Impact Of Tax Revenue On Economic Growth In Nigeria

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Abstract
The study examined the Impact of Tax Revenue on Economic Growth in Nigeria for the period of 1999 to 2021. Specifically, the impacts of tax revenue proxied by company income tax, value added tax, petroleum profit tax, custom & excise duties and education tax on Economic Growth represented with gross domestic product were studied. The Expediency Theory and Socio-political Theory of Taxation were the underpinning theories employed for the study. The study adopted ex post facto research design and data was collected through the Central Bank of Nigeria Statistical Bulletin, Federal Inland Revenue Service (FIRS) Publications and National Bureau of Statistics Bulletins for the various years under study. The Ordinary Least Square (OLS) regression model was utilized in the data estimation through the use of E-view econometric software version 10.0. The study made the following findings: that there is significant and negative effect of company income tax on economic growth in Nigeria; that value added tax as a tax revenue has both positive and significant effect on economic growth in Nigeria; that Petroleum profit tax has a positive and significant effect on economic growth in Nigeria; that there is no significant and negative effect of custom and excise duty on economic growth in Nigeria; and that education tax has positive and significant effect on economic growth in Nigeria. The study concluded that tax revenue has significant effects on economic growth in Nigeria. It then recommended among others that special attention should be paid by the tax authorities concerned in Nigeria to a drastic reduction of the company income tax rate to boost economic growth in the economy; the government should incentivize the VAT payers to spur them to full compliance on filing and payment; and there is need for judicious use of tax revenue and the authorities concern should ensure revenue leakages are ameliorated and prudent expenditure towards economic growth and development quests are maintained.
Keywords: Tax Revenue, Economic Growth, Company Income Tax, Value Added Tax, Education Tax

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I.   INTRODUCTION

The socio-political and economic development of any country is dependent on the amount of revenue generated for the funding of infrastructural development for economic growth. Most government of the world depends largely on taxation for revenue generation. The greater percentage of this tax revenue comes from big business firms and other private sector enterprises. Fundamentally, the kind of economic system in operation in a country is the major determinant of the level of government participation in economic activities. In Nigeria for instance, the mixed economic system is in practiced and it is practiced in most developing economies in the world. In a mixed economy, the public sector regulates and controls all economic activities through the formulation of public policy reforms in conjunction with the private sectors. Government does not only serve as the coordinating agent for the public sector enterprises but also plays crucial roles in stimulating and influencing the market forces of demand and supply through its policy instruments (Adefeso, 2018). Government influences the economic growth and developmental roles through two major policy instruments, which include monetary and fiscal policy. It is indisputable that the performance effect of monetary policy is not much in controversy, but the importance of fiscal policy component of government policy to the private sector performance is still a subject of debate. Among the controversial areas of fiscal policy, tax policy is the most debatable may be due to its role on the economic growth of a country. Tax policy is still a major fiscal policy instrument of the government for revenue generation to fund government expenditures especially on public infrastructure that to a large extent affect the production function of firms in an economy.

Economic growth is concerned with increase in production of goods and services over a given period of time (Edori, 2022). Unarguably, the desire to achieve and sustain economic growth target is reason behind the important roles played by tax policies in both developed and developing economies. It is the objective of any well meaning government to enhance the living conditions of her citizens through the use of major economic policy, which tax policy is one of them (Adegboyo, Keji & Fasina, 2021). Tax policy is one of the economic policies mostly used to stabilize and sustain the economic growth, especially at the time of economic downturn. The implementation of tax policy in any economy is practically used to assess sustainable economic activities of

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the country. The evolutionary pattern of tax policy development is paramount to the measurement of the growth and performance of the several types of taxation in different economies all over the globe. The greater percentage of income tax revenue is generated from conglomerates and from government workers in most African countries. The administration of the tax to petty traders, self employed staff or professionals are confronted with dangerous administrative challenges because of the difficulties faced in the assessment of income tax where no proper book of accounts are prepared and kept (Adefeso, 2018)

To boost economic growth in a country depends on certain factors which mainly hinge on stable macroeconomic environment. Hence macroeconomic policy targeted on increasing tax revenue would be functional to promoting economic growth. Many developed and developing economies had experimented and proven that no country in the world can really survive without developing its tax system (Yahaya & Bakare, 2018). Based on this assertion, many nations have been involved on tax policy reforms and restructuring with the intention to coming up with a tax system that generate maximum government revenue while fostering good environment for economic growth. Therefore, this study will focus of the impact of tax revenue on economic growth in Nigeria.

It is still debatable whether government intervention in Nigerian economy through taxation has been effective. In other words, it is not without controversy if taxation in Nigerian economy have the potential to stimulate sustainable economic growth in the country. These controversies necessitated the impetus for empirical examination on the impact of tax revenue on economic growth in Nigeria. Previous studies on the topic of study are encumbered with unresolved controversy regarding the effectiveness of tax revenue as instrument for economic growth (Cookey & Okorie, 2020). The lack of consensus, on theoretical and empirical literature, on the potency of tax revenue is a pointer to the dare need to re-examine the nexus between tax revenue and economic growth in Nigerian economy. Hence, there is need to carry out this study that will re-examine the impact of tax revenue (using company income tax, value added tax, petroleum profit tax, custom & excise duties and education tax as proxy) on economic growth (using Gross Domestic Product as a proxy) in Nigeria. Therefore, the objective of the study will be to determine the impact of tax revenue on economic growth in Nigeria.

Statement of Research Hypotheses
The research hypotheses will be formulated in null as follows:

$H0_1$ - Company income tax has no significant impact on economic growth in Nigeria.

$H0_2$ – There is no significant effect of value added tax on economic growth in Nigeria.

$H0_3$ – Petroleum profit tax has no significant impact on economic growth in Nigeria.

$H0_4$ - Custom and excise duties has no significant impact on economic growth in Nigeria.

$H0_5$ – Education tax has no significant effect on economic growth in Nigeria.

II.   REVIEW OF RELATED LITERATURE

Conceptual Review

Tax Revenue in Nigeria

The Institute of Chartered Accountants of Nigeria (2014) defines tax simply as a compulsory levy paid to government in line with relevant extant laws. Furthermore, tax is a compulsory payment levied by the constituted authority on the income, profit, consumption, or wealth of individuals, group of persons and corporate entities (Uguru & Adeniran, 2019). Ibanichuka, Akani & Ikebujo (2016) opined that tax generates very valuable income to the government. Revenue generated from taxation is one of the major sources of income to the government of both the developing and developed economies hence it is a panacea in the development effort of any given economy, Nigeria inclusive.

The tax framework of the developed and developing economies, Nigeria inclusive, has its base on tax policy, tax law and tax administration (Soyemi, Olugbenga & Kajola, 2019). Every aspect of the tax framework is highly intertwined, which is the reason they should be closely monitored and implemented. The revised Nigerian National Tax Policy of 2016 enumerated the framework for a sustainable tax system that if properly monitored and implemented will guarantee reliable sources of revenue for the Nigerian government and also assist the economic development plan. One of the purposes of the Nigerian tax system is to create economic activities in Nigeria, reduce the level of poverty in the country and stimulate sustainable economic growth (Azubike, 2009).

Economic Growth

In Jhingan (2016), economic growth is defined as a process which increases the real per capita income of a country. Economic growth can be described as a rise in the volume of the goods produced and services rendered over a particular period of time (Ordu & Nkwoji, 2019). There are two main indicators of economic growth namely: Gross Domestic Product (GDP) and Net National Product (NNP) (Apelogun, Omidiya, Salami

& Ojoye, 2015). The sustenance in the rise of GDP and NNP results in self-sufficient economy which curtails the over reliance on foreign countries aid (Shahzad & Maqbool, 2016). The economists use an increase in country's Gross Domestic Product (GDP) to measure economic growth. It is the belief of the economists that adequate use of capital expenditure by government will result to rise in the productive sector of the economy, generate employment opportunities and finally result to a remarkable increase in the GDP. In a similar way, wobbling country's GDP may be a sign of wrongly channeled expenditure particularly when the government recurrent expenditure is substantially higher than the capital expenditure (World Bank, 2013). Meanwhile, economic growth can also be seen as the rise in a country's productive capacity measured by the comparison of the increase in gross national product over the year. The rise in capital stock, advancement in technology and enhancement in the literacy rate are some of key drivers of economic growth in a country.

Companies Income Tax in Nigeria

Company Income Tax in Nigeria was introduced in 1961 and regulated by Company Income Tax Act (CITA) CAP.60. Law of Federal Republic of Nigeria, 1990 (as amended). CIT is chargeable on all income of corporate entities (with the exception of those that are exempted specifically by the Act) and companies in the downstream of the petroleum industry in Nigeria are inclusive. In Nwaiwu & Macgregor (2018), Company Income Tax (CIT) is a form of tax on a company's total profit at the rate of 30%. It is chargeable on Nigerian companies' global profits whether such profits are brought to Nigeria or they are not (Edori, 2022). The government of Nigeria reduced the company income tax rate from 45% to 40% (1987 to 1991), then the rate was further reduced to 35% (1992 to 1995), and it was finally reduced to 30% (1996 to date), to stimulate investment (Olaleye, Riro & Memba, 2016).

Value Added Tax in Nigeria

Uguru & Adeniran (2019) described Value Added Tax (VAT) as a tax on conspicuous consumption, which the burden is borne by the end user but gathered at every phase or level of manufacturing and allocation. VAT was first introduced in France in 1954 by Maurice Laure who was the director of French tax authorities. In Nigeria, VAT is explained as a consumption tax which was introduced to replace sales tax that in operation before 1993. The introduction of VAT in 1993 is symbolic as it marks the end of the sales tax regime, which commenced in 1986. Abomaye- Nimenibo, Michael and Friday *(*2018) explained that member countries of European Economic Council (EEC) have also adopted the VAT since 1967 as a kind of tax that generates revenue. The major objective of VAT system is to boost government revenue base and to make funds available for accelerated economic growth and development (Umeora, 2013).

