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Permissive and incidental levies revenue generation and local government growth and development in Bayelsa State

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Abstract

The study was about evaluating empirically, the permissive and incidental levies mean of revenue generation and the corresponding impact on local governments' development and growth in Bayelsa State of the Southern Part of Nigeria. The design of the study is descriptive in nature. The federal government approved eight councils of the study State constitute the population of the investigation and data were gathered through census approach. The research instrument (questionnaire) was validated by experts in accounting and taxation and a reliability test conducted on the four sections. Analyses of data were descriptively and inferentially carried out via SPSS version 26. Descriptive statistics (mean and standard deviation) were used to analyse the ontology of the study variables, while Pearson correlation and linear

regression were adopted to establish the impact explanatory variables on the dependent factor. The investigation's findings revealed that there is a considerable influence of permissive and incidental levies means of revenue generation on development and growth of the third-tier in Bayelsa State. The study recommends that Third-tier administrators in conjunction with the central authority should practice the theories adopted in this investigation to encourage voluntary payment of levies, task-force and revenue officers should be adequately trained and motivated, and state governments should hand-off revenue generating points belonging to the local governments (autonomy).

Keywords: Permissive and Incidental Levies, Local Government Development and Growth

1. Introduction

In 1988, new transformation of the third tier was initiated, that gave substantial independence to the Nigeria's system. With this autonomy, more incredible tasks emerged for the third-tier government with a common understanding that many local governments are finding it challenging to deal with (Ebogbanya, Adejoh & Ja'afaru, 2013). The prime target of establishing the third-tier system of control in Nigeria was for the LGS to serve as a third-tier of government via which suitable services and developments are made in response to the desires of the residents through their representatives and also to function as an intercessor between leadership at the central and local level. These reforms were needed in order to organise and utilize both intellectual and physical resources to engage the residents at the community level in governance, and also expedite the implementation of self-governance nearer to the ordinary and to interchange inventiveness and governance capabilities (Ebogbanya, *et al.*, 2013).

Local governments are responsible for: considering and making recommendations to state command on: economic planning or any similar body on the state's economic progress, particularly in so far as the local governments and state's areas of authority are affected and proposals made by the said command, according to the 1999 Constitution of the Federation, as amended. creation and maintenance of cemeteries, burial grounds, and homes for the destitute or infirm; licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheelbarrows, and carts; establishment, maintenance, and regulation of slaughterhouses, slaughter slabs, markets, motor-parks, and communal conveniences; construction and maintenance of roads, streets, street lighting, drains, and other public works (Enahoro & Olabisi, 2012).

Local Government Areas (LGAs) are established to mobilize levies from existing fiscal wealth effectively; hence the government uses these levies to create economic prosperity of the people. Levies, therefore, are some of the significant springs of government proceeds and, thus, an indispensable fiscal policy thrust (Okafor, 2012). Giving this, an intricate levy scheme is

not advisable, and the amount of takings from levies will largely rely on levy payers compliance and proficiency of the levy mobilizers and the government.

There is a dearth of an empirical indication on the assessment of permissive, incidental levies and internal revenue generation and development in the Nigeria third-tier system. There are minimal empirical studies on the researchers' knowledge (Ironkwe & Ndah, 2016^[6]; Ogoun & Atagboro, 2019a & b) on this subject in the Nigerian-Federation, specifically, Bayelsa, Rivers and Delta States. Some of the similar studies (Nassar & Fasina 2005; Mohammed, 2007; Justin & Mingxing, 2007; Ibrahim, 2011; John & Olabisi, 2012; Adejoh & Sule, 2013; Akpan & Nnaseh, 2013; Ogechi & Adenugba, 2013; Adesoji & Chike, 2013; Agya, Ibrahim & Emmanuel, 2015; Olorungbemi, 2015; Zakariya'u & Muzainah, 2015; Musa & Ajibade, 2016; Udu & Nkanor, 2016; Murana, 2016; Dagwom, Baker & Ishaya, 2017; Felix & Uno, 2018; Izevbigie & Ebohon, 2019) on the research subject were conducted in other countries (China, German, Kenya) and States (Lagos, Oyo, Kogi, Taraba, Edo, Akwa-Ibom, Gombe, Kaduna, Zamfara, Ogun, Ebonyi, Osun, Plateau, Cross River), of the Nigerian federation. More worrisome is the fact that the few studies (Ibrahim, 2011; Adejoh & Sule, 2013a & b; Agya, Ibrahim & Emmanuel, 2015; Olorungbemi, 2015; Musa & Ajibade, 2016; Ironkwe & Ndah (2016)^[6]; Murana, 2016; Felix & Uno, 2018) in this area have conflicting findings. Perhaps, the contradictory results may be connected with the methodological bottlenecks employed by prior researchers. More worrisome is the fact that the few studies in this area have incompatible results. Perhaps, the contradictory findings may be connected with the methodological bottlenecks employed by prior researchers such as research design, research instrument, and area of the study and data analysis techniques.

