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Impact of Heavy Taxation on Israel During Solomonic Era: Implications for Nigerian Tax System

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Abstract

Over time, the tax systems have been a major source of revenue generation for several governments. Its history dates back to Bible times. Tax therefore becomes the civic responsibility of individuals and corporate organizations with the understanding that its proceeds will enhance governmental projects for the benefit of the society. However, history has shown that the implementation of tax policies by different governments have at different times resulted in double or multiple taxation of the citizens. Hidden under the garb of 'development' and 'improvement' of the wellbeing of the society, these administrators exploit the people and at the end poverty is further entrenched. The paper attempted a critical look at tax policies and its administration in ancient Israel during the Solomonic Era – a time when the Bible said Israel 'prospered', and its impact on the populace. The implications of such impact on the Nigerian tax systems were drawn in an attempt to avert extreme effects like dissension. We discovered that the Solomonic Era was characterized by heavy taxation. Beyond the multiplicity of direct tax, thousands of Israelites were drawn into unpaid labor force. The study noted the replication of Solomonic tax system in Nigeria and recommended an urgent reform in the Nigeria's tax administration as well as value re-orientation aimed at curtailing corrupt bureaucracy.

Key Words: Multiple Taxation, Solomonic Era, Tax Administration, and Corrupt Bureaucracy

Introduction

The burden of multiple or heavy taxation have been known since Bible times. From an era of 'common wealth' when all property was vested in the family or tribe, to the rise of individualism, the advent of more advanced civilization, regular taxation has become inevitable. Throughout history the burden of taxation has kept pace with the elaboration of the machinery of government; kings, courts, ceremonials, legislative and judicial administration, wars, diplomacy--all these institutions spell expense and, consequently, taxation. In a very real sense, the history of taxation is the history of civilization (Matthews in *BibleWorks*, 2007). In ancient Israel the tax system included 'tithes', land, property, tribute, head tax and so on. The burden of heavy taxation however became more pronounced

during the monarchy when Israelite kings placed huge tax on the people to sustain their elaborate administrative and related issues.

A critical look at 1Kings 12: 1 – 4 which records the agitation of the Israelites over the burden of heavy taxation and forced labor and its attendant impact on the Israelite monarchy under Rehoboam gives insight to the extent at which Solomon exploited his subjects under the garb of national and international achievements. The above scenario and its latter impact will serve as benchmark for drawing timely implications for the Nigerian tax system which many believe is plagued with an increase in the informal sector (Obri, 2006), on the one hand, and heavy taxation on the other hand, which according to Sam Ohuabunwa (2008) has had and continues to have dire consequences on the

sustenance of enterprise development and the quality of life of Nigerians and residents.

The remainder of this Paper is organized as follows: following the introduction in section 2, we discuss tax systems in the Bible, section 3 presents the state of Israel during Solomonic Era, section 4 highlights Solomon's Tax Policies and their Impact on Israel, section 5 looks at the Nigerian tax system and the burden of heavy taxation, Section 6 examines the implications of heavy taxation in Nigeria while section 7 concludes and proffers some recommendations.

Tax Systems in the Bible

Like all primitive communities, the nomadic Hebrews had no regular system of taxation or use for any. Voluntary presents were given by the less to the more powerful in return for protection or other advantages. In Genesis 14: 18 – 24, Abraham gave a tithe, that is, a tenth of all the spoils of war to Melchizedek. Genesis 32:13 – 21 records Jacob's presentation of gifts to Esau to appease him. The refusal to bring some gifts to Saul during his coronation was considered a slight (1 Sam 10:27). Such tradition according to Sweet (2007) became one great tap-root of the whole after-development of systematic taxation. Exodus 30:11 – 16 records the only fixed tax under theocracy where half-shekel was paid as ransom for Israelites that have reached 20 years (census age). The proceeds of this tax were used for the service of the Tent of Meeting.

