

NON-OIL TAX REVENUE AND ECONOMIC GROWTH IN NIGERIA

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ABSTRACT

The study investigated the impact of non-oil tax revenue on economic growth in Nigeria for the period of 20 years (2001 to 2021). The study employed Value Added Tax (VAT), Company Income Tax (CIT), and Custom and Exercise Duty (CED) as proxies for non-oil tax revenue; while economic growth is measured using Gross Domestic Product (GDP). The study made use of secondary data collected from official publications of Central Bank of Nigeria (CBN), the Federal Inland Revenue Service (FIRS), and National Bureau of Statistics (NBS). Analysis of data was done using descriptive statistics; while Ordinary Least Square regression was employed to test the hypotheses at 0.05 level of significance. The result showed that VAT, CIT, and CED have both positive and statistically significant impacts on economic growth in Nigeria. This result implies that all the variables (VAT, CIT, and CED) adopted as proxies for non-oil tax revenue in this study have jointly contributed to promoting the growth of the Nigerian economy for the period under review. The study, therefore, recommended that government should ensure that revenue generated from VAT, CIT, and CED should be utilized judiciously to develop other sectors of the non-oil revenue such as mining and agriculture to enable her to have a variety of viable sources of income.

Keywords: Company Income Tax, Custom and Excise Duties, Economic Growth, Non-Oil Tax Revenue, Value Added Tax

JEL Classification: H25, H27, O47

1.0. INTRODUCTION

One of the greatest challenges facing the Nigerian economy in recent years is the inability of the oil sector to sufficiently provide the revenue needed by the government to meet up with its responsibilities to the citizenry in the area of the provision of welfare services. This problem has been attributed to the consistent drop in prices of oil in the global market which has created an imbalance in the implementation of certain fiscal policies by governments at all levels. The false illusion of riches that oil revenue gave the country in the seventies led to the total neglect of the non-oil sector. The situation contributed to the debt problem in which Nigeria found itself today as well as the issues of job loss, non-irregular payment of salaries, decayed infrastructures, and the general deterioration of economic activities in the country (Omes, Ngoka & Ordu, 2020).

Nigeria, like other developing countries of the world, should as a matter of urgency pay more attention to accelerating the rate of economic growth through the non-oil sectors of the economy. Ideh (2019) posited that the government of several countries often restructures their economic policies, programmes, and agenda in a bid to attain a desirable economic outcome. The desirable economic outcome is conventionally measured from the perspective of the level of economic growth and development. In order to actualize favorable economic growth, the Federal Government of Nigeria resorted to the introduction of different economic measures, policies, reforms, programmes, and long term plans within the period in review. Among such economic measures and policies is the adjustment in tax reforms. According to Agunbiade and Idebi (2020), taxation yields very substantial revenue to the government and it has a bearing on the Gross Domestic Product (GDP) which is the standard indicator for measuring the economic well-being of a nation.

In Nigeria, the oil tax administration predominantly hinges on petroleum profit taxes while the non-oil taxes mainly include: company's income tax (CIT), Value Added Tax (VAT), Capital Gain Tax (CGT), and Personal Income Tax (PIT) among others. Historically, the non-oil sector provided about 80% of government revenue and over 90 percent of export earnings from 1960 to 1970. Meanwhile, since the late 1970s, crude oil has become conspicuously dominant in the Nigerian economy. Appah and Ebiringa (2012) asserted that at the dawn of the oil boom in Nigeria, the petroleum industry generated 82% of income for the Federal Government while 18% came from non-oil revenue from 1970-2009. Owing to these, Fasoranti (2013) observed that a major effect of the oil boom was the open neglect of the non-oil revenue sources. The observed neglect may have declined the volume of non-oil revenue accruable to the government and allowed lapses in tax administration among non-oil taxes. Consequently owing to the global market price fluctuation of oil, which could ultimately cause a reduction in crude oil patronage in the international market; the non-oil revenue becomes necessary for re-examination in relation to economic growth in Nigeria.

