

FREE REGISTRATION SCHEME, TAX INCENTIVE AWARENESS AND PERFORMANCE OF SMEs IN GOMBE STATE

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ABSTRACT

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Looking at the poor growth rate of SMEs in Gombe state compare to national average, it is obvious that the enterprises are facing some institutional challenges among which include lack of legal status and lack of awareness of other government incentives in tax. In view of these, the study examined the impact of free registration scheme and tax incentive awareness on the performance of SMEs in Gombe state. The study adopted survey cross-sectional research design and collected data using primary method through self-administered questionnaire from 166 SMEs operators in Gombe state. The collected data was analyzed using PLS-Structural Equation Modelling (PLS-SEM). It was found that free registration scheme and tax incentive awareness have significant positive influence on SMEs performance in Gombe state. Based on the findings of the study, it is recommended that government should sustain and expand the free registration scheme by targeting informal enterprises, rural women and youth entrepreneurs who are often excluded due to lack of awareness. It is also recommended that government should strengthen post-registration support because registration alone is not enough if it does not translate to tangible performance improvement. Hence, there is more need for access to finance programs, capacity building mentorship and market linkage initiatives. Lastly, government should intensify the awareness and sensitization campaign about the free registration initiatives and other tax incentives schemes through community leaders and media channels. This will encourage inclusive participation of micro businesses which help in achieving the goal of the initiatives.

Keywords: Free Registration Scheme, Tax, Incentive Awareness, Performance, SMEs.

INTRODUCTION

Globally, the importance of Small and Medium Scale Enterprises (SMEs) is considered essential for countries due to their contribution to the development and growth of economies more importantly in terms of job creations, poverty reduction, local industry development and wealth creation (Tengerapena et al., 2025). Equally, it was estimated the SMEs sector accounts for 90% of businesses and 63% employment in the global workforce (Akmal et al., 2024). In Nigeria, the Bureau of Statistics (NBS) in 2024 reported that the contribution of SMEs to GDP is about 50%, while more than 70% of the country's labor forces are employed by the SMEs (NBS, 2024).

However, ability of these enterprises to perform these roles effectively especially their contribution to the government through tax is depend on their performance, which is influenced largely by regulatory and institutional environment guiding the tax affairs (Digil et al., 2024). Also, lack of SME's transformation into full-pledge recognized entities continue to hinder their performance in terms of restricting their access to finance and other limitations as well as lack of awareness of the scheme and other tax incentives granted by the government.

In order to alleviate this hurdle, government has established free registration as one of the incentive schemes for SMEs in 2020 covering all states of the federation (Gombe state inclusive) in order to reduce one of the major barriers to formalization. It therefore encourages SMEs' participation in the formal economy that promotes their access to government support which eventually promotes their overall growth (Bonifaceet al., 2025). Also, the registration improves business credibility with customers, suppliers and financial institutions which lead to more opportunities and trust (Digil et al., 2024). Based on that, it can be seen that the registration scheme increases the enterprises' access to finance considering it as one of the prerequisite by financial institutions to provide financing. However, despite the potential streamlined process of the free registration scheme, it still requires some administrative paperwork which persists the challenge for some SEMs to fulfill. Either way, the free registration scheme is crucial to the performance and sustainability of SMEs in Nigeria.

Moreover, despite of the importance of tax incentives schemes on SMEs performance as highlighted earlier, it is apparent that many SMEs are not aware of the incentive and the benefits they derived to their enterprises (Olayeye, 2025). Awareness of tax incentives by the enterprises is crucial to enterprises' growth by improving their competitiveness because it enables them leverage the incentives to improve cost-effectiveness, product quality and market reach which are influential to the growth and sustainability (Tengerapena et al., 2025). Also, considering the higher rate of small business failure in Nigeria, awareness of tax incentives can influence SMEs business sustainability by reducing their risks of business failure because they are familiar with several governmental aids to their business advantage (Agha et al., 2016). In light of the foregoing, it is obvious that incentive awareness is crucial to the performance of SMEs in Nigeria.

