IOSR Journal of Economics and Finance (IOSR-JEF)
e-ISSN: 2321-5933, p-ISSN: 2321-5925.Volume 13, Issue 3 Ser. VI (May. – June. 2022), PP 63-69
www.iosrjournals.org

Influence of Corporate Tax Payments on Sustainable Performance of Listed Manufacturing Firms in Nigeria

[1] Dr Awa Felix N.
Department of Accountancy
Ebonyi State University, Abakaliki, Nigeria.

[2] Dr Nome Ujebe
Department of Business Management
& Entrepreneurship Studies.
Ebonyi State University, Abakaliki

Abstract
This study examined the effect of corporate tax on sustainable performance of listed manufacturing firms in Nigeria. The study is motivated by the growing complexities associated with managing the burdens and liabilities of corporate tax payments in the country. Data for this were collected from 10 listed manufacturing firms on the Nigerian stock exchange. The study adopted ex post facto research design and the use of multiple linear regressions in analyzing the data. Findings revealed that company income tax had a positive insignificant effect on the net income of listed manufacturing firms in Nigeria while educational tax had a positive significant effect on the net income of listed firms in Nigeria. Further findings revealed that deferred tax had a negative but significant effect on net income of listed manufacturing firms in Nigeria. The implications of the findings revealed that the sustainable activities of listed manufacturing firms in Nigeria are enhanced by adopting the most effective tax- pay out policy as a financing tool. Since remittance of tax is not immediate, it could be used to finance their working capital needs, which will result into more residual income in the hands of the listed manufacturing firms for further investment and still meet up with their obligations to relevant tax authorities.

Key Words*: Corporate Tax, Sustainability, Manufacturing firms, financial tool, Performance and Investment.*

Date of Submission: 12-06-2022 Date of Acceptance: 27-06-2022

I. Introduction:

The issue of taxation as a major determinant of doing business Nieria and how corporate tax affects the sustainable performance of firms cannot be overemphasized. This is of great interest to both policy makers and business executives. Sustainable performance, here, implies the capacity of firms to be able to live up to its statutory duties of tax payment without compromising her continuing existence. Both government and corporate managers share like views on this important link between tax payment and sustainability (Junaidu et al., 2018). Firm managers and executive, for instance have been faced with the task of ascertaining the best possible corporate tax plan with regards to payment of company income tax, educational tax and deferred tax planning. Issues on what tax to pay, when to pay it, and how to pay it, has been of great concern to corporate managers because in most cases, corporate tax payment has been overwhelming on firms.

Comparative evaluation of different forms of tax payment and specifically the strategic effect of deferred tax often has been ignored in tax debate. Deferred tax practice is of particular importance given that its purpose, is to correct the influence of due income tax on the sustainable performance of firms (Citron, 2014). As stated in Ogundajo and Onakoya (2016) the concept and content of deferred tax has a certain history, development and experience in Nigeria but it cannot be said that in its practical application it is a self-evident and seamless part of current financial practice. Company income tax and Educational tax fall within the category of outright corporate tax payment, while deferred tax on its' own falls within the category of tax planning tool for business sustainability purposes. This comparative approach to studying the influence of corporate tax liabilities is of particular importance to the manufacturing sector due to the heavy burden of payments it faces (Bauer, Kourouxous and Krenn, 2018).

The issue of whether it is the high corporate tax rates that determines sustainable performance of firms in the manufacturing sector or poor corporate tax planning carried out by the management of the firms has been observed by various researchers such as Abiola, James and Asiweh (2018). Adams (2019), states the role taxation plays in the growth of the manufacturing sector because tax policies, apart from generating revenue for the government, serve several other purposes. A tax policy defines the cost structure of firms as it is factored into pricing Policy (Beigi, Rafat and Panah, 2017). Governments, over the years, have made pronouncements and policies that are supposed to create tax incentives for businesses. Fortunately, most of the provisions are to help manufacturing companies to withstand adverse external development (Junaidu et al., 2018).

