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Influence of Taxation on the Nigerian Economic Growth

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Abstract
The constant collapse of the Nigerian economy due to inadequate finance on the side of government calls for the urgent attention of researchers. The aim of this study is to examine the influence of taxation on the Nigerian economic growth. To achieve these objectives, the correlational research design was adopted, the study covers a period of 14 years (2011- 2024). The study utilized secondary data for analysis. The secondary data were extracted from CBN statistical Bulletin and FIRS for the period under study. Ordinary least square (OLS) regression method was used for the study as the statistical method for analyzing the data. STATA version14.2 statistical software was utilized. The results show that PPT and CGT has a negative and insignificant impact on Nigerian economic growth, while CIT has a positive and significant impact on GDP. Based on the findings of this study, the researchers recommended that to boost economic growth in Nigeria, government should pay more attention on revenues generated from PPT, CGT, and CIT. Government should also ensure the tax revenue generated from PPT, CGT and CIT be improved upon so that the revenues can be used in providing infrastructure for the citizens; government should use tax policy more as a macroeconomic policy not just as a tool for revenue generation as this will result to long run sustainable economic growth and tax revenue generation.

Keywords: Economic Growth, Taxation, Nigeria, PPT, CIT, CGT.

1.0 INTRODUCTION
Nigerian economic growth refers to the overall expansion, development, and performance of the country's economic activities, typically measured by macro-economic indicators such as Gross Domestic Product (GDP) growth rate, employment rate, inflation rate, foreign direct investment (FDI), poverty levels, among others. Economic growth is essential for the economy to create an expanded volume of products and services to satisfy the population's demands and desires. It contributes to the improvement of living standards as individuals gain access to a larger selection of higher-quality products and services (Obadiaru et al 2024). A country's economic growth can be measured as the improvement in the general welfare and standard of living due to more equitable distribution of incomes, goods and services. The economic growth of any country also depends on the substantial revenue generated from all sources and the extent in which the revenue is used in the provision of infrastructure in that country. Economic growth is assessed through periodic changes in revenue, recorded productivity, economic diversification, and job creation (Fasua & Osagie, 2024).

Tax is a compulsory levy imposed by government of a nation on individuals and corporations for the various legitimate functions of the local government, state and country at large as their responsibility. Due to its limited resources, the government must involve the people it governs. This implies that all taxable individuals, businesses, and organisations must pay tax to support the government's budget (Ajala & Afolabi, 2021). Okafor (2012) advocated the use of tax as an instrument of social engineering to stimulate general and/or sectoral economic growth. In Nigeria, Tax revenue has accounted for a small proportion of total government revenue over the years. This is because the bulk of revenue for development purpose is derived from oil. Crude Oil Export has continued to account for over 80% of the total federal government revenue while the remaining 20% is contributed by nonoil sector in previous years (Odusola, 2006 and Anisere-Hameed, 2021). The tax structure is the key mechanism for efficiently and effectively mobilizing a nation's resources, hence fostering economic growth and development (Amah, 2021). The role of tax revenue in promoting economic growth in Nigeria is not felt, primarily because of its poor administration, lack of awareness of the general public on the imperatives and maximum benefits of taxation, corruption of tax officials, tax avoidance and tax evasion by taxpayers, connivance of tax officials with taxable individuals, poor method of tax collection and others. This portrays that there is a need for government at all levels to generate adequate revenue from internal sources which has become a matter of extreme urgency and relevance, this need underscores the eagerness on the part of the three (3) tiers of government to look for other sources of revenue with a view to innovating the mode of collecting revenue from existing sources.

