

Effect of Multiple Taxation on the Financial Performance of Small-scale Businesses in Mubi metropolis, Adamawa State

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Abstract

This study focuses on the effect of business permits, market fees, development levies and environmental hazard fees on the profitability of small-scale businesses operating within Mubi Metropolis, Adamawa State. The study covers the period of 2021 – 2025. While the research design was a cross-sectional used to obtained data through a structured questionnaire. Both descriptive and inferential statistics were employed to deduced the findings of the study. The outcome of the study reveals that business permits, development levy, environmental hazard fees have statistically significant negative effect on profitability of small businesses in Mubi metropolis, while market fees have an insignificant negative effect on the profitability of small-scale businesses. The study recommends that the government should streamline tax policies by implementing uniform tax policies with respect to business permits; market fees; development levy and environmental hazard fees.

KEYWORDS: business permits; market fees; development levy; environmental hazard fees; profitability; small business

1. Introduction

Small businesses are globally recognised as the bedrock of any economy, visible in economic growth, employment generation and poverty reduction. In urban centres like Mubi metropolis of Adamawa state, small businesses dominate the business landscape, found in retail, services, artisanal, agro-processing and micro-production setup. They contribute significantly to household income, local revenue generation and the overall vibrancy of the metropolis. However, despite their contributions, the operating environment for these businesses remains challenging.

One of the major challenges confronting small businesses in Nigeria is the burden of multiple taxation and other regulatory levies and fines imposed by the three tiers of government. Anecdotal evidence and preliminary observations indicate that small-scale businesses are grappling with what appears to be an uncoordinated and excessive tax burden, often refer to as Multiple taxation (Adewara et al. 2023; Mbazulike et al, 2023). This is an act of imposing numerous taxes, levies and charges by the different tier of government (Federal, State and Local) or their agents and agencies sometimes common with one another in purpose without due consideration for the small businesses ability to pay (Okolo et al, 2016; Zayol et al, 2018). In Mubi metropolis, small businesses operators are required to obtain and renew various permits and pay several statutory and non-statutory charges to operate legally. Key among these are business permits, market fees, development levy and environmental sanitation fees. Business permit is a formal authorization usually issued by local government granting permission for a particular type of business to operate within a specific geographical location or area. It is any form of approval, permits, registration or fillings etc which are required by any business to legally and validly operates (Zayol, et al, 2018). Market permit which is otherwise called either as market fees, market levy or market registration. This is a statutory tax paid by the participant in the market and collected mostly on market days, levied on stalls, stands, shops, cubicles, kiosks and open spaces owners (Zayol, et al, 2018). Further, Development levy is the amount payable for infrastructural development. It is seen as part of the responsibility of the business community to assist government to hasten economic development (Zayol, et al, 2018). And Finally, Environmental hazard fees are charges levied by the authority on the activities that potentially harm the environment. These fees aim to incentivize responsible behaviour by businesses (Zayol, et al, 2018). However, all these taxes and levies posed a threat to the working capital and overall profitability of small businesses in Mubi metropolis of Adamawa State.

Theoretically, these charges are expected to provide public goods and services by creating an enabling environment for business. But, in practice, excessive and poorly coordinated levies can erode profitability, discourage business expansion and push operators into the informal sector to evade payments. Profitability, which is the ability of a business to generate surplus revenue over cost, is therefore, directly affected by the level and structure of those government-imposed costs. Profitability is measurable using Return on Assets (ROA), Return on Investment (ROI), Return on Capital Employed (ROCE), Return on Equity (ROE). When a large chunk of revenue goes into permits and levies, little is left for re-investment, inventory and business growth.

Empirical studies in Nigeria, such as (Ekunrinn & Yaru, 2024; Ocheni & Gemade, 2017; Sani et al, 2019; Ephraim & George, 2024; Nyong, 2019; Ilodigwe, 2023; Chukwuemeka, 2017; Ehichioya & Attah, 2024; Adewara et al, 2023; Adebowale & Dada, 2023; Confidence et al, 2021; Adeniyi & Imade, 2018; Okolo et al, 2019; Ebere et al, 2016; Kingley et al, 2022; Ogbanna, et al, 2020 and Usmana, 2017), have examined multiple taxation and business

performance, but there is limited localized research focusing specifically on Mubi metropolis. Mubi present a unique context due its border location, post-insurgency economic recovery, influx of displaced persons and heavy reliance on small-scale trade. Understanding how specific charges; business permits; market fees; development levy and environmental hazard fees and their impacts on the profitability of small businesses in this context is therefore timely and necessary.

