes has posed many challenges to the economy and socio-political landscape of Nigeria. These challenges are birthed by the effect of multiple taxing of SMEs and other industries in different sectors of the economy such as power, agriculture, petroleum, telecommunications and so on. The incidence of multiple taxation has been evidential in acts culminated in the imposition of illegal and inappropriate taxes and levies in the following ways:

- Illegal taxes and levies
- High or excessive tax demand when the tax is legal;
- Assessment and determination of taxes and levies
- Illegal enforcement and extra-judicial Activity
- Unwarranted legislation.

- Illegal Taxes and Levies

The Taxes and Levies (Approved List for Collection) Act provides a list of taxes and levies to be collected by all tiers of government; Federal, State and Local government. Any tax or levy outside of what the Act provides is illegal. This was handed down in the

case of *Eti-Osa Local Government v. Jegede*,(Knight and Rutley, 2011) where question as to whether the Local Government has power to impose taxes and levies outside the provisions of Decree No. 21, 1998. The Court of Appeal held in affirming the ruling of the trial court that the Local government does not have the power to collect or impose tax outside the provision of the enabling laws empowering it to do so. Although the government has the inherent power to legislate and impose tax, this power cannot be left without enacting laws that will stipulate who will collect what in a federating country like Nigeria. The Government is not competent to do so, because the activities of the Government are regulated by checks and balances for the protection and social structure of the citizenry.

In a bid to increase the internally generated revenue, the government consistently imposes taxes and levies unknown to law on telecommunications operation. For instance, in 2009, the Imo State Ministry of Petroleum and Environment introduced an Environmental Audit Review and Certification Fee of N30,000 per site without the backing of any known law (Ibrahim, 2016). It is noted the statutory responsibility for the conduct of an Environmental Audit under the Environmental Impact Assessment (EIA) Act rests with the Federal Ministry of Environment (FME) or the enforcement agency, the National Environmental Standards and Enforcement Regulations Agency (NESREA, 2007).

- **High or Excessive Tax Demand**

Where the taxes or levies are legal the amount demanded is typically high and arbitrary without recourse to the provisions of law. Increases are also usually imposed annually or otherwise, without a known parameter for their determination (Oseni, 2018).

- **Assessment and Determination of Taxes and Levies**

Government at all tiers tends to use consultants for the purposes of improving internally generated revenue. These consultants are paid a percentage of what they are able to generate. Unfortunately, the end result is that consultants dream up taxes or levies that are unknown to law and utilize thugs and unscrupulous security personnel and indeed draw on Task Forces employing State Security Services to enforce their collection. This is in a bid to be able to generate more revenue in order for them to be given high remuneration, since they are being paid in percentage of what they are able to collect (Oseni, 2018).

- **Illegal Enforcement and Extra-Judicial Activity**

It is to be noted that the collection of taxes and levies, legal or illegal, is usually done by applying un-sophisticated and legally unsanctioned methods. This includes arbitrary site or office closures, physical attacks, intimidation and arrest of personnel and seizure of equipment, among others. Several states across the country have employed and continue to exploit this approach to extract money from operators. In the case of telecommunications companies, the case is no different. This is particularly damaging because they deny the affected operators' access to their facility sites for routine maintenance and fueling. This invariably results in network outages, congestion and exacerbation of the quality of service situation as facilities run out of fuel or otherwise fail for lack of maintenance or fault rectification.

- **Unwarranted Legislation**

Under the guise of federalism, governments, especially at the State and Local levels, do insist on exercising authority within their jurisdiction. While they should ordinarily have authority to exercise such powers, the law places a limitation to the extent that where there is an extant enactment from the federal legislature, the doctrine of covering the field comes into play, and the State or Local Governments can no longer legislate on the same issue, and going ahead to legislate on this leads to inappropriate, typically excessive legislation and a dauntless disrespect for the Law. A good example is the Lagos State Infrastructure Maintenance and Regulatory Agency (LASIMRA) established by the Lagos State Infrastructure Maintenance and Regulatory Agency Law 2004. The Agency sought to regulate telecommunications infrastructure in Lagos State and was ultimately declared illegal by the Federal High Court (Oseni, 2018).

Also in 2016 a new tax bill which has been submitted to the National Assembly, which when passed into law will keep common telecommunications and other communications consumer at a loss. The bill referred to as the Communications Tax Bill is seeking to impose Communications Service Tax (CST) on the service fees payable by users of electronic communication service at a rate of 9%. The bill will mandate service providers to file monthly returns with the Federal Inland Revenue Service (FIRS), with strict penalty for non-compliance. The categories of communications service liable to the tax include voice calls, SMS, MMS, Data and Pay TV. This bill imposes on service provider will be invariably paid by the customers, considering the fact that the service providers will spread the cost among several of their services they offer to consumers. The Bill proposes that levy should be imposed on telecommunications service providers and internet service providers licensed by the Nigerian Communications Commission (PWC, 2018).