The first evidence of what corresponds to compulsory taxation discoverable in the Bible is in connection with the conquered Canaanites who were compelled to serve under tribute, that is, to render forced labor (Joshua 16:10; 17:13; Judges 1:28 – 35). In the early custom of making presents to the powerful and in the exactions laid upon conquered peoples, with the necessary public expense of community life as the natural basis, we have the main sources of what grew to be institutional taxation. Generally speaking, the period of the Judges was too disorganized and chaotic to exhibit many of the characteristics of a settled mode of procedure. It seems the only source of public moneys was the giving of presents.

Taxation assumes far greater prominence during the monarchy. Either prospectively or retrospectively, 1 Sam. 8:10 – 18 elucidates a fairly exhaustive list of royal prerogatives. Aside from various forms of public and private service, the king would take (note the word) the best of the vineyards, etc., together with a tenth of the seed and of the flocks. The underlying principle, suggested by Samuel's summary and fully exemplified in the actions of Israel's kings, is that the king would take what he required to meet his public and private needs from the strength and substance of his people. Constitutional laws regulating the expenditure of public funds and the amount of exactions from the people in taxation seem never to have been contemplated in these early monarchies. The king took what he could get; the people gave what they could not hold back. The long battle for constitutional rights has centered from the beginning about the matter of taxation. In 1 Sam 17:25 exemption from taxation is specifically mentioned, together with wealth and marriage into the royal family, as one element in the reward to be obtained for ridding Israel of the menace of Goliath.

In David's time an unbroken series of victories in war so enriched the public treasury (see 2 Sam 8:2, 7, 8) that we hear little of complaints of excessive taxation. His habit of dedicating spoil to Yahweh (2 Sam 8:10 – 12) kept the sacred treasury well supplied. Solomon undoubtedly inherited David's scale of public expense (1 Chron. 27:25 – 31) and added to it through his well-developed love of luxury and power. At the same time the cessation of war made the development of internal resources for carrying on his ambitious schemes imperative. Much of these as we will see later accrued from heavy taxes and forced labor.

In the days that followed the divided monarchy, one recurring specification in the denunciations uttered by the prophets against the kings was the excessive burden of taxation imposed upon the people. Amos speaks of "exactions of wheat taken from the poor" (5:11; compare 2:6 – 8). In Chapter 7:1 Amos incidentally refers to a custom which has grown up of rendering to the king the first mowing of grass. Isaiah speaks of eating up the vineyards and taking the spoil of the poor (3:14). Micah, with even

greater severity, denounces rulers "who eat the flesh of my people" (3:1-4). These citations are sufficient to show that all through the later monarchy the Israelites suffered more or less from official rapacity and injustice (Ibid). On the other hand, Israel became a vassal state, paying tribute – a compulsory tax to the Assyrians (2Kings 18:13 – 16). In Nehemiah 5:3 – 5, post-exilic returnees from Persia lamented over the heavy burden of the King's tax which has led families into slavery.

During the time of Christ in the first century Israel, the burden of heavy taxation was predominant. Israel was under the rulership of the Romans who believed the provinces were to carry the heavy weight of administering the Empire. Judea, for instance, was in Syria and every man was to pay 1% of his annual income as income tax. Added to that were import and export taxes, crop taxes (1/10 of grain crop and 1/5 of wine, fruit, and olive oil), sales tax, property tax, emergency tax, and so on. These taxes paid for a good system of roads, law and order, security, religious freedom, and certain amount of self government and other benefits. Rather than make a direct collection of these revenue, the Roman official (censor) sells the right to extort tax to the Jewish highest bidders who were referred to as publicans. These were hated by the populace for entering into agreement with 'gentiles' (<http://www.bible-history.com>).