Given the dearth of empirical proof in this subject and the mixed research findings, this study attempts to evaluate empirically the permissive and incidental levies means of revenue generation and the corresponding impact on local governments development and growth in Bayelsa State of the Southern Part of Nigeria by adopting dissimilar methodology in its investigation in order to resolve the conflicting research outcomes and challenges of this research area. This conceivably, shaped the drive of the current research.

2. Related literature

2.1 Conceptual review

2.1.1 Permissive and Incidental levies

Levies are a veritable source of local government revenue; they are payments or amount placed on people's activities or actions by the third tier of government. Levies provide a certain source of income for local government disbursement. It is the way by which the third tier of government obtains extra money. They are payments made by residents and utilized by the administrators for the benefits of all its inhabitants. (Afubero & Okoye, 2014; Adams, 2015).

Jakir (2011) states that levies are contributions extracted by the local government. it is a non-penalty but unavoidable and unreciprocated allocation of assets from the individuals and corporations to the government imposed based on programmed norms. He believes that levies' only objective as a source of local government revenue was to raise administration expenditure. Nevertheless, with the changes

in situations and philosophies, the aim of levies has also transformed. That is, apart from the objective of generating income, levies are collected to affect utility, invention and dissemination of fiscal progress of the third-tier and the whole nation at large. A high levies regime imposes high welfare cost and drastically affects consumers spending by reducing disposable income (Adereti, Sanni & Adesina, 2014). However, third-tier levies are clustered into Permissive levies and Incidental levies.

Permissive levies: Permissive levies are optional levies that local government authorities can collect from some persons in respect of activities or actions in which they are involved. These are levies that the councils are allowed to collect in their domains to raise or generate revenue internally. According to Hyginus (2016), local government councils can only collect the following levies and taxes: rates, on and off liquor fees, slaughter slab fees, registration of marriage, birth, and death, naming of street registration fees, except any street in the state capital, right of occupancy fees on lanes, and registration of marriage, birth, and death Domestic animal license fees, bicycle, truck, canoe, wheelbarrow, and cart fees (except for mechanically propelled trucks), cattle tax payable only by cattle farmers, merriment and road closure levies, vehicle radio license fees (to be imposed by the Local government council in which the car is registered), wrong parking charges, public convenience, sewage and refuse disposal fees, customary buggy fees, and other permissive levies of the local government.

Incidental levies: This is another medium through which third-tier of government raises or generates income internally. The Local government does not receive the incidental spring of Third-Tier revenue through the imposition of levies on the people; rather, they are income gotten through investment, loans, commercial undertakings or some form of sales (Hyginus, 2016). Profits from Third-Tier economic projects, grants from the First and Second tiers of government, income from an investment such as interest and dividends, local direct contribution or collection, e.g., annual palm, bush, or village levies, loan granted by a state government or money borrowed from other sources, earnings from commercial undertakings, sales of seized goods, boarded vehicle and collection of merriment tax, donation are components of incidental levies (Adams, 2015).

2.1.2 Local government development and growth

Revenue mobilisation is one of the most essential functions of government at any level. The primary goal of any LGA is to collect what is owed, improve levies and other revenue collection, increase cash available for investment or development in a particular Local government area by speeding collections to a local government bank account, and ensure accountability and related objectives. The internal revenue source of Third-Tier only generates a paltry amount of income that is frivolous (Angahor, 2013).

No organization can function without revenue; therefore, revenue/income is one reason why the local government council can carry out its statutory functions to the populace. Sources of Third-Tier finance imply the different springs or ways via which local government can mobilize economic resources to tackle the monetary commitments in the path of

liquidating the lawful tasks and obligations (Agya, Ibrahim & Emmanuel, 2015).

2.1.3 Impact of permissive and incidental levies on attainment of purpose of local government's creation

Levies collected by local government have had one form of impact or the other. From the assertions of Akpan and Nnanseh (2013), Felix and Uno (2018), Ogun and Atagboro (2019)^[10], the impact of the levies mobilized by Third-Tier in Nigeria are viewed from the following perspectives:

1. Development in the Third-Tiers: Development in the LGA remains the paramount goal of every LGA in the society. The term development implies a change that leads to enhancement or evolution; and understood that, it is doubtful an economy may raise its actual per capita income over time without updating its social and cost-effective strategy to be apparent as emerging. Infrastructure is defined in many ways. Infrastructure is a relatively long-lasting and foundation capital asset of a country, firm, or project that makes all its economic activities possible. They include administrative, Telecommunication, transportation, utilities and waste removal and process facilities.

Infrastructure is referred to as the lubricant in the wheel of a nation's economic evolution, according to Akpan and Nnanseh (2013). This means that no local authority can talk about growth and development without having a positive impact on infrastructure development. Bridges, road networks, hospital facilities, school construction projects, market construction projects, electricity supply, pipe-borne water supply projects, and so on are examples of infrastructure projects. As a result, in today's globalized world, money generation is a critical component of infrastructure development (Udu & Nkanor, 2016).