Nonetheless, the motivation that triggered this study is the report of Nigeria Economic Summit Group reported which highlighted that the average required rate of SMEs' growth in Nigeria at 2024 is 3.5%, despite economic environment challenges. However, Pricewaterhousecoopers (PwC) reported that the SMEs growth in Gombe state in 2024 was 2.5%, which is quite below the national average and also below some northern states' SMEs' growth rate (PwC, 2024). Furthermore, it is evident that this poor growth and transformation has been persistent among Gombe state SMEs as Kingmakers Africa in 2020 reported that the state recorded SMEs growth of -18.4% and the it was ranked 29th out of the 36 states of the federation in terms of SMEs growth (Kingmakers Africa, 2020). Accordingly, the negative growth rate in 2020 and poor transformation rate compare to national average in 2024 implied that Gombe state SMEs are persistently not performing as expected majorly due to institutional challenges bedeviling the enterprises (PwC, 2024). These challenges include lack of statutory status as well as multiple and inconsistent tax policies that arebedeviling the Nigerian enterprises. In this regard, this study examined the free registration scheme and awareness of tax incentives on SMEs performance in Gombe state.

In light of the foregoing, insight from this study is of great value to government through various agencies by acting as basis for assessing the effectiveness of free registration initiative provided

by the government in promoting the performance of SMEs. Furthermore, assessing the significance of incentive awareness will promote the need for relevant authorities to intensify the outreach and education efforts based on the proposed recommendations of this study.

Research Questions

- i. Does free registration scheme significantly influence the performance of SMEs in Gombe state?
- ii. Does tax incentive awareness significantly influence the performance of SMEs in Gombe state?

LITERATURE REVIEW

Concept of SMEs Performance

Performance in general is the process of optimizing the organization's and equity holders' profits through competitiveness and productivity at the same time meeting the needs of group of individuals that are affect with the organization's activities (Nwoye et al., 2023). Accordingly, measuring performance is critical in today's business management environment as it enables managers to effectively monitor results, progress reports, and accurately identify business problems (Qiong& Ismail, 2024). Also, business performance refers to the benefits that business might receive as a result of using social media in terms of both financial and non-financial performance (Tijani &Ogundeko, 2020). In SMEs context, Enang et al. (2022) defined SMEs performance as the result of a comparison between the outcome and the objective of the enterprise, which makes fulfillment of stated objectives a certain measure of performance. Equally, the performance represents the SMEs' total value of goods and services they produced in the economy over a period, which is measure by their ability to create wealth in the economy (Boniface, 2025).

Concept of Free Business Registration Scheme

Business registration is the legal permission granted by the government through its relevant agencies to permit establishing a business or engage in a specific industry (Boniface, 2025). Without this registration, business operations are likely to be restricted by a legal and authoritarian structure that leads to unduly complicated operation procedures as well as time-consuming and expensive reporting procedures (Nuni&Feika, 2023). In this regard, the process of obtaining a business registration is another area that most businesses view as cumbersome. Equally, Dong et al. (2024) posited that business registration presents significant obstacles to the growth of SMEs that necessitates the extensive structural reform. Accordingly, free business registration scheme is a government initiated program that allows SMEs or some informal businesses to register their business names at no cost with the aim of promoting entrepreneurship and formalization of the informal sector (Ojochenimi et al., 2022). With this initiative, government covers the administrative cost of registering business name with relevant authorities like Corporate Affairs Commission (CAC) and SMEDAN in Nigeria making it eligible for small and low-income entrepreneurs (Nuni&Feika, 2023). The goal of the scheme is to promote the formalization of the informal business in Nigeria, encourage entrepreneurship among women, youth and low-income group as well as increasing the SMEs access to funding by becoming legally recognized entities (Ahmadu et al., 2025). It also widen the tax-base by onboarding more businesses into formal economy and also support economic inclusion by reducing the entry barriers (Ojochenimi et al., 2022).