The main objective of this study is to investigate the impact of multiple taxation on the financial performance of small-scale businesses in Mubi Metropolis. The specific objectives of the study are:

- i. To examine the effect of business permit on financial performance of small-scale businesses in Mubi metropolis, Adamawa state.
- ii. To assess the effect of market fees on financial performance of small-scale businesses in Mubi metropolis, Adamawa state.
- iii. To examine the effect of development levy on financial performance of small-scale businesses in Mubi metropolis, Adamawa state.
- iv. To examine the effect t of environmental hazard fees on financial performance of small-scale businesses in Mubi metropolis, Adamawa state

The study developed and tested the following hypotheses from the specific objectives:

Ho1: Business permits do not have a significant impact on the financial performance of small-scale businesses in Mubi metropolis, Adamawa state.

Ho2: Market fees do not have a significant impact on the financial performance of small-scale businesses in Mubi metropolis, Adamawa state.

Ho3: Development levy do not have a significant impact on the financial performance of small-scale businesses in Mubi metropolis, Adamawa state.

Ho4: Environmental hazard fees do not have a significant impact on the financial performance of small-scale businesses in Mubi metropolis, Adamawa state.

2 Literature Review

2.1 Concept of Multiple Taxation

Multiple Taxation refers to the various unlawful compulsory payments being collected by different tiers of government without appropriate legal backing through intimidation and harassment of the payers (Kingsley *et al.*, 2022). Multiple taxation involves the imposition of taxes by multiple authorities on the same earnings, creating an unfair burden on businesses (Ilemona *et al.*, 2019). Oseni (2014) viewed multiple taxation to mean when the government or its agencies subject single income earners to tax treatment, more than once. For instance, multiple taxes occur when a business owner is equally subjected to business premises permit by both state and local government. It implied that Nigeria is faced with the problem of the multiplicity of taxes levied and administered by the governments (Adeniyi & Imade, 2018). This definition captured one of key attributes embedded in multiple taxation, imposition of same taxes by different tier of the government as such it would serve as the operational definition of multiple taxation in this study.

Concept of Financial Performance

Financial Performance denotes the fulfilment of tasks based on predetermined standards of accuracy, completeness, cost, and speed (Dagunduro *et al.*, 2022; Kolawole *et al.*, 2023). It connotes the success a firm or organization derives over a given period. In the view of Zayol

et al. (2018), financial performance can be defined as the accomplishment of organizational objectives. It measures the monetary outcome of operations and policies set up by the firm.

Assessment of financial performance is primarily based on various methods of financial analysis. Various researchers have used different measures to capture organizational performance including net income, return on investments (ROI), Return on sales (ROS), and a combination of ROI and ROS (Pegels and Yang, 2000), return on assets (ROA) (Birley and Wiersema, 2000) and market to book value of the equity as well as profitability and market share/growth (Entrialgo, *et al.*, (2000).

Financial performance encompasses a variety of quantitative and qualitative metrics. These include profitability. Profitability is the ability of firms to generate surplus over and its day-to-day expenses. Profitability is the most common measure of small business financial performance because it directly relates to the survival, is simple to calculate and understand and reflects the operational efficiency and even non-financial literate small business owners found accommodative (Eteng *et al.*, 2025).

Multiple taxation negatively impacts profitability by increasing operating costs, reducing after-tax profits and discouraging capital retention.

Concept of Small-Scale Businesses

In Nigeria, Adisa *et al.* (2014) captured Nigeria's small-scale enterprises' basic geographic and economic features to define them as enterprises' whose starting and operating capitals are between 25 thousand Naira and two million Naira. The considered institutional guidelines and empirical perspectives indicate that, conventionally, the definitions of small-scale enterprises are arbitrary and mostly subjective. The definitions differ by time, the economic buoyance of location, industry, potential gross output, number of employees, net worth, and the objective in focus (Ekunnrin & Yaru, 2024).