Israel during the Solomonic Era

Norman Gottwald (1986) submits that the Solomonic era in Israel constituted a paradigm shift in Israelite monarchy in the areas of wisdom, territorial establishment, building projects, international relations, luxury, and heavy taxation. Solomon became successor to David after a 'palace coup' that laid aside Adonijah, his half-brother who was first in the line of succession (1Kings 1 – 2). To strengthen his throne, Adonijah and Joab – David's military commander, were executed while Abiathar the priest was removed and banished to Anathoth. God granted Solomon's request for wisdom. He was also assured of riches, honor and long life, if he remained obedient. His wisdom as king of Israel became a sense of wonderment which attracted

international attention (1Kings 10:1 -13, 1 Chron. 9:1 – 12).

Although Solomon's kingdom may have been very simple at the beginning, Schultz and Smith (2001) submit that it became a vast organization in the course of controlling his vast empire. He spent 20 years building the Temple in Jerusalem and his palace and other cities for administrative purposes. In fulfilling these gigantic projects, Solomon also expanded his international ties with other nations which further increased his wealth and prominence. But in the last part of his reign, alliances with foreign rulers which were consolidated by marriage (1 Kings 11:1-8), led him into taking many wives from among the Egyptians, Moabites, Ammonites, Edomites, Sidonians, and Hittites. Consequently, he permitted idolatry to prevail in the temple he erected to God and that ultimately set the stage for the collapse and end of the united monarchy.

Solomon's Tax Policies and their Impact on Israel

Hooker (2012) affirms that Solomon's tax policies were tied to his so-called developmental strides. Following after the opulent monarchies of the Middle East and Egypt Solomon mixed up wisdom and shrewdness in his dealings with the people. The following aspects of his dealings are germane to understanding the kernel of the study:

Solomon's Building Projects

While Solomon spent 7 years building the magnificent Temple in Jerusalem, he spent 13 years in constructing his palace and a fabulously wealthy capital in Jerusalem. He built fortified towns –Megiddo, Hazor, Gezer, Beth-Horon as well as store-cities and garrison-towns for his cavalry; together with impressive water conduits which allowed the cities to withstand sieges (Hoffman, 2012). Archeology has furnished testimony that Solomon's building and industrial activities were even more extensive than might be concluded from the vivid account of the Book of Kings. Added to his maritime ventures, the king drew heavily upon Phoenician skill in these building constructions. Hooker (2012) affirms that all of

this building and wealth involved imported products: gold, copper, and cedar, which were available in Israel. So Solomon taxed his people heavily, and what one could not pay for in taxes, he paid for in land and people. He gave twenty towns to foreign powers, and paid Phoenicia in slave labor: every three months, 30,000 Hebrews had to perform slave labor for the king of Tyre.

Solomon's International Relations

Consolidating the international influence of his father David, King Solomon enjoyed the fruits of his commercial and political ties with neighboring lands. Hoffman (2012) observes that he entered into alliance with Hiram, King of Tyre, who provided him with cedar wood for building the Temple. Beyond the supply of building materials, the alliance with Tyre extended his commercial enterprises through the construction of a "fleet of ships" at Ezion-geber on the Gulf of Aqabah, an arm of water extending northward from the Red Sea (1 Kings 9:26 – 28, 10:26). Anderson et.al. (2007) elucidate that in cooperation with the King of Tyre, Solomon's ships navigated the distant parts of the Mediterranean, providing Israel with an important seaport that Palestine lacked. Recent archeological findings also indicate that Ezion-geber was a large refining center of iron and copper in the days of Solomon. Aided by Phoenician engineers, the city became the "Pittsburgh of Palestine". Control of this metal industry placed the Israelites in an advantageous position in commerce and trade (Schultz and Smith, 2001). This league with the Phoenician marine experts brought wealth into Palestine through Phoenician ports (1 Kings 10:22), enabling Solomon with much skill in exploiting the area of the Red Sea and Indian Ocean.

