

**IMPACT OF TAX FAIRNESS AND TAX APPEAL TRIBUNAL ON THE
INTERNALLY GENERATED REVENUE OF ADAMAWA STATE**

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ABSTRACT

The study examined the impact of tax fairness and tax appeal tribunal on the internally generated revenue of Adamawa State. The research design used by the study is survey and cross sectional data was collected using primary source of data. The study population consisted of 38,292 while the sample size is 379 which was determined by Krejcie and Morgan table. In line with Israel (1992) suggestion, a 30% mark-up was added in the context of the study to take care of low response rate. The total sample size is 493. There was 456 copies of the questionnaire that were returned while 432 were subjected to analysis after cleansing and missing values. The study used PLS-SEM for data analysis. The findings of the study showed that tax fairness has a positive and significant impact on the internally generated revenue at 5% level of significance. The result of the impact of tax appeal tribunal on the internally generated revenue of Adamawa State indicates a positive and significant. Therefore, the study concludes based on the findings that tax fairness and tax appeal tribunal has a positive and significant impact on the internally generated revenue in Adamawa State at 5% level of significance. Based on the findings of the study, it is recommended that Adamawa State Government should continue in providing tax fairness procedures and ensure that the tax is fairly imposed on the taxpayers for their ability to pay and considers strategies that will improve the revenue generation of the State. Also, Adamawa State Government should continue in providing enabling environment where tax disputes can be resolved amicably.

Keywords: *Tax fairness, Transparent Tax System, Internally Generated Revenue.*

Introduction

Government has burden of responsibilities that make it prepares toward developing its area which necessitated for the need of sufficient internally generated revenue. These responsibilities, according to the Constitution of Nigeria (1999) are: Provision of infrastructural facilities, ensuring security of lives and property and payment of salaries as well as meeting other administrative costs. Bitrus (2021) suggests that there is a need for the governments of state to generate sufficient revenue from internal sources because it is a matter of urgency and importance due to the increase in government spending and rise in responsibility on the part of the government to its citizens amidst reduction in the distributable funds available to the State Governments from the federation account. According to Ogundipe (2022), all State Governments of the Federation can survive because of their potentials. This is in opposite to the present situation where almost all State Governments in Nigeria including Adamawa State are depending on external sources for the implementation of their programs and expenditures.

However, upon the several revenue sources available to the three tiers of government, the revenue that comes from the oil is over 70% (Bitrus, 2021). The continuous fall in the oil price since 2013, vandalization of oil facilities and oil bunkering recently have led to a reduction in the funds that are available for distribution for states government (Hamidu et al, 2022). The revenue generation by the Adamawa state was not sufficient to cater for the administration costs, payment of salaries as well as provision of infrastructural facilities (Saidu et al, 2023). The viability of Adamawa state government depends on its revenue generation, therefore, there is a need for more studies on how to improve the revenue generation of the state.

Adamawa state is situated in the North Eastern Region of Nigeria. The state is among the states that have been affected by Boko Haram since its inception in 2008 and Banditry in 2016. The Boko Haram and banditry insecurity challenges have affected the IGR of the state. During the insurgency, the IGR of the state between 2016 to 2019 were ~~N~~2.34 billion, ~~N~~6.83 billion, ~~N~~6.20 billion and ~~N~~9.71 billion yearly respectively (Adamawa State Annual Financial Reports and Account, 2016-2024), but

after the insurgency was over around 2020, there have been significant improvement of IGR in the state showing the IGR from 2020 to 2024 to be ₦8.33 billion, ₦13.01 billion, ₦13.20 billion, ₦17.07 and ₦17.00 respectively (Adamawa State Annual Financial Reports and Account, 2016-2024). Despite the improvement of IGR after the insurgency, it was not as expected hence there is a need to carry further research on the effect of tax administration on IGR in the state.