Statement of the Problem

During the year 2020, the manufacturing sector in Nigeria, did not record an impressive performance in their local sourcing of raw materials and production due to COVID-19 pandemic which brought about lockdowns and restrictions in their activities and this had a significant impact on the Nigerian manufacturing sector. The health pandemic exposed the structural deficiencies and efficiencies of the Nigerian economy especially the manufacturing sector, which is import-dependent. The COVID-19 also brought about a decline in the foreign exchange earnings for the economy whose main foreign exchange supplier is oil and consequently dealt a major blow to the manufacturing sector as there was an increase in operational costs and a resultant decline in productivity.

Global supply chain shortfalls also affected the manufacturing sector negatively in Nigeria. The manufacturing sector grew less than 1% in Q1 2020. It grew by 0.43%, lower than the Q1 2019 growth rate of 0.81% and Q4 2019 growth rate of 1.24%. Many manufacturers and service providers experienced an acute shortage of raw material and inputs for productions especially inputs sourced from abroad. These shortages hampered capacity utilization, employment generation and loss of jobs, and inadequate supply of products to the domestic market which led to the continuous rise in food inflation and core inflation. The manufacturing sector had also recorded a continuous quarterly decline in its activities between Q2 and Q3 2020 declining to 8.78% and 1.51% respectively. The manufacturing firms in Nigeria as a result of these were struggling with the liquidity problems posed by the then economic recession and the reality of managing corporate tax challenges associated with company income tax payment, educational tax payment, and deferred tax planning in order to meet the harsh economic reality and in sustaining the operational performance of their firms. Nigerian economy witnessed a recession and the manufacturing sector was the sector that was most affected by the economic recession as a result of the nations' depletion in reserve and dependence on local consumption. The manufacturing firms as a result were struggling with the liquidity problems posed by the pandemic and the reality of managing corporate tax challenges associated with company income tax, educational tax payments, and deferred tax planning in order to meet the harsh economic reality and sustain the operational performance of their firms.

Objectives of the Study

The study examined the influence of corporate tax on sustainable performance/activities of listed manufacturing firms in Nigeria. The study specifically wants to: Determine the effect of company income tax on net income, ascertain the effect of education tax on net income and access the effect of deferred tax on net income of listed manufacturing firms in Nigeria.

Implications of the Study

The implications of the study was that the sustainable performance of listed manufacturing firms in Nigeria would be well enhanced by adopting the most effective tax pay out policy as a financing tool. Since remittance is not immediate, it could be used to finance the working capital financial needs of the companies, which will make more residual income available in the hands of the listed manufacturing firms for further investment and still meet up with their payment obligations to relevant tax authorities

II. Review of Related Literature

Corporate taxation is an important fiscal instrument utilized by government to achieve economic growth and development. The administrative mechanism of taxation in an economy influences how corporate organizations attend to stakeholders needs. Any government which does not operate a good tax regime, but places premium on high tax rate, will definitely deplete the reported after-tax profits of taxation entities. This could in turn, lead to reduction in welfare packages accruing to stakeholders (Timah and Chukwu, 2021). Corporate taxation is a formal means of subjecting entities to direct payment of taxes. Sovereign economies use corporate tax as a lifeline to derive income from business activities of organizations (Sheriff and Agrawwal, 2017). Deferred taxes are constructs of financial reporting (Savak and Radojko, 2013). According to Poterba, Rao and Seidman, (2018) the purpose for deferred tax accounting is to account for future tax effects that will arise as a result of different recognition and measurement principles of accounting standards against tax law. Therefore, deferred tax represents future tax consequences of items and business transactions that have been recognized differently in the financial statement than in the tax report. Specifically, deferred taxes reflect the taxes that would be payable or receivable if the entity's assets and liabilities were recovered /settled at their present carrying amount (Handon, 2005). Albertazzi and Gambacorta (2006), Opined that corporate taxes are levied against profits earned by businesses during a given tax period. Corporate taxes are majorly applied to companies operating earnings, after expenses are deducted from sales. Corporations are taxed because they in many cases earn some pure economic profits, profits that are in excess of the return to capital. Many scholars have defined Tax in various ways but this study attempt to look at the definition made by Onourah and Chigbo

(2013); Rohoya, Nor'Azam and Bardai (2010) and Musgrave and Musgrave (2004), they defined taxation as the statutory transfer or payment made from private individuals, institutions or groups to the government. Also, the National Tax Policy of Nigeria in (2012) looked at taxation as basically the process of collecting taxes within a particular location.