To strengthen international ties and to secure the future peace and security of his realm, Solomon married many foreign women. For instance, the Egyptian Pharaoh (presumably Siamun of the twenty-first dynasty (Hooker, 2012) or Amenhotep III of the 14th Century B.C. (Pope, 2004) gave his daughter as wife to Solomon. He also gave the town of Gezer, an important and strategic Canaanite city in the Shephelah near the maritime Plain as part of her

dowry (1 Kings 3:1 – 12). To this woman he built a royal porch after the beauty and magnificence of the Temple and his palace at the expense of the Israelite community (1 Kings 7:8 – 12). Ignoring the Deuteronomic injunctions on how kings will behave (2 Samuel), Solomon took for himself 700 wives and princesses, and 300 concubines, who in later years turned his heart away from God into idolatry. Matrimonial alliances and foreign royal families, together with political treaties and commercial relations bestowed on Jerusalem an international importance evidenced by the visit of the Queen of Sheba (1 Kings 10).

After centuries of endless warring, the people finally found 'peace': "Judah and Israel continued at peace, every man under his own vine and fig-tree" (1 Kings 5:7). However the Israelite society paid dearly for this peace. Solomon's enormous projects imposed a heavy yoke on his subjects. In addition to taxes paid in cash and in kind, tens of thousands of men were recruited into forced labor. Toward the end of Solomon's reign, internal tensions intensified giving way to decline in international standing. The vital monopoly on trade in the international corridor was jeopardized when Edom and Aram-Damascus revolted. Saddled with a growing deficit, Solomon agreed to give away twenty cities in Asher to Phoenicia in return for precious metal (Gottwald, 1986). Hoffman (2012) sums it up that Egypt – Solomon's former ally- began to give shelter to his enemies. Though not in his days, the United Kingdom was doomed for division.

An important source of revenue for the royal treasury was the king's remarkable expansion of industry. Taking full advantage of the peculiar favorable conditions which existed both by land and by sea, he expanded trade to a remarkable degree. The domestication of the Arabian camel from the twelfth Century B.C. onward brought with it a tremendous increase in nomadic mobility. Caravans could now travel through deserts whose sources of water might be two or three days apart. Through a firm control of the frontier districts of Zobah, Damascus, Hauran, Ammon, Moab and Edom Solomon monopolized the entire caravan trade between Arabia and Mesopotamia from the Red

Sea to Palmyra (“Tadmor” 2 Chron. 8:4), an oasis 140 miles northeast of Damascus, which he built (1 Kings 9:18). With such control over virtually all the trade routes both to the east and the west of the Jordan, the Israelite monarch was able to increase substantially the revenue flowing into the royal coffers by exacting tolls from the merchants passing through his territories (1 Kings 10:15).

The monarch did not only fortify his army with horses and chariots but rather, taking advantage of the monopoly of control over the entire trade routes, he traded on the two. Solomon’s horses were imported from Egypt and Kue. They purchased a chariot for 600 shekels of silver and a horse for 150. They in turn exported these horses and chariots to the Hittites and Arameans. Solomon also became the commercial middleman between Egypt and Asia Minor, having a complete monopoly on the horse and chariot trade: four Cilician horses being exchanged for one Egyptian horse (www.theology.edu).

Solomon’s Domestic Economy

Within his own realm the Israelite monarch took important administrative steps to both further his prosperity and to siphon a considerable portion of the vastly augmented national income into the royal treasure to finance his luxurious style of living and his ambitious building and commercial ventures. Gottwald (1986) asserts that Solomon launched an ambitious program of political economy calculated to increase the wealth of his kingdom dramatically. Like the Pharaohs of Egypt, Solomon carried out his program of expansion by means of harsh measures (Anderson et.al, 2007). The following strategies are worthy of note.

First, having the understanding that his basic resources were the agricultural surpluses of peasants, Solomon for a time relied on the old tribal administrative districts of his father to pay for his tremendous overhead. But before long, he divided his kingdom into twelve tax districts. This administrative system was tightened by appointing officials in each of the new districts, thereby centralizing the command structure (1 Kings 4:7 – 20). By this new system one district

each month was responsible for the provisions of king and palace, a heavy financial burden. Shultz and Smith (2001) provide insight that ‘one day’s supply for the king and his court of army and building personnel consisted of over 300 bushels of flour, almost 700 bushels of meal, 10 fattened cattle, 20 pasture-fed cattle, 100 sheep, plus other animals and fowl (1 Kings 4:22, 23).

