

## The Potential of Company Income Tax on the Search for Sustainable Alternative Financing in Nigeria

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### Abstract

This paper examines company income tax in the light of its potential for alternative financing for sustainable development in Nigeria. This inquiry has become important because of the need to diversify and increase the revenue base of the government which is currently in distress owing to many factors. The study employed Ordinary Least Square (OLS) method and Co integration Test over the period of 1987 – 2013 to analyse the long-run relationship between company income tax and revenue generation in Nigeria and also to evaluate the effect of major macroeconomic indicators (foreign direct investment, interest rate, corruption perception index, inflation rate, and exchange rate) on company income tax generation in Nigeria. Results show that increasing the contribution of CIT by one per cent increase revenue generation by 0.42%. Then macroeconomic determinants of CIT portray that there is a long run relationship with foreign direct investment, interest rate and corruption proxied by CPI. The study recommends that, since CIT has shown potential as source of alternative income, conditions for companies to flourish so that taxes from them can be beneficial and should be set in the long-run.

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**Keywords:** company income tax, revenue generation, sustainable development, alternative financing, Nigeria.

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### INTRODUCTION

According to World Commission on Environment and Development (WCED) (1987), sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This needs can be achieved with secure stable and sufficient long-term financial resources by allocating them in a timely and appropriate form (WCED, 1987). It is necessary to develop ways to harness and distribute resources, especially with Nigeria present financial problems resulting from volatility of oil prices because governments responsibilities are on the increase. Sustainability matters because of the competition between the present increasing need for infrastructural development, grow investments to promote development, and the securing future generations. Hence, government examines and evolves different mechanisms for generating additional revenue to meet these needs. This search for diversification will impact on development planning and poverty reduction in the country in the long-run. While these may be different potentials, this paper examines the CIT to give it a place among alternatives for raising resources sustainably. In Nigeria, this need calls for diversification of the resource base to non-oil income sources which includes taxes. The tax handle that this paper sheds light on is the Company Income Tax (CIT) as one of key components of tax revenue with the view to

examine its potentials for contributing to the revenue base.

History records that man has had to pay tax in one form or the other, that is, in cash, or in kind. Previously tax was paid to the chieftains and later onto a form of organized government. As this practice evolved different scholars came in with different views on the role of government in the development of the economy with regards to public financing through taxation and other sources. The Keynesians with the emergence of the great depression in the 1930, advocated government intervention in the economy using fiscal policy and monetary policy to strike a balance in the economy, which they believed was due to decrease in aggregate demand.

Taxation became a matter under the exclusive and concurrent legislative power with the introduction of federal system in early 1950s. Taxation of companies was retained as a federal matter (1954 ordinance), direct taxation, a regional matter (1943 ordinance). The report of the 1958 Raisman fiscal commission was the origin of dividing taxing powers between the federal and state governments Ogiji, (2004). This commission substantially influenced the empowerment of the federal government to make laws embodying uniform principles of taxations applicable to all parts of the country, as well as for the regulation and taxation of companies.

Subsequently, the following tax laws were enacted: The Income Tax Management Act (1961), the Company Income Tax Act (1961), the Personal Income Tax Act (1961), the Petroleum Profits Income Tax Act (1959). Other direct and indirect tax laws in conjunction with the above provided the legal cover for tax administration in Nigeria.

In 2004, the federal government set up the Pius Okigbo working group to review and recommend a new national tax policy that would strengthen tax administration in the country. This was sent to the national assembly as the “national tax amendment bill 2007” for deliberation and it was subsequently passed into law in 2010. It was meant to widen and improve the machinery of tax collection. Included was the Company’s Income Tax Amendment Act, 2007 (CITA) that streamlines the provisions of the CIT. The establishment of the Federal Inland Revenue Service (FIRS) under an independent statute was to adopt a simple tax system with a low tax burden comprising a few broad-based taxes. The Nigeria Company Income Tax rate currently stands at 30%.

