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Research Article

Impact of Property Tax on Internal Revenue Generation in Sokoto State

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Abstract

This paper examines the impact of property tax on internal revenue generation in Sokoto State, with particular focus on tenement rates and ground rents as major components of property tax. Using correlation and Ordinary Least Squares (OLS) regression analysis, the findings reveal that tenement rates have a strong significant positive impact on revenue generation. Similarly, Ground rents also show a positive and significant impact at the 10% level, though their contributions are relatively modest, suggesting potential for improvement through efficient administration and enforcement. Based on the results, the paper concludes that property tax, particularly tenement rates, plays a critical role in strengthening fiscal sustainability in Sokoto State. It recommends that Sokoto Inland Revenue Service (SOIR) prioritize efficient administration of tenement rates, improve ground rent collection and enhance collection mechanism and transparent tax practices.

Keywords: *Impact, Property, Taxation, Revenue, Statistics.*

Introduction

Government at different levels are facing serious problems of inadequate internal revenue that is necessary for running of its routine activities and provision of basic amenities to its citizens. These challenges may be connected to over-dependence on the revenue from federation accounts which largely depends on proceeds from the oil sector. Sokoto state may be one of the states that suffer from the challenges of inadequate revenue. Although there is moderate growth in commercial activities in the state but revenues that accrue prove inadequate for running routine activities of Government and provisions of security for life and property. This necessitates Government to improve on its tax bases upon which additional revenue may be realized. Property taxation happens to be one of the many areas that has not been efficiently tapped in relation to internal revenue sources in Sokoto state. Sokoto state has many developed and undeveloped land resources being owned and occupied by prominent personalities. These lands include residential, commercial and other demarcated lands carried out in the state capital and across local Government areas of the state. Government therefore needs to secure awareness and modalities on how to reduce these lingering issues on internal revenue which could be improved through efficient collection of property tax in the state. Property tax in Nigeria is a levy imposed by all tiers of Government on property owners in Nigeria, as defined under property tax laws of the country. (Araoluwa, 2023) it is collected annually on all types of real property, including residential and commercial properties and other administrative structures. The amount of property tax payable depends primarily on the property's value. This type of tax is imposed on property's owners by federal and state Government. It is used to generate revenue for the public services and infrastructure provided by the Government. The rating system of property tax was derived from British law. The rating law in Britain originated with poor relief act 1601 which provided for levying of taxation on every occupier of house towards the relief of the poor. (Jumare, 1998) This law is many at times called the statute of Elizabeth. The two major sources of property tax are governors' consent fees and land registration fees. The history of property taxation in Sokoto state could be traced in the colonial policy of generating revenue based on a theory of land tenure encouraged the British to impose taxation in Sokoto, the capital of the Sokoto caliphate (Jumare, 1998). This revenue did not only raise for the much-needed revenue for the colonial indirect rule in the emirate, where no one had paid land or poll tax under caliphate rule, but indeed entrenched British supremacy over the caliphate. The legitimacy of the new taxation was seriously

questioned by both local officials and commoners in Sokoto, because they knew about the promise of 'Non-interference' in their religion which the imperial power had made after the collapse of the caliphate. (Jumare, 1998).

Sokoto state Government had enacted law No 14 of 2019 that integrated, harmonized and consolidated all revenues collectible by organs of Government, ministries, departments, and agencies in the state. This is initiated to generate sufficient revenues for social services and economic growth in the state and for matters connected thereto (SOIRS, 2019). These revenues are collected on behalf of the state Government through an authorized board recognized by the law as Sokoto State Internal Revenue Service established under section 6 (1) of Law No 14, 2019. Sokoto state Government as provided by the law No 14 of 2019, vol. 47 A42 in the first schedule provides for the following collectible taxes and include personal income taxes, withholding taxes, capital gains taxes, stamp duties as well as hotel occupancy and restaurant consumption tax. It also includes land use charge, presumptive tax, road taxes and development levies respectively.

The main objectives of the study are:

To analyze the impact of Property taxation on internal revenue generation in Sokoto state. Specifically, the study is set to achieve the following:

i. To analyze the impact of tenement rates on internal revenue generation in Sokoto State
ii. To assess the impact of ground rents on internal revenue generation in Sokoto State.