Empirical Review

Sanusi (2018) examined Multiple Taxation and Profitability of Small-Scale Business in Taraba State, Nigeria. A survey design was adopted and the respondents were 98 involving the entrepreneurs and staff sampled from the fifteen (15) bread bakeries in Jalingo metropolis. Random sampling was used in selecting the respondents. The modified Likert's pattern of data measurement was adopted. Questionnaires were administered on the two samples of respondents namely: entrepreneurs and their employees. Data were collected, tabulated and analyzed using descriptive statistics. One hypothesis was tested using mean and standard deviation to test the influence of multiple taxes on profitability of bread bakeries. The study found that a significant negative relationship exists between multiple taxation and profitability. It was recommended that tax authorities should ensure proper documentation, computation of profits before assessing businesses for payment and laws governing taxation of small-scale businesses should be revisited to ensure that multiple taxation is minimized or even eradicated so that small scale businesses could continue to remain in business for the purpose of national development.

Zayol *et al.* (2018) examined the implication of multiple taxations on SMEs' performance in Nigeria. The population of the study was 816 and the sample size of 268 respondents was adopted using the Taro Yamane formula at a 5% error margin. The study adopted a survey design via questionnaire. Multiple regression was used for analysis in the study. From the outcome of the findings, it was revealed that duplication of market taxes, development fees, and registration of business premises tax are significant but inversely related to the performance

of SMEs in Nigeria. The study therefore, recommends that government should ensure that activities of touts in collecting illegal taxes from SMEs is stopped, and also government should desist from collecting similar taxes under different names and collapse all taxes of such nature into one form of tax. Finally, government should ensure that only the amount stipulated by law is collected as tax and a clear jurisdiction of each tax should be expressly stated.

Godswill, *et al*, (2019) evaluate the effect of multiple taxation on the financial performance of SMEs in Aba of Abia State in Nigeria. A survey research design was adopted while the questionnaire was used as an instrument for data collection. Hence, 161 staff and owners of 41 SMEs were used and the data were analyzed using multiple regression. The outcome show that a significant and positive relationship exists between multiple taxation and the SMEs financial performance. The study recommends harmonization of tax laws and policies.

Kenechukwu *et al*. (2019), carried out a study on the effect of multiple taxations on micro and small businesses in Nigeria. The study utilized the descriptive survey research design. The population comprised of 6698 registered micro and small enterprises in South-Eastern, Nigeria. The sample comprised of 384 respondents across the 5 South-Eastern States. The study relied on primary data; obtained from a structured questionnaire. The data was analysed using descriptive statistics; while, the t-test statistic is used to validate the hypotheses. The results revealed that there is a significant difference in the multiple taxes levied by tax agencies; and, such multiple taxations have a significant effect on micro and small businesses in South-Eastern, Nigeria. Based on these, the study recommended among others that government should consider increasing tax incentives and exemptions as this can attract investors who are potential tax payers; encourage voluntary compliance and ultimately lead to expansion of existing businesses in South-Eastern, Nigeria.

Kingsley *et al*, (2022) studied the Effect of multiple taxation on the performance of small and medium-scale enterprises in Kaduna State, Nigeria. A cross-sectional descriptive survey research strategy was adopted; a sample of 441 SMEs were studied out of 8,000 populations in the State to serve as the respondents. Descriptive and inferential statistical techniques were used for data analysis. The primary data collected was analysed using partial least square structural equation modelling PLS-SEM with the aid of SmartPLS 3. The findings indicate that multiple taxations hurt SMEs business performance in Kaduna, Nigeria. It was recommended that to boost SMEs' performance, multiple taxations are regulated by the government. Implications of the study and suggestions were made for future studies.

Adewara *et al*. (2023) examined the effect of multiple taxation on the financial performance of small and medium enterprises (SMEs) in Ekiti State. They study used primary source of data and the population comprised of all registered and functional SMEs located in Ado Ekiti, Nigeria, and have been in existence for over 5 years. The study used a survey research method and the data were analysed using correlation and multiple regression, the results found that multiple tax burdens and multiple tax administrations exhibited a significant negative relationship with the financial performance, while the ability to pay in relation to performance shows a significant positive association. The study therefore recommends for the harmonization of government taxes to reduce burdens on small-scale businesses.