Through such stringent measures he provisioned his court with sumptuous food and the temple with lavish sacrifices supplied from districts of roughly equal economic clout – although the tribes had been unequal in size and productivity. Anderson et.al (2007) note that the boundaries of several tribal territories were deliberately changed in a move to eliminate the last remnant of tribal independence. Through this measure he hoped to control or neutralize the dangerously powerful northern tribes. However, his exemption of Judah from tax with the aim of solidifying home support only strengthened impending revolt.

Second, in order to secure his booming economic empire and the income from trade through tolls on caravans in transit and to avert insurgence from his loyalists, he reached for military superiority by building massive fortifications and equipping large chariot forces (1 Kings 4:26). On the one hand, Gottwald (1986) observes:

The economic surge that began so bravely ran into grave difficulties. So, forced economic development pushed Solomon into policies that were mutually contradictory and issued in diminishing returns. In order to create a privileged upper class of economic non-producers, he had to draw on expanding agricultural and commercial surpluses. He could only gather such forced wealth if he had a strong military establishment, which was itself exorbitantly costly, so that his resources were spread thinner and thinner. On the other hand, Solomon also built a number of chariot cities among which were Jerusalem, Hazor, Megiddo, and Gezer (1 Kings 9:15 – 19). To his armed forces he added 1,400 chariots and 12,000 horsemen which were stationed in the aforementioned cities to ward off external threats and to ensure absolute compliance in his

internal and external revenue drive. This, Schultz and Smith (2001) note ‘increased the burden of taxation to include a regular supply of barley and hay’.

Third, the elaborate building projects and sustenance of international relations led to Solomon’s policy of forced labor. Anderson and others (2007) submit that though much of the slave labor for the building projects was drawn from conquered peoples, Solomon also brought the lash down upon his own people. In 1 Kings 5:13 – 18 we learn that 30,000 Israelites were conscripted and sent off to the labor camps in Lebanon one month out of every three. In the North they felled the great cedars of Lebanon, floated them down to Phoenician coast of Joppa, and from there hauled them over the hills of Jerusalem. They conclude that 80,000 Israelites were reportedly put to work in the stone quarries, and 70,000 toiled as burden-bearers. In sum, the great Temple and other costly buildings were completed at tremendous human cost. The monarch was clinical to the extent that there was no hiding place for the common people. Explaining the extent of Solomonic capitalist, selfish, and desperado policies, Gottwald (1986) affirms: ... to accomplish his construction of fortifications and to expedite his beautification of Jerusalem architecturally he forced his subjects into corvee labor gangs. ... In effect, the king commanded the laboring people to do tasks that contradicted one another: Stay on the land and produce more crops for export! Leave the land and serve in the army and build the cities!

Taxation and corvee angered the populace no wonder, then, that the pent-up resentment of the people eventually exploded into revolution by the end of Solomon’s reign. This, it would seem, is what Samuel meant when he said the people would pay dearly for having a king. Against the portrait of a good king in 2 Samuel and the rest of biblical account, Hebrews living under him did not think so.

The Nigerian Tax System and the Burden of Heavy Taxation

The tax terrain in Nigeria is very expansive. As Ipaye (2002) observes, “from Petroleum profits

tax to tenement rate imposition, there is a wide array of taxies and levies in between”. Both individuals and companies are involved. But it should be noted that whether taxes are imposed on corporate entities or individuals, the ultimate burden of the taxes are borne by the citizens of the state. Tax by its nature is a compulsory levy on citizens and organizations resident in a country and deriving income there-from. It imposes an obligation on the citizen for which the government owes no explanation to the citizen and the citizen may not receive equivalent benefits in return (Nzotta 2007). In other words, government’s power of imposition of tax is not dependent on conferment of benefits but is essentially an exercise of sovereign power.