2. Third-Tier service delivery: denotes the establishment of social or pure unrestricted properties that will stimulate residents' socio-economic welfare. Such as public efficacies, securities, economic improvement ventures, and the execution of the law. The conveyance of properties and amenities at the Third-Tier or the grassroots aims to move the populace's standard of living to the next level (Angahor, 2013).

3. Commercialization of the area: when the revenue collected by Local government authorities are well utilized, it will lead to development in all areas of the Local government area, thereby making the place suitable for people to leave in and conduct various kinds of business activities which will attract people from near and far to the Local government area.

Some other impact of permissive and incidental levies as observed by Adams (2015) includes management/maintenance of primary and adult education, provision of security, leaning of streets and markets, advance standard of livelihood of the local residents, income redistribution, provision of good sewage/refuse disposal, maintenance of cemetery and burial grounds, improvement of agricultural and natural assets as well as home for destitute establishment and preservation.

2.2 Theoretical Framework

This academic research paper is premised on economic,

political and taxation theory which have been utilized to run an effective levies system according to its importance. Such theory selected are decentralization and expediency as highlighted in accordance with the study area below:

Theory of decentralization: The word "*décentralisation*" came into usage in the 1820s. The philosophy of decentralization is embraced here as a result of the third-tier of government being a decentralization product. The decentralisation theory illuminates the transmission of power and obligation for unrestricted roles from the central authority to subordinates (state and local government). It is concerned with how tasks and responsibilities are given to different central government institutions for efficient and effective performance and rights to collect various levies or taxes to generate revenue internally (Felix & Uno, 2018).

It is believed that decentralization would make Third-Tiers more proficient in collecting and administering levies in their third-tier (Adams, 2015). Again, because of its proximity to rural communities, this level of governance is strategically placed to carry out the above objectives. This strengthens its ability to quickly define and integrate people's requests.

Expediency theory: Alfred G. Guehler proposed the expediency theory in 1936. According to the theory, the practicability test must be passed by any tax proposal. It has to be the only consideration in the eyes of the authorities when deciding on a tax policy. The state's economic and social goals, as well as the tax system's effects, should not be overlooked. (Afuberon & Okoye, 2014). Otu and Adejumo (2013) argued that levy scheme permits the examination of expediency typically and is the only reflection for government authorities to choose a levy strategy. The expediency philosophy that is entrenched in the canon of levies, explains the minimum cost and efficacy and proficiency of levies assessment instruments in the economy. Levies deliver a robust pool of fiscal scheme to the administrators and should be meritoriously utilized for alleviating the economic and societal problems. That is revenue inequality, provincial inequalities, and joblessness (Afuberon & Okoye, 2014).

The Local government's economic and social objectives are to put in place an effective levies scheme that should be relevant to the local government's economic growth and the entire nation at large ever since it is inadequate to have a levy system that cannot be mobilized efficiently. This is because every local government region has economic, social, and political groups, each of which wants to preserve and promote its own interests, the authorities are frequently forced to modify the levy structure to satisfy these pressures. In other words, the management structure may not be well-organized enough to economically mobilize the levies.

Therefore, it is pertinent at this point to say that, for local governments in Nigeria to effectively and efficiently generate internal revenue through permissive and incidental levies in order to attain the purpose of their creation (service delivery), the theories highlighted above are very paramount to be incorporated in mobilization efforts. A consideration of these theories is a show of good control in the local government areas. This is to say that this articles's model is built from decentralization theory as levies administration is surrounded by different mobilisation constraints. Meaning, any proper utilisation of the theories will increase the

amount of revenue to be generated through permissive and incidental levies and a corresponding effect on service delivery of the LGAs.

2.3 Empirical Evidence

Akuro (2019) ^[3] scrutinized public internal control instruments and Rivers State Internal Revenue Service (RIRS) income mobilisation in from 2007 to 2015. Questionnaire aided the data collection of the inquiry and the analytical results showed a substantial correlation subsists between internal control and RIRS income mobilisation. The enquiry revealed that ICT's practical application is dynamic in RIRS revenue assessment. TIN issuance, Internal Appraisal and Separation of Obligations were scrutinized. These instruments were once in a while revised to safeguard their continued significance conferring to the agency's vigorous nature. Finally, essential management policies cannot be replaced by interior control schemes but indispensable policies for decision-making proficiency.

Ogoun and Atagboro (2019) ^[10] examined the effect of permissive and incidental levies as a means of revenue generation on local government development, which is predicated because organizations and government tasks at all levels are everyday reoccurring expenditures that require funding. Where, how and what to fund, where to obtain the funds, who own and assesses the means of financing the activities among the three tiers of government, who should control the available method of funding the obligations, what are the dynamics of raising these scarce resources and deploying same become issues of general concern. The inquiry was guided by survey plan, and the questionnaire was the principal instrument of data collection. Two hundred eighteen questionnaires from the sample of 250 employees (respondents) were drawn using the purposive sampling technique from staffers from the Delta state's 25 LGA. In order to analyze the data, the paper used Statistical approaches that are descriptive (frequency counts, mean, and standard deviation) and inferential (basic regression). The results revealed that permissive and incidental levies have significantly associated with local councils' attainment of their purpose of being.