Currently in Nigeria, a number of studies have been carried out on this subject matter over time. Studies such as Onoja & Ibrahim (2020); Uremadu, Chinweoke & Duru-Uremadu (2020); Yahaya & Yusuf (2019); Omes, Ngoka & Ordu (2020); Adegbe, Nwobia & Osinowo (2020); Salami, Amusa & Ojoye (2018); and Litita, Idisi & Nakah (2018), who investigated the effect of non-oil tax on economic growth in Nigeria for the period prior to 2019. However, in this study, the period has been extended to include 2020 and 2021. Therefore, the study examined the impact of non-oil tax revenue on economic growth in Nigeria from 2001 to 2021.

2.0 REVIEW OF LITERATURE

2.1. Conceptual Review

2.1.1. Non-Oil Tax Revenue

Tax revenue is the revenue generated by the government of jurisdiction from oil and non-oil activities. Tax revenue is the receipt from tax structures. In Ihendinihu, Ebieri, Amaps, and Ibanichuka (2014), Yahaya and Yusuf (2019), and Adeusi, Uniamikogbo, Erah & Aggreh (2020) tax revenue accruing to an economy, such as Nigeria, can be divided into two main categories, which are; Oil tax revenue and Non-oil tax revenue. Oil tax revenue includes revenues from petroleum profit tax (PPT), royalty and gas tax, and local sales and exports of crude oil and gas. On the other hand, non-oil tax revenue is revenues from direct and indirect taxes paid by other sectors of the economy other than the oil sector. The direct taxes are personal income tax (PIT), company income tax (CIT), capital gain tax, and education tax, while the indirect taxes are valued added tax (VAT), and customs and excise duties. It is a known fact that a country's tax system is a major determinant of the macroeconomic indexes for developed and developing economies; hence there exists a relationship between the tax structure and the level of economic growth of any nation (Libabatu, 2014).

There exist different fiscal measures put in place by the government of every nation to generate funds to finance the cost of governance and grow the economy and taxation is paramount among them. Nigeria has realized the importance to diversify its revenue base from oil to other non-oil sectors of the economy as a result of the crash in the world oil price which threw the Nigerian economy into recession (Inyiama & Ubesie, 2016).

2.1.2. Value Added Tax

Value Added Tax (VAT) was said to have been first invented in France by Maurice Laure who was the director of French tax authorities in 1954. In France, VAT was used as a form of protection for French industries and also a subsidy for export which made French products than to be competitive globally (Lawrence, 2015). VAT was introduced in Nigeria in 1993 and the VAT Decree has been amended more than half a dozen times since then, the latest being the Value Added Tax (Amendment) Act of 2007. Historically, Nigeria is a late comer to the adoption of VAT after about three decades after its introduction in Cote d'Ivoire and Guinea in 1960 and Senegal in 1961 (Sanni, 2014).

In Nigeria, Lawrence (2015) explained Value Added Tax (VAT) as a consumption tax was introduced to replace sales tax. The primary objective of VAT introduction was to boost the government revenue base as well as to make funds available for developmental purposes with a view to accelerating economic growth (Umeora, 2013). It was imposed on the supply of all goods and services other than those goods and services listed in the First Schedule to the VAT Act. Nigeria adopts the single rate of 5 percent of the value of all taxable goods and services which was recently changed to 7.5 percent by the Finance Act, 2020. An increase in distortionary taxation discourages economic activities and consequently lowers the growth rate of economic output (Mureşan, David, Ladislav & Dumiter, 2014; Uchime & Anichebe, 2019). At the same time, a high VAT rate limits the possibility of consumption and investment, and it generates negative effects on the supply and demand of economic goods produced by economic agents.