In summary these studies reviewed clearly shows that the method employed in collecting data is the primary sources of data collections through the administration of questionnaire, this stem from the fact that most Nigerian businesses harbour an apathy towards secondary data and a wide range of differing multiple taxation was employed. The financial performance also has various meanings and dimensions.

Ability-to-pay Theory: The theory states that taxpayers in a country should pay taxes based on their ability. This theory seems to be just and equitable as it considers the potential capacity of an individual taxpayer before a tax is levied. However, the theory is constrained as to what constitutes “the faculty or ability to pay” of an individual. It focuses on ownership of property and individual or group expenditure. The former (ownership of the property) is criticized on the ground that a person with a large income who decided not to acquire property will end up paying lesser tax than a person with a sizable number of properties with a lower income.

In the context of multiple taxation, this theory can be relevant in evaluating fairness and equity of the tax system by supporting progressive taxation, where higher-income individuals and businesses are taxed at a higher rate and ensuring that those who have a greater ability to pay contribute more to the tax revenue towards reduction of the incidence of multiple taxation. Consequently, this theory, therefore, underpins this study as theory depicts both positive and negative implications on the individuals and businesses.

As regard the effect of multiple taxations on the performance of SMEs, this theory is relevant as it creates a balance between the taxation of large enterprises and SMEs. It implied that tax levied on both SMEs and large businesses should vary and be based on the faculty or ability to pay. If this is considered, governments or tax agencies will regulate the tax system as unlawful and undue, and the double tax system would be eliminated to the barest minimum.

3.0 Methodology

This study adopts a cross-sectional survey design. In cross-sectional survey, a researcher collects information from a sample drawn from a population and involves collecting data at one point in time or over a short period of time to provide a ‘snapshot’ of the variables of interest (Mugenda and Mugenda, 2013).

The population of this study is made up of 442 small scale businesses operating in Mubi metropolis. This figure was obtained from Zonal Office of Adamawa State Ministry of Commerce, Trade and Tourism Mubi, from membership of trade unions and association registered with the office as at 31st July, 2025.

Table 3.1: Population of the Study

Nature of Business	Unions/ Associations	Membership
Bakery	Association of Master Bakers & Caterers of Nigeria	42
Pure/ table water	Association of Table Water Producers	31
Supermarket/Provision	Amalgamated Traders Union of Nigeria	98
Welding/ Fabrication	Welders and Fabricators Association of Nigeria	75
Carpentry	Carpenters and Furniture designer’s association	64
Barbing/ Beauty saloon	National association of Beautician and Cosmetics	37
Food/ Foodstuff vendors	Restaurants and food seller’s union of Nigeria	78
Block industry	Block and Builders union of Nigeria	17
Total		442

Source: Adamawa State Ministry of Commerce, Trade and Tourism, Mubi Office, 2025

The study initially adopted a census approach because the target population of 442 registered small-scale businesses was considered manageable. However, after applying the inclusion

criterion that only businesses with up-to-date union or association membership as of 31st July were eligible, the final study sample consisted of 349 businesses.

This study employed primary data. Primary data was collected directly from the respondents which are the small-scale business owners/operators within Mubi Metropolis. Primary data was obtained through surveys and structured questionnaire were administered directly to the owners or managers of the small-scale businesses. Furthermore, the questionnaire was designed as close-ended to elicit information regarding the effect of multiple taxation on financial performance quantitatively. The study questionnaire was adopted from the works of Musanga (2017) and Sekaran (2008) with modifications to suit the objectives of this study.

Reliability was measured using Cronbach Alpha coefficient which was used to measure the internal consistency of the study measures. The table 3.3 shows the Cronbach's Alpha.

Table 3.2: Cronbach's Alpha Table

Cronbach's Alpha	No. of items
0.866	5

SPSS output, 2025

The table 3.2 shows that the Cronbach's Alpha of this study is 0.866, which is very close to 1 and therefore shows that the variables for the study are reliable. This exceeds threshold established by Sekaran (2008); and Mugenda and Mugenda (2003).