However, petroleum profit tax has been the major source of income tax to the Nigerian economy and company income tax being the major source of income from the non-oil revenue, the Nigerian economy is still faced with the problem of poor infrastructural performance of national institutions such as road, transportation, politics and financial systems among others. The problem associated with the major tax reforms in Nigeria can be attributed to its inability to achieve its set objectives towards which it was focused. Also, scholars such as (Abomaye et al., 2018, Anisere-Hameed, 2021, Ogbonna & Amah, 2021 and Adebamiwi & Ojo, 2023) among others used SPSS statistical software for analysis and found mixed results while few others such as (Nwuzor 2024 and Obadiaru et al., 2024) used E-View version 9 statistical software and found mixed results. Therefore, this study intended to investigate the influence of taxation on the growth of the Nigerian economy. In view of this, the study seeks to further investigate both the short run dynamics and evaluate the long run relationship between tax revenue and economic growth in Nigeria. It will further evaluate the impact of fluctuation in petroleum profit tax, company income tax, capital gain tax on gross domestic product on the economy. The study also seeks to employ STATA statistical software for data analysis. The main objective of the study is to examine the effect of taxation on the Nigerian economic growth.

2.0 LITERATUREREVIEW

2.1 Concept of Nigerian Economic growth

Economic growth refers to increase in a country production or income per capita which is usually measured by GNP of goods and services. Economic growth involves a stress on quantitative measure that is, higher GNP, income per capita, higher production in the societies (Nwuzor, 2024). Economic development entails not only the augmentation of material production but also encompasses broader socioeconomic progress and transformations prompted by both economic and noneconomic factors (Fasua et al., 2023). Common measurements of GDP include; Nominal GDP: the total value of goods and services produced, without adjusting for inflation, Real GDP: the total value of goods and services produced and adjusted for inflation, GDP growth rate: the percentage change in GDP over a specified period of time and GDP per capita: the total GDP divided by the country’s population. Nigeria

Economy measured by macroeconomic indicator such as Gross Domestic Product Despite her strong fundamentals, oil rich Nigeria has been hobbled by inadequate power supply, poor education, lack of infrastructure delay in the passage of legislative reforms, an inefficient property regulation system, poor electoral processes, restrictive trade policies, militancy, insecurity, an inconsistent regulatory environment, a slow and ineffective judicial system, pervasive corruption, the poor becoming poorer as the economic diversification and strong growth have not translated into a significant decline in poverty levels of the country. The constant reliance on oil revenue for political, economic and social development for the provision of infrastructure in the country has become worrisome as the price of crude oil continues to decline below the budget benchmark.

2.2 Concept of Taxation

Taxation refers to a compulsory levy on citizens of a country or payment by individuals and corporations to relevant government authorities that is, agencies and departments. Nwuzor (2024) defines tax as a compulsory payment made by individuals and corporate bodies to the government for financing government expenditure or for general purpose of government aimed at improving the taxpayer's welfare and in which both the taxpayer and the public at large benefit.(Osaretin et al., 2022) posits that on the basis of incidence, taxes can be categorized as either direct or indirect. It is the commonest method of financing government activities. In any country, developed or less developed, mobilization of resources constitutes a paramount aspect of achieving a higher level of economic development. Thus, tax revenue is a very important source of revenue generation and achieving government economic and social objectives (Okonkwo & Chukwu, 2019). Taxation is an instrument employed by the government for generating public funds (Ofoegbu et al., 2016). They further said that it is a required payment imposed by the government on the income, profit or wealth of individuals, group of persons and corporate organizations which involves the application of tax rate to a tax base. In recent years, the Nigerian tax system has experienced major modifications.

According to Umoru and Anyiwe (2013), the tax system is fundamentally designed to promote economic growth through revenue creation. According to Okafor (2012), a well-designed tax system can help governments in developing countries to prioritize their spending, build stable institutions and improve democratic accountability. It can also be for the purpose of redistribution of wealth to ensure social justice (Ayuba, 2014 and Abomaye-Nimenibo et al., 2018). Taxation is a compulsory but non-penal levy by the government through its agent on the profits, income or consumption of its subjects or citizens (Ojong et al., 2016). Thus, it is evident that a good tax structure plays a multiple role in the process of economic development of any nation which Nigeria is not an exception (Appah, 2010).Direct tax is a tax levied directly on the income and property of individuals and companies which includes the followings:

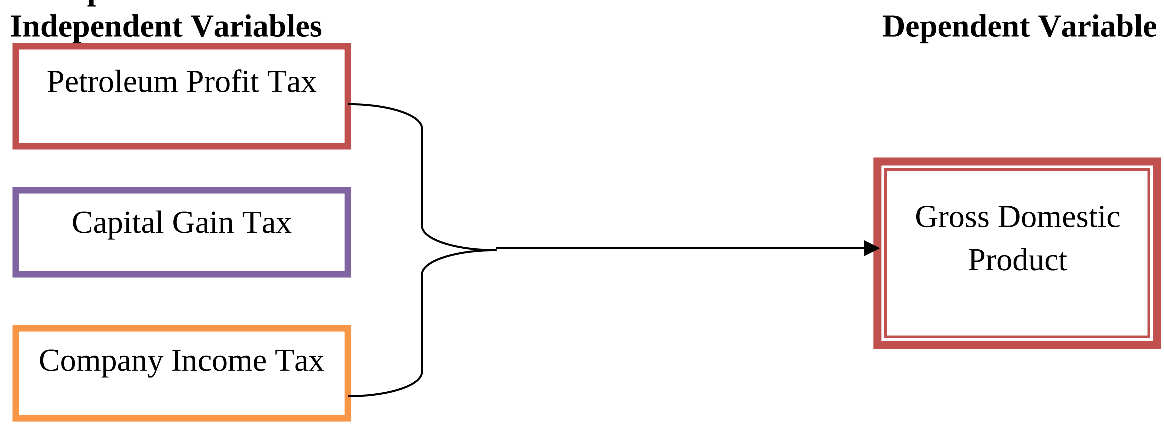
Petroleum Profit Tax (PPT) – Petroleum Profit Tax was first introduced in 1957 by the Colonial Masters but it became effective and operational in 1958 when Nigeria commenced exportation of crude oil to the world market. The Petroleum Profit Tax is levied on any resident company or person in charge of a non-resident company who are exploring for petroleum or producing it in Nigeria. This also includes any liquidator, receiver, or agent of liquidator or receiver of any company carrying on petroleum operations in Nigeria. PPT is charged at 65.75% tax rate of the chargeable profit for non-production sharing contracts operations including Joint Ventures and sole risk companies in their first five years of operation, 85% tax rate of the chargeable profit for Joint Ventures and sole risk companies in operation for more than five years and 50% tax rate is charged for companies under production sharing contract with Nigerian National Petroleum corporation (NNPC) Nigerian Investment Promotion Commission (NIPC).

Capital Gains Tax (CGT) – This type of tax is for all the companies registered in Nigeria which earn capital gains or gains realized on the disposal of any form of assets whether it is in

Nigeria or not are liable to Capital Gains Tax. Capital Gains Tax should be calculated and submitted with Companies Income Tax to FIRS through designated Bank at 10% Finance Act (2023). Capital Gains Tax Act (CGTA) was first introduced in 1967 as variously amended, while Capital Transfer Tax Act (CTTA) came into existence in 1979. Both Acts witnessed various amendments over the years. The first amendment was reducing the rate of Capital Gain Tax from 20% to 10% with effect from 1st January 1996 and this was to stimulate the activities in the capital market, encourage capital formation through investment and to ensure prompt and efficient management of the tax administration in the face of rising mergers, acquisition and take over desirables of companies. The Capital Transfer Tax was amended by abrogation through the 1996 budget, to make the tax workable as it was hitherto un-implementable throughout the federation. Capital gain tax on the sale of digital assets including crypto currencies have been clarified as being subject to CGT at 10% Finance Act (2023).

Company Income Tax (CIT)- Company income tax (CIT) is a tax imposed on profit of a company from all sources. The rate of CIT is 30% of the total profit of a company Finance Act (2023). Some profits are exempted from CIT provided they are not derived from trade or business activities carried out by the firm like cooperative society. CIT is governed by companies' income tax act (CITA) Cap C21, LFN 2004 as variously amended.

Conceptual Framework



Source: Authors Concept 2025

Theoretical Review

This study reviews three theories of taxation that underpin the study: these theories include: the cost of service; the benefit theory and the socio-political theories of taxation.

Cost of Service Theory – This theory believes that tax is similar to price, so if a person does not utilize the service of a state, he should not be charged any tax. The cost-of-service theory imposes some restrictions on government service, since the objective of government is to provide welfare to its citizens. If the theory is applied, the state will not undertake welfare activities like medical care, education, social amenities and so on (Jhingan, 2009).