Company Income Tax: This is a tax on profits of registered companies in Nigeria. It also includes the tax on the profits of foreign companies, carrying on any business in Nigeria. The Company Income Tax is paid by limited liability companies inclusive is the public limited liability companies. Educational Tax: Educational Tax is a tax chargeable on all companies registered in Nigeria at chargeable profits as a contribution to the Education Tax Fund. This means that all registered companies in Nigeria are required to pay a percentage of their assessable profit into an Education Tax Fund. The tax is charged at 2%. While, Deferred Tax is a notional asset or liability to reflect corporate income taxation on a basis that is the same or more similar to recognition of profits than the taxation treatment. It is also referred as to the tax which shall either be paid or has already been settled due to transient inconsistency between an organization's income statement and tax statement.

Sustainable Financial Performance of Firms

Sustainable Performance of a business is seen as the annual percentage of increase in the overall financial performance that is consistent with a defined financial policy of the firm (Gatsi, Gadzo and Kportorgbi. 2019). Such performance index includes; targeted debt to equity ratio, dividend pay-out ratio, profit margin and return on owner equity and net income. Girish, Harsh and Nidhi (2014), asserts that the concept of sustainable performance, provides a detailed financial activity framework which is based on statistical long-term assessments. It provides an orientation framework for firm's specific mid-to long-term performance target as well. According to Girishi et al (2014) the sustainable performance framework assumes several concepts. Some of which ensure that the net income of firms remains stable, the proportion of assets and sales remains stable and the company maintains its current capital structure as well. This is aimed at keeping the firm in operation with a foresight for meeting up with the accounting going concern principle.

In the fast changing economic and competitive environment, achieving the sustainable performance of a firm, is not an easy a task, especially in the present highly complex Nigerian economic environment that is characterized by recession and inconsistent tax policies (Ilaboya, Izevbekhai and Ohiokhu, 2016). Firm managers have strived to keep the companies afloat amidst the economic challenges by ensuring that they achieve net residual income for business sustainability purposes. Similarly, business competition is keen in almost all the industries, this has posed a threat to the sustainability of firms, aside tax complex issues, which have unprecedented breakdowns in the barriers that formerly separated them; therefore, companies must look forward to identify their competitive advantages and their strategic choices in the search for creating sustainable growth (Mucai, Kinya, Noor and James, 2014). By looking forward, firms can also look inward into the current Nigerian tax policy and take advantage of existing tax laws to plan effectively ahead in order to achieve business sustainable performance.

Empirical Review

David, Emmanuel and Bassey (2019) studied the Impact of Corporate Tax Planning on Financial Performance of Listed Industrial Firms in Nigeria. The study used secondary data, collected from annual financial reports of the firms. The study employed Ordinary Lease Square (OLS) method of regression. The main objective of the study was to evaluate the impact of corporate tax planning on financial performance of listed industrial firms in Nigeria. Tax planning was proxy as Effective Tax Rate (ETR). The study used control variables such as financial leverage (FLEV), firm size (FSZ) and corporate tax incentives (CTI), the regression results showed that ETR has a significant and positive relationship with financial performance. The study suggested that, Nigerian industrial firms have not been able to effectively capitalize and take advantages of the loopholes enshrined in the Nigerian tax laws. This study recommended that, study in this area should be expanded by extending its population to all manufacturing firms in Nigeria.

Tatu (2018) analyzed the impact of corporate tax on the profitability of an entity and examined how the deductible expenses and the tax rate reflect on the indicator in Nigeria. Starting from the premise that profitability is the difference between total revenues and expenses. In developing this formula in the presence of taxation, it was found that the size of this indicator activates the income volume, the amount of expenses, the share of nondeductible expenses in total and the tax rate at the same time. Different hypothesis were tested, based on the relationship between total income and expenses, the conclusions being that profitability of an enterprise is influenced by corporate tax through the weight of non-deductible expenses in total.

Junaidu and Hauwa (2018) assessed the effect of company income tax on the financial performance of listed consumer goods companies in Nigeria from 2006-2016 using regression analysis. They found out that there is an insignificant negative relationship between corporate tax and financial performance using return on assets as a measure.