Ogoun and Atagboro (2020) ^[11] pragmatically surveyed permissive and incidental levies mobilization dynamics and third-tier income generation. This study was based on the survey design, which shaped the use of a well-structured questionnaire modelled on the Likert-scale template to obtain primary data from the entire 25 LGAs in Delta State. The results showed that the numerous challenges associated with mobilising permissive and incidental levies impact massively on the amount of revenue generated via this veritable source of government revenue. This implies that, as mobilisation dynamics increase, the amount generated via the levies reduces. In contrast, as the dynamics reduce, more funds will be generated.

Cordelia, Michael and John (2018) ^[5] viewed the bearing of IGR on Nigeria's fiscal evolution. The ex-post facto design was employed. Variables of total IGR, Federal government liberated returns, states and third-tier IGR, government IGR on the actual GDP were employed during the period 1981 to 2016. Information was gotten from the CBN statistical bulletin. The multi-regression and t-test results showed that total independent IGR, state-independent IGR and local independent IGR have a powerful and significant positive impact on real GDP. At the same time, federal government

IGR also indicated an optimistic and momentous influence on real Gross Domestic Product.

Mbah and Onuora (2018) ^[7] studied the bearing of internally generated income on Nigeria's South-East states' infrastructural expansion. Ex-post facto design guided the inquiry, and data were collected from each of Nigeria's five south-eastern states' budget forecasts. The study used correlation and multiple linear regressions, and findings revealed a significant connection between IGR and the cost of infrastructure in the South-East states as of the study's data.

Asaolu, Olabisi, Akinbode and Alebiosu (2018) ^[4] studied levy returns and economic evolution in Nigeria during 1994-2015. The descriptive and historical scheme was used and data collected via the CBN statistical bulletin and annual reports. Tax revenues were measured by VAT, PPT, CIT and CED and economic evolution by GDP. The enquiry established that Value Added Levy and CED have a substantial connection with fiscal progression. In contrast, Company Income Tax has a noteworthy negative connection with cost-effective development. However, PPT had no significant connection with economic growth.

Dagwom, Baker and Ishaya (2017) studied the bearing of income generation and exploitation on Plateau State social service delivery: 2006-2015. The study used a descriptive and empirical research approach that included simple percentages, graphs, and charts for descriptive data analysis and OLS regression exploration to pragmatically investigate the impact of income production on Plateau State social service delivery. The article disclosed that income mobilisation impacted societal amenity provision with more reliance on statutory fund that are not specifically substantial in influencing on social service delivery. Health and education sectors were not effectively exploited regarding the total revenue generated from 2006 to 2015 in Plateau State compared to the commended international standard benchmarks.

Ironkwe and Ndah (2016) ^[6] investigated the bearing of permissive and incidental tax income on Rivers state's third-tiers' performance, precisely Ogba/Egbema/Ndoni LGA. The study was guided by ex-post facto pragmatic design via questionnaire to gather first-hand data in the council. The t-statistics results exposed that internal levy returns has a positive but insignificant bearing on Rivers state's local governments' performance, particularly in road erection and maintenance. Although the insignificant impact of levy returns, it was found that levy income and non-tax income are vibrant components in refining the performance of Rivers state's LGAs.

More importantly, it is in the light of these and many others that this research work intends to identify existing and possible means by which the amount of income mobilised internally in the target third-tiers can be improved through the collection of permissive and incidental levies in order to raise funds which the local government officials can use to maintain existing infrastructure and also provide primary and social amenities. The above empirical pieces of literature reviewed are synthesized in the following section of the investigation.

3. Methodology

This chapter will describe, demonstrate and explain the ontology (existence) of the research problem on the research title 'permissive and incidental levies, mobilisation

dynamics and revenue generation of local governments in Nigeria, the epistemology (knowledge) about the problem identified, methodology (methods to be applied in the research) such as research design, study population, sample and sampling procedures, and model specification and finally a careful consideration of the axiology (values) of the target sample and population.

3.1 Research design

This refers to the inquiry plan or framework devised to find answers to the study questions. In other words, it is the fundamental approach or tool used to collect relevant data for the purpose of solving the study topic. In light of this, the descriptive survey research approach was used in this study. The descriptive survey design was chosen because it aims to characterize the ontological and epistemological position of the subject while assisting the researcher in determining where the variables are collected and how the objectives might be met.

3.2 Population of the study

The study's populace of the paper is the entire finance and supplies department (treasury) workers in all the third tier of government approved by federal government in Bayelsa state of the south-south geopolitical zone of Nigeria.