Benefit Received Theory – According to the cost-of-service theory, the cost incurred by government in providing certain services to the people must collectively be met by the people who are the ultimate receivers of the service (Jhingan, 2009). The limitations inherent in the cost-of-service theory led to the modernization of the theory, giving birth to the benefit received theory of taxation. According to this theory, citizens should be asked to pay taxes in proportion to the benefits they receive from the services rendered by the government. The theory assumes that there is exchange relationship or quid pro quo between tax payers and government. The government confers some benefits on tax payers by providing social goods which the tax payers pay a consideration in the form of taxes for using such goods. The inability to measure the benefits received by an individual from the services rendered by the government has rendered this theory inapplicable (Ahuja, 2012).

Socio-Political Theory – The socio-political theory of taxation states that social and political objectives should be the major factors in selecting taxes. The theory advocated that a tax system should not be designed to serve individuals, but should be used to cure the ills of the society as a whole (Bhartia, 2009).

Empirical Studies

The relationship between taxation and economic growth and development has been examined severally by different researchers with mixed results. Nwuzor (2024) studied the effect of tax revenue on economic growth of Nigeria (1990-2020), the result of their analysis revealed that petroleum profit tax has significant effect on the gross domestic product of Nigeria; company income tax has significant effect on the gross domestic product of Nigeria; and valued added tax has significant effect on the gross domestic product of Nigeria. Obadiaru et al. (2024) investigated the impact of tax revenue on economic growth in Nigeria the result of their findings shows that Personal Income Tax (PIT) and Value-Added Tax (VAT) had a negative impact on GDP, while Company Income Tax (CIT) showed a positive impact. Similarly, Adebamiwi and Ojo (2023) investigated impact of taxation on economic growth in Nigeria. Multiple regression analysis was used to analyze data. Secondary data were collected from Federal Inland Revenue and Statistical Report and from CBN Statistical Bulletin for the period of (2011 – 2021). The study concluded that Petroleum profit tax (PPT) has a negative relationship with GDP, which is not statistically significant, whereas capital gain tax (CGT) and company income tax (CIT) have positive relationship with GDP because it is statistically significant.

Osaretin et al. (2022) studied the effects of taxation on the growth of the Nigerian economy over a period of 30 years ranging from 1990–2019. The data on taxation was sourced from the Federal Inland Revenue Service (FIRS) and the Nigerian Bureau of Statistics (NBS), while that of the Nigerian economy was sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin 2020. The data was analysed using SPSS and E-view version 10. The result reveals that Petroleum Profit Tax (PPT), Custom & Excise Duties (CED) and Value Added Tax (VAT) have positive effects on the growth of mining and quarrying, with Company Income Tax (CIT) exerting a negative effect on them. The findings also revealed that Petroleum Profit Tax (PPT) and Customs & Excise Duties (CED) have a positive impact on growth of the manufacturing and processing sector, while Company Income Tax (CIT) and Value Added Tax have a negative impact. Similarly, Ogbonna and Amah (2021) studied taxation and economic growth in Nigeria using secondary data collected from CBN bulletin for 10 years. Analysis was performed on data collected using multiple Regressions. The results of the study showed that PPT and CED had significant relationships with economic development.

Lyndon and Paymaster (2016) examined the impact of companies' income tax, value added tax on the economic growth (proxy by gross domestic products) in Nigeria using time series panel data covering the period (2005 – 2014). Their result of the analysis showed that both companies' income tax and value added tax have positive impact on economic growth and development. Most of the studies found mixed result and this brings the need to conduct this study which aims at contributing to the existing literature on the influence on taxation on the growth of the Nigerian economy. The following hypotheses were formulated in null form.

HO_1: Petroleum Profit Tax has no significant effect on Gross Domestic Product in Nigeria.

HO_2: Capital Gain Tax has no significant effect on gross domestic product in Nigeria.

HO_3: Company Income Tax has no significant effect on gross domestic product in Nigeria.