Ohuabunwa (2008) observes that though payment of taxes to a sovereign authority (Nation or State) came with the colonial government, the concept of taxation predated colonial Nigeria. Today, the constitutional powers conferred on the government to collect taxes and levies are not in dispute. What is in dispute most times is the appropriate utilization of the taxes for the common good.

The major source of burden of taxation on the citizens comes from ineffective and inefficient tax administration in Nigeria. The taxes imposed on corporations and individuals in Nigeria are a mixture of direct and indirect taxes, most of which are separately imposed on the same tax payer by the three tiers of government – Federal, states and Local Governments. In this regard, Ipaye (2007) lamented that “Multiplicity of taxes is a consequence of Federalism, where the Federal Government, the State Governments and the Local Government share not only sovereignty but tax payers”. Although the precise origin of multiple tax practice in Nigeria is a little bit elusive, Izedonmi (No date) submits that multiple taxation practice became more pronounced and prevalent in the late 1980’s. This period however coincided with the period when revenues accruable to the state and local governments in the federation and disburseable from the central federal authority began to witness an increasing decline or dip. This situation led some state governments and many local governments in the country to seek for

alternative sources of internally generated revenue. This then made a lot of them gravitate into multiplicity of taxes.

A cursory look at the *'Taxes and Levies (Approved list for collection) Act 1998'* reveals the myriad of taxes imposed on Nigerian citizens both corporate and individual. In the list, the Federal Government of Nigeria collects **eight taxes** which include Capital Gains tax, Petroleum Profits Tax, Value Added Tax, Education Tax, and Capital Gains Tax etc. The States have **eleven items** including Personal Income tax, capital gains tax, stamp duties (for individuals), lotteries, gaming and casino, business premises registration etc. The local governments have **twenty items**, including shops and kiosks rates, domestic animal license fees, marriage, birth and death registration, vehicle radio license fees, tenement rates, motor park levies, signboards and Advertisement permit fees etc. With the introduction of the Information Technology tax, this list of taxes has increased to forty. For lack of strict adherence to this list, citizens are often burdened with same taxes from the different levels of government.

This anomaly is noted by Oluwabunwa (2008) as he x-rays the constitutional provisions with regard to the imposition of different taxes by the different levels of government. In his words, "whereas the National Assembly is empowered to legislate on the exclusive list in Part I of the schedule 2 to the 1999 Constitution which includes taxation on incomes, profits and capital gains; custom and excise, export duties and stamp duties, the same constitution empowers the State Houses of Assembly to legislate on the concurrent list (which includes collection of taxes) and the residual list (which also allows for levies, fees or rates). However, in anticipating that double or multiple taxations may occur in the exercise of this power of taxation, the constitution specifically states in item 7 on the concurrent lists as follows:

In the exercise of its powers to impose any tax or duty on (a) capital gains, incomes or profits of persons other than companies; and (b) documents or transactions by way of stamp duties, the National Assembly may, subject to such conditions as it may prescribe, provide that

the collection of any such TAX or DUTY or the administration of the law imposing it shall be carried out by the government of a state or other authority of a State.

Where an Act of the National Assembly provides for the collection of tax or duty on capital gains, incomes or profit or the administration of any law by an authority of a State in accordance with paragraph 7 hereof, it shall regulate the liability of persons to such tax or duty in such a manner as to ensure that such tax or duty is not levied on the same person by more than one state.

Where a law of House of Assembly provides for the collection of tax, fee or rate, or for the administration of such law by a Local Government Council in accordance with the provisions hereof, it shall regulate the liability of persons to the tax, fee or rate in such manner as to ensure that such tax, fee or rate is not levied on the same person in respect of the same liability by more than one local government council (1999 constitution).

Indeed a proper perusal of the Constitution indicates that the Local Government Councils have no powers to legislate on taxes. They can only collect taxes under the authority of a State law, which might empower them to make by-laws.