Tax fairness is a situation where taxpayers are taxed according to their ability. According to Umar and Ahmad (2025), tax fairness is classified into vertical and horizontal tax fairness. Vertical tax fairness is used to differentiate individual taxpayers with the differences in income while horizontal tax fairness is used to differentiate individual taxpayers with equal income are taxed at same tax rate and levying the same liability of tax. Tax fairness in tax system is influencing the tax compliance level by the taxpayers. In order to improve the revenue generation of Adamawa state, the administration initiated tax fairness policy through implementation of progressive tax system where the higher the income of the taxpayer, the higher the tax while the lower the income of the tax payer, the lower the tax. Since the implementation of tax fairness system of tax in Adamawa state, there has been an increase in the internal revenue based of the state, but not sufficiently. This system of tax fairness in Adamawa state supports the principle of tax equity or equality because government charged taxpayers based on their ability to pay. Before the introduction of tax fairness in Adamawa state, the taxpayers were treated unfairly due to heavy tax burden, but despite the introduction of the tax fairness in the state, there have been resistance from the taxpayers not to pay their fair share of taxes (Hamidu et al, 2022). The present tax system being used in the Adamawa state also offered room for loopholes, fraudulent activities and lack of sufficient data which worsened the lack of tax compliance. Therefore, there is a need for these current problems of tax fairness to be addressed through further studies, which the current study carried out.

Tax appeal tribunal enables tax authority to verify and effect errors at a minimal fiscal cost and administrative cost without considering the need for the involvement of the judicial court. The advantage of resolving tax disputes from

within the tax authority is paramount and that many governments have made tax dispute resolution mandatory before taxpayers can seek legal recourse (Oseremen, 2025). According to Tsumah (2020), the jurisdiction of the courts over tax disputes derives from whether it is the federal or state or local government tax. Tax appeal tribunal is one of the important components of tax administration system since the tax system normally offers a multilayered objection and the appeal process which helps the complainants to go through a mechanism before appealing to the regular court system. Tax appeal tribunal have a complex legislations as most of the wealthy individual used the proceeds obtained from tax avoidance and tax evasion to delay and truncate the judgment. The tax dispute is concerned with disagreement or controversy which arises between the taxpayers and the tax authority in interpretation of the law during tax collection and assessment. Adamawa state has dispute resolution committee that always attend to taxpayers' grievances before proceeding to tax appeal tribunal where the dispute fails to resolve (Hamidu et al, 2022). Despite the efforts of tax dispute resolution committee in Adamawa state, there are still grievances from the taxpayers, hence the need for further studies.

Several studies have been conducted on tax fairness and tax appeal tribunal, but used descriptive statistics and library research which could lead to only surface level view that may result to poor generalization. These studies include Umar and Ahmad (2025), Philips, et al (2025), Bunmi (2022), Abubakar et al (2021) and Tsumah (2020). To overcome the weaknesses of descriptive statistics and library research, this current study used Partial Least Square Structural Equation Modeling (PLS-SEM). This will improve the methodology of the study.

Moreover, none of these studies attempted an analysis of the impact of tax fairness and tax appeal tribunal on revenue generation in Adamawa state which the present study has done. The other issue that has been addressed in this study is finding out whether there is significant impact of tax fairness and tax appeal tribunal on internally generated revenue in Adamawa State during the current era of Boko Haram and Banditry.

Objectives of the Study

The main objective of this study is to assess the impact of tax fairness and tax appeal tribunal on the internally generated revenue of Adamawa State. The specific objectives are:

- i. To ascertain the impact of tax fairness on the internally generated revenue of Adamawa State.
- ii. To determine the impact of tax appeal tribunal on the internally generated revenue of Adamawa State.

Research Questions

The following research questions were formulated to guide the study:

- i. What is the impact of tax fairness on the internally generated revenue of Adamawa State?
- ii. How does tax appeal tribunal impacts the internally generated revenue of Adamawa State?

Research Hypotheses

The research hypotheses of the study were formulated in null form as follows:

H_{01} : Tax fairness has no significant impact on the internally generated revenue of Adamawa State.

H_{02} : Tax appeal tribunal has no significant impact on the internally generated revenue of Adamawa State.