John, Samuel and Holy (2019) carried out a study on the effect of corporate income tax on financial performance of manufacturing firms in Ghana using panel data methodology covering ten listed firms over seven years. The study revealed that there was a significant negative relationship between corporate income tax and financial performance. On the other hand, firms' size, age of the firm and growth of the firm show a significant positive relationship with financial performance.

Nwaorgu et al., (2019) examined the effect of deferred tax accounting on financial performance of listed agricultural firms in Nigeria. The study employed *ex- post- facto* research design using data from 4 quoted agricultural firms. The data span across 7 years ranging from 2011-2017 and were analyzed using simple linear regression. Findings from the study revealed that deferred tax accounting has a positive and significant relationship with the profitability of the listed firms. Further findings revealed that deferred tax has no statistical significant effect on both the cash flow and earnings per share of the listed agricultural firms in Nigeria.

Theoretical Framework

This study is anchored on the expectancy theory of Tax. According to Adam (1976). He stated that every tax proposal must pass the test of practicality and that must be the only consideration government authority should consider in choosing a tax policy. This theory which focuses on the cannon of economy principles explains the economic, effectiveness and efficiency of tax collection instrument. According to him, taxation is seen to provide a powerful set of policy tools to the authorities and such tools should be effectively used for remedying economic and social ills of the society such as income inequalities, regional disparities, and unemployment.

Effect administration of corporate tax in Nigeria can be used as tool to offset the economic challenges currently facing the Nigerian economy, especially the manufacturing firms (Chigbu, Eze and Ebimobowei, 2011) Scholars such as Teraoui and Kaddour (2012) carried out a study and found out that low corporate administration fosters FDI increase in the country which in turns brings about more employment. While the study of Beigi et al (2013) asserts that the effective administration of tax system increases the revenue base of a country which as a result fosters development and growth of the economy.

III. Methodology

The study adopted *ex-post facto* research design. This research design was used considering the fact that the researcher used time series data that spans from 2014 to 2021. This design however, relates to the setting up of a particular type of study in which one has no control over the allocation of the treatments or other factor that was studied.

Model Specification: To achieve the specific objectives of our study, the following equation was used:

NI = (CIT, EDT, DFT)…… (1) Using the construct variables, the model can be further transformed to capture the various coefficients as follow:

NI_{it} α +β_1 CIT_{it} + β_2 EDT_{it} + β3 DFT_{it} + U_{it} ……..(2)

Where; β_1 to β_3 are the parameter of the coefficient and μ the error term.

CIT = Company income tax (Log of Company income tax of the firms at a time)
EDT = Educational tax (log of educational tax paid by the firm at a time)
DFT = Deferred Tax (Log of deferred tax of the firm at a time)
NI = Net Income (Log of Net income of the firms at the time)
U = Error term
i = Cross-section
t = Time
β = Beta coefficient

Decision Criteria: Accept the null hypothesis if the calculated significant value is greater than the accepted significant value of 0.05.

Descriptive Statistics: The Table below shows the descriptive statistics of our sample make up.

Table 1: Descriptive Statistics Table

Descriptive Statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Error	Std. Deviation Statistic
CIT	50	4.63	6.71	5.5505	.07675	.54274
EDT	50	3.02	5.71	4.5443	.08849	.62575
DFT	50	3.52	7.13	5.4511	.13584	.96051
NI	50	4.98	6.98	6.0817	.06989	.49419
Valid N (listwise)						

Source: SPSS (21)

CIT records a mean and standard deviation of 5.5505 and 0.54274. it also reveals minimum and maximum values of 4.63 and 6.71 respectively. EDT reveals a mean and standard deviation of 4.5443 and 0.62575, it also records a minimum and maximum value of 3.02 and 5.71. for DFT, a minimum and maximum value of 3.52 and 7.13 is recorded, while its means and standard deviation reveals 5.4511 and 0.96051 respectively. Lastly, NI reveals a mean and standard deviation of 6.0817 and 0.49419. it also records a minimum and maximum value of 4.98 and 6.98 respectively. The various levels of deviation values show the level of fluctuations and variations in the manufacturing sector corporate taxes and sustainable income. Also the minimum and maximum values represent the lowest and highest values of CIT, EDT, DFT and NI recorded by the firms under review.