3.0 METHODOLOGY

The research design adopted in this research work is the correlational research design. The researchers obtained secondary data for the period of 14 years (2011-2024) from Federal Inland Revenue Service (FIRS) and Central Bank of Nigeria (CBN) Statistical Bulletin in order to determine the influence of taxation on the Nigerian economy. Stata 14.2 statistical software was utilized to analyze the data in order to determine and measure the relationship between the dependent variable proxied by gross domestic product (GDP) and independent variables proxied by petroleum profit tax, capital gain tax and company income tax (PPT, CGT, and CIT). The researchers introduced interest rate (IR) and inflation rate (INFR) as control variables which are not the main focus of the study but are taken into account to minimize the effect of their influence on the relationship between the independent and dependent variables. The model for this study uses Granger causality test to determine the direction of causality between Federal Inland Revenue service (FIRS) revenue and economic growth indicators from Central Bank of Nigeria (CBN) statistical bulletin.

Table 1: Variables of the Study and their Measurements

Variables	**Symbol**	**Measurement**	**Source/Justification**
Nigerian Economic Growth	GDP	Gross Domestic Product	Adefolake and Omodero (2022), Asaolu et al. (2018), Onuoha and Akintoye (2018), Adebamiwi and Ojo (2023) and Udofot and Etim (2017)
	PPT	Natural Logarithms of petroleum profit tax generated each year.	Adebamiwi and Ojo (2023), Adefolake and Omodero (2022), Victory et al. (2022), Yahaya and Bakare (2018) and Abomaye-Nimenibo et al. (2018).
	CGT	Natural Logarithms of capital gain tax generated each year	Adebamiwi and Ojo (2023), Adefolake and Omodero (2022), Victory et al. (2022), Yahaya and Bakare (2018) and Abomaye-Nimenibo et al. (2018).
	CIT	Natural Logarithms of companies' income tax generated each year.	Adebamiwi and Ojo (2023), Adefolake and Omodero (2022), Victory et al. (2022), Adeusi et al. (2020), John and Dickson (2020 and Yahaya and Bakare (2018).
Interest Rate	IR	Yearly Interest Rate	Asaolu et al. (2018) and Dladla and Khobai (2018).
Inflation Rate	INFR	Yearly Inflation Rate	Yadawananda and Achal (2020).

Source: Authors Compilation 2025

The study adapts the model of Adebamiwi and Ojo (2023)

GDP = (PPT, CGT, CIT)---1

Where:

GDP is the Gross Domestic Product

PPT is the Petroleum Profit Tax Revenue

CGT is the Capital Gains Tax Revenue

CIT is the Companies Income Tax revenue.

Specifically, to achieve the objective of this study and based on the property of the linearity of variables, the functional relationship is modeled in a linear equation to yield Equation 2:

$GDPit = \beta 0 + \beta\ PPT_{it} + \beta\ CGT_{it} + CIT_{it} + IR_{it} + INFR_{it} + U_{it}$ --2

IR is the interest rate

INFR is the inflation rate
U_{it} is the error term which denotes other variables that are not specified in the model;
Represent the types of taxes payable; and t is the number of years.

4.0 DATA PRESENTATION, ANALYSIS AND DISCUSSION

Table 2: Computed Data (2011-2024)

Years	GDP	PPT	CGT	CIT	IR	INFLR
2011	4.8042	3.4872	0.9687	2.8159	1.07	10.83
2012	4.8609	3.5053	0.9502	2.9141	5.69	12.22
2013	4.9085	3.4259	1.2935	2.9838	6.22	8.5
2014	4.9549	3.3899	0.4233	3.0695	11.2	8.05
2015	4.9785	3.1106	1.2254	3.1035	11.36	9.01
2016	5.0110	3.0636	1.9974	2.9972	13.6	15.7
2017	5.0603	3.1820	0.5025	2.9972	6.69	16.5
2018	5.1109	3.3923	1.1002	3.1272	5.79	12.1
2019	5.1633	3.3252	0.7765	3.2054	6.06	11.4
2020	5.1882	3.1810	0.5464	3.1056	4.52	13.25
2021	5.2394	3.3029	1.2430	3.2425	5.37	16.95
2022	7.3061	3.6242	1.6587	4.0054	6.76	18.85
2023	5.3700	3.4338	1.2806	4.0925	7.89	28.92
2024	5.5387	3.3704	1.5425	4.1725	8.98	32.67

