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Digital Taxation And Sustainable Economic Development In Nigeria

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ABSTRACT
This study was carried out to investigate the relationship between digital taxation and sustainable economic development of Nigeria within the period of 2000-2022. The specific objectives were to evaluate the relationship between CIT, VAT (dimensions of Digital taxation) and Human Development Index (HDI), and Unemployment Rate (measures of sustainable development) and moderating influence of tax reforms on this relationship. In line with the objectives, three (3) hypotheses were formulated and tested. The study employed a mixture of expost facto and survey design. The population covers 66 years' period (from 1960-2022) that is looking at when Nigerian gained independence up to year 2022. Using purposive non-probability sampling technique, sample of 23 years' period starting from 2000 to 2022 was chosen for the study. Data used for the study were collected both from primary and secondary sources (triangulation method adopted). Secondary data was collected from the CBN Annual Reports and Statistical Bulletin for periods of 2000 -2022. While primary data was sourced with the use of research instrument (copies of questionnaire) scaled on 5 point likert scale administered to stakeholders from Federal Inland Revenue Service (FIRS) in Nigeria. Correlation as well as regression analysis were used for data analysis and testing of hypotheses with the aid of Statistical Package for Social Sciences (SPSS) version 21. The result of the study indicated digital taxation activities (CIT and VAT revenues) affects sustainable economic development in Nigeria both in terms of real GDP. The study concluded that real GDP has a positive and significant relationship with both CIT and VAT. Furthermore, Tax reforms is a strong and positive moderator of the relationship that exists between digital taxation revenue and sustainable economic development. The study recommended among others that: More deployment of digital means and methods for CIT and VAT administration, collection and remittances is advocated at all levels where CIT and VAT are administered in Nigeria. There should be constant reforms and review of already existing reforms especially towards digitalization. Reforms that will ensure the more use of technology even Artificial Intelligence towards tax administration and collections should be embraced.
Keywords: Company Income Tax (CIT), Digital Taxation, Real Gross Domestic Product (RGDP), Sustainable Economic Development, Tax Reforms

1.0 INTRODUCTION

In recent times, Nigerian economic development indicators have been unfriendly. This is sequel to an increase in inflation, a pronounced spike in unemployment, a laggard economic growth rate, a significant decline in foreign reserves and a pronounced fall in the value of Nigerian's currency as can be seen in the forex market. Although some researchers are of the view that the economy is being repositioned for recovery following the expected developmental activities, some argue that the rate of recovery falls below expectations (Kalagbor&Ordu, 2019, Ewa&Essien, 2020; Obara et al., (2022), therefore there is an urgent need for a policy review that will result in economic recovery (Obara et al., 2022). One of the policy thrusts to be considered is the issue of adequate use of taxation towards the pursuit of economic developmental objectives especially to increase tax revenue among other revenue sources for the government.

Economic development is defined as a policy intervention effort for the economic and social well-being of people (Todero & Smith, 2011). Revenue is required to fund both growth and development objectives in a nation. Sadly, the increase in both revenue and expenditure in Nigeria has not translated into adequate development of its citizens considering the standard of living and the income level of its people. Recently, it has been advocated that countries should migrate from the concept of economic development to that of sustainable economic development by international bodies such UN, World Bank, IMF and the likes (Ordu & Nkwoji, 2019, Obara et al., 2022). This is the ability to adequately take care of present needs without jeopardising the possibility of meeting the needs of future generations. Sustainable development brings to bear, the ecological and human dimensions to the development process. It is no doubt that in her approach towards addressing social, economic, and environmental issues, Nigeria has not achieved so much in terms of developmental goals. Instead of outright eradication or reasonable reduction, we have rather witnessed increases in such problems as environmental pollution, poverty, flooding, corruption, ethnicity, and unemployment. These are serious issues that bother on the country's quest for economic development. In a bid to address them and fast track the process of development, Nigeria and other member countries of the United Nations adopted the Millennium Development Goals (MDGs) in 2000 proposed to be achieved by 2015, and revising and setting up new Sustainable Development Goals (SDGs) proposed to be achieved by 2030. Most of these Development Goals are yet to be achieved in Nigeria due to inadequate funds. Tax is said to be a sustainable source of revenue to drive sustainable economic development. Digitalisation of tax revenue processes becomes necessary. According to Etim et al (2020), digitalisation is transforming many aspects of our everyday lives and the way our economy and society functions. The change brought about by this digital transforming is notable and it raises public policy challenges (Olagunji, 2020). It is also changing the nature of policy-making itself, through the emerging of new range of tools required to support the development and implementation of policies. In addition, the advent of digital devices, connectively and smart technology are bringing significant changes that are profoundly affecting relationship and market, thus governments efforts towards digitalisation of taxation and administration of taxes in Nigeria. It is argued however that a functional and effective tax system will boost revenue generation which in turn, is expected to engender economic development (Hammed, 2023; Hassan, 2023; Ordu, 2021). The effect of tax revenue on economic development can never be overemphasised because tax revenue makes fund available with which government invests in developmental projects and reduces poverty as it responds to the needs of citizens by providing basic social services (Ordu, 2021; Obara et al., 2022).