Conceptual Review

a. Revenue

Revenue is the sum of money required by the Government to support its activities. Oladele *et al* (2021). In a similar vein, Agumas (2016) claimed that revenue is an income obtained by public authority (federal, state, and municipal Government) from individuals or bodies in order to pay expenditures. In order to pay for its expanding expenses, the Government needs this money. The most significant source of income for contemporary Governments, accounting for generally 90% or more of their income, are taxes. Fave and Dabari (2017). Olaoye & Ekundayo (2019) claim that revenue is an income needed by the Government to pay for its rising expenses. According to Fave and Dabari (2017), revenue is also described as a tax levied by the Government on the earnings of both individuals and businesses. Government income is defined by Yismau (2015) as money received by a Government. It is the antithesis of the element of Government expenditure and a crucial weapon in the Government's fiscal strategy.

b. Property Taxation

According to the Tax foundation, property tax is defined as "the tax imposed on immovable property like land and building as well as on movable property like vehicles and equipment. Property tax is also defined as a tax paid on property owned by an individual or other legal entity, such as corporation (Franzen & William, 2017). Most commonly, property tax is calculated by a local Government where the property is located and paid by the owner of the property. The tax is usually based on the value of the owned property, including land (Williams, 2022). Property tax is a levy imposed by all tiers of Government on property owners in Nigeria, as defined under property tax laws of the country. It is collected annually on all types of real property, including residential and commercial properties and other administrative structures. More so, property tax has also been defined as a compulsory levy imposed by a taxing authority which is based on the value of property or transaction. (Kanwai, et al., 2023). Property tax is broadly defined especially for the purposes of national country statistics, to include property transfer taxes, stamp duties, and death and gift taxes (Grote and Win, 2024).

Property taxes are classified into two types, namely; Neighborhood improvement charges and Tenement rates and Ground Rates.

Neighborhood improvement charges; this is a fixed annual charge levied against specific period by a municipality which amortizes the capital costs of local improvements such as sewers, paved roads. (Grote and Wen, 2024). Improvement cost means any additional expenditure that substantially increases the capacity of the asset, or substantially improves its functioning or represents more than 10 percent of the initial depreciation base of the asset. It entails improvement charges on owners of privately owned property within an improvement area. An improvement area is an area which the governor designates as an improvement area where is satisfied that; infrastructure has been provided by the state Government at public expense, quality of life in the neighborhood has been improved by Government efforts, and an area has been neglected and justifies Government intervention. Tenement Rates and Ground Rent; Tenement rate is a tax imposed on occupiers of developed properties within a locality by the local Government. (Mbonu and Benin, 2020) It is usually demanded and paid every year and the amount payable is assessed based on the annual value of the subject property. The question as to who to pay tenement rent has generated a lot of debate and controversies between tenants and landlords and among lawyers. But the answer is quite straight and simple. The law establishing tenement rate puts the primary responsibility on the occupier of any developed property in Nigeria. In essence, it is the responsibility of the person in

occupation of the premises to pay tenement rate. (Mbonu and Benin, 2020). Tenement rate is also defined as fee, levy or tax charged and collected on developed land and occupied property by local Government or area council. Ground Rent; this is defined as a tax charged and collected by state Government on land (both developed and undeveloped) that was granted by the state Government. It is paid by the holder within a given period. Ground rent calculations by a state Government is not affected by improvements, developments and structures built on land. State Governor can reduce or waive ground rent on a given land for public interest (Florez, 2025). Ground rent is also defined as tax charged and collected by a State Governor (both developed and undeveloped) having certificate of occupancy (Florez, 2025). It is to be paid by a land owner (holder of certificate of occupancy.) Include; Revenue Potential and Stability; the property tax is potentially a significant revenue producer for sub national Governments. The value of lands improvements constitutes a broad base that is growing in virtually all countries at a fast rate, and even a modest statutory tax rate can yield significant amounts of revenue. Another positive feature of property taxation and one that makes it especially attractive for sub national Governments, it is the relative stability of its tax base. The property tax might be seen as rough kind of benefit charge, and therefore not only as efficient tax, but as a fair tax. Businesses and some residential owners may perceive that they benefit from certain public investments approximately in proportion to the value of their property. The property tax might also be seen as vertically equitable in developing and transitional countries.

Property taxes in less developed countries (LGDs) can be made regressive by exemption policies that target the well-to-do, such as policies that owner-occupied properties, as practiced in some countries (Bahl and Franzsen, 2022) Preferential assessment (or exemption) of certain commercial or industrial properties may have the same effect.