Ever since Companies Income Tax Ordinance was enacted in 1939, the federal government of Nigeria has maintained exclusive jurisdiction over the taxation of companies. Companies Income Tax is a compulsory levy by government on the profits made by registered companies in Nigeria and it is a sub-set of an example of a direct tax because the incidence of payment and burden of tax are borne by the companies and cannot be transferred to a third party. The relevant tax authority charged with the responsibilities of assessing and collection of Company Income Tax (CIT) is the FIRS.

#### **STATEMENT OF PROBLEM AND OBJECTIVES OF THE STUDY**

The contribution of tax revenue including Company Income Tax does not look like it is significant compared to total revenue generated. There are records that total revenue derived from taxation between 1990-1998 and 2000-2012 petroleum profit tax generated an average of 66.0% and 72.09% whilst Company Income tax on the other hand generated an average of 4.8% and 13.76%, also taxation hardly contributes more than 4% of the GDP in government revenue (CBN, 2006, 2012). Recently, the Minister of Finance stated that about 75% of registered firms were not in the tax system and 65% of them had not filed their tax returns in the 2years preceding the report. Further reports, over N80 billion was lost monthly from these companies, estimating the total CIT leakages in that period to about \$250million (Iweala, 2013).

Nigeria’s total tax revenue was 8.6% of Gross Domestic Product (GDP) in 2012 and 7% in 2013

this is far from International Monetary Fund (IMF) generally acceptable sustainable threshold of 15% tax revenue share to GDP. According to FIRS Report (2013), the implementation of CIT in Nigeria is deep in litigations, there are issues between British America Marketing Nigeria Limited which has dragged the Federal Inland Revenue Service (FIRS) before the tax appeal tribunal, Oando Plc also has taken FIRS to the same tribunal on the same issue of tax assessment of N61.52 million for 2004.

Recognizing the need for improved and sustained efforts by government to raise revenue in Nigeria as a matter of urgency, the study therefore assesses the contribution of Company Income Tax to revenue generation in Nigeria in a bid to assess its potentials of salvaging the threatening financial crisis. The focus on the CIT handle is as a result of the large number of company not capture in the tax net and even those captured there are incidence of tax evasion and avoidance hence having adverse consequence on revenue. The specific objectives of the study are to: (i) evaluate the contribution of CIT to revenue generation in Nigeria and (ii) analyse the major macroeconomic determinants of CIT revenue in Nigeria. The null hypotheses of the study tests are that CIT does not contribute significantly to revenue generation in Nigeria and there are no significant macroeconomic determinants of CIT revenue in Nigeria. The method of analysis is the Ordinary Least Square (OLS) multiple regression and Co-integration Test under the theoretical framework of Adam Smith’s Economy Principle and Public Finance Experts’ Revenue Productivity Theory.

#### **Company Income Tax and Revenue Generation**

A Company is defined by Section 93 (1) of the Companies Income Tax Act CAP 60 Laws of the Federation of Nigeria (LFN), 1990 as “any company or corporation other than a corporation sole, established by or under any law in force in Nigeria or elsewhere”. The registration of limited liability companies is being carried out by the Corporate Affairs Commission (CAC) in Nigeria. The world Limited (Ltd) or Public Company (Plc) is expected to end each name of a registered company.

Companies’ Income Tax is a compulsory levy by government on the profits made by the registered companies. This type of tax is a sub-set of direct taxes because the incidence of payment and burden of the companies’ income tax are borne by the companies and not transferable to third parties. The relevant tax authority charged with responsibility of assessing and collection of companies income tax among others is the federal Inland Revenue service (FIRS) under the supervision of a board called Federal Board of Inland Revenue (FBIR). It deals with the taxation of all limited liability companies in

Nigeria with the exception of those engaged in petroleum operations.

Ariwodola (2000) emphasized that Companies Income tax is chargeable on: (i) The global profits of Nigerian companies irrespective of whether or not they are brought into or received in Nigeria. (ii) The portion of the profits of non-Nigerian companies derived from such companies operations in Nigeria. (iii) Dividends, interests or royalties due to non-Nigerian companies which are assessed at ten percent (10%) withholding tax rate.