Petroleum Profit Tax

Petroleum profit tax is the type of tax imposed on companies that are into the business of petroleum exploration in Nigeria. The Federal Government of Nigeria understood the importance attached to oil exploration and production and introduce the taxation on the profit of firms engaging in such operation as it became unavoidable under a tax Act different from the companies income tax Act (Success, Success & Ifurueze, 2012). This Act referred to as the Petroleum Profit Tax Act (PPTA) became effective 1st January, 1959 since export of oil to the international market started in 1958and it was first amended in January 1967 by the Federal Military Government through decree No 1 of 1967 and last in 2007 (Yahaya & Bakare, 2018).

The major legislation governing petroleum operations in Nigeria is the Petroleum Profit Tax Act (PPTA) of 2007 and its principal fiscal instrument is the Petroleum Profit Tax (PPT). The Act provides for the imposition of Petroleum Profits Tax on the chargeable profits of companies involved in the upstream activities of exploration, drilling, extraction and transportation of crude oil (Yahaya & Bakare, 2018).

Customs and Excise Duties

Uguru & Adeniran (2019) explained Customs and Excise Duties (CED) as the totality of import and export duties collected by the customs and excise department. CED are forms of indirect tax which is imposed on both imported and exported goods and services (Akhor, Atu & Ekundayo, 2016). It is one of the first and oldest forms of taxation as its establishment was dated back to 1860 as import duties (Ekeocha, Ekeocha, Malaolu & Oduh, 2012). Excise taxes are charges levied by government on specific commodities produced in an economy at varying rates. Through good tax policy, customs and excise duties are used as fiscal instruments for protecting domestic companies in their infant state and regulate business activities, income redistribution and checking inflation.

Education Tax

Tertiary Education Tax (formally Education Tax) is a tax levied on the assessable profits of all firms registered in Nigeria (firms that are subject to tax under Petroleum Profits Tax Act are inclusive) for the

improvement of tertiary education in Nigeria. Education tax (EDT) is established by the Tertiary Education Trust Fund (Establishment, Etc.) Act No 16, of 2011(Ordu & Nkwoji, 2019). It is assessed at 2% of the assessable profits of a firm until recently the Finance Act of 2021 (as amended) increased the rate to 2.5% of a company's assessable profit for each year of assessment. EDT is obligatory on all firms operating in Nigeria and payment is made to the Federal Inland Revenue Services, which is charged with the responsibility for the assessment and collection (Edori, 2022).

However, for companies that are subject to tax under the PPTA, the EDT paid is an allowable deduction under Section 10 of the PPTA in arriving at the adjusted profits of the company for tax purposes. The main purpose of the Education Tax is to achieve the enhancement and development of tertiary education in Nigeria. This objective is achieved through the Tertiary Education Trust Fund (TET Fund). Therefore, TET Fund was established as an intervention agency under the TET Fund ACT - Tertiary Education Trust Fund (Establishment, etc) Act, 2011; charged with the responsibility for managing, disbursing and monitoring the education tax to public tertiary institutions in Nigeria.

Empirical Review

Abdulwahab and David (2023) examine the effects of tax revenue on the economic growth of Nigeria for the period of 1998 to 2021. Specifically, the study evaluated the influence of petroleum profit tax, company income tax, custom and excise duty, value added tax and educational tax on economic growth in Nigeria. Secondary data sourced from Central Bank of Nigerian statistical bulletin was employed. *Ex-post facto* and correlational research design was adopted and fixed effects regression model was used to analyze petroleum profit tax, company income tax, custom and excise duty, value added tax and education tax on gross domestic product (economic growth). The results indicated that petroleum profit tax, custom and excise duty, value added tax and education tax has a statistically positive and significant effect on gross domestic product (economic growth) in Nigeria while company income tax has a negative and significant effect on gross domestic product (economic growth) in Nigeria. The study recommended that tax authorities should venture to support companies to pay tax in other to enhance the growth of Nigerian economy.

Adefolake and Omodero (2022) assessed the effects of tax revenue on the economic growth of Nigeria for the period spanning from 2000 to 2021. The study specifically evaluated the influence of hydrocarbon tax, corporation income tax and Value Added Tax on Nigeria's economic growth. A time series data sourced from CBN statistical bulletin and Federal Inland Revenue Service published reports were employed. *Ex-post facto* research design was adopted and data collected were analyzed and tested using the Vector Error Correction Model. A Johansen co-integration test was carried out and it revealed a long-run relationship among the variables. The findings showed that PPT and VAT have positive and significant effects on GDP while CIT has a negative and significant effect on GDP. It recommended that trainings and workshops should be organized by government tax agencies to the Nigerian public and companies on the importance and benefits of tax revenue to the economy.

Edori (2022) examined the impact of tax revenue on Nigeria's economic growth for the period from 2008 to 2017. Company Income Tax, Value Added Tax and Petroleum Profit Tax were used as referents for tax revenue while Gross Domestic Product was used as the proxy for economic growth. Exploratory design and ex-post fact design were adopted and data was secondary data sourced from the CBN statistical bulletin. Ordinary least squared technique and the Granger Causality Test were applied in estimation of the variables in the model. The results revealed that positive but insignificant relationship exist between the variables under study. The study then recommended that Nigerian government should properly and prudently utilize tax revenue for the provision of needed social amenities and infrastructure to enhance economic growth.

Ihenyen and Ogbise (2022) studied the relationship between Nigerian tax revenues and economic growth in Nigeria. The economic growth as a dependent variable was regressed against the independent variable, which is tax revenue, using petroleum profit tax, company income tax custom & excise duties and value added tax as proxy. The study applied multiple linear regression analysis to analyze the data using the Microsoft Excel package. The result showed that petroleum profit tax, company income tax and value added tax have a positive impact on Nigeria's economic growth, while custom and excise duties on the other hand have a negative impact on the economy. Meanwhile, the overall result between tax revenue and Nigeria's economic growth revealed that there is a significant correlation. The study suggested that government should thoroughly sensitize her citizens on the basic reasons for taxes imposition.

Orbaningsih and Sujianto (2022) conducted a review of tax revenue and economic growth in Indonesia for the period of 1972 to 2019. 48 time series data was collected from the World Bank published documents. The data was tested using Pearson Correlation method. The findings demonstrated that that tax revenues can significantly increase economic growth. Due to the strong correlation between tax revenues and economic growth, it is recommended that the government should continue fiscal policy with strict management to avoid the bad consequences of the policy.

Oshemi and Otusanya (2022) investigated the impact of tax revenue volatility on Nigeria's economic growth covering a period from 1981 to 2020. The study adopted *ex-post facto* research design and used secondary data collected from National Bureau of Statistics, Central Bank of Nigeria Statistical Bulletin, and World Development Indicators. With the application of E-views, Pearson correlation and OLS, the results revealed that tax revenue volatility moderated by inflation rate, interest rate, exchange rate and crude oil price has a positive and significant relationship in the short run but a positive and insignificant relationship in the long run on economic growth in Nigeria. The study came to conclusion that macro-economic variables of inflation, effective exchange rate, interest rate and crude oil prices play roles in the fluctuations in total tax revenue. The study suggested that government should review tax laws and policies in order to streamline and ensure optimal tax revenue generation to absorb potential shocks.

Adegboyo, Keji and Fasina (2021) examined the impact of fiscal, monetary and trade policies on Nigerian economic growth for the period of 1985 to 2020. The study adopted the endogenous growth model (AK model) and the ARDL long-run result revealed that fiscal policies stimulate economic growth, while trade policies discourage economic growth in Nigeria. The study recommended that policymakers should rely more on using fiscal policy which was found to be stimulating the country's growth rate.

Çigdem and Altaylar (2021) tested the presence of hidden cointegration between economic growth and tax revenues in Turkey from 1985 to 2018. Data on the ratio of annual tax revenues/ GDP between was obtained for the period and Hidden Cointegration Approach developed by Granger and Yoon (2002) and crouching error correction model were employed. The findings indicated that the tax revenues decreased across variables and that there was a cointegration relationship in periods when the GDP increased. The study concluded that neither asymmetric nor synchronous relationship exists when one variable decreased and also indicating that tax revenues do decrease and a cointegration relationship exists whenever GDP increased.

Mamuda and Alhassan (2021) investigated the effect of tax proceeds on the economic growth of Nigeria. The study adopted an exploratory design and secondary data was sourced from Central Bank Statistical Bulletin. The multiple regression models were used to analyze the data so collected. The results revealed a positive relationship between revenue from tax and economic growth. Hence the study recommended that tax revenue generated from the taxpayers should be properly utilized in order to boost the economic growth of Nigeria.

Afonso, Jalles and Venâncio (2021) assessed the effects of structural tax reforms on government spending efficiency over the period 2006–2017. The study used a sample of 18 OECD economies. Data collected was evaluated in a panel setup using a dynamic panel estimator, the Generalized Moments Method (GMM) estimator. The study finds that increases in PIT tax rates negatively affect public sector efficiency; and increases in tax bases improve public sector efficiency. Also, during expansionary periods, increasing the CIT base and reducing PIT rates, positively affect public sector efficiency. The study suggested that governments might increase the spending side of their budgets, without necessarily relevant increases in public sector provision.

Enehe (2021) investigated the impact of tax revenue on Nigeria Economy from 1984 to 2018. Secondary data from the Central Bank of Nigeria Bulletin (CBN) and reports from Federal Inland Revenue Service was used. The study used Regression Analysis and applied Autoregressive - Distributed Lag (ARDL) to discover both long and short run effect. The analysis revealed that PPT and CED have a negative impact on the Nigeria Gross Domestic Product in the short run but has a positive impact on the long run. However, company income tax has a positive and significant effect on Nigeria GDP at both short run and long run while VAT has a significant negative impact on economic growth. It was recommended that the government should gear efforts towards increased collection of tax revenue because of the low contribution of tax revenue to GDP for the period under study.