3.3 Sample and sampling procedure

The sample will be drawn from finance and supplies departments of the federal government approved local government areas in Bayelsa state. A judgmental non-probabilistic sampling procedure will be employed in the selection of the sample for the study.

A sample frame of each of the members comprises of some staff of the finance and supplies (treasury) department in various local government areas used for the research inquiry, especially those that have direct bearing (levies/tax authorities) with permissive and incidental levies as a means of revenue generation in the local government area by selecting five hundred and sixty (560). That is, ten from each of the fifty-six local government areas of the three states. The choice of the sample size is informed based on the suggestions of Kros and Rosenthal (2009)

3.4 Method of data collection

The study will employ primary mode of data collection (questionnaire). According to Walliman (2011); and Bryman, (2016); questionnaires are indispensable in order to apply research findings into a larger context. Thus, questionnaire will be the basic instrument that will be used for collecting the primary data.

The questionnaires constitute the major source of the primary data which is carefully designed but wide-ranging questions aimed at eliciting right response from the research subjects. The survey uses a five-point Likert scale: strongly agree (SA), agree (A), uncertain (UD), strongly disagree (SD), and disagree (CD) (D). The questionnaires are designed to capture detailed profile of the respondents in addition to what they consider as the benefits and challenges facing the levies generation system.

The questionnaire is divided into two parts: A – which centres on the demographic characteristics of respondents; while B – thematic issues on the existence and accessibility of permissive levies in local government areas, incidental levies in existence and accessible in the local government

areas, dynamics linked with the collection of permissive and incidental levies in local government areas, and permissive and incidental levies impact on development of LGAs in the provision of basic/social amenities and infrastructure.

3.5 Validity and reliability of research instrument

Experts in this field of study were consulted to ensure that the instrument measures exactly what it is supposed to measure. Their knowledge was put to good use, and the questions were pertinent, straightforward, and unambiguous. It was also to make sure that the questions covered all of the dimensions of the variables in the study. The complete questionnaire was evaluated and improved based on the suggestions and remarks of the piloted questionnaire respondents. After several modifications, the experts accepted the questionnaire used in the study.

The internal consistency of the study instrument was established by administering the questionnaire to fifty (50) people in Delta state's local government areas using a test-retest method. The Cronbach Alpha reliability test was performed to determine the instrument's internal consistency. For both portions, a reliability index of 0.71 and 0.73 was obtained on average, which is within Cronbach's recommended range for a reliable instrument.

3.6 Method of data analysis

The data from the field survey was analyzed using descriptive and inferential statistical methods. The use of descriptive statistics, which are a set of descriptive coefficients that summarize a specific data set, which can be a sample or a representation of the entire population. (Bryman, 2016). Measures of simple percentages were utilized to describe the data set (frequency counts), central tendency (mean), variability (standard deviation), as well as minimum and maximum values.

Furthermore, the inferential statistics that was used comprise of Pearson correlation and regression statistical tools. These were used to assess the bond that connect (mobilization dynamics, permissive levies and incidental levies) and dependent variables (revenue generation and local government development and growth) in local government in Bayelsa state and establish the effects of mobilization dynamics and revenue generated from permissive and incidental levies on local government development and growth.

The variables of the study are in part similar to those employed by prior studies (Felix & Uno, 2018; Ironkwe & Ndah, 2016^[6]; Maurice *et al.*, 2015; and Ibrahim, 2011) on LG revenue generation; but modified to capture mobilisation dynamics, permissive and incidental levies, attainment of purpose of LGs in Nigeria. In view of the above, the hypothesis will be validated by means of simple regression.

3.7 Model specification

Given the above submission, the functional relationship is expressed as follows:

$$impolg = f(perincil) \quad (1)$$

In view of equations 1 above, equation 2 is re-estimated in its explicit form as follows:

Hypothesis I: Permissive/Incidental Levies on Local Government Development & Growth

$$impolg = a_0 + \beta_1 perincil_i + \mu_i \tag{2}$$

Where: *impolg* = impact on local government development and growth; *perincil* = Permissive and Incidental levies; α_0 , β_1 , β_i = Regression coefficients; *i*=Individual research subjects; μ = Error term.

4. Data analysis and discussion of findings

Table 1: Bio-Data of the Respondent for Bayelsa State

S. No.	Variables	Respondents	Frequency N = 66	Percent (%)
1	Sex	Male	39	59.10%
		Female	27	40.90%
		Total	66	100%
2	Marital status	Single	19	28.78%
		Married	36	54.55%
		Separated	3	04.55%
		Widowed	8	12.12%
		Total	66	100%
3	Academic Qualification	SSCE	9	13.64%
		OND/NCE	10	15.15%
		B.Sc/HND	33	50.00%
		MBA/MSC	14	21.21%
		PhD	-	-
Total	66	100%		
4	Work experience	1-5 years	3	04.55%
		6-10 years	5	07.58%
		11-20 years	27	40.90%
		21-30 years	23	34.85%
		31-35 years	8	12.12%
Total	66	100%		
5	Position	Senior Accountant	9	13.64%
		Principal Accountant	7	10.61%
		Assistant Director of Finance	4	06.06%
		Director of Finance	3	04.55%
		Revenue officer	13	19.70%
		Payroll officer	7	10.61%
		Cashier	8	12.12%
		Principal Executive Officer	6	09.09%
		Higher Executive officer	7	10.61%
		Chief Accountant	2	03.03%
		Total	66	100%