Company Income tax is chargeable on the income of all companies operating in the country except those specifically exempted under the Act. There is some emphasis in the Act on the distinction between Nigerian and non-Nigerian companies. A Nigerian company is defined as one incorporated under the Companies and Allied Matters Act, or any enactment replaced by that Act. The total profits of such company are assessable to Nigerian tax irrespective of whether or not all the profit have been derived from, brought into or received in Nigeria. A foreign company (non-Nigerian company) is defined as any company or corporation established by or under any law in force in any territory or country outside Nigeria, that is a company that is not incorporated under the Companies and Allied Matter Act. The profits of a non-Nigerian company shall be subject to Nigerian tax only to the extent to which such profits are attributable to the company's operations in Nigeria subject to provisions in the respective double taxation agreements if any is available with the country where the foreign company is registered.

In defining public revenue, Anyafo (1996), maintains that revenue generation is a direct policy of the government which involves the manipulation of parameters that directly affect government income and expenditure. The use of tax as an instrument of fiscal policy to achieve maximum revenue to achieve macroeconomic stability is acceptable has become paramount.

According to James (2008) tax administration is the process of assessing and collecting taxes from individuals and companies by relevant tax authorizes, in such a way that current amount assessed is collected efficiently and effectively with minimum tax avoidance or tax evasion. The administration of taxation on the profit of incorporated companies is vested on the federal board of Inland Revenue service (FIRS) (section 1 (1) CITA).

#### **THEORETICAL FRAMEWORK**

This study is hinged on Economy Principle and Revenue Productivity Theory. Adam Smith argues that it makes little sense to institute a tax system for which the cost of collection is higher than the

realized tax revenue. Scholars like David Ricardo and J.S Mills emphasized this distinction by putting revenue first in their division of public finance into three namely; "revenue, expenditure and public debt". Also, Public Finance Expert based their arguments principally on Revenue Productivity as important criteria for judging a good tax system. This theory lay emphases on having a large tax base to cover minimum cost through efficient tax administration by providing direction towards more productive endeavors through lowering the tax rates, eliminating tax on tax and widening the base so as to enforce compliance because this are likely to provide this sort of platform. The taxes introduced should be appropriate and sufficient to finance the expenditure needs of the government over time. Well-designed tax systems would encourage competitive growth across various sectors of the economy with high prospect of tax revenue. An effective CIT tax system will encourage an efficient economy and provide an environment conducive for business, thereby reducing the costs. When taxes fund the essential 'public goods' like public security and the 'rule of law' on which company income depends. It promotes Revenue Productivity.

#### **EMPIRICAL REVIEW**

Mutti (2003) considers the determinants of changes in corporate income tax rates across countries. The analysis focuses on 60 countries in the years 1984, 1992, and 1996. Mutti finds that small countries and countries with higher initial statutory tax rates are both likely to see greater reductions in their statutory corporate income tax rate than other countries. Swiston, Mühleisen and Mathai, (2007) consider the role of personal and corporate income tax, capital gains and income distribution as factors explaining the vast majority of variations of tax revenue. Swiston et al.'s analysis of time series adjusted for tax policy changes suggests that corporate income tax is the most volatile revenue component. They conclude that because of capital income volatility over the analysed business cycle, the observed surge in tax revenue buoyancy is a temporary phenomenon.

Ekeoha, Ekeoha, Malaolu, Onyema (2012) investigated revenue implications of Nigeria's tax system from 1970 to 2008, using Co-integration test and posited that company income tax and personal income tax are the most economically sensitive, responding positively to changes in the current state of the economy, moving in close step with the economy and falling when the economy declines.

Duru, (2009) postulates in his research that many corporate bodies keep different sets of financial reports including statement of profit and loss balance sheet. He also asserted that many individual and corporate bodies set up non-profit making organizations including non-governmental

organizations (NGOs) and religious bodies and siphoned profit recorded by various corporate bodies through donation to such organizations purposely to reduce the amount of tax paid.

