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Revenue Generation in Nigeria: An Evaluation of Corporate Tax Contributions

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Abstract: *The dire need for diversification of the revenue base of Nigerian economy from total dependence on oil revenue because of the negative impact of the sustained decline in the price of oil in the world markets, calls for an assessment of other revenue sources. One of such available and reliable sources of revenue is the corporate tax. The study evaluated the effect of corporate tax on revenue generation for a period of eighteen years from 2001 to 2018. Secondary data were collected from the Federal Inland Revenue Service in Nigeria. Five hypotheses were formulated and tested at 95% confidence interval via ordinary least square (OLS) estimation technique. The findings showed that Corporate tax had positive and significant effect on total revenue generated in Nigeria. The individual components of corporate tax contributed positively and significantly to revenue generation in Nigeria with the exception of Education tax which showed an insignificant contribution. The policy and practice implications are that the government and tax practitioners need to work towards developing and achieving a holistic tax structure that will enable optimal tax collection as at when due.*

Keywords:*Corporate tax, Revenue generation, Companies' income tax, Value added tax, Education tax.*

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I. Introduction

Revenue generation is very important in the management of any economy no matter its size or level of development because it defines the means through which financial resources to meet the obligations of the government are derived. Nigeria operates the federation system, and federally collected revenue is classified into oil revenue and non-oil revenue as provided by the 1999 constitution (as amended). Oil revenue covers all revenue generated from oil and gas activities in the country and, non-oil revenue comprises any revenue earned from sources other than oil and gas activities.

Ogbonna and Appah (2012) assert that oil is the dominant source of government revenue accounting for about ninety percent of total exports, and approximately eighty percent of total government revenue. This was corroborated by Adeyemi, Babatunde and Ajani (2015) who posit that Nigeria has over the years relied majorly on the proceeds from oil exploitation which accounts for over ninety percent of the foreign exchange earnings.

Providentially, there are many potential non-oil sources of revenue available to the government from which revenue can be derived if properly harnessed. Olajide (2015) laments the overdependence of Nigeria on oil revenue despite the numerous sources of revenue available to the various tiers of government in Nigeria as outlined in the 1999 Constitution.

Given the undue dependence on oil revenue, it is not surprising though overwhelming that, the depletion of revenue from crude oil due to the sustained decline in its price in recent years led to a decrease in the funds available to Federal, State and Local Governments for appropriation. The consequence is obviously the inability of the various tiers of government to meet their obligation to the citizenry. Therefore, attention has been redirected to tax revenue which is a component of the non-oil revenue.

Tax revenue as observed by Olaniyi, Mustapha and Oyedekun (2019) has significant value on capital expenditure. Reiterating the importance of tax revenue, Ayuba (2014); Adams (2001) and Engen and Skinner (1996) posit that it has been identified globally as a major and reliable source of revenue generation. Inasmuch as, the volume of tax revenue cannot be compared with that of oil revenue, with an efficient taxation system in place, tax revenue is certain, consistent and very reliable. Basically, the primary objective of the modern tax system is revenue generation. This explains why government imposes tax on its citizens and on organizations in any economy. Though, Nigeria had not paid keen attention to its administration before now.

Tax revenues can be generated directly or indirectly. It is direct when imposed on the income, profits and properties of individual and corporate bodies, and indirect when it is levied on goods and service rendered and the burden is transferred in part or in full to the final consumers. In Nigeria, based on the three-tier system of Government, there are three major relevant tax authorities. The Federal Inland Revenue Service (FIRS) which

is saddled with the responsibility of collecting taxes on behalf of the Federal Government; State Inland Revenue Service (SIRS) which collect taxes on behalf of the State Government and the Local Government Revenue Committee (LGRC) which collects taxes on behalf of the Local Government.

Corporations in Nigeria pay tax to Federal Inland Revenue Service irrespective of their residence. Corporations whose activities are concerned with petroleum operations in Nigeria are assessed to tax with petroleum profit tax Act cap 354 of 1990, while those in non-petroleum operations are subjected to tax with companies' income tax Act cap 60 of 1990 as amended.

Corporate tax refers to the compulsory levy imposed on corporations usually computed based on the amount of profit generated. The tax is assessed on total profits in pursuance to audited accounts which are subjected to adjustments. This study is mainly concerned with corporate tax from companies or corporations engaged in both petroleum and non-petroleum operations.