Analyzing the foregoing, Oluwabunwa (2008) asserts that a lot of illegality is ongoing in our tax system today. By demanding corporate income tax on company profits, and at the same time imposing Education Tax on the same company, the Federal government is guilty of double taxation. By accepting revenue from VAT and demanding sales tax, some State governments are guilty of multiple taxations. In some States, we have the land use charge, which purports to Consolidate Ground Rent and Tenement rate, the same State is also collecting the rates independently. In addition, after the land use charge is paid to the State Government, the Local Councils issue and demand with vehemence Tenement Rates.

Indeed the worst offenders in this whole offensive game are the Local Government Councils. Firstly, they assume powers to

legislate on taxes and impose all kinds of taxes and rates including Tenement, Parking, Radio, TV, Mobile Adverts, Signages, Hygiene, environmental, Food, Drinks, Kiosk, Birth and even Death taxes! Not only that many of these taxes are patently illegal, the methods adopted in collecting them, especially by local governments in the South/South, South East Zones, are dehumanizing and violent. Revenue collectors jump into moving cars, remove Vehicle seats and car jacks etc and sometimes mount roadblocks with spikes. Moreover, the 774 Local Governments in Nigeria demand the payment of the same taxes as you drive through their LGAs as they will never recognize similar taxes paid elsewhere.

We need not lose sight of the double taxation arising from taxes imposed by the government on corporate citizens and by extension the individuals that have invested in these companies. Company tax at 30% is imposed on company profits which reduces the amount of distributable profits to investors. The dividends later paid from same profits are further subjected to tax at 10%. This practice adds to the burden of taxation on the individual, discourages investment and breeds resentment among the citizenry. Cases abound in many states where government fails to provide social goods for which taxes are collected and still go ahead to tax the citizens for providing the goods for themselves. For example, borehole levies are imposed in some states even though the government has failed to provide public water sources for the citizens. In some cases, the government compels the citizens to pay for government services enjoyed but at very outrageous rates, for example, "road taxes". The government in 2012 astronomically raised fees payable for procuring Vehicle number plates and drivers' license.

According to Keho (2012) the possibility exists that an economy with higher tax rate experiences at least short-run growth if taxes are used to finance tangible public spending that benefits households and private sector. But, unfortunately this is not the case with Nigeria. The expansive government bureaucracy and the ubiquitous nature of the accompanying corruption in almost all the sectors in Nigeria do not permit the proper utilization of tax

revenues for economic development and thus make the imposition and payment of taxes very vexatious. The citizens perceive the governments as selfish and corrupt, to whom money should not be voluntarily given. They argue, and rightly too, that taxes paid end up in private pockets and not in public utilities. Most Nigerians, rich and poor in varying degrees, pay highly to take care of their own security, electricity and drinking water needs. They arrange supplementary coaching for their children in school; they grade or fill potholes in adjoining streets and roads while the federal roads have been left to fall apart. In this regard, Ipaye (2002) quotes Richard Toby as lamenting: "While taxation is unquestionably an essential feature of governmental structure, most citizens see it as a legal compulsion, and often as an undesirable imposition which bears no relation to the responsibilities of citizenship, or to the services provided by the state. The less sophistication there is in the society, the greater the desire and the opportunities for evasion, avoidance and non-compliance."

This fact has been noted by studies (for example, Ihendinihu 2008) as being one of the many reasons for the growth of the underground economy, where law-abiding citizens seek refuge from wrongs inflicted on them by government.

Solomonic Tax System: Implications for Nigeria.

One does not need any searchlight to see Nigeria and its tax administration model in the Solomonic era. A quick review of the study suffices the following areas of concern: 1) Corruption and False Prosperity 2) Abuse of the dignity of labor 3) Institutionalized Human/Capital Exploitation 4) Barriers to Foreign Investors/Collaborators 5) Rumbblings of Discontent, and 6) Dissension.