All service providers are expected by the bill, to comply with the tax law and file tax returns and pay the tax due not later than the last working day of the month immediately after the month to which the payment relates. There are however strong penalties for default, including N50,000 for failure to file returns on due date and a further N10,000 for each day the tax returns are not submitted (Prince Osuagwu, 2018).

If the bill receives favourable consideration from the National Assembly, the FIRS will be responsible for the collection of the tax and pay together with any interest and penalty into the Federation Account.

For the purpose of monitoring, the bill mandates the FIRS in collaboration with the Minister/ Ministry of Communication and the Nigeria Communication Commission (NCC) to appoint an agent who will establish both electronic and physical monitoring mechanisms to monitor, analyse, verify and save all necessary data and information both electronic and physical.

In addition, the FIRS, the Ministry of Communication, NCC and such appointed agents must be given access to the network nodes of service providers at an equivalent point in the network where the network providers billing stems are connected (Prince Osuagwu, 2018).

However, a service provider, who objects to a request for the introduction of an equipment or software to its physical nodes, shall within 7 days of the request report in writing stating reasons for the objection to the FIRS and other relevant authorities. If after 14 days the issues are not amicably resolved, the service provider shall within 7 days apply to the High Court. Where the High Court upholds the request for the introduction of equipment to the service provider's network, the service provider will still be liable to the 5% penalty on its annual gross revenue (Deliotte, 2018).

However, several advocacy groups in the sector, including the Association of Telecommunications Companies of Nigeria (ATCON), Association of Licensed Telecom Operators in Nigeria (ALTON) and also a multinational professional services firm, Price Waterhouse Coopers (PwC). They have taken a look at the bill saying that the demolition the bill will bring to the sector will far outweigh the gains being expected (Prince Osuagwu, 2018).

The Communications Service Tax is a consumption tax, which will be in addition to value added tax (VAT) which consumers of telecommunication services are already subjected to. This will drastically reduce the purchasing power of consumers in the midst of rising prices and negatively impact investment climate in the economy (Deliotte, 2018).

Mr. Teniola Olusola averred that the bill would compound the woes of the telecommunications operators who are being already overburdened with multiple taxation and other levies. He argued that the necessary thing to do was for the government to discontinue the Bill, in order to avoid the reduction of the inflow of FDI into the sector, reduction of subscribers' level of data consumption and which will ultimately affect contribution of the sector to GDP.

Engr. Gbenga Adebayo also opined that unless the government had the plans to kill the goose that lays the golden egg, the most appropriate thing would be to withdraw the Bill (Emmanuel, 2018).

PwC, however, in its 8-point observation, said that:

- The Bill seems to mirror the Ghana Communication Service Act. The reference in the Bill to National Health Insurance Levy, which is not applicable in Nigeria, shows that the bill was perhaps developed through a direct "cut and paste" approach.
- Although the CST is borne by the users of the electronic communication service, it imposes significant compliance burden and costs on the service providers.
- The Bill does not provide for penalties for the Government monitoring agents for abuse or data protection violation. Confidentiality of the customers using the infrastructure has to be guaranteed and any consequential claims for damages should be borne by such agents or government officials.
- The Bill does not clarify whether there will be a charge if the subscriber of the telecommunications or television service is outside Nigeria or for foreign interconnect charges billed from Nigeria to foreign telecommunications providers.
- The seven (7) days period for service providers to object to a request by the Government to introduce an equipment or software into the subscriber's network may not be sufficient to determine the risk associated with such interference as this may require technical expertise at a significant cost and time.
- The CST Bill still imposes the payment of 5% of annual revenue tax after a court upholds the introduction of the Government monitoring equipment into the network. This will discourage service providers from challenging the Government where it merely suspects that such introduction may create risks and affect the quality of service enjoyed by subscribers. Interestingly, there is no compensation to the service provider where the court rules otherwise.
- The use of independent consultants could lead to unprofessional behavior by consultants/agents who are motivated solely by commission for work done.
- Multiple taxation already exists in the information and telecommunications industry such as IT tax on profits, Annual Operator Levy on turnover and VAT on consumption of their services. The introduction of the CST therefore increases the tax burden on both service providers and their customers (PWC, 2018).