Adegbie, Nwaobia and Osinowo (2020) evaluated the effect of non-oil taxes on economic growth of Nigeria. The study employed *ex post facto* research design to generate data from 1994 to 2017 through CBN statistical bulletin and National Bureau of Statistics. The data so obtained was analyzed using descriptive and inferential statistics and applying multiple regressions statistics. The study found that custom and excise duties, capital gain tax, company income tax, tertiary education tax and value added tax) have significant effect on economic growth. It then concluded that non-oil taxes have significant influence both economic growth and economic development in Nigeria. The study therefore recommended that Nigerian government should endeavour to uphold the current strong commitment towards enhancing non-oil tax revenue and also make sure that the tax payers' money are effectively utilized to boost non-oil tax revenue collection, which will subsequently result in economic growth in Nigeria.

Cookey and Okorie (2020) examined the nexus between Fiscal policy instrument and economic growth in Nigeria for 38 years starting from 1980 to 2017. The study was anchored on the Keynesian theory and secondary data was collected from various resources and the Engle-Granger Error Correction model analysis techniques employed. The real gross domestic product growth was used as the dependent variable while

government capital expenditure, recurrent expenditure, budget deficit and non-oil tax revenue used as the independent variables. The result shows that there is a long run relationship between fiscal policy instruments and economic growth. The error correction model analysis indicated that government expenditure, both capital and recurrent, have positive and significant impact on economic growth; while budget deficit and non-oil tax have negative and significant impact on economic growth. The recommendation was that government should reduce deficit financing.

Adeusi, Uniamikogbo, Erah and Aggreh (2020) examined the effect of non-oil revenue on economic growth in Nigeria. The proxy for non-oil revenue are Value Added Tax, Companies Income Tax, Personal Income Tax and Custom & Excise Duties, while Gross Domestic Product was used to measure economic growth in Nigeria. The secondary source of data collection method was used in generating data from the Federal Inland Revenue Service Statistical bulletin and the National Bureau of Statistics for the period spanning 1994 to 2018. The study employed descriptive statistics and Ordinary Least Square (OLS) regression techniques to analyze the data collected. The study outcomes showed that indirect taxes (Custom & Excise Duties and Value Added Tax) have more significant positive effect on the Nigerian economic growth than direct taxes (Companies Income Tax and Personal Income Tax). Also, direct taxes have significant but negative effect in the long run on the Nigerian economic growth. It is then recommended that simple and transparent tax legislations be enacted to guide the tax regimes in Nigeria so that any form of illicit strategic tax behaviour by taxpayers will be avoided. Also, relevant tax authority should formulate strategies to reinforce the controls on the significant variables identified in this study.

Agunbiade and Idebi (2020) examined the relationship between tax revenue and economic growth in Nigeria covering from 1981 to 2019 period. Companies Income Tax, Value Added Tax and Petroleum Profits Tax were used to represent the independent variable (Tax Revenue) while real gross domestic product was used to measure the dependent variable (Economic Growth). The study employed secondary data sourced from the National Bureau of Statistics (NBS) and the Federal Inland Revenue Service (FIRS). The Vector Error Correction Model (VECM) was applied on the data to establish the nature and strength of the relationship between tax revenue and economic growth. Granger causality test found a causal relationship among Real GDP and the different tax revenue sources. Using the impulse response functions and the variance decomposition analysis, the findings was uphold that the impact of the shock in the indirect tax (VAT) and direct tax (CIT and PPT) on GDP growth does not die out over the specified period under consideration. Variance decomposition analysis found that the effect of the shock to the direct tax (CIT and PPT) on GDP growth tends to be low, whereas the effect of the shock to the indirect tax (VAT) on GDP growth tends to be significant to increase over the period. The study recommended that there should be a broad base tax strategy so as to widen the tax revenue. Also, the regulatory authorities in charge of tax collection should further be reinforced to implement compliance by taxpayers in Nigeria.

Eze and Onyedikachi (2020) carried out a study to unravel Real Gross Domestic Product's response to tax revenue. The data was generated from the Central Bank of Nigeria Bulletin and the Federal Inland Revenue Service reports for the period of 2008 to 2019. Using the real gross domestic product as a proxy for economic growth, the Ordinary Least Square statistical technique was used to analyze the data. The results showed a significant positive statistical relationship with real gross domestic product while Value Added Tax indicated a negative and statistically insignificant relationship. The study then recommended that the authority in charge should increase the tax base by providing infrastructural development that will assist more businesses to survive.

Ewa, Adesola and Essien (2020) carried out a study to ascertain the impact of tax revenue on the development of Nigerian economy for the period 1994 to 2018. The study explored the independent variables of companies income tax, petroleum profit tax and Value Added Tax as proxy for tax revenue while the dependent variable, economic development was represented by Gross Domestic Product (at current basic prices). The study explored Ordinary Least Square statistical tool through the use of SPSS 20.0. The findings revealed a positive relationship between the tax income streams studied and economic development. It also revealed a little or no significant impact of Petroleum profit tax on Gross Domestic Product growth in Nigeria as a result of sanction by Organization of Petroleum Exporting Countries production ceiling on Nigeria's production/sales.

Maganya (2020) investigated the effect of taxation on economic growth in Tanzania for the period of 1996 to 2019. The study explored the recently developed technique of Autoregressive distributed lag model (ARDL) bounds testing procedure to test the secondary data collected. Different preliminary tests and the pair-wise Granger causality test were conducted. The findings revealed that domestic goods and services (TGS) taxes are positively related to GDP growth and are statistically significant. Also, income taxes were found to be negatively related to GDP growth and to be statistically significant. The pair-wise Granger causality results indicated that there is bidirectional Granger causality between TGS and GDP growth. The study recommended that government should aim at growing, nurturing and sustaining tax base to positively drive economic growth in the country.

Etim, Nweze and Umoffong (2020) conducted a study to investigate the long run relationship existing between petroleum profit and companies' income taxes and economic growth in Nigeria over the period of 1980 to 2018. The secondary data for 39 years period was utilized. The analytical tools applied were Engle Granger Procedure Co-integration test and Parsimonious Error Correction Mechanism (ECM) among others. The test results revealed a positively significant association of PPt, CIT and economic growth. Also, the parsimonious results show a positive co-efficient for t-values of CIT and PPT on economic growth. Based on the findings, the study recommends that government of Nigeria should tactfully handles matters that are related to tax in order to encourage more investments, new innovations and greater entrepreneurial activities.

Tengs (2020) conducted a study on taxation as a social contract in the society. It employed data from the Afrobarometer survey round 5 (2011 - 2013). The study carried out a logistic regression analysis across 28 countries in Sub-Saharan Africa. The finding shows that the conventional approach to the fiscal contract is the the most important factor. Meanwhile, social cohesion helps in the provision of the needed explanation for the fact that social solidarity also increases tax compliance. The study suggested that a society whose objective is to increase tax compliance should be a socially cohesive society and not emphasizing on the state's role only, but also on enhancing good associations among the citizens.

Ordu and Nkwoji (2019) determined the impact of education tax revenue on economic development of Nigeria between 2006 and 2017. Specifically, the study examined the extent to which tertiary education tax affects Gross Domestic Product and Human development index of Nigeria. Data was sourced from Federal Inland revenue service (FIRS), Central bank of Nigeria Annual Statistical Bulletin and annual Reports. Regression analysis was employed and the result indicates that education tax revenue has a significant impact on economic development and therefore implies that education tax revenue is a very important source of government funding necessary for economic development. Education tax has a positive and strong relationship with economic development when measured on the GDP and HDI. It then suggests that increase in tax revenue generation and judicious use of tax revenue is much desired so as to foster economic development.

Joseph, Omodero and Umeonu (2019) examined the impact of tax revenue on economic growth of Nigeria for the period of 2000 to 2017. The study applied exploratory and *ex-post facto* designs to obtain secondary data from Federal Inland Revenue Services (FIRS), UNCTAD, FDI/MNE database, World Bank Report, United Nations Development Programme (UNDP) reports and CBN statistical bulletin. The study explored Ordinary Least Squares (OLS) regression technique to evaluate and analyze the data. The result indicates that revenue from tax has a significant impact on economic growth. Also, there is positive relationship between foreign direct investment and Gross Domestic Product. The study then recommended that good tax structures that will ensure maximum tax compliance by all taxpayers and the revenue sourced that should be effectively remitted should be developed in Nigeria to widen the revenue base of the country.

Soyemi, Olugbenga and Kajola (2019) examined the sensitivity of the Nigerian economy on existing tax policies for the period of 1998 to 2017. A quantitative research design was adopted and a time series dataset was used, which was collected from the statistical bulletin of the Nigeria Bureau of Statistics, CBN and Federal Inland Revenue Service. The findings show that direct and total taxes have a positive and statistically significant effect on economic growth while indirect taxes have a negative and significant effect on economic growth in the short-run and insignificant effect on the economic growth in the long run. The results recommend that the Nigerian government has to focus on revenue generation through direct taxes which are positively associated with economic growth. Also, government should avoid indirect taxes as it adversely affects economic growth.

Adefeso (2018) examined the effect of government corporate tax policy on the performance of some randomly selected listed non-financial firms in Nigeria from1990 to 2002. The study employed Generalized Method of Moment (GMM) and the findings showed positive relationship between corporate tax policy and the output performance of listed manufacturing firms in Nigeria. It then recommended that Federal Government should either reduce or entirely remove tax incentives, tax waivers and tax holidays to some manufacturing firms in Nigeria.