Concept of Incentive Awareness

Tax incentive awareness is the knowledge of general provisions of tax liberations, tax procedures, knowledge of the taxation system in, and about the function of taxation in a given jurisdiction (Negara & Purnamasari, 2018). The incentive awareness is also the knowledge about tax rebates, child relief, and dividends and interests are important issues that show how educated an individual is about taxes (Le et al., 2020). Equally, tax awareness is a process where a taxpayer understands and knows tax regulations, laws and procedures and applies them to carry out tax activities such as paying taxes, reporting tax returns, among others, which will strive an act of good faith by a person to fulfill the obligation to pay taxes based on his sincere conscience (Aprilia et al., 2022). According to Kumala and Anisah (2021), taxpayer awareness is an attitude of understanding corporate or individual taxpayers to understand the meaning, function and purpose of tax payments and other related tax functions. Furthermore, tax awareness is a condition that someone knows, recognizes, respects, and obeys the applicable tax provisions and has the sincerity and desire to fulfill their tax obligations (Daniel & Esther, 2019). It is believed that awareness of taxpayers of the relieves granted by government through tax incentives and its importance of fulfilling their tax obligations to contribute to the development of their enterprises and the national as well as state economy is fundamental in increasing taxpayer compliance (Bernard et al., 2018).

Conceptual Framework

Independent variables

Dependent variable

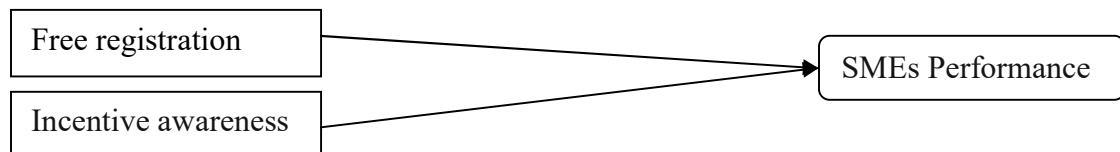


Fig. 1: Research Framework

Source: Developed by the researcher

Empirical Review

Nigerian government has introduced free registration scheme in 2020 as an incentive to SMEs in order to promote their growth. However, little attempt was given to that in literature which were reviewed in this study among other relief government policy studies. For instance, Ojochenimiet al. (2022) investigate the impact of government sustainable programs on the growth of SMEs in Nigeria amidst the COVID-19 pandemic. Primary data was collected from 100 respondents out of the 580 registered SMEs in Wuse business district in Abuja. The collected data was analyzed using multiple regression technique and found that free business registration, survival fund and government incentives have significant influence on SMEs growth in Abuja Nigeria. Similarly, Ahmadu et al. (2025) examined the effect of government policies and SME support programs on growth and development of SME in Abuja. A survey method was employed to collect data from SME owners amounting to 135 questionnaires administered. Linear regression analysis was used to analyze the data. The findings revealed that both government policies and SME support programs are influential in SMEs' growth and sustainability.

In the same vein, Usmany (2024) examines the impact of government regulations on small business performance through a comparative analysis of 20 countries in the world. The collected

data was analyzed using descriptive, correlation, multiple regression and comparative analyses. Findings indicate that simplified business registration, flexible labor market regulations, favorable taxation policies, and improved access to credit significantly enhance small business growth, profitability and innovation. Also, Nuni and Feika (2023) assessed the nexus between regulatory frameworks and SMEs growth in Sierra Leone. The study adopted a descriptive research design that collected primary data from a sample of 100 using questionnaires. Descriptive analysis was done using SPSS v26 and Microsoft Excel. The study found that the major problem that affects SMEs growth is their informality due to lack of regulatory recognition and licensing. Impliedly, the simplicity of the registration process strongly improves the SMEs growth in Sierra Leone.