Ebeke and Ehrhart (2010) in their work, the sources and consequences of the instability of tax revenue in sub-Saharan Africa countries, using panel for 39 countries over the period 1980-2005, gave credence to Loayza et al (2007), Diallo (2009), that tax revenue instability in sub-Saharan Africa is leading to public investment and government consumption instability which in turn generates lower public investment ratio and is therefore detrimental to the long term economic growth.

Adegbie and Fakile (2011) concentrated on the Company Income tax and Nigeria economic development relationship. Using Chi-square and multiple linear regression analysis in analyzing primary and secondary data respectively, they concluded that there is a significant relationship between company income tax and Nigerian economic development. And that tax evasion and avoidance are major hindrances to revenue generation as income tax revenue has generally been grossly understated due to improper tax administration arising from under assessment and inefficient machinery for collection (Ola, 2001; Oluba, 2008).

There are few literature on CIT and revenue generation in Nigeria. The few that exist did not examine CIT as a single tax handle, but in aggregation with other sources of revenue. Hence, little emphasis is given to its contribution, determinants and analysis. This paper also focuses on investigating the long-run relationship because of the

quest to examine its potential for increasing government’s revenue generation activities.

**MODELS, RESULTS AND DISCUSSIONS**

To examine the potential of company income tax on the search for sustainable alternative financing in Nigeria, this study took a cue from Ekeoha, Ekeoha, Malaolu, Onyema (2012) and Okwori and Ochinyabo (2014), whose theoretical underpinning centers on Adam Smith’s Economy Principle and Public Finance Expert (United Nation Summit) (2002) Revenue Productivity Theory. However, in this study, the models are modified to fit the stated objective. Data for the study were obtained from various CBN Bulletins, National Bureau of Statistics [NBS] which cover the period 1987-2013. The time period is adopted because it makes the work contemporary, as it covers the period of the inception of the Companies and Allied Matters Act (CAMA Act) in 1990 to a recent period. The first hypothesis to be test is CIT does not contribute significantly to revenue generation in Nigeria and the mathematical form of the model is;

$$TDT = F (CIT, PPT, OOR, PIT) \quad (1)$$

The Stochastic form is;

$$TDT = b_0 + b_1 CIT + b_2 PPT + b_3 OOR + b_4 PIT + U_t \quad (2)$$

Where:

TDT = Total Direct Tax ; CIT = Company Income Tax; PPT = Petroleum Profit Tax  
 OOR = Other Oil Revenue; PIT = Personal Income Tax; U<sub>t</sub> = Error Term

The ADF test was employed to check the stationarity properties of the series and table 1 holds the results.

Table 1: Stationarity Test

Variable	ADF Test Statistic	Critical values			Prob.	Order of integration
		1%	5%	10%		
TDT	-5.64	-3.71	-2.98	-2.63	0.0001	I(0)
CIT	-5.36	-3.71	-2.98	-2.63	0.0002	I(0)
PPT	-5.09	-3.72	-2.99	-2.63	0.0004	I(0)
OOR	-4.94	-3.72	-2.99	-2.63	0.0006	I(0)
PIT	-4.79	-3.71	-2.98	-2.63	0.0007	I(0)

Source: Author’s Computation from Eviews7 in Appendix

From the unit root tests results, all the variables (TDT, CIT, PPT, OOR and PIT) are integrated or stationary (that is no unit root) at level I(0). These results allow us to directly estimate the model using the OLS technique and table 2 holds the OLS results.

Table 2: Ordinary Least Square Results

TDT	=	-15.23	+ 0.42CIT	+ 0.33PPT	+ 0.50OOR	+ 0.02PIT
SE	=	[5.77]	[0.14]	[0.04]	[0.05]	[0.003]
t*	=	(-2.64)	(2.96)	(7.99)	(10.55)	(4.89)
R <sup>2</sup>	=	0.916585;	R <sup>2</sup> = 0.901418;	D.W =		
		2.72;	F-Stat. = 60.43524;	Prob. = 0.000000		

Source: Author’s Computation from E-views 7.0 in Appendix

The coefficient of CIT is positive and correctly signed and statistically significant at 5% level of significance. This implies that, a unit increase in CIT will lead to 0.42 increase in TDT. The test of significance indicates that, the parameter estimate is statistically significant in influencing positively the long run growth of the revenue generation in Nigeria this agrees with economic theory. This result is in line with the findings of Ekeoha, Ekeoha, Malaolu, and Onyema, (2012). The small magnitude is a reflection of the contribution so far which Duru, (2009), Ola (2001) and Oluba (2008) separately stated has been grossly understated due to improper tax administration, assessment and collection.