2.1.3. Companies Income Tax

Company Income Tax (CIT) in Nigeria was introduced and regulated by the Company Income Tax Act (CITA) CAP.60. Law of Federal Republic of Nigeria, 1979 as amended by the Finance (Miscellaneous Provisions) Decree 1993. CIT is charged at the rate of 30% of total profit on all companies operating in Nigeria except those companies that are specifically exempted by the Act. Company income tax is administered by the Federal Inland Revenue Service (FIRS) using the enabling Act (CITA) as a guide. Companies are registered to engage in business activities with the view of making a profit and pay taxes to the government on the profit generated from such businesses. It, therefore, follows that a symbiotic relationship exists between the government and corporate organizations where the provision of goods and services by corporate organizations requires some facilities that can majorly enable business outfits to thrive. It is therefore imperative for corporate organizations to support the government financially through the payment of a certain percentage of profit as tax to the government (Fagbemi, Uadiale & Noah, 2010). The contribution of the company income tax to the economy of Nigeria cannot be overemphasized (Uguru & Adeniran, 2019).

Section 47 of the Act empowers the FIRS to proceed to assess every company chargeable with tax as soon as may be after the expiration of the time allowed to a such company for the delivery of audited accounts and returns provided for in the Act or otherwise as it appears to the Board practicable to do so. By Section 11 of the Act, the profits of a Nigerian company are deemed to accrue in Nigeria wherever the profits arise regardless of whether they have not been brought into or received in Nigeria. Previously, every company was required to pay provisional tax which is an amount equal to the tax paid in the immediately preceding year of assessment. However, the Finance (Miscellaneous Taxation Provisions) Decree 1991 introduced the method of self assessment for companies. This was originally meant for companies with turnover exceeding one million naira but this has now been extended to include all companies in Nigeria and has since been incorporated into the Act (Aguolu, 2004).

2.1.4. Customs and Excise Duties

Ihebie (2014:166) observed that “excise taxes or duties have been referred to by scholars as the “Orphan of Tax Policy’ because they receive relatively little attention in the tax literature”. Customs and Excise duty (CED) is another type of non-oil tax revenue that has contributed to the economic growth of Nigeria. Customs and excise duties are forms of indirect tax which is levied on both imported and exported goods and services (Akhor, Atu & Ekundayo, 2016). Customs duties introduced in 1860 as import duties are adjudged one of the oldest forms of modern taxation (Ekeocha, Ekeocha, Malaolu & Oduh, 2012).

CED on goods is imposed under Customs, Excise Tariff, Etc (Consolidation) Act 1995 (as amended) Act Cap C49 Laws of the Federation of Nigeria 2004 (CETA) as expressly hinted in Paragraph 3 of the Customs, Excise Tariff Regulations. Section 19(1) of CETA provides that goods manufactured in Nigeria and specified in the Fifth Schedule to the Act shall be charged with duties of excise at the rates specified under the Duty Column in the said Schedule (Ihebie, 2014). Policies upon which the imposition of customs and excise duties are imposed are often tailored toward growing the economy. This can be achieved by levying more duties on some imported items that are also produced within the country to discourage its import and levying very low duties on goods and services which are required to grow the economy. In furtherance to this position, Akhor, *et al.*, (2016) also reported that customs and excise duties are good instruments for; protecting domestic companies in their infant state and regulating business activities, income redistribution, and checking inflation.

Customs and excise duties are an important element of the non-oil revenue and have remained the major revenue source before and after the discovery of oil in Nigeria and have over the years contributed significantly to national development. According to Buba (2007), the Nigeria Customs Service is saddled with the responsibility of collecting customs and excise duties, fees, tariffs, and other levies so imposed by the Federal Government on imports, exports, and statutory rates (Adeusi, Uniamikogbo, Erah and Aggreh, 2020). Increased duty on imported goods and services will affect adversely the price and availability of such goods and services within the country thereby encouraging local production of such goods and services and consequently growing the economy (Ekeocha, *et al.*, 2012).