Source: Field Survey, 2021

Presented in Table 1 is the bio-data of sixty-six (66) respondents who are employees of different local government councils of Bayelsa State. That is, out of the 66 respondents 39(59.10%) are male while 27(40.90%) are females. In terms of marital status, 19 people (28.78%) are single, 36 people (54.55%) are married, 3 people (4.55%) are separated, and 8 people (12.12%) are widowed. On the academic qualification, 9(13.64%) and 10(15.15%) SSCE and OND/NCE holders make up 33 percent of the population, while B.Sc/HND and M.Sc/MBA degree holders make up 14 percent. The bio-data also revealed that 3(04.55%) and 5(07.58%) have worked between the age bracket of 1-5 years and 6-10 years and 27(40.90%), 23(34.85%) and 8 (12.12%) have worked from 11-20 years, 21-30 and 31-35 years. Furthermore, it was found that 9(13.64%) of the respondents were Senior Accountants of the local government secretariats, 7(10.61%) were Principal Accountants, 4(06.06%) were Assistant Director of Finance,

3(04.55%) were Director of finance, 13(19.70%) were Revenue Officers, 7(10.61%) were Payroll Officer, 8(12.12%) are Cashier, 6(09.09%) were Principal Executive Officer, 7(10.61%) are Higher Executive officer, and 2(03.03%) are Chief Accountants. The significant majority of the above respondents sampled indicate that these groups of people should be more knowledgeable about the research topic.

4.2.1 Descriptive statistics for individual States

Table 2: Descriptive Statistics showing permissive levies means of generating revenue in Bayelsa State local government councils of Nigeria

	N	Min	Max	Mean	Std. Deviation
Radio and television license fees	66	1.00	5.00	3.0000	1.16355
Shop and kiosk rate	66	4.00	5.00	4.5000	.50383
Tenement rate	66	1.00	5.00	3.5000	1.51149
On and Off liquor fees	66	2.00	4.00	2.8333	.69245
Slaughter slab fees	66	1.00	5.00	2.5000	1.51149
Registration of marriage, birth and death	66	4.00	5.00	4.8485	.36130
Street name registration fees	66	4.00	5.00	4.1667	.37553
Right of occupancy fees on land	66	3.00	5.00	4.1970	.66146
Market taxes and levies	66	2.00	5.00	3.6212	.95700
Motor Park levies	66	2.00	5.00	3.3182	.93082
Domestic animal license fees	66	1.00	4.00	2.8636	.87506
Bicycle, truck, canoe, wheelbarrow and cart fees	66	1.00	3.00	2.3333	.95003
Cattle tax	66	1.00	4.00	2.4242	1.12401
Merriment and road closure levies	66	1.00	4.00	2.8333	.90441
Vehicle radio license fees	66	1.00	4.00	2.8333	.90441
Wrong parking charges	66	2.00	3.00	2.7576	.43183
Fees for public convenience, sewerage, and waste disposal	66	1.00	3.00	2.3333	.75107
Customary burial ground permit fees	66	1.00	3.00	1.8636	.67679
Religious places establish permit	66	2.00	4.00	2.6515	.73364
Signboard and advertisement permit fees	66	2.00	5.00	3.6970	1.27665
Grand mean	66			3.1538	

Source: Field Survey, 2021

Table 3 shows the retorts on whether permissive levies are accessible means of generating local government revenue. The results show that permissive levies such as license fees for radio and television, shop and kiosk rates, tenement rates, on and off liquor costs, registration of marriage, birth, and death, naming of street registration fees, market taxes and levies are all sources of revenue for local governments, motor park levies, Taxes on merriment and road closures, as well as taxes for vehicle radio licenses and incorrect parking. Only a few revenue items out of the twenty (20) sources scored below 2.5, such as bicycle, truck, canoe, wheelbarrow, and cart fees and sales of seized goods (2.33), cattle tax (2.42), sewage and refuse disposal collections (2.33), and customary burial ground permit fees (1.86) that scored below 2.50 mean benchmark. Overall, the descriptive results (mean of 3.1538 and standard deviation) are clear indication that the permissive levies are accessible means of generating local government revenue in Nigeria, and implies that internal revenue generation in local government areas is on average in Bayelsa State.