Model Summary

The table 2 below reveals the direction of association of the variables of study for the model specified.

Table 2: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sign. F Change	Durbin-Watson
						F	Df1	Df2		
1	771[a]	.594	.568	.32491	.594	22.453	3	46	.000	.772

a. Predicators: (Constant), DFT, CIT, EDT

b. Dependent variable: NI

Source: SPSS (21)

To enable a more robust result, the Dublin Watson statistic for auto correlation test is adopted. The table above reveals a Dublin Watson Statistics of 0.772, which is below the accepted standard of 2 indicating the absence of serial correlation of the data collected. According to Gujarati and Sangeetha, (2007) value Dublin Watson above 2.00 often regarded as indicating auto correlation, which is not the case in this study.

Furthermore, the above results in table 2 show that there exist a strong positive relationship between CIT, EDT, DFT as proxy for corporate tax and variable of sustainable performance (NI) at (0.771) 77.1% R value which also explains that the model. Also the R^2 value stood at 0.594. the R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (NI) that can be explained by the independent or explanatory variables CIT, EDT and DFT. Thus the R^2 value of 0.594 indicates that 59.4 of the variation in the sustainable performance (NI) of listed manufacturing firms can be explained by a variation in Corporate Tax (CIT, EDT & DFT) while the remaining 40.6 (i.e. 100-R^2) could be accounted by other factors not included in this models. Factors such as debt level, macro-economic issues and political legislations. The adjusted R^2 of 0.68 above indicates that if the other factors are considered, this result will deviate from it by only 0.026 (i.e 0.594-0.568). This result shows that there is a deviation of the sample variables examined from the ones to be considered by 2.6%. The Fisher Change statistics shows that the over linear model is fit at a level of 22.453 with a F statistic probability value of 0.000.

Table 3: Regression Results Coefficients[a]

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Tolerance	Statistics
Constant	3.174	.534		5.938	.000		
CIT	.288	.180	.317	1.601	.116	.225	4.435
EDT	.479	.177	.607	2.700	.010	.175	5.722
DFT	-.159	.063	-.310	-2.548	.014	.597	1.676

a. Dependent Variable: NI

Source: SPPS (21)

To test for multiplicity robustness of the model, the study adopts the tolerance level and variance Inflation Factor (VIF) statistics. According to Gujarati and Sangeetha, (2007) values of VIF that exceed 10 and tolerance level values that are below 0.1 are often regarded as indicating multicollinearity of the independent variables data, which is not the case in this study; as the tolerance levels are above 0.1 and the VIF statistics are below 10 which further substantiates the absence on multi-collinearity and the validity of the study model. The regression result as presented in table 3 above to determine the relationships between CIT, EDT, DFT and NI shows that when Corporate Tax Rate (CIT, EDT & DFT) is held stationary; the NI variable is estimated at 3.174. This simply implies that when CIT, EDT and DFT are held constant, there will be an increase in the net income of listed manufacturing firms up to the tune of 3.174 occasioned by factors not incorporated in this study. Thus, a unit increase in CIT will lead to an increase in the net income of manufacturing firms by 31.7.

Also, a unit increase in EDT will lead to an increase in net income of manufacturing firms by 60.7%, while a unit increase in DFT will lead to a decrease in the net income of manufacturing firms by 31%.

IV. Discussion of Results

Findings from the first specific objective revealed that company income tax has no significant effect on net income of the listed manufacturing firms in Nigeria. This finding is in line with that of Junaidu and Hauwa (2018) who carried out a study to ascertain the effect of company in tax on the financial performance of listed consumer goods companies in Nigeria from 2006-2016 using regression analysis. In their study they found out that there is an insignificant negative relationship between corporate tax and financial performance of the firm. This result is validated with the normative thought that company income tax generally as expected reduces the sustainable income of manufacturing firms thus leaves such firms with little resource for further expansionary motives. This verdict is supported by the studies of Nwaorgu, et al., (2019), who in their work suggest tax incentives as a measure to cushion the adverse effects of company income tax on the sustainability of firms. Whereas, in the second and third specific objectives, findings revealed that educational tax positively and significantly affects the net income of the listed manufacturing firms in Nigeria. This is owing to the fact educational tax rate of 2% is does not impedes the manufacturing firms objectives in anyway. This tax rate leaves residual net income in the hands of manufacturing firms for sustainable investment and other business growth plans to be executed.