The study was made up of one dependent variable and four independent variables. These are profitability as a proxy for financial performance measured through the instrumentation of the questionnaire. While the independent variables are business permits, market fees, development levy and environmental hazard fees all measured using questionnaire.

Table 3.3: Variable Definition and Measurements

Variable	Variable Type	Acronym	Source	Apriori Expectation	Reference
Business Permits	Independent	BSP	Questionnaire	(-)	Sanusi (2018); Zayol <i>et al.</i> (2018), Adewara <i>et al.</i> (2023).
Market Fees	Independent	MKF	Questionnaire	(-)	Sanusi (2018); Zayol <i>et al.</i> (2018), Adewara <i>et al.</i> (2023).
Development Levy	Independent	DVL	Questionnaire	(-)	Sanusi (2018); Zayol <i>et al.</i> (2018), Adewara <i>et al.</i> (2023).
Environmental Hazards Fees	Independent	EHF	Questionnaire	(-)	Sanusi (2018); Zayol <i>et al.</i> (2018), Adewara <i>et al.</i> (2023).
Profitability	Dependent	PFR	Questionnaire	(+/-)	Sanusi (2018); Zayol <i>et al.</i> (2018), Adewara <i>et al.</i> (2023).

Source: Researchers Compilation, 2025

This model was developed as the model of the study

$$PFR_i = \alpha + \beta_1 BSP_i + \beta_2 MKF_i + \beta_3 DVL_i + \beta_4 EHF_i + \mu \dots \dots \dots 1$$

Where:

PFR = Profitability
 MKF = Market Fees
 EHF = Environmental Hazard Fees
 μ = Error term
 i = individual small-scale business observation
 $\beta_1 - \beta_4$ = Coefficients of the Regressions

Data collected from the surveys (questionnaires) were analysed using inferential statistical techniques. Inferential statistics, including correlation analysis and multiple regression analysis was employed to examine the relationships between multiple taxation and the financial performance of small-scale businesses in Mubi Metropolis.

4.0 DATA PRESENTATION AND ANALYSIS

Correlation Analysis

It is necessary to know the correlation among the variables. This is to ascertain the direction of movement among the variables. To establish the strength and direction of relationship between the study variables, the Pearson correlation (r) was used. According to Kothari and Guarav (2014), the r values range from -1 to +1, with +1, indicating a perfect positive correlation, while 0, indicating no correlation and finally -1 indicating a perfect negative correlation. Therefore, the Pearson correlation matrix is presented in table 4.1.

Table 4.1: Pearson Correlation Coefficient Result

Variables	PRF	BSP	MKF	DVL	EHF
PRF	1.000				
BSP	0.554	1.000			
MKF	0.517	0.894	1.000		
DVL	0.461	0.518	0.485	1.000	
EHF	0.349	0.257	0.124	0.406	1.000

Sources: SPSS output, 2025.

Table 4.1 shows the relationship between financial performance and all pairs of the independent variables individually between themselves and cumulatively with the dependent variables of the study. The significance level is at 0.05 with a confidence level of 95%.

The results indicate a strong positive linear relationship between financial performance and the independent variables of business permit and market fees with coefficients of 0.554 and 0.517. While the relationship between financial performance and independent variables of development levy and environmental hazard fees shows a moderate positive relationship with coefficients of 0.461 and 0.349 respectively.

The relationship between business permit and other two independent variables (market fees and development levy) with coefficients of 0.894 and 0.518 respectively, indicates a strong positive linear relationship. While the relationship between business permit and environmental hazards with a coefficient of 0.257 indicate weak positive relationship.

And the relationship between market fees and development levy with coefficient of 0.485 indicate a strong positive linear correlation. While the relation between market fees and environmental hazard with coefficient of 0.124 indicate a weak positive relationship. The relationship between development levy and environmental hazard show a strong positive linear correlation with a coefficient of 0.406.

Regression Results

Coefficient of Determination

To establish the suitability of the independent variables (business permits, market fees, development levy and environmental hazard fees) in explaining financial performance of small businesses in Mubi metropolis, Adamawa state, coefficient of determination was done through linear regression.