Theoretical Framework

This research is based on Resource Dependency Theory which suggests that states and local Governments are heavily dependent on external funding (Federal Allocation) and to survive and operate effectively, they must shift toward reducing this dependency by boosting their own internally generated revenue. (IGR)

Review of Empirical Literature

This section examines the relevant empirical research about the influence of property taxation on revenue generation in Sokoto state.

Hannatu et' al., (2024) examined property taxes and their impacts on real estate investment in Plateau State, Nigeria using quantitative research design where structured questionnaire was used for data collection where a sample of 90 respondents was used for the study. Data was analyzed using descriptive analysis. From the results the study reveals that tax payers pay taxes to more than two agencies in the state. The limitation of the paper is that sample size of 90 respondents drawn from a population of 1500 respondents was not scientifically drawn.

Orekan (2021) assessed impact of land taxation on land resources development in Ogun State, Nigeria using quantitative approach where a structured questionnaire was used in data collection. The study reveals that impact of land and property-based taxation was at low extent which was attributed to problems of ignorance among tax payers and Government and corrupt practices. The paper did not conduct diagnostic test for the study and hence variables covered by the study may not be included in the model.

Another study was conducted by Nwafor et al., (2021) which examines land-based taxation and internally generated revenue in Abia State, Nigeria from the period 2007 to 2019. The study reveals that Abia State failed to actualized what was projected throughout the study period.

Che et al., (2021) examines taxation of land and economic growth, the study theoretically analyzed the effects of three types of land taxes on economic growth using an overlapping generation model in which land leads to economic growth. The study also reveals that land rents, or stamp duty cause price of land to decline.

Methodology

This paper employed a survey design to examine the impact of property taxation on revenue generation in Sokoto State, Nigeria. Primary data was collected through structured questionnaires administered to both Government officials in relevant ministries and agencies (i.e., ministry of land and housing, board of internal revenue), and property taxpayers such as banks, telecommunication industry (MTN, GLO, etc.) and filling stations. However, official records indicate that the exact number of property taxpayers in Sokoto State is unavailable, making it difficult to determine the precise population size. To address this limitation, the study adopted Cochran's (1977) formula for sample size determination, which is specifically suited for cases where the population size is unknown. Hence, the sample size of that population can be determined using the following formula:

$$n_0 = \frac{z^2 pq}{e^2} \qquad (1)$$

Where n_0 is the sample size, z is the selected critical value of the desired confidence interval, p is the estimated proportion of an attribute (level of variability) that is present in the population, $q = 1-p$ and e is the level of precision or level of significance. Assuming a variability rate of 50% (0.5) among users and selecting a 5% (0.05) level of significance, the corresponding critical value (z) for the desired confidence level is 1.96. Therefore, the sample size of the population will be:

$$n_0 = \frac{(1.96)^2 0.5(1-0.5)}{(0.05)^2}$$

$$n_0 = \frac{3.8416(0.5)(0.5)}{0.0025} = 384.16$$

Since the calculated sample size for this study is 384 and no formal sampling frame exists in the study area, purposive sampling is used for targeting both Government officials and property taxpayers in Sokoto State, as it enables the inclusion of participants with direct experience and knowledge of property taxation. Focusing on these groups, the study is positioned to collect rich, relevant data from those best equipped to inform the analysis.

Furthermore, a Likert scale was utilized in the survey questionnaire, consisting of response options ranging from "Strongly disagree" to "Strongly agree." The decision rule established that an average score of 3.0 or higher indicates agreement, while an average score of 2.99 or lower indicates disagreement. The mean scores for questions with five response options was determined using a criterion of 3.0, as suggested by Nahuche et al. (2022). To calculate the mean criterion of 3.0, the sum of the scores for the five response options (5 + 4 + 3 + 2 + 1) divided by 5.