2.1.5. Economic Growth

Economic Growth as a term specifically means an increase and rise in the total value of goods and services produced by a country over a period usually a year. Daniel (2004) posited that economic growth is a sustained increase in per capita national output or net national product over a long period of time. It implies that the rate of increase in total output must be greater than the rate of population growth. It is an increase in the production of economic goods and services, compared from one period of time to another. Economic growth can be measured in terms of gross national product (GNP) or gross domestic product (GDP). However, alternative metrics are sometimes used.

In economics, growth is usually modeled as a function of physical capital, human capital, labour force, and technology. The growth rate of a country is measured by the "size of its Gross Domestic Product (GDP) (Appah, 2010). Akwe (2014) further added that it takes a creative and productive nation to grow her gross domestic product (GDP) by ensuring full employment, reduced interest rate and improved output in the industrial sector. GDP refers to the total value in monetary terms of goods and services produced by residents of a country over a given period of time usually a year. GDP is the logical extension of measuring economic growth in terms of monetary expenditures. It is one of the common indicators used to track the health of a nation's economy.

2.2. Empirical Review

Adegbie, Nwaobia and Osinowo (2020) examined the effect of non-oil tax revenue on economic growth and development in Nigeria. Data for the study was sourced from CBN statistical bulletin and National Bureau of statistics for the period 1994 to 2017. Non-tax revenue which is the independent variable was made measurable using value added tax, capital gains tax, education tax, company income tax, and customs & excise duties. Data were analyzed using descriptive and inferential statistics while multiple regression was employed to test the formulated hypotheses at 0.05 level of significant. The outcome of the analysis indicated that value added tax, capital gains tax, company income tax, and tertiary education tax have significant effects on the economic growth of Nigeria.

Uremadu, Chinweoke and Duru-Uremadu (2020) investigated the impact of non-oil revenue on economic growth in Nigeria for the period, 1994-2017. Real gross domestic product (RGDP) was adopted as a proxy for economic growth; while agricultural revenue manufacturing revenue, mining revenue, and value added tax were proxies for non-oil revenue. Data were collected from the Central Bank of Nigeria (CBN) Statistical Bulletin. Data were analyzed with the use of descriptive statistics, while hypotheses were tested using multiple regression anchored on (OLS). The result of the analysis showed that agricultural revenue and mining revenue had a negative and insignificant effect on economic growth in Nigeria both in the short run and long run. Manufacturing revenue had a positive and insignificant effect on

economic growth in the short run and a positive and significant effect on economic growth in the long run. VAT had a positive and significant effect on economic growth in Nigeria both in the short run and long run.

Yahaya and Yusuf (2019) evaluated the impact of non-oil tax revenue on economic growth in Nigeria. Data was sourced from the annual reports of the Central Bank of Nigeria and Federal Inland Revenue Service Publications. The independent variable, non-tax revenue was made measurable using the following variable, company income tax, value added tax, and custom and excise duty tax. Real gross domestic product was adopted as a proxy for economic growth. Analysis of data was done using descriptive statistics while linear multiple regression anchored on ordinary least square (OLS) was employed to test the hypotheses of the study at 5% level of significance. The findings of the analysis indicated that company income tax had a positive significant relationship with economic growth, while VAT and custom and excise duty had a positive but insignificant relationship with economic growth in Nigeria.

Salami, Amusa and Ojoye (2018) studied the impact of non-oil revenue on the economic growth of Nigeria. The study covered the period 1981-2016 and the gross domestic product was adopted as the proxy for economic growth and was also used as the dependent variable. On the other hand, the study adopted non-oil revenue as the independent variable. The study made use of the Ordinary Least Squares (OLS) regression analysis to analyze the data collected from the Central Bank of Nigeria (CBN) Statistical Bulletin. Findings from the study revealed that non-oil revenue exerted a positive and significant impact on economic growth in Nigeria. The study, therefore, concluded that non-oil revenue exerted a significant impact on the economic growth of Nigeria.