Considering the reality that Nigeria continues to solely depend on oil revenues whilst leaving other non-oil sources inadequately tapped, adapting the tax administrative processes to technology on a bigger scale than it is currently has become an imperative.

In 2017, Nigeria took the bold step to join the line-up of nations that have gone digital in their administration of taxes (Olaghare&Adewuyi, 2020). For example, as part of the digitization efforts of the tax authorities, the Federal Inland Revenue Service (FIRS), in 2017, announced the introduction of six new electronic tax services (e-services) for the convenience of taxpayers in Nigeria. While this migration to electronic platforms in the administration of taxes seems laudable and commendable, there have been reported challenges and reasons why the needed revenue increase has not been achieved (Yayaha&Bakare, 2018; Omesi et al., 2020; Olaghara&Adewuyi, 2020). However, regardless of these challenges, the benefits and prospects of digitisation of taxes are enormous and cannot be overemphasised. These among others include increase in revenue both at the state and federal levels, expansion of the tax net especially into the digital economy, widening of Nigerian fiscal space as well as increased level of data capturing for taxation (Hammed, 2023; Hassan, 2023). There is a growing number of literatures in the last decades on the issue of taxation and economic development. Although they are looked at from different dimension of tax revenue; however the overwhelming conclusion on these studies (Onakoya&Afintinni, 2016; Omitogun&Longe, 2017; Odiambo&Olushola, 2018; Ordu&Nkwoji, 2019: Ordu, 2021; Ordu&Omesi, 2022; Ordu et al., 2023) is that a significant relationship exists between taxation and economic development using various dimensions of tax and measures of economic development. Furthermore, none of the studies reviewed have focused on digital taxation and sustainable economic development, thereby creating research gaps. In addition, of the related studies reviewed they focused on different dimensions of tax revenue such as personal income tax and company income tax, but without a moderating effect of tax reforms on these relationships, hence creating a gap in variables of which this present study could fill.

2.0 REVIEW OF LITERATURE

Measures of Sustainable Economic development

Sustainable economic development has evolved from the concept of from the concept of economic development (Ordu&Nkwoji, 2019). It is the level of development that can be sustained on the long run. Sustainable development refers to the ability to adequately take care of present needs without jeopardising the possibility of meeting the needs of future generations. It extend beyond growth in gross domestic product (GDP) as it bothers on the impact of government decisions on the livelihood of a people, the environment, the economy, and the well-being of generations to come. Sustainable development brings to bear, the ecological and human dimensions to the development process. The concept of sustainable development was stated at first in the report of Our Common Future prepared by Commission on Environment and Development of United Nations in the year of 1987 and has become prevalent. Sustainable development has the following historical processes.

- i). 1972 Stockholm: The United Nations Conference on the Human Environment
- ii). 1976 Habitat-1 Meeting
- iii). 1987 Brundtland Report, Our Common Future (defined sustainable development)
- iv). 1992 The United Nations Rio Conference
- v). 1997 Rio+5 Summit
- vi). 2002 Johannesburg Summit (Rio+10)