Asaolu, Olabisi, Akinbode and Alebiosu (2018) examined the relationship between tax revenue and economic growth in Nigeria from 1994 to 2015. Using descriptive and historical research design; secondary data was collected from Central Bank of Nigeria (CBN) statistical bulletin and annual reports. Tax revenue was represented by Value Added Tax (VAT); Petroleum Profit Tax (PPT); Company Income Tax (CIT) and Custom and Excise Duties (CED) whereas Economic Growth was measured by the Gross Domestic Product (GDP). The data collected was analyzed using Auto Regressive Distributed Lag (ARDL) Regression. The findings indicated that VAT and CED had significant relationships with economic growth, while CIT has negative significant relationship with economic growth. Meanwhile, PPT had no significant relationship with economic growth. The study therefore recommended that government should embark on a total overhaul of tax administrative machinery to curtail the incidence of tax evasion and avoidance and thereby improve tax revenue in Nigeria.

Charles, Ekwe and Azubuike (2018) evaluated the relationship between federally collected tax revenues and Nigeria's economic growth rate for a period covering 2000 to 2016. Causal descriptive research

method was adopted and data was obtained from annual reports of the Central Bank of Nigeria (CBN) and Federal Inland Revenue Services (FIRS). The data analysis was based on the Johansen Co-Integration test and the results showed that a long-run relationship exists between Federally Collected Tax Revenue (FTCR) and Gross Domestic Product (GDP) of Nigeria. The study then recommends that policies that enhance tax compliance should be reintroduce to stimulate economic growth and development in Nigeria.

Uzoka and Chiedu (2018) conducted a study to examine the effect of revenue from taxation on economic growth of Nigeria using evidence from 1997 to 2016. The independent variables are income from company tax, PPT, VAT, customs and excise duty and gains from sale of capital assets to measure tax revenue while the dependent variable is Real Gross Domestic Product (RGDP) to represent economic growth. The co-integration test results revealed that a long run relationship exists between the economic growth and revenue from tax in Nigeria. The findings obtained from the analysis of the model showed that CGT and EDT have no major effect on economic growth but there is a significant effect from CIT, PPT, VAT and CED on the growth of Nigerian economy. It thus recommended that the Nigerian government should make sure that the tax proceeds generated are utilized in capital stock building which can trigger off job opportunities and yield more income to the government through other forms of direct taxes.

Yahaya and Bakare (2018) carried out a study to evaluate the effect of petroleum profit tax and company income tax on Nigerian economic growth for a period of 34 years (1981-2014). Fully Modified Least Square (FMOLS) Regression Technique was used to estimate the model. The test result shows that petroleum profit tax (PPT) and company income tax (CIT) have positive significant impact on gross domestic product (GDP) in Nigeria. The study therefore concluded that PPT and CIT serves as the major source of revenue hence contribute to the economic growth of Nigeria. The study recommended that government should show transparency and accountability for the revenue generated from petroleum profit tax thereby investing in the provision of public goods.

Gashi, Asllani and Boqolli (2018) analyzed the effect of the tax structure on the economic growth of Kosovo for the period of 2007 to 2015. Econometric model and linear regression analysis using STATA software were employed to do a comparative analysis of data using primary and secondary sources. The findings show that most of the taxes have a positive impact on GDP growth. Also, the taxes do not have the same impact on economic growth in Kosovo. It then suggested that changes in the tax structure and in the volume of revenues can impact on the economic activity, however, it is not all tax changes that have equal or even positive effects on long-term economic growth. Also, the higher the tax rates, the more distortionary it may be and then lead to a negative impact growth while lower tax rates is capable of generating revenue that are judiciously spent. Again, the economic growth and development of Kosovo can be positively affected through lowering tax rates and reducing tax exemptions.

Ogbonna and Ikeagwu (2017) investigated the impact of taxation on economic development in Nigeria. Tax revenue was measured using petroleum profit tax, company income tax and personal income tax while Gross Domestic Product and Per Capital Income (PCI) were used as the proxy for economic development. Multiple regression analysis was employed to analyze the data. The findings revealed that tax revenue have positive and significant relationship with economic development. It then recommended that judicious use of revenue through economic diversification, production of goods and services and job creation activities will improve economic development at a faster pace.

Okpe, Duru and Ezeoma (2017) examined the effect of tax revenue on economic growth in Nigeria. The research design adopted for the study was *ex–post facto* research design. Secondary sources of data obtained from CBN Statistical bulletin was used. The data was analyzed using Ordinary Least Square Regressions and the results showed that petroleum profit tax, company income tax and customs & excise duties do not have significant effect on the gross domestic product of Nigeria. The study recommended that government should embark on the strategic pursuit of widening the economy to promote economic growth and development.

Nwankwo, Kalu and Chiekezie (2017) conducted a study to investigate the impact of fiscal policy on economic growth in Nigeria for the period spanning from 1970 to 2014. The data was sourced from Central Bank of Nigeria Statistical Bulletin and World Bank Development Indicator (WDI). The Co-integration and Error Correction (ECM) approaches were employed in analyzing the collected data. The result showed that there exist a long-run relationship between fiscal policy and economic growth. The estimated ECM revealed that government capital and recurrent expenditures are insignificant hence has no impact on economic growth. Based on the results, it was recommended that the Nigerian government should invest in productive investment by increasing her capital expenditure over and above recurrent expenditure to encourage economic growth.

Okwara and Amori (2017) investigated the effect of tax revenue on growth of Nigerian economy from 1994 to 2015. Economic growth was measured using Gross Domestic Product (GDP) while Value Added Tax (VAT) and non-oil income (tax) was used to represent revenue from tax. The findings indicated that non-oil income has significant effect on gross domestic product while on the other hand, value added tax has negative

relationship and is statistically insignificant over the period under review. The study concluded that tax proceeds have positive impact on economic growth of Nigeria. It thus recommended that the government widen its revenue base to other sectors of the economy like agriculture and extractive industries.

Ojong, Ogar, and Arikpo (2016) examined the impact of tax revenue on the Nigerian economy. Secondary data was obtained from Central Bank Statistical Bulletin and extracted through desk survey method. Ordinary least square of multiple regression models was employed to establish the relationship between revenue from tax and economic growth in Nigeria. The result revealed that there is a significant relationship between petroleum profit tax, non-oil revenue and the growth of the Nigeria economy and also that there is no significant relationship between company income tax and the growth of the Nigeria economy. It then recommended that government should ensure the provision of social amenities to all parts of the country.

Adudu and Ojonye (2015) conducted a study to justify the impact of tax policy on the economic growth in Nigeria using time series data between 1990 and 2011, with the application of the Granger – causality co – integrations framework; the study finds that efficient tax reforms are prerequisite for improved sustainable economic growth. With reference to the findings, it was recommended among other things that improvement in tax regimes, stoppage of tax distortions and diversification of revenue sources are the desired catalysts for the sustenance of economic growth and development.

Agu, Okwo, Ugwunta and Idike (2015) carried out a study to determine the impact of various components of fiscal policy on the Nigerian economy. The ordinary least square (OLS) in a multiple form was employed to determine the relationship between economic growth and government expenditure components. The results showed that total government expenditures due increase with government revenue, with expenditures growing in a faster rate than revenue. The recurrent expenditures were much higher than investment expenditures which are an evidence of the poor growth in the country's economy. Again, there is a positive correlation between government expenditure on public goods/services and economic growth. The study then recommends that government should realize that the effectiveness of the private sector depends on how stable and predictable the public incentive framework is which encourages private investment.

Table 1: Summary of Empirical Review

S/N	Author(s)/Year	Topic	Methodology	Findings
1	Abdulwahab and David (2023)	Does Tax Revenue Enhance Economic Growth in Nigeria?	Fixed effects regression model	PPT, CED, VAT and EDT have a statistically positive and significant effect on gross domestic product while company income tax has a negative and significant effect on gross domestic product (economic growth) in Nigeria.
2	Adefolake and Omodero (2022)	Tax Revenue And Economic Growth In Nigeria	Vector Error Correction Model	PPT and VAT have positive and significant effects on GDP while CIT has a negative and significant effect on GDP.
3.	Edori (2022)	Tax Revenue and Nigeria's Economic Growth	Ordinary least squared technique and the Granger Causality Test	A positive but insignificant relationship exist between the variables under study
4.	Ihenyen and Ogbise (2022)	Effect of Tax Revenue Generation on Economic Growth in Nigeria	Multiple linear regression analysis	Petroleum profit tax, company income tax and value added tax have a positive impact on Nigeria's economic growth, while custom and excise duties have a negative impact.
5	Orbaningsih and Sujianto (2022)	The Impact of Tax Revenue on Economic Growth: Evidence from Indonesia	Pearson Correlation method	Tax revenues can significantly increase economic growth
6	Oshemi and Otusanya (2022)	Tax Revenue Volatility and Economic Growth in Nigeria	Pearson correlation and OLS	A positive and significant relationship in the short run but a positive and insignificant relationship in the long run on economic growth in Nigeria
7.	Adegboyo, Keji and Fasina (2021)	The impact of government policies on Nigeria economic growth (case of fiscal, monetary and trade policies)	endogenous growth model (AK model) and the ARDL estimation technique	fiscal policies stimulate economic growth, while trade policies discourage economic growth in Nigeria
8	Çigdem and Altaylar (2021)	Nonlinear Relationship between Economic Growth and Tax Revenue in Turkey: Hidden Cointegration Approach	Hidden Cointegration Approach	There was a cointegration relationship in periods when the GDP increased
9.	Mamuda and Alhassan (2021)	Tax Revenue and its Impact on the Economic Growth of Nigeria	Multiple regression models	A positive relationship between tax revenue and economic growth