Literature Review

Conceptual Review

Concept of Internally Generated Revenue

Internally Generated Revenue is important part of accruable total revenue to the states government. Bitrus (2021) views internally generated revenue as the source of government fund which is generated by the three tiers of government that help in enhancing non-oil revenue source of the state government. This view did not state the non-oil revenue source. Administration of internally generated revenue is mainly carried out by the State Internal Revenue Service to finance government expenditure and other government programmes (Haruna, 2022). Internally generated revenues are incomes which derived from the government from different

sources which includes capital gains taxes, Pay As You Earn, motor vehicle license and direct assessment tax (Festus, 2019). However, there are some other internally generated revenue such as stamp duty, withholding tax and taxes on business profits. According to Adekoya et al (2021), internally generated revenues are the type of revenues that are raised within the power of the government which are peculiar and distinct. Gandolph et al (2021) contended internally generated revenue as the total sum of revenue raised within the state geographical boundary. In another vein, Ajike, Ariguzo, Akinyosoye, Nwankwere and Oyedeji (2020) viewed internally generated revenue as revenues derived from various sources in the state. This study adopts the definition of Bitrus (2021). Therefore, internal generated revenue refers to all revenues that are constitutionally approved which are accruing to the three tiers of government but without loans and other funds from external sources.

Concept of Tax Fairness

The tax fairness depends on the application of the principles of tax proportionality, tax progressivity and the exemptions in the tax system. According to Abubakar et al (2021), tax fairness refers to a principle that stipulates a tax regime that is rational to every taxpayer. They further stated that it is best understood as a continuum that runs from what is most fair for the individual taxpayer to what is most fair for whole society. This definition did not state how best the taxpayers understood the tax system. A fair tax system is that tax regime that shares the tax incidence to the taxpayers and in respect to their tax ability. Most tax authorities try to strike a balance between these two extremes that is members of the society and tax ability. To Abubakar et al (2021) also, tax fairness simply means making people to pay share of their tax. This definition did not specify the rate of the fair share that each taxpayer should pay.

However, from the perspective of taxpayer, a fair tax system is a system that redistributes wealth from the contribution of high earners to the taxpayers in the society. Considering that tax affect virtually everybody's life in the society since it served as a major source of financing government programs and expenditures, assessing people's perceptions toward tax fairness is important for understanding the implications of a tax reform (Farrar et al, 2018). However, this definition did

not state how government finance its programs and what expenses government is ensuring that will tax affect the life of society positively. To Akan and Azaka (2023) tax fairness is a situation where the taxpayers are taxed according to their capacity. Tax fairness has two types (Akan & Azaka, 2023): Horizontal and vertical tax fairness. Horizontal tax fairness is a situation where individuals that have the same income are taxed at the same rate of tax or have the same tax obligation. Vertical tax fairness distinguishes taxpayers who have different incomes. It is important for any tax authority to have a good understanding of taxpayers' fairness perceptions so as to improve the tax administration, and boost collection of revenue by encouraging voluntary tax compliance. The perceptions of tax fairness has important ethical implications for both social, and economic contexts. Individual taxpayer that perceives fairness, he/she experience satisfaction and will tend to support any situation, while individual taxpayer tend to perceive unfairness, he/she may experience anger and be retaliatory or refuse to cooperate in tax payment. This study adopts the definition of Abubakar et al (2021). Therefore, tax fairness refers to as the ability of taxpayers to pay share of their tax to the government.

Concept of Tax Appeal Tribunal

Another important aspect of tax administration is creation of tax appeal tribunal. Tax appeal tribunal provides opportunities for the aggrieved taxpayers to seek redress from a neutral party in case of any disparity in tax assessment and collection. According to Abubakar et al (2021) the tax appeal tribunal should put in place the robust and fair procedures to win the confidence of taxpayers. They further states that accessibility, fair process and accuracy of outcome have been observed as the major factors that indicated tax appeal tribunal effectiveness. The establishment of an effective tax appeal tribunal will boost the taxpayers' confidence and boost the state government revenue. The tax appeal tribunal is operationalized as the taxpayers' perception of the existence of free and fair procedures for adjudicating tax disputes (Abubakar et al, 2021). To Tsumah (2020), tax appeal tribunal is concerned with the jurisdiction to hear and settle disputes which arise from the tax authority operations. This includes operation on the corporation tax, Value Added Tax, capital gains tax and personal income tax. The tax

disputes at the tax appeal tribunals are resolved in shorter times than the higher courts and supreme courts because they take the longer time. Tax appeal tribunal normally comes in after an internal review with the tax payer. When taxpayer is not okay with the decision taken by the committee on dispute resolution committee, the taxpayer can now appeal to the tribunal in writing within 30 days after he/she receives the decision from the Tax Appeal Tribunal commissioner and the reason for appealing must be clearly stated. This study adopts the definition of Tsumah (2020). Therefore, refers to as settlement of disputes that between taxpayers and tax authority.