The problem of the study emanates from the fact that the major source of government revenue in Nigeria today is the proceeds from the sale of crude oil and gas from both local and international markets. Unfortunately, the revenues generated by the Federal Government from other sources have not been in any way comparable to the oil revenue. This development has impacted negatively on the ability of the government to perform its constitutional responsibilities. The dependence on the oil revenue is so much that other sources of revenue, like tax, proceeds from agriculture, manufacturing, exports and others have been neglected.

At various times in the life of the country, there have been calls on the government to diversify the revenue base of the economy by exploiting other sources of revenue in order to promote economic development and reduce dependence on oil. In the last one decade, the Nigerian economy had witnessed a number of reforms as a result of inadequacy of funds. Over the years, revenue derived from taxes had been very low and no physical development had actually taken place (Afuberoh& Okoye, 2014).A trend which Madugba, Leyira and Ebere, (2013) attribute to the inabilities of the government to achieve its potential tax capacity. Though, tax evasion and avoidance; unqualified and inadequate tax personnel in terms of coverage; and fraudulent activities of tax collectors also pose challenges to revenue generation.

To a greater extent, the sustained decline in the price of oil in the world markets has contributed immensely to decrease in the fund available, hence the need for government to generate adequate revenue through taxes particularly corporate tax, has therefore become a matter of urgency and utmost importance as advanced by Kiabel&Nwokah (2009).

Furthermore, the Federal Inland Revenue Service (FIRS) had received a recommendation from the Nigerian president's office for doubling the number of taxpayers, since 2015. In reaction to this, some citizens were quick to ask- if that is true, why has there not been an equivalent increase in government revenue, and as a result improvement infacilities and infrastructure such as schools, roads and healthcare?

In literature, there exist various studies on taxation and revenue generation in Nigeria as evidenced by the works of Afuberoh and Okoye (2014); Rotimi, Udu and Abdul-Azeze (2013). Though Madugba, Ekwe, and Kalu (2015) studied corporate tax and revenue generation, the focus was mainly on petroleum profit income, companies' income tax and consolidated revenue. Nevertheless, the area of corporate tax contributions to total revenue generation of the government of Nigeria is yet to be fully explored hence this study evaluates the extent of the contributions of corporate tax revenue to total revenue generation in Nigeria.

The study covers a period of eighteen years from 2001 to 2018 with specific objectives being to, ascertain the overall effect of tax revenue on total revenue generated in Nigeria; and also ascertain the contribution of each component of the corporate tax revenue that is, petroleum profit tax (PPT);Companies' Incomes Tax (CIT); Value Added Tax (VAT); and Education Tax (EDT) to the total revenue generation of Nigeria. Based on the objectives specified, the questions to be answered are:

i. What is the effect of tax revenue on total revenue generated in Nigeria?
ii. What is the contribution of petroleum profit tax to the total revenue generation of the Federal Government?
iii. What is the contribution of companies' incomes tax to the total revenue generation of the Federal Government of Nigeria?
iv. What is the contribution of value added tax to the total revenue generation of the Federal Government of Nigeria?
v. What is the contribution of education tax to the total revenue generation of the Federal Government of Nigeria?

Five hypotheses were formulated to effectively address the basic research questions and objectives of the study.

1. **H_0**: Corporate tax revenue has no significant effect on total revenue generation in Nigeria.
2. **H_0**: Petroleum profit tax (PPT) makes no significant contribution to the total revenue generation in Nigeria
3. **H_0**: Companies income tax (CIT) has made no significant contribution to the total revenue generation in Nigeria
4. **H_0**: Value added tax (VAT) has made no significant contribution to the total revenue generation of Nigeria.
5. **H_0**: Education tax (EDT) has made no significant contribution to the total revenue generation of Nigeria.

II. Conceptual Review

2.1 Petroleum Profit Tax (PPT)

PPT is levied on companies engaged in upstream operations in the oil industry. It is derived from rents, royalties, margins and profit-sharing elements associated with oil mining, prospecting and exploration leases.PPT is regulated by the Petroleum Profit Tax Act (PPTA) of 1959as amended by the Petroleum Profit Tax Act of 2007.

Odusola (2006) posits that Petroleum Profit Tax accounts for a total revenue contribution of about seventy percent of government revenue. The petroleum industry as averred by Onyemaechi (2012) has contributed immensely to both foreign exchange reserves and government revenues.