In this study, both descriptive and inferential methods were employed for data analysis. Descriptive statistics, including frequencies and percentages, were used to present the demographic characteristics of the respondents. Inferential analysis was then conducted to explore the relationship between Property Taxation on Revenue Generation in Sokoto State, Nigeria. Specifically, the study employed Ordinary Least Squares (OLS) regression which is a statistical model designed to estimate the relationship between the dependent variable (Revenue Generation) and the independent variables (Property Taxation such as tenant rate and ground rate) and control variable such as Government effectiveness and education level of the respondents. To ensure the accuracy and reliability of the regression estimates, diagnostic tests for multicollinearity and heteroscedasticity were performed. Multicollinearity was evaluated using the Variance Inflation Factor (VIF) and tolerance values, with acceptable limits defined as VIF less than 10 and tolerance greater than 0.1. Hence, the OLS regression model is given as:

$$Reg_i = \beta_0 + \beta_1 tnr_i + \beta_2 gor_i + \beta_3 gef_i + \beta_4 edu_i + \mu_i \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

In the regression model revenue generation is the dependent variable denotes by $\mathrm{Re}\,g$ while the independent variables are tenement rate (tnr), ground rate (gor), and level of education (edu). The model includes coefficients (β_1 to β_4) that estimate the impact of each independent variable on revenue generation, along with an intercept (β_o) representing the expected performance when all variables are zero. The error term (μ) accounts for unexplained factors influencing revenue generation while i represent the study area (Sokoto State).

Results and Discussion of Findings

a. Results

Of the 384 questionnaires distributed across the study area, 366 were properly completed and returned, while 18 were not recovered. This represents a response rate of 95.32%, with non-responses accounting for about 4.68% of the total instruments issued. The high response rate is considered sufficient for drawing inclusive and dependable conclusions. Such significant participation demonstrates the study's success in capturing a large portion of the sampled population, thereby strengthening the validity and reliability of the findings. Accordingly, the biodata results of the respondents are presented in Table 1.

Table 1: Biodata of Respondents

Gender		
Respondents	**Frequency**	**Percent**
Male	218	59.56
Female	148	40.44
Total	366	100.00
Age		
18-30	37	10.11
31-40	181	49.45
41-50	74	20.22
51-60	37	10.11
Above 60	37	10.11
Total	366	100.00
Education Level		
Primary	37	10.11
Secondary	36	9.84
Diploma/NCE	74	20.22
Degree/HND	146	39.89
Postgraduate	73	19.95
Total	366	100.00
Occupation		
Staff of Ministry of Land	182	49.73
Tax officials	74	20.22
Private property owners	37	10.11
Estate managers	37	10.11
Retired	36	9.84
Total	366	100.00

Source: *Authors' computation from STATA Version 17.0.*

The biodata of respondents reported in Table 1 provides the results into how property taxation can influence revenue generation in Sokoto State. The gender distribution shows that men constitute the majority of respondents (59.56%), which reflects the reality that men often dominate property ownership and business activities in the state. However, the significant representation of women (40.44%) indicates that taxation policies must also consider women's property rights and economic participation to ensure inclusivity and fairness in revenue collection.

Age distribution reveals that the largest group of respondents falls within the 31–40 years bracket (49.45%), followed by those aged 41–50 years (20.22%). These are economically active age groups, likely to own property, run businesses, and contribute to tax revenue. Younger respondents (18–30 years) may have limited property ownership, while older respondents (51 years and above) may rely on pensions or inherited property. This suggests that property taxation policies should be tailored to different age groups, balancing enforcement with relief measures for retirees and low-income earners.

Education levels further highlight the potential for effective taxation. A large proportion of respondents hold Degree/HND qualifications (39.89%), with additional representation from Diploma/NCE holders (20.22%) and Postgraduates (19.95%). This indicates a relatively well-educated population, which is crucial because education often correlates with awareness of taxation laws and compliance. Those with lower education levels (Primary and Secondary, 19.95% combined) may face challenges in understanding tax obligations, underscoring the need for awareness campaigns to improve compliance.

Occupational distribution shows that staff of ministry of lands dominate the sample (49.73%), followed by property owners (20.22%). Civil servants, though salaried, may not directly generate property tax revenue but their perception of fairness in taxation can influence public acceptance. Property owners and self-employed individuals, who are more directly tied to property ownership, represent key contributors to property tax revenue. Retired respondents (9.84%) resist taxation due to fixed incomes, which calls for policies that provide exemptions or reliefs for vulnerable groups.