Source: CBN and FIRS Publication 2024

The data above represent the Gross Domestic Product (GDP), Petroleum Profit tax (PPT), Capital Gain Tax (CGT) and Company Income tax (CIT) figures in billions which were converted to natural logarithm using Microsoft Excel Software to analyze the data collected from Central Bank of Nigeria (CBN) and Federal Inland Revenue Service (FIRS) from the period 2011-2024. Also, the control variables, which are Inflation Rate (INFLR) and Interest Rate (IR) were converted using yearly interest rate and yearly inflation rate. The researchers present the summary of the results in the table below.

Table 3: Descriptive Statistics

Variables	Observation	Mean	Standard Deviation	Minimum	Maximum
GDP	14	5.2496	0.6249	4.8042	7.3061
PPT	14	3.3425	0.1600	3.0636	3.6242
CGT	14	1.1078	0.4544	0.4232	1.9974
CIT	14	3.2737	0.4570	2.8159	4.1725
IR	14	7.2286	3.1984	1.0700	13.6000
INFLR	14	15.3536	7.3463	8.0500	32.6700

Source: STATA14.2, Output.

Interpretation

The time series data shows all the variables being observed for 14 years. The descriptions for the variables used are displayed in Table 3 above. The outcome displays the statistics for the mean, standard deviation, minimum, and maximum. It demonstrates that the average level of gross domestic product (GDP) is 5.2496, PPT is 3.3425, CGT is 1.1078, CIT is 3.2737, IR is 7.2286, and INFLR is 15. 3536. The standard deviation for GDP, PPT, CGT, CIT, IR, and INFLR stood at 0.6249, 0.1600, 0.4544, 0.4570, 3.1984 and 7.3463. The minimum mean for GDP, PPT, CGT, CIT, IR, and INFLR stood at 4.8042, 3.0636, 0.4232, 2.8159, 1.0700, and

8.0500. The maximum mean for GDP, PPT, CGT, CIT, IR, and INFLR were 7.3061, 3.6242, 1.9974, 4.1725, 13.6000, and 32.6700.

Table 4: Correlation Matrix

Variables	GDP	PPT	CGT	CIT	IR	INFLR
GDP	1.0000					
PPT	0.4561	1.0000				
CGT	0.3993	0.0347	1.0000			
CIT	0.6914	0.3477	0.4285	1.0000		
IR	0.0032	-0.4884	0.3682	0.1639	1.0000	
INFLR	0.4001	0.1307	0.4205	0.8620	0.1168	1.0000

Source: STATA Output 14.2

Table 4 above reveals a positive relationship between the dependent variable GDP, the proxy of Nigerian economic growth and the independent variables proxied by PPT, CGT, CIT including the control variables IR and INFLR. With the coefficient of; 0.4561, 0.3993, 0.6914, 0.0032 and 0.0032. However, the result also revealed a positive relationship between the independent variables.IR a control variable reveals a negative coefficient of -0.4884.

Table 5: OLS Regression Result

GDP	Coef.	Std. Err.	T	P>/t/	Decision
PPT	-0.1065	1.1686	-0.0900	0.9300	Insignificant
CGT	0.3571	0.3248	1.1000	0.3040	Insignificant
CIT	1.8638	0.6833	2.7300	0.0260	Significant
IR	-0.0448	0.0551	-0.8100	0.4390	Insignificant
INFLR	-0.0726	0.0383	-1.9000	0.0950	Insignificant
R^2	0.6914				
Prob > F	0.0536				
Adj R-squared	0.4986				

Source: STATA Output 14.2

Discussion of Results

The result on Table 5 above shows the relationship (R-Square) between the dependent and independent variables is about 7%, for the independent variables, PPT, CGT, and CIT. This implies that all the independent variables can predict or determine dependent variable (GDP) up to 7% only. PPT has a coefficient value of β1 = -0.1065, t-test = -0.09 which is statistically insignificant and P-value = 0.930 which is above the acceptable 5% level of significance, this revealed that a negative and insignificant relationship exist between Petroleum Profit Tax and Gross Domestic Product. Meaning that a unit decrease in PPT leads to -0.1065 unit decrease in the GDP. The pro (F-statistics) shows that PPT has insignificant effect on the Gross Domestics Product (GDP) of Nigeria, which is in line with HO_1 which states that petroleum profit tax has no significant effect on gross domestic product in Nigeria. Therefore, we fail to reject the null hypotheses, this calls for need to employ better strategies in order to generate more PPT revenue.