Finally, deferred tax negatively but significantly affects the net income of the listed manufacturing firms in Nigeria. The choice by manufacturing firms in deferring tax obligation is a subject of debate. This assertion is in line with that of Miller (1963) who opined that firms' capital structure decision of firms is influenced by corporate income tax. Also this notion is supported by the trade-off theory as postulated by Meyers (2001) who asserts that, firms should consider their tax obligation and capital formation when faced with financial distress. This means when firms use deferred tax to shield against tax obligations in the interim, it will reduce the current burden of tax payment and give room for net income to be used for other sustainable business plans but in the long run such deferred tax piles up a huge tax burden on the firm which in turn affects negatively the value of the firm.

V. Summary of Findings

From the findings of this study, it is concluded that;

1. Company income tax does not significantly affect the net income of listed manufacturing firms in Nigeria.
2. Educational tax has a positive significant effect on the net income of listed manufacturing firms in Nigeria.
3. Deferred tax has a negative significant effect on the net income of listed manufacturing firms in Nigeria.

VI. Conclusion

The growing complexities associated with managing the burden and liabilities of corporate tax payments in the country has called for urgent concerns among accounting scholars. This study has examined the influence of corporate tax on sustainable performance of listed firms in Nigeria.

Manufacturing firms in Nigeria should consider the need to explore the various tax incentives available as a way to determine an effective tax rate that will reduce the adverse effect of company income tax on the income of the firms. This will go a long way in determining the optimal way of making tax objectives and making decision that will benefit the sustainable performance of the manufacturing firms.

Also, manufacturing firms should consider highly the need to engage the services of tax experts that will help the firms in making tax plans; knowing when to use deferred tax approach as a way of shielding against the negative consequences of corporate tax payment. This will enable the firms have enough residual net income for sustainable performance and investment.

VII. Recommendations

Based on the findings made so far from this study, it is recommended that:

1. Manufacturing firms in Nigeria should consider the need to explore the various tax incentives available as a way to determine an effective tax rate that will reduce the adverse effect of company income tax on the income of the firms. This will go a long way in determining the optimal way of making tax objectives and making decision that will benefit the sustainable performance of the manufacturing firms.
2. Manufacturing firms in Nigeria should explore various potentials to enjoy education tax incentives available to manufacturing outfits and contribute maximally to economic growth.

3. Also, manufacturing firms should consider highly the need to engage the services of tax experts that will help the firms in making tax plans; knowing when to use, deferred tax approach as a way of shielding against the negative consequences of corporate tax payment. This will enable the firms have enough residual net income for sustainable performance and investment.

References

[1]. Abiola, O., James, A. & Asiweh, M., (2012) Impact of tax administration on government revenue in a developing economy: A case study of Nigeria. *International Journal of Business and Social Science,* 8(8) 234-246.

[2]. Adams, W. (2012) Effect of total revenue on macro-economic variables. *American Academy of Financial Management,* 8(3) 56-78.

[3]. Albertazzi, U. & Gambacorta, L. (2006) Bank profitability and taxation, Banca d'Italia. *Economic Research Department* 1(2) 345-357.

[4]. Aloys, A., George, K. & Thomas, G. (2015) Determinants of the performance of firms Listed at the Nairobi Securities Exchange. *Research Journal of Finance and Accounting,* 12(6) 123-136.

[5]. Bauer, Y., Kourouxous, T. & Krenn, P. (2018) Taxation and agency conflicts between firm owners and managers: a review. *Business Research* 11(1) 33-76.

[6]. Beigi, M., Rafat, B. & Panah, H. (2013) the analysis of the effect of Tax on Profitability Indices in listed Companies of Tehran Stock Exchange. *European Online Journal of Natural and Social Sciences* (2(3). 86-98.

[7]. Chigbu, E.E., Eze, L., & Ebimobowei, A. (2011). An empirical study in the causality between economic growth and taxation in Nigeria. *Current Research Journal of Economic Theory* 4(2). 29-38.

[8]. Citron, D. (2001). The Valuation of Deferred Taxation: Evidence from the UK Partial Provision Approach. *Journal of Business Finance & Accounting,* 28 (7&8): 821-852.