Table 4.2: Nature of the Respondents' Property

Types of Property Owned		
Property Types	**Frequency**	**Percent**
Residential	110	30.05
Commercial	148	40.44
Mixed-use	72	19.67
Industrial	36	9.84
Total	366	100.00
Length of Property Ownership		
Less than 5 years	110	30.05
5-10 years	109	29.78
11- 20 years	73	19.95
Above 20 years	74	20.22
Total	366	100.00
Location of Property		
Urban	182	49.73
Semi-urban	111	30.33
Rural	73	19.95
Total	366	100.00

Source: *Authors' computation from STATA Version 17.0.*

Table 2 provides the results on the nature of respondents' property on the relationship between property taxation and revenue generation in Sokoto State. According to the results, majority of respondents own commercial properties (40.44%), followed by residential properties (30.05%) and mixed-use properties (19.67%), while industrial properties (9.84%) make up the smallest share. This distribution suggests that commercial property taxation has the greatest potential to boost revenue, given its dominance and direct link to business activities. Residential and mixed-use properties also represent significant opportunities, as they cover both housing and business functions, while industrial properties, though fewer, could yield substantial revenue if taxed appropriately due to their higher economic value.

The length of property ownership and location further shape the taxation landscape. A considerable proportion of respondents have owned property for less than 10 years (59.83%), indicating a relatively new ownership base that may be more open to structured taxation policies. Meanwhile, long-term owners (40.17%) may resist taxation unless policies are perceived as fair and beneficial. In terms of location, nearly half of the properties are in urban areas (49.73%), followed by semi-urban (30.33%) and rural areas (19.95%). This urban concentration highlights the potential for effective revenue generation through property taxation in urban areas, where property values and economic activities are higher. However, semi-urban and rural areas should not be neglected, as inclusive taxation policies across all locations will ensure equity and broaden the tax revenue base. Furthermore, Table 3 presents the findings obtained from the descriptive analysis of the relationship between property taxation and revenue generation in Sokoto State.

Table 3: Summary Statistics of the Variables

Variables	Obs.	Mean	Std. Dev.	Min	Max
REG	366	4.18	0.38	3.50	4.60
TNR	366	4.00	0.61	2.38	4.63
GOR	366	4.00	0.53	2.75	4.50
GEF	366	4.14	0.30	3.67	4.67
EDU	366	4.50	1.21	2.00	6.00

Source: *Author's computation from STATA Version 17.0.*

Table 3 presents the summary statistics on the relationship between property taxation and revenue generation in Sokoto State. The mean value for revenue generation (4.18) is relatively high, with a small standard deviation (0.38), suggesting that respondents generally agree that property taxation contributes positively to revenue generation. Both tenement rate (4.00) and ground rate (4.00) also show strong average values, indicating that these forms of property taxation are perceived as effective tools for raising revenue. The relatively moderate standard deviations (0.61 and 0.53 respectively) imply some variation in responses, but the conclusion is that these taxes play a significant role in boosting Government revenue.

Additionally, Government effectiveness (4.14) also records a high mean score, with a very low standard deviation (0.30), meaning respondents largely agree that effective governance enhances the impact of property taxation on revenue generation. Finally, education level (4.50) has the highest mean and widest spread (standard deviation of 1.21), showing that respondents' educational background strongly influences their perception of taxation. More educated individuals are

likely to understand the importance of property taxation and support its role in revenue generation. Nevertheless, Table 4 presents the results of the correlation analysis conducted to verify the descriptive findings.

Table 4: Correlation Analysis of the Variables

Variables	REG	TNR	GOR	GEF	EDU
REG	1.000				
TNR	0.594	1.000			
GOR	0.696	0.646	1.000		
GEF	0.530	0.684	0.338	1.000	
EDU	-0.439	-0.342	-0.310	-0.169	1.000

Source: *Author's computation from STATA Version 17.0.*

Table 4 contains the correlation analysis on the impact of property taxation on revenue generation in Sokoto State. The results show that tenement rates have a strong positive correlation with revenue generation with a coefficient of 0.594. This indicates that increases in tenement rate collections are closely associated with higher Government revenue, underscoring the importance of this form of property taxation in strengthening fiscal capacity. Similarly, ground rates also exhibit a strong positive relationship with revenue generation, with a correlation of 0.696. This suggests that ground rent payments contribute significantly to revenue growth, reinforcing the role of property taxation as a reliable source of Government revenue generation. Notably, the correlation between tenement rates and ground rates themselves is very high (0.646), showing that these two forms of property taxation tend to move together and jointly enhance revenue generation.

On the other hand, the Government effectiveness demonstrates a moderate positive correlation with revenue generation (0.530). This implies that improvements in governance such as better enforcement, transparency, and administrative efficiency are linked to higher revenue outcomes. Hence, effective governance therefore amplifies the benefits of property taxation by ensuring compliance and reducing leakages. Interestingly, education level shows a negative correlation with revenue generation (-0.439). This suggests that higher levels of education among respondents are associated with lower revenue generation. One possible explanation is that educated taxpayers may be more aware of inefficiencies or loopholes in the tax system, leading to resistance or demands for accountability before compliance.