Sustainable development has many dimensions. These can be deciphered by looking at the sustainable development goals. The concept of sustainable development has been relevant since time immemorial, it can be argued that the relevance deepens with the dawn of every day because the population keeps increasing but the natural resources available to humankind do not. Conscious of this phenomenon, global concerns have always been expressed for judicious use of the available resources (Mensah, 2019). The latest of such concerns translated into the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). The MDGs were sequel to the SDGs. The MDGs marked a historic global mobilisation to achieve a set of important social priorities worldwide (UN, 2021). However, in spite of the relative effectiveness of the MDGs, not all the targets of the eight goals were achieved after being rolled out for 15 years (2000–2015), hence, the introduction of the SDGs to continue with the development agenda. As part of this new development roadmap, the UN approved the 2030 Agenda (SDGs), which are a call to action to protect the planet, end poverty and guarantee the well-being of people (Taylor, 2016). The 17 SDGs primarily seek to achieve key objectives which include to: eradicate poverty and hunger, guaranteeing a healthy life; universalize access to basic services such as water, sanitation and sustainable energy; support the generation of development opportunities through inclusive education and decent work; foster innovation and resilient infrastructure, creating communities and cities able to produce and consume sustainably; reduce inequality in the world, especially that concerning gender; care for the environmental integrity through combatting climate change and protecting the oceans and land ecosystems; and promote collaboration between different social agents to create an environment of peace and ensure responsible consumption and production(UN, 2021).

Agenda 2030 adopted by 193 countries with effect in January 2016 has five overarching themes, known as the five Ps: people, planet, prosperity, peace and partnerships, which span across the 17 SDGs (UN, 2021). Thus, as many have argued, sustainable development aims at achieving social progress, environmental equilibrium and economic growth and development (Mensah, 2019).

Human Development Index

The human development index (HDI) is a statistical tool that measures the overall achievement of a country in social and economic dimensions based on her citizens' state of health, level of education attainment, and standard of living. HDI was developed by Indian Nobel prize winner, Amartya Sen. and Pakistani economist. MahbubulHaq, with help from Gustav Ranis of Yale University and Lord Meghnad Desai of the London School of Economics, and was further used to measure a country's development by the United Nations Development Program (UNDP)'s Human Development Report Office. It is a summary composite index introduced as an alternative to conventional measures of economic development like the GDP and income per capita. In other words, the United Nations Development Program (UNDP) in 1990 introduced the Human Development Index (HDI) through its first annual Human Development Report (HDR) thereby transforming the landscape of development theory, measurement and policy. Upon the establishment of the HDR, the UNDP succeeded in expanding the availability of measurement as well as creating a tool for comparison to be adopted by governments, non-governmental organisations, scholars and researchers. Thus HDI becomes one the most reliable indicators of economic development for nations according to United Nations standards. For each dimension of the HDI, it sets minimum and maximum values which are further normalised (expressed as numbers between 0 and 1) to clearly indicate each country's position in relation to values. So according to UNDP (2014), the higher a country's HDI score, the higher its level of human development (and vice versa). The table below shows the fixed values for each indicator of the global HDI in 2014.

Table 1: Minimum and Maximum Values of HDI Indicators

Dimension	Indicator	Minimum	Maximum
Health	Life expectancy (years)	20	85
Education	Expected years of schooling	0	18
	Mean years of schooling	0	15
Standard of living	Gross national income per capita (PPP 2011 $)	100	75000

Source: UNDP (2014). Technical Note 1.

Unemployment rate

In Nigeria, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force. According to tradingeconomics.com, (2021),unemployment rate in Nigeria averaged 13.55 percent from 2006 until 2020, reaching an all-time high of 33.30 percent in the fourth quarter of 2020 and a record low of 5.10 percent in the fourth quarter of 2010. It thus implies that efforts towards raising the funds needed to create environments that would tackle unemployment have not been effective enough, thus there is need for rethink of such efforts.

Digitalisation of taxation, Tax Reforms and Tax Revenue in Nigeria

Digital taxation is referred to as a tax policy put in place by various countries to levy taxes on digital transactions of companies like Facebook, Twitter, YouTube, and others, which may not have a physical presence in their country (Odia&Akonoafua, 2022). However, in the context of this study, digital taxation refers to taxation activities using digital means including the use of IT and other electronic means for tax administration and collection otherwise known as e-tax system digitalisation of tax services. According to Etim et al (2020), digitalisation is transforming many aspects of our everyday lives and the way our economy and society functions. The change brought about by this digital transforming is notable and it raises public policy challenges (Olagunji, 2020). Nigeria took a bold step to join the line-up of nations that have gone digital in their administration of taxes in 2017 (Olaghare&Adewuyi, 2020). The Federal Inland Revenue Service (FIRS), in 2017, announced the introduction of six new electronic tax services (e-services) as part of the Integrated Tax Administration System (ITAS) originally introduced in 2013, for the convenience of taxpayers in Nigeria. These according to Olaghare&Adewuyi (2020) are:

- e-Registration: for the registration of new taxpayers with the FIRS;