10	Afonso, Jalles and Venâncio (2021)	Structural Tax Reforms and Public Spending Efficiency	Dynamic panel estimator, the Generalized Moments Method (GMM) estimator	Increases in PIT tax rates negatively affect public sector efficiency; and increases in tax bases improve public sector efficiency. Also, during expansionary periods, increasing the CIT base and reducing PIT rates, positively affect public sector efficiency.
11	Cookey and Okorie (2020)	Fiscal Policy and Economic Growth in Nigerian Economy	Engle-Granger Error Correction model analysis techniques	government expenditure, both capital and recurrent, have positive and significant impact on economic growth
12	Eze and Onyedikachi (2020)	Tax Revenue and Economic Growth in Nigeria: Evidence from Nigeria	Ordinary Least Square statistical technique	A significant positive statistical relationship with real gross domestic product while Value Added Tax indicated a negative and statistically insignificant relationship
13	Agunbiade and Idebi (2020)	Tax Revenue and Economic Growth Nexus: Empirical Evidence from the Nigerian Economy	Vector Error Correction Model (VECM) and Granger causality test	A causal relationship among Real GDP and the different tax revenue sources.
14	Ewa, Adesola, and Essien (2020)	Impact of Tax Revenue on Economic Development in Nigeria	Ordinary Least Square statistical tool	The existence of significant effect of taxes from CIT and VAT on Gross Domestic Product Growth, but there is little or no significant impact of taxes on profits of Petroleum companies on Gross Domestic Product growth in Nigeria
15	Maganya (2020)	Tax Revenue and Economic Growth in Developing Country: An Autoregressive Distribution Lags Approach	Autoregressive distributed lag model (ARDL) bounds testing procedure	Domestic goods and services (TGS) taxes are positively related to GDP growth and are statistically significant. Also, income taxes were found to be negatively related to GDP growth and to be statistically significant.
16.	Adegbie, Nwaobia and Osinowo (2020)	Non-Oil Tax Revenue on Economic Growth and Development in Nigeria	Multiple regressions statistics	Custom and excise duties, capital gain tax, company income tax, tertiary education tax and value added tax) have significant effect on economic growth
17.	Adeusi, Uniamikogbo, Erah and Aggreh (2020)	Non-Oil Revenue and Economic Growth in Nigeria	Ordinary Least Square (OLS) regression techniques	Indirect taxes (Custom & Excise Duties and Value Added Tax) have more significant positive effect on the Nigerian economic growth than direct taxes (Companies Income Tax and Personal Income Tax)
18	Enehe (2020)	Impact of Tax Revenue on the Nigeria Economy	Autoregressive - Distributed Lag (ARDL)	PPT and CED have a negative impact on the Nigeria Gross Domestic Product in the short run but has a positive impact on the long run
19.	Etim, Nweze and Umoffong (2020)	Petroleum Profits Tax, Company Income Tax and Economic Growth in Nigeria 1980–2018	Engle Granger Procedure Co-integration test and Parsimonious Error Correction Mechanism (ECM)	A positively significant association of PPt, CIT and economic growth. Also, the parsimonious results show a positive co-efficient for t-values of CIT and PPT on economic growth
20.	Tengs (2020)	Taxation as a Social Contract: Public Goods and Collective Action in Sub-Saharan Africa	A logistic regression analysis	The conventional approach to the fiscal contract is the the most important factor. Meanwhile, social cohesion helps in the provision of the needed explanation for the fact that social solidarity also increases tax compliance.
21.	Ordu and Nkwoji (2019)	Impact of Education Tax Revenue on Economic Development of Nigeria	Regression analysis	Education tax revenue has a significant impact on economic development
22..	Joseph, Omodero and Umeonu (2019)	Impact of Tax Revenue on Economic Growth of Nigeria	Ordinary Least Squares (OLS) regression technique	Revenue from tax has a significant impact on economic growth. Also, there is positive relationship between foreign direct investment and Gross Domestic Product
23.	Soyemi, Olugbenga and Kajola (2019)	Tax Policy and Economic Growth In Nigeria	ARDL model	Direct and total taxes have a positive and statistically significant effect on economic growth while indirect taxes have a negative and significant effect on economic growth in the short-run and insignificant effect on the economic growth in the long run

24	Adefeso (2018)	Government Tax Policy and Performance of Listed Manufacturing Firms in Nigeria: Evidence from Dynamic Panel Data Model	Generalized Method of Moment (GMM)	A positive relationship between corporate tax policy and the output performance of listed manufacturing firms in Nigeria
25	Asaolu, Olabisi, Akinbode and Alebiosu (2018)	Tax Revenue and Economic Growth in Nigeria	Auto Regressive Distributed Lag (ARDL) Regression	VAT and CED had significant relationships with economic growth, while CIT has negative significant relationship with economic growth. Meanwhile, PPT had no significant relationship with economic growth.
26	Charles, Ekwe and Azubuike (2018)	Federally Collected Tax Revenue and Economic Growth of Nigeria: A Time Series Analysis	Johansen Co-Integration test	A long-run relationship exists between Federally Collected Tax Revenue (FTCR) and Gross Domestic Product (GDP) of Nigeria
27.	Uzoka and Chiedu (2018)	Effect of Revenue from Taxation on Economic Growth of Nigeria	co-integration test	CGT and EDT have no major effect on economic growth but there is a significant effect from CIT, PPT, VAT and CED on the growth of Nigerian economy
28.	Yahaya & Bakare (2018)	Effect of Petroleum Profit Tax and Companies Income Tax on Economic Growth in Nigeria	Fully Modified Least Square (FMOLS) Regression Technique	Petroleum profit tax (PPT) and company income tax (CIT) have positive significant impact on gross domestic product (GDP) in Nigeria
29	Gashi, Asllani and Boqolli (2018)	The Effect of Tax Structure in Economic Growth	Econometric model and linear regression analysis using STATA software	Most of the taxes have a positive impact on GDP growth. Also, the taxes do not have the same impact on economic growth in Kosovo
30.	Ogbonna and Ikeagwu (2017)	Impact of Taxation on Economic Development in Nigeria	Multiple regression analysis	Tax revenue have positive and significant relationship with economic development.
31	Okpe, Duru and Ezeoma (2017)	Effect of Tax Revenue on Economic Growth in Nigeria	Ordinary Least Square Regressions	Petroleum profit tax, company income tax and customs & excise duties do not have significant effect on the gross domestic product of Nigeria
32.	Nwankwo, Kalu and Chiekezie (2017)	Fiscal Policy-Economic Growth Correlates: Further Evidence from Nigeria Economy	The Co-integration and Error Correction (ECM) approaches	The Government capital and recurrent expenditures are insignificant hence has no impact on economic growth
33.	Okwara and Amori (2017)	Effect of Tax Revenue on Growth of Nigerian Economy	Ordinary Least Square Regression	Non-oil income has significant effect on gross domestic product while on the other hand, value added tax has negative relationship and is statistically insignificant
34.	Ojong, Ogar, and Arikpo (2016)	The Impact of Tax Revenue on Economic Growth: Evidence from Nigeria	Ordinary least square of multiple regression models	There is a significant relationship between petroleum profit tax, non-oil revenue and the growth of the Nigeria economy and also that there is no significant relationship between company income tax and the growth of the Nigeria economy
35.	Adudu and Ojonye (2015)	The Impact of Tax Policy on Economic Growth in Nigeria	Granger – causality co –integrations framework	Efficient tax reforms are prerequisite for improved sustainable economic growth
36.	Agu, Okwo, Ugwunta and Idike (2015)	Fiscal Policy and Economic Growth in Nigeria: Emphasis on Various Components of Public Expenditure	Ordinary least square (OLS) in a multiple form	There is a positive correlation between government expenditure on public goods/services and economic growth
37.	Chiripanhura and Chifamba (2015)	The Impact of Namibia's Income Tax Reform: A CGE Analysis	Computable general equilibrium (CGE) model	The tax reforms in Namibia resulted in exchange rate depreciation thereby increasing export competitiveness. Sector by sector analyses show that the manufacturing sector is the highest beneficiary from the tax reforms.
38.	Osundina and Olanrewaju (2013)	Welfare Effects of Taxation On The Nigerian Economy	The standard OLS estimation technique	Private investment level had a direct/positive relationship with total consumption expenditure as expected but no significant effect while total federally

				collected revenue had negative and significant effect on total consumption expenditure
39.	Chigbu, Akujuobi, and Appah (2012)	An Empirical Study on the Causality between Economic Growth and Taxation in Nigeria	Granger Causality and Johansen Co-integration.	Taxation affects the economic growth and taxation granger cause economic growth of Nigeria
40.	Jorgenson and Yun (2012)	Taxation, Efficiency and Economic Growth	A dynamic general equilibrium methodology	efficient taxation of income is the most effective approach to tax reform

Source: Researcher's Compilation, 2023

Theoretical Framework
The study was anchored on two underpinning eclectic theories viz: Expediency theory and Socio-Political theory of taxation.

Expediency Theory
      This study is anchored on the Expediency Theory on Taxation, which was propounded by a Tunisian born economist, Abdul Islahi Azim and validated by Mirrleeds in 1971(Chigbu, Akujuobi, Eze and Appah, 2012). The theory is based on the test of practicability, which all proposed tax policy must be evaluated. The theory states that every tax proposal should be exposed to the test of practicability. The explanation of the economy, efficiency, and effectiveness of tax collection instrument is key in the theory. The assumption of the theory is that government adopted tax rate need not be harmful to the taxpayer and by so doing, the government will generate much revenue from tax due to higher compliance rate. It also assumes that the state should change the people in the society for the services rendered by it. The justification for this assumption is the imposition of taxes for funding economic activities by the state. The theory sees taxation as a strong policy instrument that should be used effectively to correct macroeconomic and social ills of the society like income inequalities, unemployment rate and so on. Based on the theory, a tax system should be designed in such a manner that it will not benefit only individual members of the society, but should be an instrument to correct the ills of the society in general. The theory has a link between tax liabilities and state activities, and the levying of tax on tax payers is necessary for the provision of public goods and services and then providing a yardstick for the apportionment of the burden of tax between citizens of the state.