Alabi et al. (2019) evaluates the impact of government policies on business growth of small and medium enterprises that operates in six states that made up the South-west geopolitical zone of Nigeria. The study adopted descriptive ex-post facto type and involved both primary and secondary data. Structured questionnaires were used as the main tools data collection from 560 SMEs. Both the descriptive and inferential analytical techniques of simple regression were used to analyze the data with SPSS. The result of this research shows that there is a significant relationship between government policy and SMEs business growth in South Western Nigeria. Contrarily, Boniface (2025) investigates the effect of government policies on the survival of small businesses in Nigeria. The government policies considered includes credit policy, tax policy, and licensing policy. Using a descriptive survey design, the study gathered primary data through a structured questionnaire from a sample of 124 respondents. Data analysis was conducted using descriptive statistics and regression analysis with the aid of SPSS Version 25, complemented by a SWOT analysis. The findings reveal that while government credit policies have a significant positive impact on the survival of small businesses, government tax and licensing policies shows insignificant effect. In accordance, Ding (2024) examined the impact of tax incentives on the growth of SMEs in China for the period of 2023 to 2025. National tax incentive policies, regional tax incentive policies and industry specific policies were used to proxy the tax incentives. The study used secondary data obtained from China Industrial Enterprise Database of 31,524 sampled SMEs in China, which was analyzed through fixed effects regression model analysis. The study found that industry-specific tax incentive (free business registration incentive peculiar for SMEs in this context) does not have significant influence on SMEs growth while national and regional incentives have negative and positive influence on SMEs growth respectively.

Theoretical Review

Institutional Theory

Institutional theory was propounded by Meyer and Rowan in 1977 in their seminal work titled “Institutionalized Organization: Formal Structures as Myth and Ceremony”. The theory is based explores how structures, norms and practices within organizations are shaped by the broader social, political and cultural environment (Meyer & Rowan, 1977). It emphasizes the role of established institutions such as laws and regulations in influencing organizational behavior and decision-making (Qiong& Ismail, 2024). Also, the theory buttressed that organizations do not operate in isolation but are deeply embedded in, and constrained by institutional framework around them (Prasannath et al., 2024). As such, organizations change due to external pressures such as legal regulations, government enforcement and powerful stakeholders (Scott, 2008). According to the theory, many formal organizational structures arise as a result of rationalized

institutional rules, which functions as a myth that organizations incorporate to gain legitimacy, resources, stability and enhance survival prospects (Meyer & Rowan, 1977).

In light of the foregoing discussions, Institutional theory is adopted to underpin the relationship between free registration and SMEs performance by considering the registration scheme as institutional intervention to encourage informal businesses to become formal. This intervention is important because many micro and small businesses remain informal due to high cost of business name registration in Nigeria. Therefore, removing the registration cost by the government reduces some of the formalization barriers through registration which enable the enterprises to have greater access to capital, government support and benefit from tax incentives. These opportunities enhance SMEs credibility and operational scale which ultimately improve their performance under the proposition of institutional theory.

The theory also supports the relationship between incentive awareness and performance by focusing on how formal structures shape organizational behavior. However, these structures cannot contribute to any success if the potential beneficiaries are not aware of it, which make awareness of the institutional policies (like tax incentives) crucial to entities by creating a link between the policies and its impact. In this context, lack of awareness prevents the SMEs from taking advantage of cost-reducing tax incentive benefits that can improve their cash flow and competitiveness. Therefore, awareness reinforce the relevance of institutional policies like tax incentives by making them more impactful to the SMEs success especially in a business-developing area like Gombe state.

METHODOLOGY

The methodology aspect of this research entails the research design, population, sampling approach, method of data collection and method of data analysis. The research design employed by this study is cross-sectional survey research design. It is a survey because it entails going to the field for data collection, while it is cross-sectional because it involves one time data collection from individuals. The population of this study is 1266 SMEs registered with Gombe State Ministry of Commerce and Industries. The study used Taro Yamane formula to arrive at 303 students as the sample size which were selected using random sampling. In addition, the method of data collection was primary method using questionnaire distributed to the students in the aforementioned universities under study, while the inferential analysis and hypotheses testing was done using Partial Least Square-Structural Equation Modelling (PLS-SEM).