First, the Solomonic Era was characterized by corrupt practices which was masterminded by empowered bureaucrats and supported by a standing army. These powers reached into the fields and villages to take crops and to conscript peasants for social purposes decided by a small minority in the royal court rather than by the

tribal elders sifting the mind of the people for a consensus. This same exploitation and unfairness are evident in Nigeria tax administration, especially at the local government level except that the corruption level seems to be higher in the Nigeria situation. The fact that the three tiers of government could collect overlapping taxes from the citizenry remains worrisome. As earlier observed in the study, the worst is the Local government whose activities are not only frustrating but sometimes inhuman. This sometimes results in clashes with tax agencies vis-à-vis, confiscation of goods, vehicles, clamp down of shops, and so on.

Second, although Nigerians are not conscripted into literal forced labor as evident in the Solomonian Era, many of us pay several taxes from one salary. This is especially true in situations where government cannot provide basic socio-economic needs of the people. For instance, after paying all required taxes, individuals are constrained to provide electricity, water and security (social goods for which taxes are collected) for themselves.

Third, the Solomonian Era and its market monopoly provided absolute control of all international routes east to west among neighboring nations. Such 'advantage' provided opportunity for exploiting international traders who paid so much on toll fee and exchange rates. While Nigeria may not be in charge of international trade routes per se, there is no doubt her oil wealth attracts a variety of investors making her a haven for investors. As at 2010, United States was Nigeria's largest trading partner followed by the United Kingdom (EUROSTAT, 2012). Although the trade balance still favors Nigeria, thanks to oil exports, a large portion of U.S. exports to Nigeria is believed to enter the country outside of the Nigerian government's official statistics, due to importers seeking to avoid Nigeria's excessive tariffs. To counter smuggling and under-invoicing by importers, in May 2001, the Nigerian government instituted a full inspection program for all imports, and enforcement has been sustained. Yet, Nigeria is still far from the reality. A major bane of the textile industry for instance, is the activities of smugglers who bring in textile materials from neighboring

African countries (Nigerian Tribune, 2011). On the whole, Nigeria's high tariffs and non-tariff barriers are gradually being reduced, but much progress remains to be made. The effect of such exploitation is the development of informal sectors and a high rise in tax evasion and avoidance.

Fourth, the height of heavy taxation and corvee during Solomonian Era angered the populace that pent-up resentment eventually exploded into revolution by the end of Solomon's reign. A quick review of the nationwide strike by Organized Labor, Trade Unions and the Civil society groups in Nigeria at the wake of fuel subsidy removal by the President Goodluck Jonathan's government on January 1, 2012 speaks volume on the temper of the average Nigerian on government's failure in delivering the dividends of democracy. A major thrust during the 8 Days strike which Nigerians refer to as the 'Mother of all Strikes' is that of corruption and misuse of public fund. As Keho (2012) posits, if taxes are used to fund investment in public goods, especially goods resulting in external benefits (infrastructure, education and public health), the economic growth rate could be positively influenced by taxation. When this is the case, the populace will be happy to contribute to public expenditure.

If not properly handled, situations of this nature, like in Solomonian Era, could result in dissension because it is obvious that majority of Nigerians are shortchanged by few elites in government.

Conclusion and Recommendations

A surface examination of the Israeli socio-economic milieu during the Solomonian Era will suggest that of prosperity and peace. However, the study reveals clearly that Solomon was only successful in securing a luxurious and privileged life for a handful upper class in government and trade. Economic advantage for the common populace was marginal at best as they paid through their nose. In other words, developmental policies and projects only succeeded in making the people more vulnerable for further exploitation by the

government and the upper class. The rich became richer, and the poor became poorer. The shift from a simplified Israelite social organization to a modified hierarchic city-state with its excessive revenue drive on capital and human labor, coupled with partiality, corruption and luxuries fueled resentment and grievances within and over-extended international connections left the gaudy empire vulnerable first to internal revolt and division, and later to eventual conquerors. Although operating in a different milieu, Nigeria and Nigerians are faced with similar burden of heavy taxation and inefficient tax administration. This study therefore recommends urgent reform in the country's tax administration and value re-orientation aimed at curtailing corrupt bureaucracy.

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