Likita, Idisi and Nakah (2018), carried out an investigation on the impact of non-oil revenue on economic growth in Nigeria. The study covered the period 1981 to 2016 and agricultural revenue, manufacturing revenue, solid minerals contributions, services revenue contribution, company income tax, and custom and excise duties tax were adopted as proxies for non-oil revenue and they were used as the independent variables. On the other hand, the study made use of gross domestic product (GDP) as a proxy for economic growth and it served as the dependent variable. Ordinary Least Squares (OLS) and error correction mechanism (ECM) techniques were used to analyze the data collected. Findings from the study showed that agricultural revenue, manufacturing revenue, and services revenue exerted a positive and significant impact on economic growth.

Kromiti, Kanadi, Ndangra and Lado (2017) carried out an investigation into the contribution of non-oil exports to economic growth in Nigeria. The study covered the period 1986 to 2015 and the gross domestic product was used as a proxy for economic growth as well as the dependent variable. On the other hand, the study made use of non-oil export and exchange rate as the independent variables. Unit root test was carried out to determine the stationarity of the variables and the Autoregressive Distributed Lag (ARDL) methodology was used to determine the impact of the independent variables on the dependent variable. The findings of the study revealed that non-oil revenue exerted a positive and significant impact on economic growth in Nigeria while exchange rate exerted a negative and weak significant impact on the economic growth of Nigeria. The study concluded that non-oil exports made a significant contribution to Nigerian economic growth.

Kawai (2017) studied the impact of non-oil exports on Nigerian economic growth. The study covered 1980 to 2016 and the real gross domestic product was adopted as a proxy for economic

growth and was used as the dependent variable. On the other hand, non-oil export and exchange rate were used as the independent variables. Unit root test was carried out to determine the stationarity of the variables used in the study and Engel-Granger cointegration test was carried out to ascertain the existence of long run equilibrium relationship among the variables. The findings of the study showed that non-oil export exerted a positive and significant impact on economic growth of Nigeria whereas the exchange rate exerted a negative and significant impact on economic growth of Nigeria. The study argued that non-oil exports exerted a significant impact on economic growth of Nigeria.

2.3. Theoretical Framework

This study is hinged on the Benefits theory and Expediency theory.

2.3.1. Benefits Theory of Taxation

The Benefit Theory of Taxation preceded the Ability to Pay Theory. The benefit theory of taxation was first propounded by Thomas Hobbes (1588-1679), John Locke (1632-1704) both of whom are English philosophers and Hugo Grotius (1583-1645), a Dutch jurist in the seventeenth century (Otu & Theophilus, 2011). The theory had been applied to such subjects as tax progressivity, corporation taxes, and taxes on property or wealth. The benefits theory of taxation stipulates that government should levy tax on an individual based on the benefits the individual achieved from the services (social goods) rendered by the government. The assumption of the theory is that individuals should be subjected to tax in proportion to the benefits to be received from the governments in public services and that the burden of taxes should be felt more by those people who receive the direct benefit of the government programs and social services (Akwe, 2014). The tax revenue so received by the government is plowed back for the sustainment of the country's economic growth through the provision of infrastructures, maintenance of law, and other social amenities which sustain economic growth of any given country.

There is a fundamental mutual relationship between the state and the taxpayers in such a manner that as the taxpayers perform their civic responsibility by paying their taxes, government is the chief administrator of funds contributed by taxpayers and hence, must use taxpayers' money for the benefit of the payers. The state must provide some specific social goods and services to the members of the society and who in turn contribute to the cost of these supplies in proportion to the benefits received. Those who receive more benefits from the social services financed by taxpayers should also be subjected to more tax (Adegbe, et al. 2020).