Table 4.2: Coefficients of Determination Results

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	0.616	0.380	0.371	0.717

Predictors (constant) BSP, MKF, DVL, EHF

The regression analysis in table 4.2 above examined the extent to which business permits, market fees, development levy, and environmental hazard fees influence the financial performance of small-scale businesses in Mubi metropolis. The model was found to be robust, with an R^2 of 0.380, indicating that approximately 38% of the variations in financial performance are explained by the four independent variables.

Analysis of Variance

The suitability of the model in explaining small businesses financial performance in Mubi metropolis was through multiple taxation, an analysis of variance was carried out using linear regression.

Table 4.3 Analysis of Variance

	Model	Sum of Squares	Df	Mean Squares	F	Sig
1	Regression	87.098	4	21.775	42.395	0.000
	Residual	142.270	278	0.514		
	Total	229.368	282			

a. Dependent Variable: PRF

b. Predictors: (Constant), BSP, MKF, DVL and EHF

The overall model was significant at ($F(4, 278) = 42.395, p < 0.005$), suggesting that, taken together, these business permit, market fees, development levy and environmental hazard fees exert a meaningful effect on financial performance of small businesses in Mubi metropolis.

Regression Coefficients

A regression analysis was carried out in order to explain the nature and relationship between independent variables and dependent variable. The regression coefficients were used to ascertained and validate the formulated hypotheses of the study based on model developed.

$$PFR_i = \alpha + \beta_1 BSP_i + \beta_2 MKF_i + \beta_3 DVL_i + \beta_4 EHF_i + \mu \dots \dots \dots 1$$

Table 4.4 Regression Coefficients

Model		Unstandardized coefficients		Standardized Coefficients	T	Sig
		B	Std Error	Beta		
1	(Constant)	-0.219	0.280		-0.958	0.359
	BSP	-0.322	0.145	-0.249	-2.219	0.027
	MKF	-0.255	0.145	-0.193	-1.755	0.080
	DVL	-0.168	0.063	-0.158	-2.661	0.008
	EHF	-0.231	0.013	-0.197	-3.649	0.000

Source: SPSS Output, 2025

Table 4.4 shows that the relationship between business permits and small businesses financial performance, it was determined that ($\beta=-0.322$; $p=0.027$), which implied that if business permits were decreased by a unit financial performance will improve by 32.2% and the relationship was statistically significant since the p-value was < 0.05 . Further, on the relationship between market fees and small businesses financial performance, the output showed ($\beta= -0.255$; $p=0.080$), which meant that a unit decrease of market fess will improve small businesses financial performance by 25.5% and the relationship was statistically not significant since p-value was >0.05 . On the relationship between development levy and small businesses financial performance, the analysis indicated that ($\beta= -0.168$; $p=0.008$), which implied that a unit decrease in development levy would lead to 16.8% increase in small businesses financial performance and statistically significant with p value < 0.05 . Finally, the relationship between environmental hazard fees, with coefficients ($\beta=-0.231$; $p=0.000$), indicate that a unit decrease in environmental hazard fees would lead to an increase of 23.1% in small businesses financial performance, which is statistically significant since p value < 0.05 .

Test of Hypotheses

The study seeks to investigate the effect of multiple taxation on the financial performance of small-scale businesses in Mubi Metropolis, Adamawa state. The hypotheses are tested based on the regression results presented in table 4.4

Impact of Business permits on financial performance

The study hypothesised that business permits do not have a significant impact on the financial performance of small-scale enterprises in Mubi metropolis. The regression results in Table 4. shows that the coefficient for business permits is -0.322 and the t-statistic is -2.219 with a p-value of 0.027 . This negative coefficient suggests that higher business permit fees would reduce financial performance, but the p-value which is less than 0.05 significance level suggest the effect to be significant. Thus, there is evidence to reject the null hypothesis; that business permits do not have significant effect on financial performance of small businesses in Mubi Metropolis, Adamawa state. This aligns to the findings of Zayol et al. (2018) and disagree to the findings of Nyong (2021). It also aligns to the apriori, that business permits negatively affect financial performance of small businesses and in agreement to the ability to pay theory, where small business pay taxes based on their outcomes or incomes.