Similarly, the result above shows that CGT has a coefficient value of β1= 0.3571 which is statistically significant on GDP. t-test = 1.1000 and P-value = 0.3040 which is above the acceptable 5% level of significance. This revealed that a negative and insignificant relationship exist between Capital Gain Tax and Gross Domestic Product. This means that a unit decrease in CGT account for about 0.3040 unit decrease in the GDP. The pro(F-statistics) shows that CGT has no significant effect on the Gross Domestics Product (GDP) of Nigeria which is in line with HO_2 which states that capital gain tax has no significant effect on gross domestic product in Nigeria. Therefore, we fail to reject the null hypothesis. This however, calls for need to pay more attention to CGT revenue. However, the result above shows that CIT has a positive coefficient value of $\beta1=1.8638$, t-test = 2.7300 and P-value = 0.0260, which is below the acceptable 5 % level of significance. This revealed that a positive and significant relationship exist between Company Income Tax and Gross Domestic Product. This means that a unit increase in CIT accounts for about 0.0260 unit increase in the GDP. The p-value shows that CIT has significant effect on the Gross Domestics Product (GDP) of Nigeria which is not line with HO_3 which state that CIT has no significant effect on gross domestic product of Nigeria. Therefore, we reject the null hypotheses. This however, calls for government to pay more attention on CIT since it is significant and in line with the findings of (Adebamiwi & Ojo, 2023). Furthermore, results of the coefficient of the control variables IR and INFLR shows that they are negative and statistically insignificant, they stood at -0.0448 and-0.0726, t-test = -0.8100 and -1.9000 and P-value = 0.4390 and 0.0950 which are above the 5% acceptable level of significance. This is an indication that IR and INFLR have insignificant impact on GDP.

5.0 CONCLUSION AND RECOMMENDATIONS

The result from this study shows that PPT and CGT are insignificant in revenue generation towards the economic growth of Nigeria (GDP) which is in line with the results of studies of (Anisere-Hameed, 2021 and Adebamiwi & Ojo, 2023). However, the study also reveals that CIT on the other hand is significantly effective on the economic growth of Nigeria (GDP) which is in line with the studies of (Anisere-Hameed, 2021 and Adebamiwi & Ojo, 2023). From the empirical results, the estimated model was obtained and stated as shown on the Table 5 as follows: The P-values of PPT and CGT which stood at 0.9300 and 0.3040shows that they are above the acceptable 5% significance level revealing that a negative and insignificant relationship exists between Petroleum Profit Tax (PPT) and Capital Gain Tax (CGT) on Gross Domestic Product (GDP). This implies that a unit decrease in PPT and CGT revenue will bring about 0.9300 and 0.3040 unit decrease in the GDP. On the other hand, the P- value of Company Income Tax (CIT) stood at 0.0260which is below the 5% level of significance, this reveals that a positive and significant relationship exist between CIT and GDP. These findings call for more measures, strategies and attention to be given on revenues generated from PPT, CGT and CIT.

Recommendations

Based on the findings of this study, the following recommendations were proffered.

i. In order to boost economic growth in Nigeria, government should come up with various strategies of revenue collection and accountability to ensure that tax revenue generated from PPT, CGT and CIT can be improved upon so that the revenue can be used in providing infrastructure for the citizens.

ii. The government should continue to use tax policy more as a macroeconomic policy not just as a tool for revenue generation as this will result to long run sustainable economic growth and tax revenue generation which is the major source of income for government.

iii. Government should put in place all measures that will minimize tax loopholes, and individual tax evasion should be properly investigated and sanctions meted out without spearing any defaulter. At same time government should be able to manage tax revenue properly, in such a way that tax payers will feel the impact of what they are paying and citizens will be motivated to pay tax promptly as and when due.

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