Adegbie and Fakile (2011) in their study on company income tax – asserted that tax evasion and avoidance are major hindrances to revenue generation. It is also a pointer to the size of the room for improvement in its contribution. Overall, the results show that if the long run relationship is nurtured, CIT can serve as a source of finance that can grow to make significant contribution to development financing in Nigeria and helping to tackle poverty in the long run.

The second model to capture objective two and test the  $H_{02}$  is stated below;

$$CIT = F (FDI, INTR, CPI, INFL, EXR) \quad (3)$$

The Stochastic form is

Table 3: Stationarity Test

Variables	Level	1 <sup>st</sup> Diff.	Critical values			Prob.	Order of integration
			1%	5%	10%		
CIT	5.10	-9.76	-3.72	-2.99	-2.63	0.0000	I(1)
FDI	0.02	-6.72	-3.72	-2.99	-2.63	0.0000	I(1)
INTR	-0.06	-6.54	-2.66	-1.96	-1.61	0.0000	I(1)
CPI	-0.23	-6.84	-3.72	-2.99	-2.63	0.0000	I(1)
INFL	-1.15	-4.42	-3.77	-3.00	-2.64	0.0024	I(1)
EXR	-0.58	-4.84	-3.72	-2.99	-2.63	0.0007	I(1)

Source: Author’s Computation from E-views 7.0

From the unit root tests results, all the variables (CIT, FDI, INTR, CPI, INFL,) are integrated or stationary (that is, does have a unit root) at the first difference that is I (1). This result requires that Co-integration tests be carried out.

Table 4: Cointegration Test

Null hypothesis	Trace statistic	0.05 value	critical	Null hypothesis	Max-Eigen Statistic	0.05 value	critical
$r = 0^*$	108.1065	83.93712		$r = 0^*$	48.54398	36.63019	
$r \leq 1$	59.56249	60.06141		$r \leq 1$	23.32253	30.43961	
$r \leq 2$	36.23996	40.17493		$r \leq 2$	15.72941	24.15921	
$r \leq 3$	20.51055	24.27596		$r \leq 3$	14.16051	17.79730	
$r \leq 4$	6.350035	12.32090		$r \leq 4$	4.566356	11.22480	
$r \leq 5$	1.783678	4.129906		$r \leq 5$	1.783678	4.129906	

Source: culled from Appendix

Both Trace and Max-Eigen test indicates 1 co-integration equation(s) at the 0.05 level \*denotes rejection of the hypothesis at the 0.05 level. \*\*Mackinnon – Haug –Michelis (1999) p –values

Table 4 revealed that there is co-integration among the variables. This is because the Trace and Max-Eigen Statistic of 108.11 and 48.54 is greater than the critical values of 83.94 and 36.63 at 5% level of significance respectively. Accordingly, Trace and Max-Eigen statistic test indicates 1 co-integrating equation at 5 percent level of significance.

$$CIT = b_0 + b_1FDI + b_2INTR + b_3CPI + b_4INFL + b_5EXR + U_t \quad (4)$$

Where:

CIT = Company Income Tax, FDI = Foreign Direct Investment; INTR = Interest Rate; CPI = Corruption Perception Index proxied for Tax Evasion; INFL = Inflation Rate; EXR = Exchange Rate;  $U_t$  = Error Term. Symbolically;  $b_1, b_3, >0, b_2, b_4, b_5, <0$

**Unit Root Test**

This section analyses the major macroeconomic determinants of CIT revenue in Nigeria. A unit root test was also carried out to check the stationarity properties of the series in which case the ADF unit root test was used for this purpose.