Model Specification

$$\text{SMEP} = \beta_0 + \beta_1 \text{FBR}_i + \beta_2 \text{TIA}_i + \epsilon$$

Where: SMEP = SMEs' Performance; FBR = Free Business Registration; TIA = Tax Incentive Awareness and ϵ = error term.

Presentation of Results

A total of 303 questionnaires were distributed to the selected SMEs. However, up to 189 questionnaires representing 62.4% were retrieved out of which 23 questionnaires representing 7.6% were rejected due to incomplete information of the respondents. This makes valid and useful questionnaires to be 166 representing 54.8%. The rate is considered appropriate 30% of the total response is considered adequate for survey analysis (Sekeran & Bougie, 2013).

PLS Path Model Result

Regarding the inferential statistics, PLS-SEM with SmartPLS software was used in this study for hypotheses testing. The PLS-SEM has two different stages which involve the definition of

connections among the exogenous latent constructs and their indicators and it refers to as Measurement Model (MM). On the other hand, the second one is the measurement of Structural Model (SM) which defines the relation among endogenous and exogenous latent constructs (Hair et al., 2016). Accordingly, the MM was assessed using five criteria: including indicator reliability, internal consistency reliability, convergent validity, discriminant validity, and model fit evaluation, while the SM was used for hypotheses testing.

Indicator Reliability, Internal Consistency Reliability and Convergent Validity

Indicator reliability assesses the consistency of indicators in measuring their underlying latent construct. Basically, Hair et al. (2016) proposed 0.70 and above as the threshold of accepting indicator reliability or outer loadings of each latent construct. However, it is claimed that an indicator with the loading of 0.4 could be retained if its deletion would reduce the composite reliability. In this regard, out of the 19 indicators of the 3 variables in this study, none of the items were deleted because even the item with less than 0.7, their deletion leads to lower composite reliability. Furthermore, internal consistency assessed how multiple indicators under the same construct yield consistent result (Ramayah et al., 2018). The reliability was assessed using composite reliability in SmartPLS based on the criteria that it should be 0.60 or more (Hair et al., 2016). Furthermore, convergent validity evaluates whether multiple indicators of the same variable are highly correlated and measure the intended construct. The most commonly used measure of convergence validity is the Average Variance Extracted (AVE), with a minimum threshold of 0.5. Accordingly, Table 1 presents the results of indicator reliability, internal consistency reliability and convergent validity of the retained indicators.

Table 1: Indicator Loadings, Composite Reliability, and AVE of Latent Constructs

Latent construct	Items	Item Loading	Composite Reliability(rho_c)	AVE
SMEs Performance	SMEP1	0.741	0.869	0.558
	SMEP 2	0.607		
	SMEP 3	0.706		
	SMEP 4	0.726		
	SMEP 5	0.820		
	SMEP 6	0.827		
	SMEP 7	0.782		
Free Business Registration	FBR1	0.694	0.852	0.576
	FBR2	0.791		
	FBR3	0.653		
	FBR4	0.798		
	FBR5	0.790		
	FBR6	0.813		
Tax Incentive Awareness	TIA1	0.693	0.834	0.538
	TIA2	0.739		
	TIA3	0.675		
	TIA4	0.830		
	TIA5	0.743		
	TIA6	0.713		

Source: Researcher's compilation with PLS-SEM 4.0

Accordingly, in line with the result depicted in Table 1 and Figure 2, the items' loadings range from 0.607 (SMEP2) to 0.830 (TIA4), which means the values of the loadings are within the accepted threshold discussed earlier. The items with less than 0.70 were retained because their deletion reduced the composite reliability of the latent constructs as suggested by Hair et al. (2016). Moreover, the composite reliability of all the latent constructs is displayed in the table were 0.869, 0.852 and 0.834 for SMEs performance, free business registration and tax incentive awareness respectively, which all exceeded the minimum of 0.60 thresholds for exploratory research, confirming that all the latent constructs had strong internal consistency. Furthermore, Average variance extracted values were 0.558, 0.576 and 0.538 for SMEs performance, free business registration and tax incentive awareness respectively, which were also above the minimum threshold of 0.50, indicating that the constructs have strong convergence validity.