The theory is related to this study because taxation is seen to provide a powerful set of policy tools to the tax authorities and such tools should be effectively used to provide social amenities for the taxpayers and also to collect adequate tax revenue needed for improving the economic growth of Nigeria.

3.0. METHODOLOGY

This study adopted *Ex-post facto* design. This type of research design is a method of testing out possible and antecedent events that have happened and therefore cannot be manipulated by the researcher. The study employed *Ex-post facto* research design because the secondary data was used, which covered the period 2001-2021. The data were obtained from official

publications of the Central Bank of Nigeria (CBN), the Federal Inland Revenue Service (FIRS), and the National Bureau of Statistics (NBS).

This study adopted a multiple linear regression model since the overall objective of the study is to determine the impact of non-oil tax revenue on economic growth in Nigeria. The dependent variable, economic growth, was proxied by gross domestic product (GDP) while the independent variable, non-oil tax, was measured by company income tax (CIT), value added tax (VAT) and custom & excise duties (CED).

To ascertain the nature of the relationship that exists between the dependent and the independent variables, the researcher hypothesizes that economic growth (dependent variable) depends behaviorally on the components of non-oil tax revenue employed as proxies for the independent variable. Therefore, the hypotheses formulated based on the research objectives are as follows:

H0₁: Value Added Tax Revenue has no significant impact on economic growth in Nigeria.

H0₂: Company Income Tax Revenue has no significant impact on economic growth in Nigeria.

H0₃: Custom and excise duty (CED) has no significant impact on economic growth in Nigeria

In line with Klein (2013), the relationship is thus stated as follows:

$$\text{GDP} = \beta_0 + \beta_1 \text{CIT} + \beta_2 \text{VAT} + \beta_3 \text{CED} + \text{et} \dots \quad (\text{i})$$

It can also be expressed as:

$$\text{Log GDP} = \beta_0 + \beta_1 \text{Log CIT} + \beta_2 \text{Log VAT} + \beta_3 \text{Log CED} + \text{et} \dots \quad (\text{ii})$$

Where:

GDP = Gross Domestic Product (a proxy for economic growth)

β_0 = Constant

CIT = Company Income Tax

VAT = Value Added Tax

CED = Custom and Excise Duties

$\beta_1, \beta_2, \beta_3$ = Coefficient of the Independent Variables

et = Error term

Log = Natural log

$$\beta_1, \beta_2, \beta_3 > 0$$

This study employed a quantitative approach and analyzed the data obtained from secondary sources. The techniques adopted in data analysis involved the use of descriptive statistics, unit root test, and ordinary least square regression test. Descriptive and inferential statistics were used in the study. Other tests such as unit root and multiple regression analysis were also carried out to ascertain a reliable regression result and effect on the independent respectively. The result of the regression test was evaluated using the conventional probability values (P-value) associated with the regression output at 5% level of significance.

4.0. RESULTS AND DISCUSSION OF FINDINGS

4.1. Data Results

Table 1: Descriptive Statistics

	GDP	CIT	VAT	CED
Mean	8.2368455	3.9563982	2.1185026	2.448602
Median	1.412108	4.0994272	1.7540165	3.126624
Maximum	3.194208	8.8364663	4.7572520	1.884240
Minimum	1.371208	6.028466	1.621020	1.425462
Std. Dev.	1.663008	1.8189496	1.3864735	1.114668
Skewness	1.771123	0.211005	0.669487	0.4126641
Kurtosis	5.213127	1.988450	2.517617	1.768666
Jarque-Bera	7.268933	0.500552	0.844647	0.688412
Probability	0.026398	0.778586	0.655522	0.462414
Sum	8.244108	3.962408	2.127508	2.481252
Sum Sq. Dev.	2.476217	1.156215	1.736515	1.932116
Observations	19	19	19	19

Source: Authors' Computation (2022)

The descriptive analysis of the research variables was analyzed using the mean, standard deviation, minimum, maximum, skewness, and Kurkosis. The maximum value of gross domestic product in our sample is 3.194 with a minimum value of 1.371. Similarly, the maximum values for Company Income Tax, value added tax, and custom and excise duty stood at 8.836, 4.757 and 1.884 respectively with corresponding minimum values of 6.028, 1.621 and 1.425.