**Co-Integration Result**

The Johansen hypothesized co-integration was carried out to determine the number of stationary long-run relationship among the variables included in the study. It offers two tests, the trace test and the Max-Eigen value test, with a view to identifying the number of co-integrating relationships. The results are shown in the tables 4 below:

**The Long Run Model**

The long run relationship existing between the variables is shown in the model below:

$$CIT = 0.27FDI + 1.07EXR + 2.96INFL - 21.64CPI - 6.67INTR$$

(0.12)      (0.16)      (0.38)      (012.78)

(0.82)

Source: Author’s extract from E-views 7.0 results

Note: The standard errors are stated in parenthesis.

From the equation above, the coefficient of FDI is positive and correctly signed. This implies that despite the flow, FDI has the potential to improve CIT in the long-run. FDI flows to the country have been substantial but the size shows that other sectors apart from manufacturing which companies benefit more. The dominance of higher foreign investments in oil may account for the majority of FDI inflows.

The coefficients of exchange rate and inflation in the model above are positively signed and do not conform to a priori expectation.

The coefficient of CPI, proxied for Tax Evasion is -21.64 and INTR which are negatively signed and conform to a priori expectation. From the equation above, a 1% change in corruption perception index causes the company income tax revenue to decrease by 21.64% of that unit change. This is in line with the findings of Ola, (2001); Oluba, (2008). Similarly Adegbe and Fakile (2011) also asserted that tax evasion and avoidance are major hindrances to revenue generation in Nigeria. Improving CIT's contribution will require reduction in tax evasion.

Further, a 1% increase in interest rate (INTR) decreases Company Income Tax Revenue by 6.67% of that unit change. This is in agreement with Hinricks, (1966) theory, of negative relationship between inflation, interest and tax revenue and also in the work of Ebeke and Ehrhart (2010). Higher costs of capital will reduce company's output and profits and CIT. The results here show that increased FDI can increase CIT significantly and so as FDI is sought, it should be directed to the manufacturing sector whose improvements will expand the CIT bases. The results also affirm that rising inflation and fluctuating exchange rates reduce the potentials for higher CIT. Deliberate effort must be made by the government to deal with these variables in the best way so that the easing potentials of CIT can be improved, and harnessed as an alternative source of financing for development.

## CONCLUSION AND POLICY RECOMMENDATIONS

Having tested the two hypotheses to examine the contribution of Company Income Tax to revenue generation in Nigeria and to evaluate the major macroeconomic determinants of Company Income Tax revenue in Nigeria; paper concludes that there is a positive and significant relationship between company income tax and revenue generation in Nigeria. The sign of the coefficient is the index of potential which is a good sign. This potential can be sustained if productive bases expand and in Nigeria, there is plenty of room. This will have an interesting multiplier as increasing companies, generate employment and incomes and increased welfares all in one package. The size of the coefficient is however

small showing that there is plenty of room to extend its coverage. Secondly, foreign direct investment as one of the major macroeconomic determinants of company income tax revenue contributed little to revenue generation component of company income tax. FDI needs to be sought and directed to companies especially in manufacturing. The coefficient of CPI and INTR depicts negative relationship in the long run. These are indications of the fact that interest rates must set out levels that encourage production and tax evasion must be seriously and consistently tackled so that the CIT accruing to government is collected as at and when due.

Based on the findings, the study recommends: FIRS should properly monitor the activities of companies to achieve optimum collection of taxes payable to the government as CIT is a potential source of alternative income as well as improve condition for companies to flourish. FIRS should be engaged in discussions to learn what limits their optimal performances and then it should be empowered to succeed. CIT will increase if the tax bases also increase. The provision of an environment with the required infrastructure, and monetary policies cannot be overemphasized and must be pursued deliberately in order to increase the existing tax base.