Importantly, none of the correlation coefficients among the independent variables exceed the conventional threshold of 0.80, which indicates that there is no evidence of multicollinearity in the dataset. This suggests that the variables can be jointly included in regression analysis without serious risk of distortion in the estimation of their individual effects on commodity prices. Furthermore, Table 5 presents the results of the Ordinary Least Squares (OLS) regression, which was employed to investigate the relationships among the variables.

Table 5: Results of the Ordinary Least Squares Regressions

Dependent Variable: Revenue Generation				
Variables	Coefficient	Std. Err	T	Prob.
TNR	0.42	0.04	11.50	0.00
GOR	0.06	0.04	1.38	0.17
GEF	-0.04	0.06	-0.62	0.54
EDU	-0.06	0.01	-5.67	0.00
Constant	2.68	0.18	15.11	0.00
R^2 = 0.66, F-stat. = 178.96 (0.000), H-test = 2,03 (0.1542), Mean VIF = 2.86				

Source: *Author's computation from STATA Version 17.0.*

The Ordinary Least Squares (OLS) regression results presented in Table 5 provides the results on the determinants of revenue generation in Sokoto State, particularly in relation to property taxation. The model shows an (R^2) value of 0.66, indicating that approximately 66% of the variation in revenue generation is explained by the included variables. The overall F-statistic of 178.96 with a probability value of 0.000 confirms that the model is statistically significant, meaning the explanatory variables jointly have a meaningful impact on revenue generation.

The coefficient for tenement rate is 0.42, with a very high t-value of 11.50 and a probability of 0.00. This result is statistically significant and demonstrates that tenement rates have a strong positive effect on revenue generation. In practical terms, a unit increase in tenement rate collections leads to a 0.42 increase in revenue generation which stresses the importance of tenement taxation as a reliable source of Government revenue.

The result for ground rate shows a coefficient of 0.06, with a t-value of 1.38 and a probability of 0.17, which is statistically significant at the 10% level. This finding implies that ground rates exert a positive and meaningful impact on revenue generation in Sokoto State, even though the effect is relatively modest compared to tenement rates. In practical terms, a unit increase in ground rate collections leads to a 0.06 increase in revenue generation, highlighting its role as a supplementary source of fiscal income. The weaker magnitude may reflect challenges in administration, valuation, or compliance, but the statistical significance confirms that ground rents remain an important determinant of revenue.

On the other hand, education level shows a coefficient of -0.06, with a highly significant t-value of -5.67 and a probability of 0.00. This negative and statistically significant result suggests that higher levels of education among respondents are associated with lower revenue generation. One possible interpretation is that more educated individuals may be more critical of tax administration, more aware of loopholes, or less willing to comply with taxation in the absence of transparency and accountability.

The constant term of 2.68 is statistically significant, indicating a baseline level of revenue generation even when the explanatory variables are zero. The diagnostic statistics, including the H-test value of 2.03 ($p = 0.1542$) and the mean VIF of 2.86, suggest that the model does not suffer from heteroskedasticity or multicollinearity problems, thereby strengthening the reliability of the results.

b. Discussion of Findings

The results of this investigation are described in this section. It comprises the findings of the investigation and those from affiliated investigations. According to the investigation, tenement rate has strong positive impact on revenue generation in Sokoto state. This result corroborates with findings of the conducted by Nwafor et al., (2021) similarly, a study conducted by Che et al., (2021) reveals a similar finding that taxation of lands leads to economic growth which consequently generate more revenue as a result of economies of scale.

Conclusion and Recommendations

Based on the results, the paper concludes that:

i. Tenement rates have significant and positive impact on revenue generation in Sokoto State.
ii. Ground rates, though weaker in magnitude, still show a positive and significant impact at the 10% level, indicating their potential as a supplementary source of revenue.

Based on these findings, the study recommends the following:

1. Sokoto State Government through Sokoto Internal Revenue Service (SOIRS) should intensify efforts to strengthen the administration, enforcement, and coverage of tenement rates, given their strong contribution to revenue generation.
2. SOIRS should also review and optimize ground rent systems to improve their effectiveness. This can be achieved through proper valuation, billing, and collection mechanisms.

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