      The theory is relevant to the study because the essence of tax policy formulation is to efficiently and effectively generate tax revenue that will be used for financing the activities of the state. The expediency theory enables us to assess the extent to which the Nigeria tax system conforms to this scenario where the relationship between tax liabilities and economic activities are linked. The reason is that expediency theory focuses on the principle that taxes are levied to actualize economic goal which improves economic growth of the state. This underscores the relevance of the expediency theory on the study of government tax policy and economic growth in Nigeria.

The Socio-Political Theory of Taxation
      Another underpinning theory to this study is the Socio-Political Theory of Taxation as propounded by a German Economist, Adolph Wagner. Wagner was in support that social and political objectives should be at the center stage when the decision of choosing taxes is being taken. He did not believe in individualist approach to problem solving just like his contemporaries of those days (Yahaya & Bakare, 2018). He advocated that each economic problem should be considered in its social and political perspective in order to find a suitable solution to it. The society is made up of individuals, but operates in a synergy among them where their outcome will be more than the sum total of its individual members. The society has an existence and its own entity which needs preservation and should be cared for. Corollary, a tax system should not be structured to take care of individual members of the society, but should be designed to remedy the ills of the entire society. Wagner was indirectly advocating a modern welfare approach in establishing and formulating a tax policy. Specifically, he was in support of using taxation to reduce income inequalities and unemployment problem. He supported that private property and inheritance were the outcome of state policies and not divine rights. Therefore, the state had the authority to control the ownership of property and its inheritance in the overall interests of the society. Although Wagner's ideas were vehemently criticized at that time, they are today the pillars of fiscal policies of modern state.

      Different groups (economic, social and political) put pressure in all economy as they lobby to ensure that their interest is not only protected but also promoted hence, governments are left with no other option than to accommodate the pressures by reforming the tax policies and structure (Edori, 2022). Hence the relevance of this theory to the study is that the Socio-Political theory suggested that the design of a tax system should not be

to serve individuals, but should be focused on addressing the economic problems of a society. The theory also argued that tax-driven economic growth will mitigate the social and economic problems of the society such as poverty, income inequalities and illiteracy (Soyemi, *et al.* 2019). Therefore, the study has depended on this theory of taxation in developing the theoretical framework.

III. MATERIALS AND METHODS

Research Design

This study employed an *ex-post facto* design in order to achieve the objective of the study. *Ex-post facto* design was utilized due to the nature of the variables involved, which can only be estimated through the collection of secondary data. ICAN (2006) stated that ex-post facto design is used where existing case is observed for some time or over a period of time or at interval so as to study or evaluate it. This type of research design is suitable in this study, because the data is already in existence and the design explains a "cause-and-effect" condition.

The study is based in Nigeria with focus on tax revenue (using companies income tax, value added tax, petroleum profit tax, custom & excise duties and education tax as proxy) and economic growth (measured with Gross Domestic Product) as the dependent variable for the period of 1999 to 2021. The study applied secondary data which was obtained from Central Bank of Nigeria (CBN) Statistical Bulletins, Federal Inland Revenue Service (FIRS) Publications, and National Bureau of Statistics Bulletins for the years under study.

The data analysis involved the use of descriptive statistics test. Descriptive statistics was carried out so as to ascertain the characteristics of the research variable such the mean, standard deviation, minimum and maximum amongst others. Multiple regression test anchored on Ordinary Least Square (OLS) was also performed to ascertain the statistical significance of the hypothetical relationship between the dependent and the independent variables. Multiple regressions were evaluated using the conventional probability values (P-Value).The decision rules were anchored on the conventional probability values (p-value) associated with the regression outcome of the research base line model.

Model Specification

The study employed the multiple linear regression model which was stated as follows:

$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \varepsilon$ . . . Equ (1)

Where;

Y = Dependent variable (economic growth)

β_0 = Constant

$\beta_1, \ldots, \beta_5$ = Coefficient of the independent variables

$x_1, \ldots, x_5$ = Independent variables (CIT, VAT, PPT, CED, and EDT)

ε = Stochastic error term

The functional relationship of the model variable was expressed for appropriate evaluation of the hypotheses as formulated in Chapter One as follows:

GDP = f(CIT, VAT, PPT, CED, EDT) . . . Equ (2)

Where,

GDP = Gross Domestic Product (dependent variable)
CIT = Companies income tax (independent variable)
VAT = Value added tax (independent variable)
PPT = Petroleum profit tax (independent variable)
CED = Custom and excise duties (independent variable)
EDT = Education tax (independent variable)

The explicit representation of the base line model as specified by the researcher for the purpose of determining the impact of tax revenue on economic growth in Nigeria was stated as follows:

GDP = $\propto$ + β_1CIT + β_2VAT + β_3PPT + β_4CED + β_5EDT + ε…………… Equ (3)

Where

$\beta_1 \ldots \beta_5$ = Slopes of coefficient of the explanatory variables

$\propto$ = constant

ε = stochastic error term.

Appriori expectation: the parameter estimates β_1, β_2, β_3, β_4, and β_5 are expected to be positively (+) signed and significant.

Description of Model Variables

Gross Domestic Product (dependent variable): GDP is the money value of goods and services produced in an economy during a period of time irrespective of the nationality of the people who produced the goods and services. In the calculation of GDP, allowance for capital consumption or deductions for depreciation is never considered.

Company Income Tax (independent Variable): CIT is chargeable on all income of corporate entities (with the exception of those that are exempted specifically by the Act) and companies in the downstream of the petroleum industry in Nigeria are inclusive. It is a form of tax on a company's total profit at the rate of 30%. CIT is charged on the assessable profit of the company and the assessable profits of at firm for a year are basically on the preceding year basis.

Value Added Tax (independent variable): Value Added Tax (VAT) is a tax on conspicuous consumption, which the burden is borne by the end user but gathered at every phase or level of manufacturing and allocation. VAT is currently charged at 7.5% in Nigeria.

Petroleum Profit Tax (independent variable)**:** Petroleum profit tax is the type of tax imposed on companies that are into the business of petroleum exploration in Nigeria.

Custom and Excise Duties (independent variable): Customs and Excise Duties (CED) is a form of indirect tax which is imposed on both imported and exported goods and services. Excise taxes are charges levied by government on specific commodities produced in an economy at varying rates.

Education Tax (independent variable): Education Tax is a tax levied on the assessable profits of all firms registered in Nigeria (firms that are subject to tax under Petroleum Profits Tax Act are inclusive) for the improvement of tertiary education in Nigeria. It is assessed at 2% of the assessable profits of a firm until recently the Finance Act of 2021 (as amended) increased the rate to 2.5% of a company's assessable profit for each year of assessment.

IV.   RESULTS AND DISCUSSIONS

Descriptive Test

In a bid to carry out this study, the various descriptive statistics of the data used was initially examined. The descriptive statistics of data series gives information about simple statistics such as mean, median, minimum value, maximum value and the distribution of the sample measured by skewness, kurtosis and the Jaque-Bera statistic. It is worthy of note that all data series used for econometric investigation ranged from 1999 to 2021. The descriptive result is presented in Table 2.

Table 2: Descriptive Statistics

Parameter	GDP	CIT	VAT	PPT	CED	EDT
Mean	23.40952	688.7200	507.1214	1326.855	111.6248	109.4586
Median	24.70000	600.6000	481.4000	1349.500	29.90000	89.20000
Maximum	38.30000	1747.990	1605.170	2666.370	467.6800	279.3600
Minimum	14.20000	46.20000	47.80000	71.10000	1.100000	5.700000
Std. Dev.	7.248579	573.8342	408.1036	772.0024	135.7514	93.78593
Skewness	0.334703	0.351827	0.988970	0.066767	1.070013	0.333758
Kurtosis	2.084422	1.676914	3.616842	2.033637	3.298004	1.647964
Jarque-Bera	1.125589	1.964975	3.756148	0.832728	4.084954	1.989382
Probability	0.569615	0.374379	0.152884	0.659440	0.129707	0.369838
Sum	491.6000	14463.12	10649.55	27863.96	2344.120	2298.630
Sum Sq. Dev.	1050.838	6585713.	3330970.	11919755	368569.0	175916.0
Observations	21	21	21	21	21	21

Source: Author's Computation 2023

Table 2 above reports the overall mean and standard deviation for all the variables involved in this standard regression analysis. The mean of the dependent variable chosen, which is economic growth (GDP) is 23.41 which is not all that very low compared to the mean of other independent variables which are the variables of tax revenue. With the mean value of CIT standing at 688.72 while those of VAT, PPT, CED and EDT are 507.12, 1326.86, 111.62 and 109.46 respectively, we can conclude that PPT has the highest mean value, followed by CED, EDT, CIT, VAT and finally, GDP. The standard deviation of each variable (GDP, CIT, VAT, PPT, CED, and EDT) with 7.24, 573.83, 408.10, 772.00, 135.75 and 93.79 respectively appears to follow the same hierarchical trend as those of the mean values. Clearly viewed, GDP show the least deviation of 7.24 while PPT with 772.00has the highest standard deviation value of the nine variables presented in Table 2 above.

In Skewness, the minus means that the changes in VAT is more on the positive side while the change in CIT is more on negative side. The movement in VAT is less than fluctuation in CIT. The -0.79 means decreasing changes. In kurtosis, the peak of a normal curve is 3.0 but our result is close to it which shows an indication of normality.

Jarque-Bera is the main test for normality, at 10%, we can say that the two variables are normally distributed. Normality properties of the series in terms of jargue-bera test and kurtosis indicates similarity of the two variables. Do to the significant of company income tax (CIT) in Nigerian economy. It is believed that CIT could have more impact than VAT in our analysis and we choose CIT instead of VAT.

Correlation Test
Correlation test was used to ascertain the strength and magnitude of the relationship between the dependent and independent variables.