It added that:

However, the introduction of new taxes without harmonising existing ones will put pressure on the Nigerian tax system which will be unattractive to investors. It may also be counter-productive in the long run for targets on broadband penetration. The focus instead, should be on stimulating the economy and ensuring that the tax system is efficient by widening the tax net and creating an effective framework for tax compliance. If any tax must be introduced on communication services, care must be taken to protect the poor and vulnerable in the society, who nonetheless, have to use telecommunication services for social inclusion and financial services among others.

However, in an effort to curb the menace of multiple taxation, the Joint Tax Board (JTB) drew up a list of taxes that could be collected by the three tiers of government. This list was given a legal backing through the Taxes and Levies (Approved List for Collection) Act. However, most State governments have ignored the list because of the dire need to generate revenue. A review of the cases however shows that most of the challenges have been against State and Local government even though these tiers of government are not free from blame in this regard.

Notwithstanding that some of such taxes have been declared to be null and void, the practice is to leave the particular tax payer who had gone to court and continue to enforce the tax against others (Abiola, 2012).

PROBLEMS ASSOCIATED WITH MULTIPLE REGULATION

Multiple regulation has been seen to be one of the causes of multiple taxation in the telecommunications sector. The regulation of telecommunications sector by two or more entities tend to occasion the hazard of indiscriminate regulatory operation by government agencies on different level working at cross purposes to the detriment of the telecommunications operators. For instance, a telecommunications operator receives a stop work order from either a State or Local government agency over a Right of Way (ROW) approval granted by a State or Federal Agency. It is likewise common to have State and Local Environmental Agencies reject an Environmental Impact Assessment (EIA) certificate issued by the Federal Ministry of Environment (FME) to insist instead on the telecommunications operator processing same with them. This has revealed the high disregard for laws in the country. This crude phenomenon is further corroborated by the demands in Kaduna State by the Kaduna State Urban and Property Development Authority (KASUPDA) which insisted on conducting its own EIA thereby disregarding the EIA earlier issued to a telecommunications company by the Federal Ministry of Environment (FME) (Ibrahim, 2016).

It is no doubt the fact that the problem associated with multiple regulation usually leads to delay in project implementation which in turn causes excessive increase in the project cost, network outage and quality of service issues among others. Besides the result of multiple taxation, the situation presents significant regulatory disagreement that can ground telecommunications operations for months in severe cases with unpleasant implications for the national socio- economy (Abiola, 2012).

EFFECT OF HIGH AND MULTIPLE TAXATIONS ON QUALITY OF TELECOMMUNICATIONS SERVICE

The outcome of multiple taxation in the telecommunications sector has caused a bane in the operations of the service providers. The quality of service and the development of the sector is faced with a major setback due to multiple taxations such as high rates and illegal taxes and levies. The arbitrary mode of regulation and collection of taxes and levies within the country by government officials at the state and local levels calls for major concern (Abiola, 2012).

The effect of multiplicity of taxes cannot be over-emphasized as complaints have been poured out from different quarters of the telecommunications sector. The operators and stakeholders have come out with the view that this threatens the ease of doing business in the country. The institution is already endangered with multiplicity of taxes across different tiers of government.

Therefore, the following are some effects of multiple taxation on the telecommunications sector which affect almost every aspect of the economy and also the social and political aspect of the country. Thus, the effects ranges from illegal, coercive and arbitrary use of force which may lead to criminal assault, high cost of telecommunications services, bad or poor telecommunications services, increase in unemployment, low rate of information dissemination and high security risk among others.

- **Illegal, Coercive and Arbitrary Use of Force**

High and multiple taxation usually leads to inappropriate and irksome intervention, as the MDAS resort to extra-legal means to enforce such interventions. As noted earlier, government agencies employ coercive means, such as facility lock-outs to enforce compliance by telecommunications operators. Operators are denied access to such sites for refueling, maintenance or fault resolution, leading to congestion and other quality of service deficiencies. In a bid to ensure that operators feel the squeeze, government agencies go for the jugular by targeting Hub sites to which anywhere between 20 to 100 or more sites are connected. This effectively paralyses a good section of the network, causing complete network outage for the affected communities over an area that could stretch across as many as two or more adjoining states with quality of service deficiencies across a much wider area. It is instructive to remark that the impacts of such network outage are not restricted to the affected telecommunications network but could indeed spread to others. The fact that the telecommunications infrastructure is a web of interconnected elements means that failures on one service providers' network will often unduly burden, congest or otherwise compromise service quality and availability on other networks, negatively affecting users on the other networks. While it has not happened in Nigeria, it is the case that a domino effect of such network disruption has brought down the national network in some countries with disastrous socio-economic consequences on them (Ibrahim, 2016).