Due to the importance attached to oil exploration and production by the federal government of Nigeria, the taxation of profit of companies engaging in such operation became inevitable under a tax act different from the companies' income tax act (Success, Success, &Ifenueze, 2012). Usman, Abba, Balarebe, and Halilu (2019) study on the impact of PPT on the Nigerian economy found that PPT has positive effect on revenue generation.

2.2 Companies Income Tax (CIT)

CIT is a tax imposed on profit of a company from all sources at a rate of 30% of total profit of a company. It is governed by Companies Income Tax Act (CITA), Cap C21, LFN 2004 (as amended). Some profits are exempted from CIT provided they are not derived from trade or business activities carried out by the company an example is Cooperative society. Every company shall pay provisional tax not later than three (3) months from the beginning of each year of assessment which is an amount equal to the tax paid in the previous year of assessment. This is a payment on account of the year's income tax assessment (FIRS,2018).

2.3 Value Added Tax (VAT)

A value-added tax (VAT) is a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. The Organization for Economic Co-operation and Development (OECD)'s definition of VAT as cited in Kagan and Brian (2020)is"a tax on goods and services collected in stages by enterprises and which is ultimately charged in full to the final purchasers". This definition is not applicable in Nigeria because there are many instances under the Nigerian VAT system where the tax is not transferred to the final consumer. Nigeria's VAT has an input and output element as seen in most countries.

Adesola (2002) cited in Onaolapo, Fasina,& Adegbite (2018)posit that value added tax is a consumer tax charged before the goods are sold and often referred to as the sum of wages and profit. VAT has become a veritable source of revenue in many developing countries in Sub-Saharan Africa which according to Whenkroff (2003) has been introduced in several countries. More than 160 countries around the world use value-added taxation, and it is most commonly found in the European Union.

The standard rate of tax was 5% of invoice value of goods and services until 1st February 2020 with the exception of items specifically stated as exempt or zero-rated (Arogie& Inyama, 2020). The VAT system in Nigeria is administered by the Federal Inland Revenue Service (FIRS). All existing manufacturers, distributors, importers and suppliers of goods and services are required to register for VAT. VAT currently contributes a significant percentage of Nigeria's revenue from taxes as the FIRS reported a total VAT collection of ₦1.1 trillion of the total sum of ₦5.3 trillion it generated in the 2018 fiscal year. Oladipo and Ogochukwu (2019) have drawn attention to the stress for the need for an increased focus on the revenue generated from VAT in Nigeria coming from the National tax policy, Economic Recovery and Growth Plan (ERGP), and the 2018 international Monetary Fund (IMF) reports.

2.4 Tertiary Education Tax (EDT)

Education tax is a tax imposed on all companies registered in Nigeria. It is now governed by Tertiary Education Trust Fund (Establishment) Act 2011.It was initially governed by Education Tax Decree No 7 of 1993promulgated on 1st January, 1993, and amended by Education Tax (Amendment) Decree No 40 of 1998. The Federal Inland Revenue Service (FIRS) is empowered by this Act to access and collect Education tax. The rate of the tax is 2% of assessable profit and the due date for filing returns is the same as that of CIT and PPT. The tax is an allowable deduction in computing the assessable profits of companies engaged in petroleum operations (Upstream). Funds derived from the tax are used for rehabilitation, restoration and consolidation of tertiary education in Nigeria by the Tertiary Education Trust Fund (TETFUND). The amount in the Fund is distributed between Universities, Polytechnics and Colleges of Education in the ratio 2:1:1 respectively.

III. Empirical Review

There exist in current literature a number of studies on the effects/ impact of tax revenues and economic growth and economic development (Okonkwo, & Chukwu, 2019; Asaolu, Olabisi, Akinbode,

&Alebiosu,2018; Aroweshegbe, Aigienohwa, &Uniamikogbo, 2017; and Ofoegbu, onyekachi & Oliver,2016) but these studies focused on economic growth and developments not revenue generation.Adegbite and Shittu (2017) did an analysis of the impact of corporate income tax on investment in Nigeria but the focus of the study was on investment. Studies similar to this one, are the ones by Odioemelam (2018); and Madugba, Ekwe, and Kalu (2015).