The standard deviation values are 1.663, 1.819, 1.386, and 1.115 for the GDP, CIT, VAT and CED respectively. The standard deviation measures the amount by which every value within a data set varies from the mean. Moreover, the average values of the research variables are 8.237, 3.956, 2.119, and 2.449. The higher the values of standard deviation, the higher the risk, and vice versa. Since the values of standard deviation are low, it implies that they did not deviate much from their corresponding mean values. This indicated low risk and data did not deviate much from reality.

The skewness estimate was used to capture how the variables of non-oil tax revenue lean to one side of the distribution. Hence, it was observed that the entire variables were positively skewed. Thus; indicating that the probability distribution of the variables clustered to the left, while the tail extended to the right.

The result of the Augmented Dicky Fuller (ADF) tests is presented in Table 2. The major aim of the test was to determine the existence of unit root in the data using trend and intercept in order to obtain a reliable regression results.

Table 2: Result of the Unit Root Test

Variable	Constant and trend level	Prob	Constant and trend 1 st difference	Prob
GDP	0.589	0.129	-4.389	0.002
CIT	-1.264	0.898	-3.841	0.017
VAT	-3.813	0.306	-5.784	0.007
CED	-2.988	0.334	-6.404	0.000

Source: Authors' Computation (2022)

The result in Table 2 with respect to ADF unit root test indicated that all the variables, GDP, CIT, VAT, and CED series are non-stationary at levels. However, considering their series in 1st difference, all the series became stationary. Accordingly, the result showed that the time series on CIT, VAT, CED and GDP are integrated or order 1 (1). Consequently, the series does not have root; they are stable and considered relevant for prediction.

Table 3: Regression Analysis

Variable	coefficients	Std. Error	T-statistics	Prob
C	0.942	0.122	32.988	0.000
CIT	0.568	0.0497	0.611	0.035
VAT	0.646	0.053	10.022	0.029
CED	0.278	0.089	6.761	0.0497
R-Square	0.826			
				F-stat 23.867
				Durbin, W-stat 1.497
Adjusted R-Square	0.796			Prob (F-stat) 0.000

Source: Authors' Computation, (2022)

The result in Table 3 showed that the P-values of the explanatory variables (CIT, VAT and CED) are 0.035, 0.029, and 0.0497 respectively; with the corresponding t-values of 8.6112, 10.0224, and 6.7612. Based on the result presented above and guided by the decision rule stated, all the variables (CIT, VAT, and CED) employed as proxies for non-oil tax revenue in this study, have a positive significant impact on the economic growth of Nigeria for the period under consideration. The value of R-square (0.8264) indicated that about 83% of the changes in the economic growth of Nigeria is attributed to variations in CIT, VAT, and CED; while 17% of changes are caused by other factors not included as a variable in the research model, but which are capable of influencing the Nigerian economic growth. Durbin Waston value is 1.4986, indicating that there is no presence of autocorrelation since the value falls within the acceptable range of 1.5 to 1.9. Therefore, there is no presence of autocorrelation.

Moreover, the value of F-statistic (23.867) is high; which implies that the explanatory variables (CIT, VAT, and CED) are jointly significant in explaining the economic growth of Nigeria for the period reviewed.

4.2. Discussion of Findings

The results from the regression analysis formed the basis of the discussions in line with the specific objectives of the study.