[9]. Gatsi, J., Gadzo, S. & Kportorgbi, H. (2013). The effect of Corporate Income Tax on Financial Performance of Listed Manufacturing Firms in Ghana. *Research Journal of Finance and Accounting,* 14(4) 118-124.

[10]. Graham, J. (2003). Taxes and corporate finance: A review. *The Review of Financial Studies* 16 (4) 1075-1129.

[11]. Girish, K., Harsh, P. & Nidhi, C. (2014). Influence of Risk Management on Performance of firms. *Journal of Accounting and Financial Management,* 4(4) 156-170.

[12]. Gujarati, D.N. & Saneetha. (2007) *Basic Econometrics,* 4th Ed. New Delhi. Tata McGraw: Hill publisher. Co. Ltd.

[13]. Ilaboya, O., Izevbekhai, M. & Ohiokha, F. (2016) Tax Planning and firm value: A Review of Literatures. *Business and Management Research,* 2(5) 267-285.

[14]. John, G., Samuel, G. & Holy, K. (2019) Effect of corporate income tax on financial performance of listed manufacturing firms in Ghana. *Research Journal of Finance and Accounting.* 4(15) 118-124.

[15]. Junaidu, M., & Hawau, S. (2018). Corporate tax and financial performance of listed Nigerian consumer goods. *Journal of Accounting and Financial Management,* 4(4) 30-43.

[16]. Lederman, L. (2002) *Understanding Coporate taxation.* New York, Mathew Bender and Company inc.

[17]. Lucaman, M., (2012) Connections between Revenue Smoothing and the Tax Ratio on Revenue and Profitability *E'ISSN:* 2225-8329, *P-ISSN:* 2308-0337.

[18]. Myers, S. (2001) Capital Structure. *The Journal of Economic Perspectives,* 15(2), 81-102.

[19]. Modigliani, F. & Miller, M. (1963) A correlation between Corporate income taxes and the cost of capital. *American Economic Review,* 53(3), 433-443.

[20]. Mucai, G., Kinya, G., Noor, A. & James E. (2014) Tax Planning and Financial Performance of Small Scale Enterprises in Kenya. *International Review of Management and Business Research,* 3(2) 1236-1243.

[21]. Musgrave, R.A. & Musgrave, P.B. (2004). *Public Finance in theory and Practice.* 5th Edn, New Delhi, Tata McGraw.

[22]. Myles, G. (2007) *Economic growth and the role of taxation.* OECD Economics Department Working Ppapers. Available at: http://people.exeter.ac.uk/gdmyles/papers /pdfs/ OECDfin.pdf.

[23]. Nwaorgu, I., Abianhu, M., Arzizeh, T. & Iormabagah, J. (2019). Deferred tax accounting and financial performance. The listed Agricultural firms Perspective in Nigeria. *Social Science Research Network,* https://ssrn.com/abstracts

[24]. Ogundajo, G. & Onakoya, A. (2016) Tax planning and financial Performance of Nigerian manufacturing companies. *International Journal of Advance Academic Research, 2*(7) 64-80.

[25]. Onuorah, A., & Chigbu, E. (2013) A comparative analysis of the Impact of Corporate Tax. *Journal of Accounting and Financial Management,* 4(4) 675-689.

[26]. Rohaya, M., Nor' Azam, M. & Bardai, S. (2010) Corporate Tax Planning: A Study on Corporate Effect Tax Rates of Malaysian Listed Companies. *International Journal of Trade, Economics and Finance,* 1(2), 1-5.

[27]. Schwellnus, C. & Arnold, J. (2008). Do corporate taxes reduce productivity and investment at the firm-level? Cross-country evidence from the Amadeus dataset. *OECD Economics Department Working Papers,* 641(32) 324-336.

[28]. Tatu, L. (2018). Impact of corporate tax on the profitability of an entity (unpublished PhD Thesis). Academia de Studii Economice Bucuresti, 2017.

[29]. Teraoui, H. & Kaddour, A. (2012) Taxation and Corporate Finance: What effects of Fiscal Measures on Financial and Economic Return? The case of Tunisian firms after finance law of 2007. *Journal of Business Studies quarterly,* 3(3) 87-94.