Table 4: Descriptive Statistics showing Incidental levies means of generating revenue in Bayelsa State of Nigeria

	N	Min	Max	Mean	Std. Deviation
Proceeds from economic projects	66	3.00	5.00	4.0152	.56819
Grants from first and second tiers	66	3.00	5.00	3.8182	.67730
Income from investment such as interest and dividend	66	2.00	4.00	3.0000	.58177
Local direct contribution or collection e.g., from annual palm, bush or village levies	66	3.00	5.00	3.3333	.75107
Loan granted by state government or money borrowed from other sources	66	4.00	5.00	4.5000	.50383
Earnings from commercial undertakings	66	3.00	5.00	3.8030	.88090
Sales of seized goods and boarded vehicle	66	2.00	4.00	3.0303	.55386
Collection of merriment tax	66	3.00	5.00	3.3333	.75107
Donation	66	3.00	5.00	4.1364	.67679
Grand Mean	66				

Source: Field Survey, 2021

Table 4 is a revelation of the responses on whether incidental levies are revenue generating means of local governments in Bayelsa state. All the perceived and highlighted incidental sources having mean scores ranging from 3.00 to 4.50. this is a strong indication that the LGs area generating revenue through the highlighted sources such as Proceeds from economic projects, Grants, Income

from investment such as interest and dividend, Local direct contribution or collection (from annual palm, bush or village levies), Loan granted by state government or money borrowed from other sources, Earnings from commercial undertakings, Sales of seized goods and boarded vehicle, Collection of merriment tax and Donation.

Table 5: Descriptive Statistics showing the impact of permissive and incidental levies means of generating revenue on the development and growth of Bayelsa State of Nigeria

	N	Min	Max	Mean	Std. Deviation
Construction of roads	66	2.00	5.00	3.3333	.95003
Construction of bridges	66	2.00	5.00	3.6364	.95493
Health care Centres	66	3.00	4.00	3.8333	.37553
Pipe borne water	66	1.00	4.00	3.0152	1.14344
Staff quarters	66	1.00	4.00	2.1667	1.07537
Solid Waste management	66	1.00	3.00	2.3333	.75107
Establishment, management/maintenance of Primary and Adult education	66	2.00	4.00	3.0000	.82275
cemetery and burial grounds	66	1.00	3.00	2.0000	.82275
Provision/maintenance of home for destitute	66	1.00	3.00	2.0000	.58177
Public convenience	66	1.00	4.00	2.1061	.94672
Establishment and maintenance of market stores	66	4.00	5.00	4.1667	.37553
Establishment and maintenance of car parks	66	4.00	5.00	4.3333	.47502
Development of agricultural and natural resources	66	1.00	4.00	1.9545	1.02929
Increase in standard of living of the local populace	66	1.00	4.00	2.0303	.99181
Income redistribution	66	1.00	4.00	2.4697	.99568
Cleaning of streets	66	1.00	5.00	2.8939	1.64671
Discouragement of wrong parking of cars	66	1.00	4.00	2.2879	.98863
Commercialization of the area	66	2.00	3.00	2.6667	.47502
Provision of security	66	1.00	4.00	2.6667	1.11401
Provision and Management of electricity	66	3.00	5.00	3.9697	.80326
Grand Mean	66			2.8432	

Source: Field Survey, 2021

Depicted on table 5 is the descriptive statistical analysis of the responses of impact of permissive and incidental levies means of generating revenue on the development and growth of local government councils in Bayelsa State of Nigeria. The mean and standard deviation figures of the above table showed that there is low impact of internally generated revenue effort on the development and growth of the councils in the State. Very few of the items meet their purpose of being such as Establishment and maintenance of market stores (4.17) and Establishment and maintenance of car parks (4.33). On infrastructural development: Construction of roads, bridges, health care centres and provision and maintenance of electricity climbed 3 points on the 5-point likert scale. In terms of service delivery: Provision of security, Cleaning of streets, Commercialization of the area and Establishment,

management/maintenance of Primary and Adult education revolve around 2.5 on the scale (which is average), but every other developmental and service delivery component scored below 2.5 point (mean) and bellow 1 of the standard deviation. This invariable means that there is poor impact of internally generated revenue on the development and service delivery in local governments of Bayelsa state. That is, in terms of Staff quarters, poor solid waste management, low-income redistribution and poor discouragement of wrong parking of cars.

4.3.2 Test of Hypothesis I

H₀₁: Revenue generated from permissive and incidental levies have no economic impact on local government development and growth in Bayelsa, Delta and Rivers states of Nigeria.

Table 6: Model Summary of Revenue Generated from Permissive and Incidental Levies and Economic Impact on Local Government Development and Growth in Bayelsa, Delta and Rivers states of Nigeria

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			Durbin-Watson	
					R Square Change	F Change	df1 df2		
1	.986 ^a	.972	.972	3.96439	.972	17145.317	1 493	.000	.018

Source: Field Survey, 2021

The results for revenue generated from permissive and incidental levies and economic impact on local government development and growth in Bayelsa of Nigeria are presented in Table 6. The R-value is 0.986 with an adjusted value of 0.972, indicating that the independent variable (permissive and incidental levies) explained about 98.6% of the methodical disparity in the economic impact on local government growth and development. This denotes that the model of revenue generated from permissive and incidental levies and economic impact on local government development and growth provide a good fit since the unexplained variation is just 1.4%. In addition, the result showed that a significant association exists between revenue generated from permissive and incidental levies and economic impact on local government

development and growth in the three studied states in south-south of Nigeria (*f-ratio 1, 493= 17145.317*). Also, DW statistic (.018) suggests the absence of serial correlation in model of revenue generated from permissive and incidental levies and economic impact on local government development and growth.