Impact of Company Income Tax (CIT) on Economic Growth in Nigeria:

The regression outcome presented in Table 3 revealed that the probability value (p-value) with respect to hypothesis one (1) is 0.0354 with the corresponding values of 0.568 and 8.6112 as coefficient and t-statistics respectively. Based on this result, and guided by the rule earlier stated, the researcher accepted H_1 and rejected H_0 . The implication of this decision is that company income tax (CIT) has a positive significant impact on the economic growth of Nigeria; since the p-value (0.0354) is $< 5\%$. More so, since the value of the coefficient is 0.568, it also implies that N1 increase in company income tax will bring about 0.5% increase in the growth of the Nigerian economy.

Accordingly, this result is in conformity with the findings of Adegbe, Nwaobia and Osinowo (2020) who investigated the effect of non-oil tax revenue on economic growth in Nigeria; and found that company income tax has a positive significant effect on the economic growth of Nigeria. Moreover, our findings are also in line with Yahaya and Yusuf (2019) who opined that CIT has a positive significant impact on economic growth in Nigeria.

Impact of Value Added Tax on Economic Growth in Nigeria

The result of regression analysis as presented in Table 3 showed that the probability value (p-value) with respect to hypothesis two (2) is 0.029. This value (0.029) is less than 5%, which implies that it falls within the acceptable significant level of 5%. The implication of this decision by the researcher is that value added tax has a positive significant impact on economic growth in Nigeria. The impact is positive because the corresponding t-statistics value (10.0224) is positive. This finding also implies that N1 increase in value added tax will lead to about 65% increase in the growth of the Nigerian economy; due to the coefficient value of 0.645 of the Value Added tax. This finding is in agreement with Adegbe, Nwaobia and Osinowo (2020) who found that value added tax has a positive and significant effect on economic growth in Nigeria.

Impact of Custom and Excise Duty on Economic Growth in Nigeria

The result presented in Table 3 also indicated that the probability (p-value) with respect to hypothesis three (3) is 0.0497 with a corresponding t-value of 6.761. Since the p-value falls within the significant level of 0.05, it then implies that custom and excise duty has a positive significant impact on the economic growth of Nigeria. Also indicated in the table is the coefficient value of this variable which is 0.278. Therefore, N1 increase in custom and excise duty will result to 28% increase in the growth of the Nigerian economy. This result, however, disagreed with the findings of Likita, Idisi and Nakah (2018) who observed that custom and excise duty exerted a positive but insignificant impact on economic growth in Nigeria.

This study explored the impact of non-oil tax revenue on economic growth in Nigeria for the period 2001-2021. The outcome of the regression analysis revealed that company income tax, value added tax, and custom and excise duty have significant positive impacts on the growth of the Nigerian economy. Therefore, the implication of the findings is that the explanatory

variables employed as proxies for the non-oil tax revenue in this study have jointly contributed significantly in promoting the growth of the Nigerian economy.

5.0. CONCLUSION AND RECOMMENDATIONS

The realization that over dependency on crude oil earnings can no longer adequately sustain public expenditure arising from the consistent fall in prices of crude oil has attracted the urgent attention of the government to seek the non-oil tax revenues in recent years. Therefore, in line with the findings of the study, the three components of non-oil tax revenues (CIT, VAT and CED) employed in the research model have a positive and significant impact on the growth of Nigeria's economy. Consequently, the study concluded that non-oil tax revenue has impacted positively in promoting the economic growth of Nigeria

The study, therefore, recommends as follows:

1. The government should ensure that revenue generated from company income tax should be judiciously utilized to develop other sectors of the non-oil revenue such as mining and agriculture to enable her to have a variety of viable sources of income needed to pursue its cardinal objective of provision of welfare services to the citizenry.
2. Instead of increasing VAT rate as suggested by many authors, the government should increase VAT base by incorporating many other items into the VAT net. This would increase VAT revenue without making it cumbersome. With increased VAT revenue, the economic growth of Nigeria would further be increased.
3. Government should ensure that all the tax loopholes associated with custom and exercise duties are adequately minimized through administrative management efficiency which will attract more tax revenue into the tax net of the Nigerian tax system.

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