Empirical Review

Tax Fairness and Internally Generated Revenue

Several researches were carried out on tax fairness and internally generated revenue. Among these studies include:

Umar and Ahmad (2025) investigated the effect of attitudes toward taxation and perceptions of tax fairness on tax compliance in Kano State. The study adopted descriptive survey design with primary data collection from 138 high-net-worth individuals in Kano State by administering structured questionnaire. The data was analyzed through descriptive statistics, inferential statistics and multiple regression analysis with SPSS. The study results revealed attitudes toward taxation, the tax compliance and perceptions of tax fairness have significant relationship in Kano State at 5% significant level with the probability of 0.003, 0.001 and 0.001 respectively. It was recommended that there should be improvement in transparency in tax administration through publishing detailed reports on tax revenue generated and also there should be establishment of platforms for stakeholder in order to engage and monitor tax policies so as to create tax fairness and more efficient tax system in Kano State. However, the study fails to indicate the total number of high-net-worth individuals in Kano State and the technique applied to derive the sample population of 138.

Bassey (2025) examines the perception is everything from the perspectives of tax fairness in Nigeria. It specifically seeks to examine factors which shape the perceptions of tax fairness in Nigeria. In-depth interview was used in data collection

from the internal and external stakeholders of Federal Tax Authority of Nigeria and Federal Inland Revenue Service. The results revealed that the perception of stakeholders on tax fairness is multi-dimensional, procedural, distributive and retributive. The recurring theme based on perception of these stakeholders is tax proportionality concept. The study recommended that there should be enhancement of education and public enlightenment initiatives on the tax payment. However, the study used only interview method which is qualitative in nature. Using only interview method is not enough to generalize the result. Also, the study interviewed only internal and external stakeholders without considering the internal staff of both Federal Tax Authority of Nigeria and Federal Inland Revenue Service.

Akan and Azaka (2023) evaluated the way taxpayers feel about tax fairness and well known about taxes with regards Finance Act from 2019-2023 in Nigeria. Survey research design method was utilized for collection of data. The data was collected through questionnaire and a sample population of 180 was used. The data was sourced from FIRS offices in River, Kano and Lagos. Data collected were analyzed through Structural Equation Model. The study finding shows that taxpayers were not thinking that the Finance Act is fair and that did not enhance their knowledge about taxes at 5% significant level. It was concluded that the perception of taxpayers on tax fairness does not vary on the tax policies changes and the taxpayers' level of tax education did not influence their thinking about tax fairness hence affect the internally generated revenue. However, this study did not indicate the target population and the sampled population used. Also, there is no justification for the use of only Kano, Rivers and Lagos States.

Azaka (2022) evaluated tax knowledge, tax attitude and perception of fairness roles on tax compliance between Lagos State workers. The study sampled 163 participants of information technology workers. The participants were used through purposive sampling. Tax compliance, tax knowledge, tax attitude and perception of tax fairness questionnaire were used. The finding of the study revealed that tax attitude significantly predicted tax compliance at 5% level of significance. Also, perception of tax fairness was also shown to be positively predicts tax compliance at 5% significance level. More so, tax knowledge also has positively

predicted tax compliance at 5% significance level. It was concludes that tax compliance may be modified by use of proper intervening programs and tax fairness influenced IGR in the state. However, no statistical technique used to arrive at sampled population such as Krejcie and Morgan Table, G-Power and Taro Yamane formula. Also, the technique of data analysis was not stated.