Table 3: Correlation Matrix

	GDP	CIT	VAT	PPT	CED	EDT
GDP	1.000000	-0.382591	-0.188517	-0.578617	-0.115296	-0.478875
CIT	-0.382591	1.000000	0.932558	0.740410	0.926424	0.905042
VAT	-0.188517	0.932558	1.000000	0.670928	0.962394	0.819941
PPT	-0.578617	0.740410	0.670928	1.000000	0.622538	0.765164
CED	-0.115296	0.926424	0.962394	0.622538	1.000000	0.824161
EDT	-0.478875	0.905042	0.819941	0.765164	0.824161	1.000000

Source: Author's Computation 2023

The correlation matrix as seen in the Table 3 above is from numbers between -1 and 1. It shows whether variables or paired set of data are related or not. The closer the values are to 1, the more confident we have that the variables have positive linear correlation and a negative sign implies an inverse correlation. The correlation between company income tax (CIT) and economic growth (GDP) with values of -0.383 indicates a negative and fair correlation between the two variables. That between economic growth (GDP) and petroleum profit tax (PPT) with value of -0.579 also indicates a negative but weak correlation among the variables. The correlation between economic growth (GDP) and value added tax (VAT) is -0.186 which also indicates a negative and weak correlation. The correlation between economic growth (GDP) and custom & excise duty (CED) is -0.115 which indicates a negative and high correlation. The correlation between economic growth (GDP) and education tax is -0.479 which indicates a negative and weak correlation.

In summary, the relationship or correlation or association between dependent and independent variable is generally fair. This is because a correlation of r = 0.9 suggests a strong, positive association between two variables, whereas a correlation of r = -0.2 suggest a weak, negative association. A correlation close to zero suggests no linear association between two continuous variables. This is an indication that the tax revenues have not actually helped the growth of Nigeria economy through GDP over the years under study.

Unit Root Tests
All the variables in the model are subjected to stationary test using Augmented Dickey Fuller (ADF) Unit Root Tests. Some variables are stationary at levels, while others at their first difference. This implied that the variables could not be appropriately included in their levels in least square regression. Thus, the appropriate modeling techniques for sector output would be Autoregressive Distributed Lag (ARDL) model bound testing approach.

Table 4. Augmented Dickey Fuller test for stationarity

Variables	ADF Lag test statistic			Critical values (5%)		Order of integration	Remark
	At level	At 1ST difference		At level	At 1ST difference		
GDP	-2.960411	-2.945842		-2.960411	-2.945842	I(1)	Stationary
LCIT	-2.943427	-2.945842		-2.943427	-2.945842	I(2)	Stationary
LPPT	-2.943427	-2.945842		-2.943427	-2.945842	I(1)	Stationary
LVAT	-2.943427	-2.945842		-2.943427	-2.945842	I(1)	Stationary
LCED	-2.943427	-2.945842		-2.943427	-2.945842	1(1)	Stationary
LEDT	-2.943427	-2.945842		-2.943427	-2.945842	I(1)	Stationary

Source: Author's Computation, 2023

From the unit root test as summarized in the table 3 above, we observe that all variables in the model (GDP, CIT, PPT, VAT, CED, and EDT) are all non-stationary at level, that is, they all contain a unit root. This now implies that the variables no longer contain a unit root or, we say they are integrated of order one, that is, they are I(1). Table 4 showed the behaviour of variables in their levels and first difference. It could be seen that these series could effectively be referred to have a random walk when they are in levels but refer to their mean level after first difference. This means that the null hypothesis which is specified that a variable under investigation has a unit root, against the alternative, can be rejected for all the data series in their levels at 5% significance level. Having taken the difference of all the series, the ADF test was further employed in testing for the stationarity of the differenced series. By carrying out unit root tests for individual variables in their first difference, the comparison of respective critical values with their reported statistics leads to the rejection of the null hypothesis for all variables at either 5% level of significance. The inference of the Augmented Dickey-Fuller tests, therefore, is that all the data series for this study were not stationary at I(1) series. This implies that these selected series become stationary when they are differenced once. The presence of unit root test will lead the co-integration test.

Autoregressive Distributed Lag (ARDL) Co-integration Test
The Table 5 below shows the ARDL co integration test results for GDP$_t$= β$_o$+ β$_1$CIT$_t$ + β$_2$VAT$_t$ + β$_3$PPT$_t$ + β$_4$CED$_t$ + β$_5$EDT$_t$ + μ$_t$

Table 5: ARDL Co-integration Test for First Model (GDP)

Dependent Variable: GDP				
Method: ARDL				
Dynamic regressors (4 lags, automatic): CITVATPPTCED EDT				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDP(-1)	0.320060	0.378047	0.846615	0.4218
GDP(-2)	0.007651	0.402734	0.018997	0.9853
GDP(-3)	-0.148632	0.337680	-0.440156	0.6715
GDP(-4)	0.536512	0.251097	2.136672	0.0051
CIT	0.035499	0.086577	0.410026	0.6925
CIT(-1)	-0.040979	0.095610	-0.428605	0.6795
CIT(-2)	-0.093686	0.093336	-1.003749	0.3449
CIT(-3)	0.170385	0.086771	1.963625	0.0852
CIT(-4)	0.302700	0.140923	2.147974	0.0040
VAT	0.095630	0.190852	0.501067	0.6298
VAT(-1)	0.397953	0.260271	1.528995	0.1648
VAT(-2)	-0.343082	0.250736	-1.368298	0.2084
VAT(-3)	-0.279235	0.285003	-0.979760	0.3559
VAT(-4)	-0.210432	0.112305	-1.873766	0.0078
PPT	0.120569	0.193906	0.621795	0.5514
PPT(-1)	0.349069	0.226972	1.537935	0.1626
PPT(-2)	-0.477490	0.253855	-1.880958	0.0968
PPT(-3)	-0.226122	0.297481	-0.760124	0.4690
CED	0.873905	0.461464	1.893769	0.0949
CED(-1)	-0.585352	0.452680	-1.293082	0.2321

CED(-2)	-1.100621	0.581335	-1.893265	0.0949
CED(-3)	0.991255	0.387547	2.557769	0.0338
CED(-4)	0.688834	0.663588	1.038045	0.3296
EDT	0.014195	0.055190	0.257200	0.8035
R-squared	0.969790	Mean dependent var		24.26235
Adjusted R-squared	0.875384	S.D. dependent var		4.585526
S.E. of reVATssion	1.618733	Akaike info criterion		3.883658
Sum squared resid	20.96238	Schwarz criterion		5.050875
Log likelihood	-40.02218	Hannan-Quinn criter.		4.281712
Durbin-Watson stat	2.506320			

Source: Author's Computation, 2023.

Table 5 shows the result of ARDL co-integration test which tests the long run equilibrium relationship between the variables in the model. From Table 5, we observe the presence of long run relationship between the variables using lag 4. The result above shows that there are significant effects of the lags of some of the tax revenue variables on economic growth (GDP). We have a significant effect of the fourth lag of GDP, fourth lag of Company Income Tax, fourth lag of Value Added Tax and the third lag of Custom and Excise Duty have significant effect on economic growth at 10% and fourth lags of Education Tax have insignificant effect on the economic growth, implying that the current Company income tax would still affect economic growth in the next 4 year, the current Value Added Tax would affect the Economic Growth for the coming 4 years, the current petroleum profit tax would affect economic growth in the next 3 years and the current Education Tax would still have an influence on the economic growth in the next four year.

Error Correction Model (ECM) Estimates for Model 1
Table 6: ARDL ECM Result

ARDL Error Correction Regression				
Dependent Variable: D(GDP)				
Selected Model: ARDL(4, 4, 4, 3, 4)				
Case 1: No Constant and No Trend				
Sample: 1999 2021				
Included observations: 21				
ECM ReVATssion				
Case 1: No Constant and No Trend				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(GDP(-1))	-0.395531	0.228526	-1.730793	0.1217
D(GDP(-2))	-0.387880	0.133406	-2.907521	0.0197
D(GDP(-3))	-0.536512	0.179379	-2.990946	0.0173
D(CIT)	0.035499	0.060232	0.589365	0.5719
D(CIT(-1))	-0.379399	0.076059	-4.988226	0.0011
D(CIT(-2))	-0.473085	0.092312	-5.124876	0.0009
D(CIT(-3))	-0.302700	0.087660	-3.453124	0.0087
D(VAT)	0.095630	0.139082	0.687579	0.5112
D(VAT(-1))	0.832749	0.205026	4.061672	0.0036
D(VAT(-2))	0.489667	0.206253	2.374110	0.0450
D(VAT(-3))	0.210432	0.077990	2.698203	0.0271
D(PPT)	0.120569	0.147756	0.816003	0.4381
D(PPT(-1))	0.703613	0.193392	3.638267	0.0066
D(PPT(-2))	0.226122	0.190831	1.184932	0.2700
D(CED)	0.873905	0.289475	3.018934	0.0166
D(CED(-1))	-0.579468	0.236779	-2.447294	0.0401
D(CED(-2))	-1.680089	0.399357	-4.206984	0.0030
D(CED(-3))	-0.688834	0.378882	-1.818070	0.1066
EDT	0.014195	0.426092	2.544036	0.0012
CointEq(-1)*	-0.284409	0.058774	-4.839063	0.0013

R-squared	0.932464	Mean dependent var	0.308824
Adjusted R-squared	0.814275	S.D. dependent var	3.066866
S.E. of reVATssion	1.321690	Akaike EDTo criterion	3.648364
Sum squared resid	20.96238	Schwarz criterion	4.636009
Log likelihood	-40.02218	Hannan-Quinn criter.	3.985179
Durbin-Watson stat	2.506320		
* p-value incompatible with t-Bounds distribution.			
Levels Equation			
Case 1: No Constant and No Trend			
Variable	Coefficient	Std. Error	t-Statistic	Prob.
CIT	1.314723	0.664469	2.978607	0.0032
VAT	-1.192529	0.763633	-3.561652	0.0370
PPT	-0.822669	0.645304	-2.274856	0.0436
CED	3.052015	4.909924	0.621601	0.5515
EDT	3.784672	4.671905	-3.458912	0.0012
EC = GDP - (1.3147*CIT -1.1925*VAT -0.8227*PPT + 3.0520*CED)			

Source: Author's Computation, 2023.