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**APPENDIX I  
TIME SERIES DATA (ANNUAL GROWTH  
RATE)**

YEAR	TDT	CIT	PPT	OOR	PIT
1987	112.44	8.7429	162.36	97.889	21.398
1988	5.3207	27.808	-45.78	99.56	1.2498
1989	89.391	29.567	56.364	119.19	17.755
1990	80.556	50.755	154.39	57.639	23.79
1991	15.661	27.728	43.506	-2.062	23.554
1992	94.769	41.51	33.305	155.62	38.335
1993	1.4097	76.371	15.018	-8.62	10.408
1994	1.0958	28.48	-27.71	14.087	39.577
1995	108.03	78.232	0.1285	139.96	425.6
1996	18.347	0.5576	78.886	17.901	-83.33
1997	3.8938	18.182	-10.63	4.854	144.79
1998	47.043	28.077	-0.75	-26.37	3564.3
1999	115.8	38.739	141.62	118.45	116.23
2000	96.444	10.606	219.6	89.895	77.376
2001	13.937	34.442	21.729	0.4419	21.798
2002	-7.266	29.694	-38.64	-17.29	12.504
2003	41.389	28.844	74.273	57.402	25.247
2004	31.776	-1.568	73.168	56.119	2.7839
2005	44.677	43.54	60.941	31.603	49.154
2006	10.485	50.986	7.003	13.708	7.5262
2007	69.169	33.524	-26.38	185.07	16.963
2008	21.24	27.462	87.412	18.473	1.7301
2009	-2.396	36.3	-55.32	7.8416	2.7626
2010	-24.16	7.865	54.771	-10.62	-92.6
2011	61.303	16.746	104.47	58.5	-28.67
2012	17.441	18.468	25.936	15.496	8.5
2013	19.096	22.096	10.324	11.867	958.14

Source: CBN, Statistical Bulletin, NBS, FIRS  
(various years)

**APPENDIX II  
TIME SERIES DATA (IN A NATURAL LOG)**

YEAR	CIT	FDI	INTR	CPI	EXR	INFL
1987	7.09049	20.2299	2.95491	0.11333	1.39128	2.6174
1988	7.33586	19.7522	2.8679	0.09531	1.51293	2.27213
1989	7.59488	21.3568	3.20275	0.12222	2.00013	4.11415
1990	8.00537	20.192	3.32143	0.13976	2.08443	3.79997
1991	8.2501	20.3841	3.03495	0.14842	2.29253	1.28093
1992	8.5973	20.6142	3.44042	0.16551	2.85071	3.13549
1993	9.16472	21.0199	3.58602	0.17395	3.09331	3.88773
1994	9.41532	21.3958	3.04452	0.19062	3.08603	4.11578
1995	9.99324	20.7996	3.03447	0.20701	3.08603	4.3412
1996	9.9988	21.1892	3.03783	0.22314	3.08603	3.94352
1997	10.1659	21.1547	3.14931	0.18232	3.08603	2.66026
1998	10.4133	20.7733	3.06058	0.64185	3.08603	2.32239
1999	10.7407	20.7282	3.30285	0.47	4.52937	-1.6094
2000	10.8415	20.8544	3.07038	0.18232	4.62605	2.67415
2001	11.1375	20.8978	3.06058	0.18232	4.71796	2.80336
2002	11.3975	21.3514	3.40751	0.47	4.79554	2.50144
2003	11.6509	21.4191	3.13026	0.33647	4.8626	3.16969
2004	11.6351	21.3514	3.03591	0.47	4.8941	2.30259
2005	11.9966	22.3292	2.9699	0.64185	4.88394	2.45101
2006	12.4086	22.3032	2.92852	0.78846	4.85717	2.14007
2007	12.6977	22.5208	2.91017	0.78846	4.83493	1.88707
2008	12.9404	22.827	2.92852	0.99325	4.7755	2.71469
2009	13.2501	22.8698	3.11883	0.91629	5.00314	2.63189
2010	13.3258	22.5231	3.11396	1.02962	5.01263	2.4681
2011	13.4806	22.9028	3.10995	1.06471	5.03604	2.33214
2012	13.6501	22.9323	3.16927	1.06471	5.05943	2.50144
2013	13.8497	22.9906	3.2064	1.1314	5.05822	2.07944

Source: CBN, Statistical Bulletin, NBS, FIRS  
(various years)