- **High Security Risk**

Network outages and poor quality of services present a great threat to national safety and security and indeed to the overall maintenance of law and order; these incidents constrain the ability of emergency response, law enforcement and security agencies to respond appropriately to emergency and distress situations.

Network outages occasioned by site closures will render security agents in the vicinity powerless to communicate whilst criminals perpetrate their heinous activities. Particular concern is the high likelihood of the failure of specialized security devices and applications occasioned by these shutdowns and the jeopardy to which intelligence provided to security agencies will be placed.

- **Emergency and Distress Situations**

Emergency, medical or other intervention cannot be readily summoned or coordinated to attend to life-threatening incidents including heart attacks, accidents and disasters, such as fire and flooding etc. These cases and more will not receive urgent attention owing to the unavailability of telecommunications services occasioned by site closures of course; this further emphasizes the critical nature of telecommunications networks.

- **Business Losses and Socio-economic Disruption**

Network outages disrupt socio-economic activities as dependent services (such as banking, airline ticketing, government e-payments and a host of other activities) become unavailable or constrained. Business both traditional and in particular, online that rely on telecommunications infrastructure and services are pulled down while the outages last. The disruption of social and economic activities in this manner will accrue huge economic losses for telecommunications operators and other businesses, the Government and the country as a whole. In its 2010 Research Study I, Pyramid Research reports that by 2009, mobile had created 8,000 direct employments and a total of 3 million in indirect employment. This Value chain supports several verticals in rural connectivity, agriculture, education, finance, health, transport and entertainment, etc. These verticals are impacted by network outages by way of business and economic losses. Such losses exacerbate the unemployment situation and incentive criminal activities and other social vices that precipitate a vicious cycle of societal problems and underdevelopment. It is pertinent to note that Government is also a major direct and indirect beneficiary in terms of taxes paid directly by the industry and other payments from citizens employed indirectly by the industry.

CONCLUSION AND RECOMMENDATION

Multiple taxation on any sector of the economy in a country is genesis of unfavourable business opportunity in that sector, which will ultimately result into hardship and an eventual death of such sector. The telecom sector is not isolated from the menace of high and multiple taxation, and the problems it has caused to the sector. This is as a result of the inextricable growth that the telecom sector has posed to achieve over the past years since its privatisation, while in the same vein the governments from all levels and its agencies have seen this as an avenue to increase their revenue generation, turning the sector to a new cash cow for revenue generation at the detriment of the telecommunications operators.

The activities of the telecommunications operator have been bewildered by the enforcement of high and excessive taxes by the governments. Thus, it contributes to the degradation of quality of services that are not conducive for socio-economic activities whilst also compromising public safety, security and the maintenance of law and order; it diminishes the utility of telecommunications as an economic enabler and social overhead capital by precipitating business losses that inhibit economic development and disrupt social cohesion; it limits tax revenues to Government by constraining the potential of the telecommunications sector to contribute through direct and indirect value addition to the national economy (Ibrahim, 2016).

It is therefore recommended that there is a need for the government to look into the issues that have erupted from multiplicity of taxes and come to a conclusion on how it can synergize the taxes and rates for the effective performance of the tax sector. Similarly, all laws and regulations governing telecommunications services should be reviewed with a view to identifying unpleasant multiple regulatory regimes on taxation of telecommunications services and amend or repeal such laws and regulations in such a way to avoid multiple taxes of telecommunications services. Also, unwarranted legislation should be avoided in order to save telecommunications taxpayers against illegal enforcement and extra-judicial activities.

In order to avoid regulatory disagreement, which usually results in delay in project implementation causing excessive increase in the project cost, network outage and quality of service issues, there should be an arrangement whereby regulatory agencies will harmonise their respective regulatory functions by entering into memorandum of understanding to avert probable regulatory overlap. To avoid high security risk, which has resulted in network outages and poor quality of services, there should be constant power supply and this can be achieved by setting up a power sector monitoring agency with the responsibility of apprehending and possible prosecution of erring power supply officers involved in sabotaging government efforts in providing constant power supply. Also, in order to further avoid multiple taxes, each tier of government should adhere strictly to its taxes and levies collectible by it in the telecommunications sector should not usurp taxes and levies collectible by another tier of government.

FUNDING OF THE RESEARCH.

This research has not been funded by any institution. The Authors conducted the research utilizing their own funds.

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