Impact of Market fees on financial performance

The second hypothesis posited that “market fees does not have a significant impact on financial performance of small businesses in Mubi metropolis”. The regression results showed a negative coefficient of -0.255 with a t-statistic of -1.755 and a p-value of 0.080 . This indicates a statistically insignificant negative relationship at the 5% level. Suggesting that the higher the market fees paid by small businesses the lower the financial performance. Thus, there is evidence to reject the null hypothesis; “that market fees do not have significant impact on financial performance of small businesses in Mubi Metropolis, Adamawa state”. This aligns to the findings of Zayol et al. (2018) and disagree to the findings of Nyong (2021). It also aligns to the apriori, that market fees negatively affect financial performance of small businesses and in agreement to the ability to pay theory, where small business pay taxes based on their outcomes or incomes. market fees significantly and positively affect financial performance.

Impact of Development levy on financial performance

The third Hypothesis posited “that development levy does not have a significant impact on financial performance of small businesses in Mubi metropolis, Adamawa State” The regression coefficient is -0.168 with a t-statistic of -2.661 and a p-value of 0.008 . This indicates a statistically significant negative relationship at the 5% level. Suggesting that the higher the

development levy paid by small businesses the lower the financial performance. Thus, there is evidence to reject the null hypothesis; that development levy does not have significant impact on financial performance of small businesses in Mubi Metropolis, Adamawa state. This aligns to the findings of Zayol et al. (2018) and Udeh et al. (2022) and disagree to the findings of Nyong (2021). It also aligns to the apriori, that development levy negatively affects financial performance of small businesses and it also agree to the ability to pay theory, where small business pay taxes based on their outcomes or incomes.

Impact of Environmental hazard fees on financial performance

The last Hypothesis posited “that environmental hazard fees does not have a significant impact on financial performance of small businesses in Mubi metropolis, Adamawa State” The regression coefficient is -0.231 with a t-statistic of -3.649 and a p-value of 0.000 . This indicates a statistically significant negative relationship at the 5% level. Suggesting that the higher the environmental hazard fees paid by small businesses the lower the financial performance. Thus, there is evidence to reject the null hypothesis; “that environmental hazard fees do not have significant impact on financial performance of small businesses in Mubi Metropolis, Adamawa state”. This aligns to the findings of Udeh et al. (2022) and disagree to the findings of Nyong (2021). It also aligns to the apriori, that environmental hazard fees negatively affect financial performance of small businesses and it also agree to the ability to pay theory, where small business pay taxes based on their outcomes or incomes.

5.0 Conclusion and Recommendation

The study concludes that multiple taxation has a negative effect on the financial performance of small-scale businesses in Mubi Metropolis. The summary of the findings was as follows

1. Business permits have a significant negative effect on financial performance
2. Market fees have an insignificant negative effect on financial performance
3. Development levy has a significant negative effect on financial performance
4. Environmental hazard fees have a significant negative effect on financial performance

First, business permits were found to significantly influence financial performance, Business permits should be redesigned to provide value-added services, such as access to training, advisory support, or easier access to credit facilities, rather than being treated as a mere administrative levy.

Second, market fees demonstrated an insignificant negative impact on financial performance, suggesting that such levies can be beneficial when directly tied to services. This would not only sustain but also increase the effects market fees on small businesses.

Third, the development levy showed a significant negative effect, which raises concerns about its practical utility. If such levies are not contributing to business growth, they should either be abolished or restructured to avoid being an unnecessary burden.

Lastly, environmental hazard fees emerged as one of the strongest predictors of financial performance, highlighting the importance of sanitation and environmental management for thriving business operations. Doing so will create healthier and more attractive environments that sustain business performance

Based on the findings of this study, several policy measures are recommended for local government authorities and policymakers in Nigeria. Some of the recommendations are too general and do not fully reflect the empirical results.

- i. Business permit fees need to be streamlined and simplified for small businesses
- ii. Market fees need to be unified by the authorities to minimized the incidence of multiple taxation.

- iii. Development levy needs to be harmonized and where possible identifiable with specific developmental projects
- iv. Environmental hazard fees need to be modified and simplified to reduce incidence of multiple taxation.

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