Odoemelam (2018) work was on taxation as an alternative source of revenue in Nigeria; a domineering evidence of petroleum profit tax. The study's emphasis was on petroleum profit. The study theoretically unveiled the factors hindering the efficient and effective collection of taxes in Nigeria. It also did a state by state analysis of tax revenue. The study employed secondary data for a period of twelve years. The finding showed a significant relationship between tax revenue and revenue generated from 2004 to 2015.

Madugba, Ekwe, and Kalu (2015) study is titled corporate tax and revenue generation: evidence from Nigeria. It examined the impact of petroleum tax income and companies' income tax on total consolidated revenue of the government and tested the relationship between Petroleum Tax Income (PTI) on Total Consolidated Revenue (TCR) and the relationship between Companies Income Tax (CIT) on Total Consolidated Revenue. Pearson correlation and simple regression were used for analysis. Secondary data were used. The result of the correlation showed a positive significant relationship between Petroleum Tax Income and TCR and a positive significant relationship between Companies' Income Tax (CIT) and Total Consolidated Revenue (TCR).

This present study differs from the existing one in terms of the period covered, methodology and variables. The current work used petroleum profit tax (PPT); Companies' Incomes Tax (CIT); Value Added Tax (VAT); and Education Tax (EDT) as proxy for corporate tax (independent variables) and total revenue generated (dependent variable).

IV. Methodology

The design adopted for this study is the Ex-post facto. The choice is based on the fact that it gives no room for interference from the researcher since the investigation starts after the fact had occurred. The study covered a period of eighteen years from 2001 to 2018. This period was chosen because many reforms and changes in fiscal policies took place within the period. Above all, the availability and easy access to data informed the choice of the period. Secondary data used were collected from Federal Inland Revenue Service in Nigeria.

Descriptive and inferential methods of analysis were employed. Tables and a cluster column chart were used for the descriptive analyses in order to capture the trend. OLS estimation technique was used in the estimation of the specified models. Five hypotheses were formulated and tested at a ninety-five per cent confidence interval. A Pre-Diagnostic test to rule out the presence of positive autocorrelation among the variable was carried out using the Multicollinearity test. The dependent variable was represented by the Total Revenue Generated (TRG) and the Independent variable was represented by corporate tax which was proxy by PPT, CIT, VAT, and EDT.

Model specification

To evaluate the contributions of corporate tax revenue to the total revenue generation in Nigeria, it was necessary to estimate the degree of relationship between the variables. The structural models for this purpose is stated by equations 1 and 2 respectively.

$$\mathrm{TRG} = \mathrm{f}\left(\beta_0 + \beta_1 \mathrm{TTR} + U_i\right) \ldots 1$$

$$\mathrm{TRG} = \mathrm{f}\left(\beta_0 + \beta_1 \mathrm{PPT} + \beta_2 \mathrm{CIT} + \beta_3 \mathrm{VAT} + \beta_4 \mathrm{EDT} + U_i\right) \ldots 2$$

Where:

$$TRG = TotalTaxRevenueGenerated$$
$$TTR = \text{Total Tax Revenue}$$
$$PPT = Petroleumprofittax$$
$$CIT = Cpmanies' IncomeTax$$
$$VAT = ValueAddedTax$$
$$EDT = TertiaryEducationTax$$
$$U_i = disturbanceterm$$
$$\beta_0 - \beta_4 = Coefficientsofdetermination$$

V. Data Presentation

The Naira value for Petroleum Profit Tax (PPT), Companies' Income Tax (CIT), Value Added Tax (VAT) and Education Tax (EDT) and that of Total Tax Revenue (TTG), Total Revenue Generated (TRG) are reflected on table 1.

A cluster column chart was also used to compare values across the categories of taxes for the years under study. This chart is applicable because it is used to compare value across a few categories particularly, when the order of the categories is not important as it is in this case. This is reflected in figure 1.

Table 1: Summary of Actual Tax Revenue Collection and Total Revenue Generation from 2001 to 2018.