Mohammad and Bidin (2022) assesses the effect of moral obligation, tax fairness and peer influence on sales tax evasion of SMEs in Jordanian. Survey research design was utilized by the study and data were sourced from 3 regions of Jordan that is Middle, North and South Jordan. The research adopted random sampling while respondents selection. A total sample of 212 questionnaire was distributed to SMEs. The data collected was analyzed. The research results of indicated that moral obligation and tax fairness have positive and significant impact on sales tax evasion in Jordan at 5% significance level with the 0.003 and 0.000 probability value respectively. Also, peer influence has a positive and significant impact on sales tax evasion at 5% level of significance with the probability value of 0.011. It was concluded that the perspectives of taxpayers on tax evasion greatly affected their perceptions on moral obligation, fairness and peer influence. However, it fails to indicate how the 212 sample population was derived and the technique used. Also, 212 sample population is not enough to generalize the result to the whole three regions in Jordan.

Tax Appeal Tribunal and Internally Generated Revenue

Several studies were carried out on tax appeal tribunal and internally generated revenue. Among the studies are:

Ogbomah, et al (2025) investigated the moderating role of tax justice on the tax laws and revenue generation in Bayelsa State of Nigeria. The study used cross-sectional research design and the data was collected from primary and secondary sources. The primary source of data was collected through questionnaire which were administered to the 243 sample respondents which are taxpayers in Bayelsa State. The data was analyzed through the application of structural equation model. The result of the study shows tax laws and revenue generation have positive and significant connection in Baylesas State at 5% level of significance with a 0.000

probability. It also indicates that tax justice has a positive and significant connection among revenue generation and tax laws in Baylesa State at 5% level of significance with a probability value of 0.000. It was concludes that tax justice has positively and then significantly moderated the relationship between revenue generation and tax laws in the State. However, the study fails to state the total target population and the statistical technique used to arrive at the sample population. Also, the sample population of only 243 taxpayers in the whole state is sufficient to generalize the result.

Philips, et al (2025) carried out research on how tax justice and tax administration influence tax compliance among SMEs in Lagos State of Nigeria. The study target population was 11,623 registered SMEs. The study adopted simple random sampling in selecting the respondents. Through the application of Cochran formula, the sample size is 409. The questionnaire were utilized to collect the primary data. The data were analyzed through inferential statistics and descriptive at 5% significance level. The result shows that the tax justice and the tax administration have significant effect on tax morale with a probability value of 0.05. It was recommended that, the government should explore pro-active measures in order to enhance voluntary tax compliance emphasizing on the tax compliance benefits. However, the use of descriptive and inferential statistics are not sufficient for data analysis. Some important robust tests includes normality test and homoscedasticity test can also be included.

Chime, et al (2024) carried out study on the re-examining tax dispute resolution mechanisms in Nigeria. The study aims at examining the various avenues provided under Nigerian law for resolving tax disputes. The study adopted doctrinal research methodology using relevant statutory provisions, scholarly journal articles, seminar papers and books. The result of the study indicates that current dispute resolution mechanisms is outdated hence there is a need to be revised given the benefits of taxes in economic development which will be aligned with global best practices for dispute resolution. The study concludes by recommending that tax dispute settlement mechanism in Nigeria need to be extended in order to allow the arbitrability of tax disputes to expedite tax disputes settlement. However, the use

of library or theoretical research is not enough evidence to conclude that current dispute resolution mechanism is outdated.

Bunmi (2022) evaluated dispute resolution mechanisms on tax audit on corporate financial performance of money deposit banks in Nigeria. The sample of ten money deposit banks in Lokoja, Kogi State of Nigeria were used. The primary source of data was utilized and they were collected from twenty (20) respondents comprising of Accountants and Managers through the application of structured questionnaire. Sample of twenty respondents was adopted through the adoption of purposive sampling technique. The data was analyzed using ANOVA and simple regression analysis. The study result shows that tax audit dispute resolution has significant effect on corporate financial performance at 5% significance level with 0.000 probability. The study recommended that government should continue to provide an enabling environment where tax disputes can be resolved amicably without using court of law. However, the use of 20 sample population is too small to generalize the result. The study also, fails to indicate the total target population and the statistical technique used to derive the sample population of only 20 accountants and managers.