Discriminant Validity

This study used Fornell-Larcker criterion as the discriminant validity model established through a comparison of the square roots of AVEs and the inter construct correlations between constructs. Discriminant validity is the extent to which a particular latent construct differentiates itself from other constructs and it is computed to ensure that the scale used to measure a different construct is certainly measuring a distinct one (Ramayah et al., 2018). The outcome demonstrates that the measurement model of this study has achieved good discriminant validity as depicted in Table 2.

Table 2: Discriminant Validity

	FBR	SMEP	TIA
FBR	0.756		
SMEP	0.665	0.747	
TIA	0.612	0.631	0.734

Source: researcher's compilation in PLS-SEM 4.0

Given the values obtained in Table 2, the first value of the free business registration' square root of ACVE is 0.756, which is greater than all the values of the shared variance between the free registration, SMEs performance and the awareness which showed 0.665 and 0.612 respectively. For the SMEs performance and tax incentive awareness, the root of AVE were 0.747 and 0.734, which were highly greater than the values obtained on its relationship of other constructs.

PLS-SEM Results of the Significance of Path Coefficients

The significance and relevance of PLS-SEM structural model were evaluated based on the t-statistics and p-values obtained using 5,000 bootstrapped samples in Smart PLS-4.

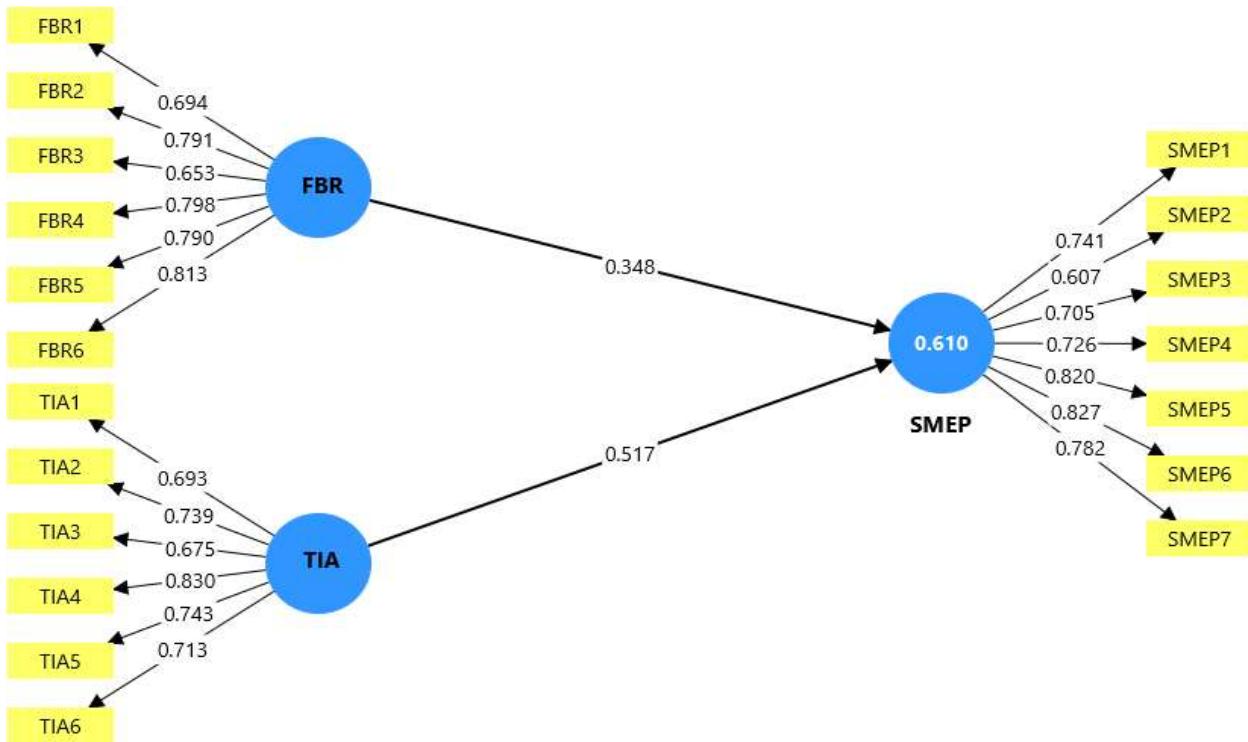


Figure 2: PLS-SEM Structural Model

Table 3: Structural Estimates

Hypotheses	Relationship	B	T statistics	P values	Decision
H1	FBR -> SMEP	0.348	6.356	0.000	Accepted
H2	TIA-> ENA	0.517	9.805	0.000	Accepted

Note: Significant at the * $p < 0.05$ level; ** $p < 0.01$ level; and *** $p < 0.001$.

Discussion of Findings and Hypotheses Testing

Discussion of studies' result presents the implication of the finding as well as the justification of the findings with previous studies. The first objective of the study assesses the influence of free business registration scheme on SMEs' performance in Gombe state of Nigeria. This led to the development of first hypothesis which stated that "free business registration has significant influence on SMEs performance". Accordingly, the result evident from PLS-SEM analysis revealed that, free business registration scheme has significant positive influence on SMEs' performance based