YEAR	PPT	CIT	VAT	EDT	TTR	TRG
2001	407,116,432	69,385,989	91,741,079	16,213,666	584,457,166	623,130,000
2002	224,377,680	89,103,876	108,595,733	10,133,663	432,210,952	1,731,837,500
2003	432,604,082	114,773,549	136,411,195	97,048,844	780,837,670	2,575,095,900
2004	878,625,818	130,791,877	163,297,644	17,121,085	1,189,836,424	3,920,500,000
2005	1,352,240,333	170,303,596	192,656,500	21,847,605	1,737,048,034	5,547,500,000
2006	1,349,522,480	246,671,752	232,697,196	42,398,603	1,871,290,031	5,965,101,900
2007	1,132,039,173	332,443,891	314,545,459	51,745,647	1,830,774,170	5,727,510,000
2008	2,060,883,883	420,582,988	401,736,686	59,467,506	2,942,671,063	7,866,600,000
2009	939,412,237	600,590,101	481,407,349	139,534,842	2,160,944,529	4,844,592,348
2010	1,480,363,895	666,132,500	564,892,034	89,178,186	2,800,566,615	7,303,671,550
2011	3,070,591,156	715,441,977	659,153,578	130,741,806	4,575,928,517	11,116,846,958
2012	3,201,319,571	846,591,938	710,555,190	188,435,475	4,946,902,174	10,654,747,190
2013	2,666,366,902	998,436,121	802,683,462	279,358,708	4,746,845,193	9,759,793,816
2014	2,454,064,276	1,204,833,776	802,964,773	189,613,733	4,651,476,558	10,068,852,000
2015	1,289,960,879	1,408,432,864	767,333,425	206,040,230	3,671,767,398	6,912,501,551
2016	1,157,808,090	1,124,721,669	828,199,394	130,122,728	3,240,851,881	5,616,400,000
2017	636,171,000	551,942,000	467,684,000	585,680,000	2,241,477,000	7,445,000,000
2018	1,169,000,000	680,094,000	536,526,000	771,910,000	3,157,530,000	9,551,800,000

Source: Federal Inland Revenue Service, Nigeria

Key:

$PPT = Petroleumprofittax$

$$CIT = Cpmanies'IncomeTax$$
$$VAT = ValueAddedTax$$
$$EDT = TertiaryEducationTax$$
$$TTR = TotalTaxRevenue$$
$$TRG = TotalRevenueGenerated$$

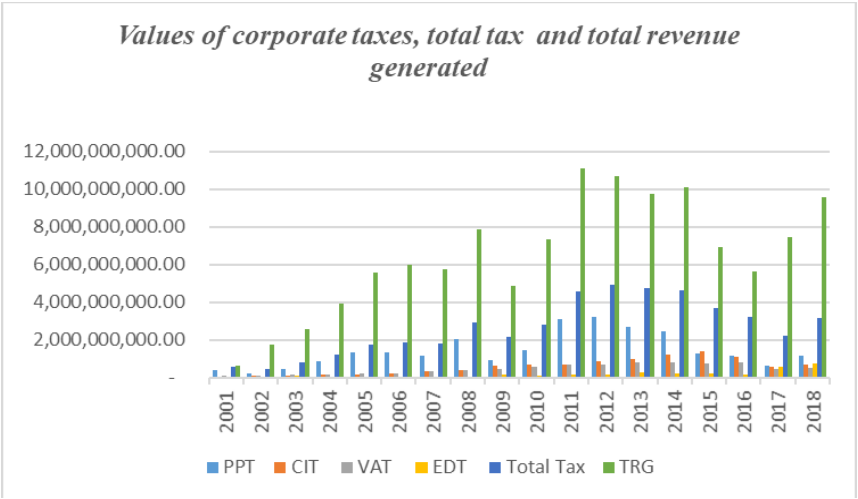

Figure 1: ***Chart of the categories of taxes and their relationship with total tax and total revenue generated for 18 years from 2001 to 2018.***

Source: Authors' computations derived from table 1.

VI. Results

Multicollinearity test was carried out using variance inflation factor (VIF). The rule of thumb for VIF states that if the value of tolerance is less than 0.2 or 0.1 and, simultaneously, the value of VIF 10 and above, then the Multicollinearity is problematic (Hair, Black, Babin, & Anderson, 2010).

The Multicollinearity test result in table 2, shows that the value of tolerance ranges between 0.36 to 0.72 which is more than 0.2 or 0.1, and, simultaneously, the value of VIF ranges between 1.39 to 2.98; which is less than 10, hence the conclusion that there is absence of Multicollinearity, therefore, we can proceed with the data analysis.