Tsumah (2020) assesses the tax dispute resolution effect on tax administration in Kenya. The cross-sectional survey was employed through the quantitative and the qualitative approaches. Fifty five (55) employees were using Slovene's formula. The sampling technique employed was simple random sampling. Both primary and secondary data were collected. The data were also collected from internet, libraries and research from scholarly publications. The SPSS was utilized in data analysis and descriptive statistics and inferential were used. Out of 55 questionnaires distributed, 43 questionnaire were completed and returned, which represents a 78.18% response rate. The finding shows that there is positive but insignificant relationship among internal tax revenue and tax administration at 5% significance level with 0.241 probability. The result also shows that there is positive and significant relationship between tax appeal tribunal and internal revenue administration at 5% level of significance with probability value of 0.039. Finally, it shows that alternative dispute resolution and tax administration have positive and

significant relationship 5% significance level with 0.000 probability value. It concluded that alternative dispute resolution, tax appeal tribunal and internal tax revenue are significantly affects tax administration thereby increasing revenue generated by Malindi. However, no target population was shown and the statistical technique where the study derived its sample population was not also shown. The SPSS statistical technique is not a strong and robust technique for data analysis. Other technique like PLS can best be used for the primary data collected.

Considering the above empirical reviews, it shows a research gap since there was no research that directly measured impact of tax fairness and tax appeal tribunal on revenue generation in the state government. This is the gap that this study closed by assessing the impact of tax fairness and tax appeal tribunal on internally generated revenue of Adamawa State.

Methodology

The current study used survey research design in data collection through the use primary data. The target population of the study is 38,292 which comprises of staff of Board of Internal Revenue, state civil servants, staff of federal institutions and establishments, business owners and tax consultants and tax auditors. In line with Israel (1992) suggestion, a 30% mark-up was added in which in the context of the study and 493 respondents have been used. The sample population of the study is 379 which was derived through the Krejcie and Morgan table. Data were collected from the sample population of through the administration of structured questionnaire. 432 were correctly filled and returned. The study used Partial Least Squares Structural Equation Modelling (PLS-SEM) technique for the analysis of data.

Results and Discussion

Table 1: Fornell and Lacker Discriminate Validity

Construct	Internally Generated Revenue	Tax Fairness	Tax Appeal Tribunal
Internal Generated Revenue	0.976		
Tax Fairness	0.976	0.988	
Tax Appeal Tribunal	0.958	0.974	0.982

Source: Research Output, 2026

Table 1 above shows the discriminate validity result of the constructs using the Fornell and Lacker criterion. The result reveals that the diagonal and bold figure showed the AVE square are all above the correlation of their respective loadings. Therefore, since it is a pilot study there should be no action taken. The Fornell and Lacker pilot study satisfies the validity criterion discrimination and hence there is a need to check further criterion.

Table 2: Normality Test: Skewness and Kurtosis Statistics

	N	Mean	Std. Dev.	Skewness	Kurtosis
Constructs	Statistic	Statistic	Statistic	Std. Statistic	Std. Statistic
Tax Fairness	432	3.9116	0.68541	-0.478	0.117
Tax Appeal Tribu	432	3.9640	0.72378	-0.523	0.117

Source: Generated by SPSS 22, 2026

The Table 2 shows the result generated. The skewness statistic ranges between -0.595 and -0.385 and kurtosis ranges between -0.515 and -0.091. None of the values are greater than 2, hence, the data are normally distributed.

Table 3 Multicollinearity Test: Correlation Matrix

Construct	Tax Fairness	Tax Appeal Tribunal	Internally Generated Revenue
Tax Fairness	1		
Tax Appeal Tribunal	0.050	1	
Internal Generated Revenue	0.523***	0.409***	1

* Correlation is significant at the 0.10 level (2-tailed).

*** Correlation is significant at the 0.01 level (2-tailed).

Source: Generated by SPSS 22, 2025

The Table 3 shows the correlations results among all the variables. Therefore, based on the result in Table 3, there is no multicollinearity among the variables. This shows that there is no presence of multicollinearity among these variables based on the correlation matrix.