As expected, the EC term, here represented as CointEq(-1), is negative with an associated coefficient estimate of −0.284409. This implies that about 28.44% of any movements into disequilibrium are corrected for within one period. Moreover, given the very large t-statistic, namely −4.839063, we can also conclude that the coefficient is highly significant. The short-run coefficients estimate show the dynamic adjustment of all variables. The short run coefficients for CIT and VAT have significant effect on GDP in lag 1, 2, and 3; PPT also has significant effect on GDP in lag 1 and CED has significant effect on GDP in lag 1 and 2. In summary, the short run coefficients for CIT, VAT, PPT and CED are statistically significant at the 5% level. The coefficient of error correction term ECM (-1) estimated at -0.284409 is highly significant indicating that the gross domestic product, company income tax, value added tax, petroleum profit tax, custom and excess duty and education tax are cointegrated. The estimated value of the coefficient indicates that about 28.44 percent of the disequilibrium in Economic Growth is offset by the short run adjustment in the same quarter.

Moreso, the parsimonious model is free of serial correlation going by the value of the Durbin-Watson statistics of 2.51. The coefficient of determination (R-square) which was used to measure the goodness of fit of the estimated model, indicates that the model is reasonably fit in prediction, that is, 93.25 percent change in GDP was due to CIT, VAT, PPT, CED, and EDT collectively, while 6.75 percent unaccounted variations was captured by the white noise error term. It showed that CIT, VAT, PPT, CED, and EDT had strong and significant impact on the GDP in Nigeria.

Granger Causality Test Result
The Granger Causality test is used to test for the causal relationship between tax revenue and economic growth in Nigeria. The null hypothesis, the t-values and p-value of each variable were used to establish the effect.

Table 7: Granger Causality Test Result for GDP

Pairwise Granger Causality Tests			
Sample: 1999 2021			
Lags: 2			
Null Hypothesis:	Obs	F-Statistic	Prob.
CIT does not Granger Cause GDP	21	2.95020	0.0812
GDP does not Granger Cause CIT		1.09698	0.3577
VAT does not Granger Cause GDP	21	3.35641	0.0606

GDP does not Granger Cause VAT		5.80402	0.0127
PPT does not Granger Cause GDP	21	0.39752	0.6784
GDP does not Granger Cause PPT		1.47820	0.2576
CED does not Granger Cause GDP	17	4.52017	0.0344
GDP does not Granger Cause CED		2.26950	0.1459
EDT does not Granger Cause GDP	21	1.05313	0.3718
GDP does not Granger Cause EDT		2.14046	0.1501

Source: Author's Computation, 2023

Considering the output of Granger Causality and using 7 degree of freedom and 21 observations, the F-tabulated value is 1.128 at 36 observations. It is observed from the pair-wise relationship between CIT and GDP that the F-statistics is 2.95 while the value for GDP and CIT is 1.10. The estimate shows that 2.95 is greater than 1.128 and 1.10 is less than 1.128. Hence, the acceptance that tax revenue in area of company income tax does not granger cause economic growth (GDP) and that GDP does granger cause company income tax. From the overall result, we observed that there is a two-way causation between PPT and GDP. It means that Nigerian tax revenue does granger cause the slow growth of Nigerian economy and economic growth does not granger cause Nigerian tax policy implementation since none of the variables of tax revenue has P-value less that 0.05 level of significance. Since we observe that tax revenue variables does not granger cause the slow growth of the economy, we are suspecting that other government policies can as well cause the slow growth.

Discussion on the Effect of Company Income Tax (CIT) on Economic Growth in Nigeria
The null hypothesis was rejected while the alternate hypothesis was accepted with the conclusion that there is significant and negative effect of company income tax on economic growth in Nigeria and it is in line with apriori expectation. The findings of this study are not in line with the previous studies such as Edori (2022) who examined the impact of tax revenue on Nigeria's economic growth for the period from 2008 to 2017 using Company Income Tax, Value Added Tax and Petroleum Profit Tax as referents for tax revenue while Gross Domestic Product was used as the proxy for economic growth. The results revealed that positive but insignificant relationship exist between the variables under study. But in line with the studies of Asaolu, *et al.* (2018); Maganya, (2020); and Ihenyen & Ogbise (2022) who studied the relationship between Nigerian tax revenues and economic growth in Nigeria and observed that petroleum profit tax, company income tax and value added tax have a positive impact on Nigeria's economic growth, while custom and excise duties on the other hand have a negative impact on the economy.

Discussion on the Effect of Value Added Tax (VAT) on Economic Growth in Nigeria
The null hypothesis is rejected for the effect of Value Added Tax on economic growth implying that Value Added Tax has a positive and significant effect on economic growth in Nigeria. This means that Value Added Tax in recent time has been affecting economic growth positively which is in line with apriori expectation. The finding is in line with the findings of Asaolu, *et al.* (2018) and Adeusi, Uniamikogbo, Erah & Aggreh (2020) who examined the effect of non-oil revenue on economic growth in Nigeria using Value Added Tax, Companies Income Tax, Personal Income Tax and Custom & Excise Duties as a proxy for non-oil revenue. And observed that indirect taxes (Custom & Excise Duties and Value Added Tax) have more significant positive effect on the Nigerian economic growth than direct taxes (Companies Income Tax and Personal Income Tax).

Discussion on the Effect of Petroleum Profit Tax (PPT) on Economic Growth in Nigeria
Petroleum profit tax has a positive and significant effect on economic growth in Nigeria in the short run thus the null hypothesis was rejected. This is to say that the level of petroleum profit tax on economic growth in Nigeria has been inconsistence. In this case, the null hypothesis was rejected while the alternate hypothesis was accepted with the conclusion that there is significant and positive effect of petroleum profit tax on the growth of economy.This is in line with aprior expectation. The study is not in line with the findings of Ewa, Adesola and Essien (2020) who revealed a little or no significant impact of Petroleum profit tax on Gross Domestic Product

growth in Nigeria as a result of sanction by Organization of Petroleum Exporting Countries production ceiling on Nigeria's production/sales. The study conforms with the study of Etim, Nweze andUmoffong (2020) who revealed a positively significant association of PPt, CIT and economic growth. Also, the parsimonious results show a positive co-efficientfor t-values of CIT and PPT on economic growth. It also agrees with the study of Yahaya and Bakare (2018) who concluded that PPT and CIT serves as the major source of revenue hence contribute to the economic growth of Nigeria.

Discussion on the Effect of Custom and Excise Duties (CED) on Economic Growth in Nigeria

From the result, we observe a negative sign with statistically insignificant. Since the P-value of 0.6130 and 0.4586 respectively is greater than the 5% level of significance, we therefore reject alternative hypothesis and thus accept the null hypothesis with conclusion that there is no significant and positive effect of custom and excess duty variable D(CED) on economic growth in Nigeria. This finding is attributable to the fact that the data that was used as at the period of the study had an insignificant effect on the outcome of the results of the study and it is a good indicator of tax revenue in decreasing the growth of Nigeria economy. This did not conforms to the findings of Asaolu, *et al.* (2018) and Uzoka & Chiedu (2018) who observed that CGT and EDT have no major effect on economic growth but there is a significant effect from CIT, PPT, VAT and CED on the growth of Nigerian economy. However, the finding is in tandem with the results of the studies of Okpe, *et al.* (2017); and Enehe (2021) that there is no significant and negative effect of CED on economic growth in Nigeria.

Discussion on the Effect of Education Tax (EDT) on Economic Growth in Nigeria

There is positive and significant effect of education tax on economic growth in Nigeria based on the size and sign of the coefficient and p-value (0.014195 and 0.0012 respectively). This means that in the combined and individual test, the results appeared to be different. This conforms to the findings of Uzoka and Chiedu (2018) who observed that CGT and EDT have no major effect on economic growth but there is a significant effect from CIT, PPT, VAT and CED on the growth of Nigerian economy.

V. CONCLUSION AND RECOMMENDATIONS

The study examined the impact of tax revenue on economic growth in Nigeria for the period of 1999 to 2021. The proxies for tax revenue were company income tax, value added tax, petroleum profit tax, customs & excise duties and education tax while economic growth was measured by gross domestic product (GDP) Based on the findings using ordinary least square (OLS) regression technique, the study came to conclusion that taxes like such as company income tax (CIT) and custom & excise duties (CED) have negative and significant effects on economic growth while value added tax (VAT), petroleum profit tax (PPT) and education tax (EDT) have positive and significant effects on economic growth. Therefore, it is crystal clear that tax revenue has significant effects on economic growth in Nigeria.

The study made the following recommendations based on the findings above:

i. Special attention should be paid by the tax authorities concerned in Nigeria to a drastic reduction of the company income tax rate to boost economic growth in the economy. This is due to the fact that high tax rate has the attribute of negatively affecting economic activities in the country. The drastic tax rate reduction will facilitate the growth and development of corporate firms and thereby improve the economy.

ii. The government should incentivize the VAT payers to spur them to full compliance on filing and payment. This will enable the government to make more revenue from VAT and thereby boost economic growth in Nigeria.

iii. Nigerian government should restructure the petroleum sector operation by ensuring that the refineries are working in full capacities so that the tax yield will be expanded through the processing of crude oil and selling the processed oil to the international market instead of crude oil.

iv. To ensure sustainable economic growth in Nigeria through custom and excise duties, the government should intensify efforts to stopping smuggling into Nigeria and also to instill trust in the citizens through tax accountability.

v. There is need for judicious use of tax revenue and the authorities concern should ensure revenue leakages are ameliorated and prudent expenditure towards economic growth and development quests are maintained.

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