on the coefficient and p-value of 0.348 and 0.000 respectively. This implies that increase in the spread and effectiveness of free registration scheme lead to an increase in the performance of SMEs in Gombe state and vice versa. Based on that, the study is able to accept the first alternate hypothesis, which predicted a significant influence of free business registration on performance. Accordingly, the result is supported with the finding of Ojochemimiet al. (2022) which investigate the impact of government sustainable programs on the growth of SMEs in Nigeria amidst the COVID-19 pandemic. The study found that free business registration, survival fund and government incentives have significant influence on SMEs growth in Abuja Nigeria which is confirmed by the present study in Gombe state. The result is also justified with Usmany (2024) which examined the impact of government regulations on SMEs' performance among 20 countries in the world. The study found that simplified business registration, flexible

labor market regulations, favorable taxation policies, and improved access to credit significantly enhance small business growth, profitability and innovation.

Furthermore, regarding the second objective, the PLS-SEM result showed that tax incentive awareness has a strong positive relationship with SMEs performance in Gombe state by considering the coefficient value of 0.517 and 0.000. In this regard, the second alternate hypothesis which projected a significant positive influence of tax incentive awareness on SMEs performance in Gombe state is accepted. This implies that increase in tax incentive awareness and campaign among people in Gombe state lead to greater performance by the SMEs by benefiting from the incentives and vice versa. Accordingly, the result is in line with the finding of Ding (2024) which examined the impact of tax incentives on the growth of SMEs in China for the period of 2023 to 2025. The study found among others that regional tax incentives and awareness significantly promote SMEs growth, which is similar to the finding of present study. Similarly, the result aligns with Kumala and Anisah (2021) examined the effect of tax awareness, tax rates and taxpayer awareness on the compliance of individual taxpayers of SMEs in Bekasi City, Indonesia. The study found a positive and significant influence of tax awareness on tax compliance and enterprise performance in Indonesia.