Table 4: Measurement Model: Discriminant Validity Using Heterotrait-Monotrait (HTMT) Ratio

Construct	Internally Generated Revenue	Tax Appeal Tribunal	Tax Fairness
Internally Generated Revenue			
Tax Appeal Tribunal	0.130		
Tax Fairness	0.304	0.090	

Source: Research Output, 2026

Based on the threshold value of Clark and Watson, (1995), Gold, et al (2001) and Henseler (2015), with HTMT values ranging from 0.044 to 0.571 across the research model, the results in Table 4 shows that all constructs have passed satisfactorily the HTMT criteria. Thus, it is established that each study construct measure is a

different subject, showing the requirements in which validity discriminant has been established for the entire construct.

Table 5. Coefficient of Determination (R^2)

	R Square
Internally Generated Revenue	0.722

Source: Research Output, 2026

Table 5 indicates that the tax fairness and tax appeal tribunal explained 72% variance in revenue generation. Therefore, the R^2 value of 72% is considered substantial. In conclusion, the R^2 value of both the independent variable; tax fairness and tax appeal tribunal means both the independent variables explained 72% variance in revenue generation.

Table 6. Predictive Relevance Using Q^2

Constructs	SSO	SSE	$Q^2 (=1-SSE/SSO)$
Tax Fairness	3888.000	3888.000	0.459
Tax Appeal Tribunal	5184.000	5184.000	

Source: Research Output, 2026

Based on the predictive relevance guideline for assessing the structural model which states that Q^2 value have to be larger than zero (0) in order to suggest a small predictive relevance, and 0.25 for medium predictive relevance as well as 0.50 for a large predictive relevance. Hence, as the Q^2 value is 0.459, it can be stated that Table 6 returned large (0.459) predictive relevance of the research model.

Test of Hypotheses

Table 7: Path Coefficients of the Variables

Hypotheses	Beta	STDEV	T Statistics	2.5%	97.5%	P Values	Decision
H ₀₁ TFA → IGR	0.228	0.027	8.428	0.175	0.281	0.000	Rejected
H ₀₂ TAT → IGR	0.083	0.027	3.371	0.037	0.131	0.001	Rejected

Source: Research Output, 2026

Table 7 shows the statistical analysis of the impact of tax fairness on the internally generated revenue as positive and significant ($\beta = 0.228$, $p = 0.000$). This implies

that, the more the tax fairness, the more the internally generated revenue. Therefore, null hypothesis which states tax fairness has no significant impact on the internally generated revenue of Adamawa State is rejected. The statistical result is in agreement with the results of some past studies such as Umar and Ahmad (2025), Bassey (2025), Azaka (2022), Mohammad and Bidin (2022). Their studies indicated that tax fairness has positive and significant effect on the internally generated revenue. However, the result contradict the result of Akan and Azaka (2023) which establishes the effect of tax fairness on the internally generated revenue has insignificant relationship.

The result of the study with respect of tax appeal tribunal and internally generated revenue indicates that tax appeal tribunal has positive and significant effect on the internally generated revenue of Adamawa State ($\beta = 0.083$, $p = 0.001$). Therefore, the null hypothesis which states that tax appeal tribunal has no significant effect on IGR of Adamawa State is rejected. The study result agreed with the findings of Ogbomah et al (2025), Philips et al (2025), Bunmi (2022) and Tsumah (2020) which found that there is a positive relationship between tax appeal tribunal and internally generated revenue. However, the study finding is contrary to the finding of Chime et al (2024) who found that tax appeal tribunal has no significant effect on the revenue generation. This shows that any increase in tax appeal tribunal will result to increase in the internally generated revenue.

Conclusion and Recommendations

Based on the findings of the study, it is concludes that tax fairness and tax appeal tribunal have positive and significant impact on the internally generated revenue of Adamawa State within the study period. The study recommended that:

- i. Adamawa State Government should continue in providing tax fairness procedures and ensure that the tax is fairly imposed on the taxpayers for their ability to pay and considers strategies that will improve the revenue generation of the State such as complete autonomy for the State Board of Internal Revenue, regular inspection and auditing of revenue records, creating of tax friendly environment through motivation of tax officials, and creation of investors' tax haven.

- ii. Adamawa State Government should continue in providing enabling environment where tax disputes can be resolved amicably without using court of law and regular review of practice and procedural rules for efficient and optimal performance of tax appeal tribunal in order to promote voluntary tax compliance by the taxpayers which will improve the revenue generation of the State.

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