Table 2: Results of Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	PPT	.335	2.984
	CIT	.348	2.784
	VAT	.334	2.127
	EDU	.718	1.393

a. Dependent Variable: TRG

Source: SPSS Version 25 Output

Table 3 Results of Multiple regression (OLS)

Dependent Variable: T_RG

Method: multiple Regression - Least Squares
Date: 02/03/20 Time: 00:11
Sample: 2001 2018
Included observations: 18

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	31771205	18775755	1.692140	0.1144
TTG	0.968967	0.030711	31.55095	0.0000
PPT	1.022172	0.015877	64.38040	0.0000
CIT	1.127995	0.090551	12.45701	0.0000
VAT	1.111726	0.168944	6.580453	0.0000
EDU	0.034426	0.048000	0.717224	0.4859

R-squared	0.999605	Mean dependent var	2.61E+09
Adjusted R-squared	0.999484	S.D. dependent var	1.50E+09
S.E. of regression	34068110	Akaike info criterion	37.75575
Sum squared residue	1.51E+16	Schwarz criterion	38.00308
Log likelihood	-334.8018	Hannan-Quinn criter.	37.78986
F-statistic	8232.049	Durbin-Watson stat	2.275317
Prob.(F-statistic)	0.000000		

Source: E-View 10 Output

Table 3 displayed the results of the multiple regression analysis (OLS) of corporate tax revenues (Independent variable) and total revenue generation in Nigeria (Dependent variable) for eighteen years from 2011 to 2018. R-Square explains the relationship between variables. As shown in the result, the relationship between the dependent and independent variables is about 99%, this implies that the independent variables can predict or determine dependent variables up to 99%. The adjusted R-square explains the strength of the model in predicting the effect of independent variables on the dependent variable, which is up to 99%.

The Durbin Watson (DW) statistic is a test for autocorrelation in the residuals from a statistical regression analysis. The Durbin-Watson statistic will always have a value between 0 and 4. Values from 0 to less than 2 indicate positive autocorrelation and values from 2 to 4 indicate negative autocorrelation (Hair,

Black, Babin, & Anderson, 2010). The value as shown in the result is 2.275 which is higher than 0 to 2, which indicate that there is no autocorrelation between variables.

The value of the intercept "31771205" is the predicted value of total revenue if the independent variables (PPT, CIT, VAT, and EDT) is equal to zero. Total Tax Generated (TTG) has a coefficient value of β_1= *0.968967, t-test = 31.55095;* and P-value of *0.000*revealed that a positive and significant relationship exist between TTG and Total Revenue Generated. This means that TTG contributed significantly to the Total Revenue Generated.

Considering the effect of PPT on TRG, the coefficient value of β_1= *1.022172, t-test = 64.38040* and P-value of 0.000 shows a positive and significant relationship between PPT and Total Revenue Generated. This means that PPT contributed significantly to the Total Revenue Generated.

Looking at the effect of CIT on TRG, the coefficient value of β_1*= 1.127995, t-test = 12.45701*; and P-value of 0.000 indicated a positive and significant relationship between CIT and Total Revenue Generated. This means that CIT contributed significantly to the Total Revenue Generated.

In the same light, the coefficient value of β_1= 1.11726, t-test = 6.580453 and P-value of 0.000 indicate a positive and significant relationship between VAT and Total Revenue Generated. This means that VAT contributed significantly to the Total Revenue Generated. The result of the analysis showed that that there is significant relationship between value added tax and consolidated revenue generation in Nigeria.

However, considering the effect of EDT on TRG, the coefficient value of β_1*= 0.034426, t-test = 0.717224*; and P-value of 0.4859 indicates a positive but insignificant relationship between EDT and Total Revenue Generated. This means that EDT has not contributed significantly to the Total Revenue Generated.

VII. Discussion of Findings

The findings of the study are discussed based on the result of the test of the five hypotheses formulated. The hypotheses were tested at a 5% significance level using multiple regression analysis (OLS) as presented in table 3. The estimated models are presented in equations 3 and 4 respectively for discussion.

$$\text{TRG} = \text{f}(31{,}771{,}205 + 0.97(\text{TTR}) + U_i) \ldots 3$$

$$\text{TRG} = \text{f}(1.02\text{PPT} + 1.13\text{CIT} + 1.11\text{VAT} + 0.03\text{EDT} + U_i) \ldots 4$$

Hypothesis One

$\boldsymbol{H_0}$: *Corporate tax revenue has no significant effect on total revenue generation in Nigeria.*

Given coefficient value of β_1*= 0.969; t-test = 31.551*; and P-value of 0.000, and since P_{value} $0.000 < \alpha_{value}$ 0.05; We reject the null hypothesis and conclude that total corporate tax revenue has positive and significant effect on total revenue generation in Nigeria. Based on the predictive power of the model (99%) as revealed by both R-Square and Adjusted R-Square, corporate tax revenue is a major determinant of government revenue. This finding agrees with the work of Odoemelam (2018) who also confirm a positive and significant overall relationship of total tax and revenue generation of Nigeria.