CONCLUSIONS

This study aimed to investigate how free business registration and tax incentive awareness affect SMEs performance in Gombe state. After the scientific approach to achieve the study's objective, it was found that both predictors significantly lead to improvement in SMEs performance in the study area. In view of that, the study concludes that the free business registration scheme improve the SMEs formalization to a greater extent by converting informal micro and small enterprises into registered businesses that operate within the legal and regulatory framework. However, there is limited awareness about the initiatives as most of the micro businesses within the state especially in the rural communities are not aware of the scheme, which limit its effectiveness in transforming the SMEs. Furthermore, the study concludes that there is enhanced utilization of tax incentives by SMEs especially among urban areas of Gombe state which enable the enterprises to better utilize the available tax reliefs and exemptions. This increased their financial capability to reinvest the surplus for business growth.

RECOMMENDATIONS

In line with the findings obtained and discussed earlier in this study, these recommendations were proposed for policymaking as follows:

- i. This study advised MSMEs to take full advantage of the free business registration initiatives by promptly registering their enterprises with Corporate Affairs Commission (CAC) and relevant local authorities. This will enable to formally access government contract, access credits and enjoy other formal economic benefits.
- ii. Secondly, Nigerian government is recommended to sustain and expand the free registration scheme by targeting informal enterprises, rural women and youth entrepreneurs who are often excluded due to lack of awareness.
- iii. It is also recommended that government should strengthen post-registration support because registration alone is not enough if it does not translate to tangible performance improvement. Hence, there is more need for access to finance programs, capacity building mentorship and market linkage initiatives.

iv. Furthermore, business owners are advised to continuously seek for tax education by proactively participating in tax education workshops, training and sensitization programs organized by tax authorities and business associations to stay updated about available incentives and compliance requirement.

v. Lastly, government should intensify the awareness and sensitization campaign about the free registration initiatives and other tax incentives schemes through community leaders and media channels. This will encourage inclusive participation of micro businesses which help in achieving the goal of the initiatives.

Suggestions for Future Study

This study makes a great effort in assessing the influence of free registration scheme and tax incentive on SMEs performance in Gombe state. Despite this effort, the study was limited to enterprises in Gombe state which could limit the generalization of the findings to other states. As such, future studies are suggested to extend the study into other states or northeastern Nigeria in order to enhance the regional relevancy of the result. In addition, the study was able to explain only 61% of SMEs performance in Gombe state which gives avenue for other studies to include other constructs as contribution.

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APPENDIX

SMEs PERFORMANCE

S/N	QUESTIONS	SA	A	U	D	SD
SP1	The enterprise registered an increased sales revenue over the years					
SP2	The business has more outlets/branches now compared to the previous years					
SP3	The asset base of the business has been expanding significantly over time					
SP4	There is an increased customer base compared to main competitors					
SP5	Tax incentive policies have significantly improved my business's net profit margin					
SP6	Tax incentives reduce operational costs which increase the return on investment					
SP7	The Nigerian tax system has a significant effect on the net profit margin of my business.					

FREE BUSINESS REGISTRATION

S/N	QUESTIONS	SA	A	U	D	SD
FBR1	Government free registration policy for SMEs reduce the problem of lack of access to credit and financial services,					
FBR2	Free registration policy lowers the difficulty in expanding a business which cannot be openly advertised.					
FBR3	Government registration scheme promotes legal protection as formal businesses					
FBR4	The registration policy lower operating costs, which helps small firms perform					
FBR5	Government registration laws loose the rigid administrative procedure for the benefit of small businesses					
FBR6	Government registration policies guarantee benefit realization for small businesses to thrive.					

TAX INCENTIVE AWARENESS

S/N	QUESTIONS	SA	A	U	D	SD
IA1	Government makes publicly available information about tax incentives for SMEs					
IA2	The SMEs are aware of the country's tax incentives provisions' eligibility					
IA3	The SMEs' staffs are knowledgeable and aware of tax incentive laws and procedures.					
IA4	Recognizing fairness in tax incentive increases the possibility of benefiting from it					
IA5	The SMEs know the authority that has the final say on tax incentive purposes					
IA6	The SMEs are aware of the process to qualify any asset or service for incentive					