Decision: From the result in table 6, the null hypothesis is rejected, which implies that revenue generated from permissive and incidental levies have economic impact on local government development and growth in Bayelsa state of Nigeria ($p\text{-value}=0.000 < 0.05$). Impliedly, revenue generated from permissive and incidental levies have significant economic impact on local government development and growth in Bayelsa state of Nigeria.

Table 7: Coefficients of Revenue Generated from Permissive and Incidental Levies and Economic Impact on Local Government Development and Growth in Bayelsa, Delta and Rivers states of Nigeria

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	-20.415	.650		-31.403	.000					
1 Permissive and Incidental Levies	.780	.006	.986	130.940	.000	.986	.986	.986	1.000	1.000

Source: Field Survey, 2021

The result of coefficients of the revenue generated from permissive and incidental levies and economic impact on local government development and growth in Bayelsa state of Nigeria are presented in Table 7. The result revealed that revenue generation from permissive and incidental levies is statistically significant in the link with economic impact on local government development and growth in Bayelsa state of Nigeria ($t\text{-value}=31.403$; $p\text{-value } 0.000 < 0.05$) and is positive; thus, confirming the correlation results. More so, VIF with value 1.00 is less than 10.0, indicating the absence of multicollinearity in the model of permissive and incidental levies and economic impact on local government growth and development. Impliedly, an increase in permissive and incidental levies will lead to a .780% increase in the local government development and growth in Bayelsa state of Nigeria.

4.4 Discussion of findings

The article’s broad objective was to find out the impact of permissive and incidental levies means of internal revenue generation on attainment of purpose of being (development and growth) in all the LGAs of Bayelsa state of Nigeria. Table 6, 7 is a clear indication of the justification of service delivery of the third-tiers in Bayelsa state of Nigeria. This invariably means that the perceived components of third-tier development, growth and service delivery by the researchers, which are in accordance with the Constitution of the Federal Republic of Nigeria, are the reasons for the creation of local governments in the country. See the descriptive results presented in Tables 3-5 in Bayelsa LGAs,

the contribution to knowledge here is that third-tiers of the study area have justified their purpose of creation. This also confirms previous studies about the impact of internal revenue on local government development and growth, such as Ibrahim (2011), John and Olabisi (2012), Adejoh and Sule (2013), Akpan and Nnaseh (2013), Adejoh and Sule (2013), Adesoji and Chike (2013), Olorungbemi (2015), Udu and Nkanor (2016), and Ironkwe and Ndah (2016) [6].

5. Conclusion and study implication

The descriptive results in tables two and three are clear indication of the existence of permissive and incidental levies means of revenue generation in Bayelsa State Local Government Areas, while table four shows that there are impacts on development and growth of third tier of government through permissive and incidental levies means of revenue generation of the state. On the other hand, the inferential analytical results presented in Tables 5 and 6, 7 are evidence of the connection between permissive and incidental levies means of revenue generation (independent variables) and local government development and growth, and the impact of the explanatory variables (permissive and incidental levies) on local government development and growth respectively. That is, there is a 98 percent correlation between permissive and incidental levies and LG development and growth, and the level of significance shown in tables 6 to 7 demonstrates that Bayelsa State’s third-tier government internal revenue generation through permissive and incidental levies has impacted the following areas: Road construction, bridge construction, health care

facilities, piped water, solid waste management Cemetery and burial ground maintenance Providing/maintaining a house for the homeless, Market store establishment and upkeep, vehicle park establishment and maintenance Increase in the local population's standard of living, Redistribution of income, Cleaning of streets, dissuasion of improper car parking, The area's commercialization, Security, as well as the provision and management of electricity. This is consistent with that carried out in Delta and other parts of the Nigerian Nation.

As a result of the investigation's results, the following suggestions are made: persistent training and retraining of levies superintendents through conferences; adequate motivation of staff to heighten the mobilization of permissive and incidental levies and reduce challenges; To enhance and improve the local government's revenue base, more incidental revenue streams should be discovered and implemented. To strengthen the revenue base of local governments, current revenue streams should be properly used, the state government should hand off revenue-generating points belonging to the third-tiers and State government should constantly remit 10% of the internally generated revenue to the local governments. Politicians should deviate from the appointment of unqualified revenue task-force officers in local government councils for any forms of post-election compensation in order to justify the reasons for LGAs creation (service delivery).

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