Hypothesis Two

$\boldsymbol{H_0}$: *Petroleum profit tax (PPT) makes no significant contribution to the total revenue generation in Nigeria.*

Hypothesis two was rejected and the conclusion drawn was that Petroleum profit tax (PPT) made positive and significant contribution to the total revenue generation in Nigeria. This position is based on the coefficient value of β_1*=1.022172, t-test = 64.38040* and P-value of 0.000 where P_{value} $0.000 < \alpha_{value}$ 0.05 shows a positive and significant relationship between PPT and Total Revenue Generated. This means that PPT contributed significantly to the Total Revenue Generated. However, the trend from figure 1 shows a consistent increase from 2001 to 2008 when there was a drop. It picked up in 2009 after which it has been inconsistent with a downward trend. This may be attributed to the happenings in the international market. This result is in line with the works of Usman et al (2019) and Odoemelam (2018) but a departure from the works of Micah and Alasin (2017) who reported a negative effect.

Hypothesis Three

$\mathbf{H_0}$: *Companies income tax (CIT) has made no significant contribution to the total revenue generation in Nigeria.*

The results of CIT on TRG shows the coefficient value of β_1= *1.127995, t-test = 12.45701* and the P-value of 0.000 indicated a positive and significant relationship between CIT and Total Revenue Generated. With P_{value} $0.001 < \alpha_{value}$ 0.05;we reject the null hypothesis and conclude that Companies income tax (CIT) had made significant contributions to the total revenue generation in Nigeria. However, the trend as reflected in figure 1 showed a decline from 2017 to 2018 after a sustained increase from 2001 to 2016. It is worthy of note that the trend is a reflection of the real sector of the economy where the companies operate. The findings of this

study agrees with the work of Micah and Alasin (2017) who also reported a positive relationship between CIT and revenue generation.

Hypothesis Four

H_0: *Value added tax (VAT) has made no significant contribution to the total revenue generation of Nigeria.*

The coefficient value of β_1= *1.11726, t-test = 6.580453;* and P-value of 0.000 indicates a positive and significant relationship between VAT and Total Revenue Generated and since P_{value} $0.001 < \alpha_{value}$ 0.05:the null hypothesis is rejected and the conclusion drawn is that Value added tax (VAT) had made significant contribution to the total revenue generation of Nigeria. The worksof Odiaka, Igwe, and Nweke (2016); and Micah and Alasin (2017) also found a significant and positive relationship.

Hypothesis Five

H_0: *Education tax (EDT) has made no significant contribution to the total revenue generation of Nigeria.*

Given the Coefficient β_1= *0.034426, t-test = 0.717224*; and P-value of 0.4859 indicates a positive but insignificant relationship between EDT and Total Revenue Generated. This is because P_{value} $0.4859 > \alpha_{value}$ 0.05; Therefore, we fail to reject the null hypothesis and conclude that Education tax (EDT) has made no significant contribution to the total revenue generation of Nigeria.

VIII. Summary and Conclusion

This paper evaluated the contributions of corporate tax to revenue generation in Nigeria. The results of the ordinary least square (OLS) estimation model indicate that corporate tax has a positive and significant effects on the total revenue generation in Nigeria. The individual components- Petroleum profit tax; Companies income tax and Value added tax, all contributed positively and significantly to the revenue generated by the Federal Government of Nigeria during the period studied. However, the contribution by Education tax was positive but insignificant though, its contributions are directed to the tertiary education Fund (TETFUND) for the development and maintenance of tertiary institutions in Nigeria.

Given the findings based on the estimates of the analyses, corporate tax revenues are reliable sources of government funding for Nigeria amongst, other non-oil revenues. Nonetheless, the Nigerian government needs to as a matter of priority, pay keen attention to fiscal policy as it relates to tax collection and taxation system in Nigeria through a systematic and collaborative efforts of the finance ministry and the tax authorities.

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