- e-Stamp Duty: for the payment of stamp duties on qualifying documents;
- e-Tax Payment: presenting more modern payment solutions for all federal government taxes and levies through any of the following platforms—Nigeria Inter-Bank Settlement System (NIBSS), Remita and Interswitch;
- e-Receipt: for receiving and verifying e-receipts generated after taxes are paid through e-TaxPayment;
- e-Filing: for taxpayers to file their tax returns online via the website;
- e-TCC: a platform intended to replace the physical application, issuance and verification of a company's tax clearance certificate (TCC).
- e-filing of transfer pricing declaration and disclosure forms as well as country-by-country reporting, introduced by the FIRS.

According to Richards and Ekhator (2019), Electronic taxation is relatively new in Nigeria and is still evolving. It was a result of the reports of the visiting team of the International Monetary fund (IMF) fiscal affairs division in 2004, 2005 and 2006 that brought about the introduction of the E tax system in Nigeria (Richards &Ekhator, 2019).In December 2010, the the Federal Executive Council gave an approval for the Federal Inland Revenue Service (FIRS) to procure, install and implement the ITAS. The ITAS is aimed at re-engineering and automating the FIRS tax administration processes as well as the procurement, installation and deployment of the Standard Integrated Government Tax Administration Solution (SIGTAS) and hardware infrastructure (Olaoye&Atilola, 2018). In other to implement this, in 2013, the FIRS partnered with the Nigerian Interbank Settlement System (NIBBS) to provide the platform for the electronic payment of taxes in Nigeria. The objective was to adopt an electronic system to make it easier to pay taxes online in major cities across Nigeria (Abdulrazaq, 2015; Okunowo, 2015). FIRS has a centralized Information Communication Technology (ICT) department that provides support services in terms of electronic systems to the entire organization all these to try and achieve its goals for achieving increased revenue collection and facilitating voluntary compliance by taxpayers.Taxpro-Max, a tax administration solution was later introduced to replace ITAS in June 2021 to also simplify further, tax compliance, and digitalise tax administration processes (FIRS, 2021.)

In summary, the e-tax system offers many benefits from registration, filing, processing, storing and handling of tax returns, Notwithstanding these benefits, the system has its challenges ranging from the public perception, smoothness and efficiency of the system or system performance to information privacy of taxpayers. In a joint study reported by PricewaterhouseCoopers (PwC) and the World Bank Group in 2018, Nigeria was ranked 171 out of 190 economies on the overall paying taxes ranking. Consequently, according to PwC and World Bank Group (2013), it takes about 360 hours to comply with tax obligations in Nigeria while it takes about 210 hours and 110 hours to comply with tax obligations in South Africa and the United Kingdom respectively. That raises the question of how quickly Nigerian taxpayers are to pay the tax even when there is electronic platform. Challenges abound hence the need for more reforms that will at least tackle the challenges so as to make it easier for administration of taxes via the electronic tax system.

Tax reform is referred to as the series of actions taken by a nations government to promote the tax system either by making it progressive or less progressive (Omesi,&Ihenyen, 2021). The Nigerian tax system is founded on the tripod of tax policy, tax legislation and tax administration. A country's tax system has a strong effect on other macroeconomic indicators, hence has a systematic, predictable and regular relationship with economic growth and development (Nwokoye& Rolle, 2015). Tax reforms relates to changes to various aspects of tax laws, fiscal policy as well as tax administration processes. Tax reforms can be designed to broaden the tax base, reduce the tax burden on tax payers, restore the confidence of the tax payer on the tax system by the provision of infrastructural facilities, as well as the enhancement of public revenue generation (Nigerian Governors Forum, 2022). Furthermore, tax reforms that reduce the tax rate and eschew multiplicity of taxation will not only improve the investment climate, but leverage investment capacity by beefing internal fund for business enterprises. Thus, tax reforms are designed to serve three functions. They are: i) amendatory function, ii) the innovative function and iii) the revenue function. While the amendatory role attempts to correct weakness in the tax system, the innovative function attempts to introduce something new in the tax regime and the revenue role attempts to beef up public tax generated revenue by broadening the tax base and preventing tax evasion and avoidance (Omesi&Ihenyen, 2021). Tax reforms are designed to transform the tax system to support sustainable development. Several reforms and legislations have been developed to progress the concept of digitalisation of tax services in Nigeria. These includes Digital Significant Economic Presence Rules (Finance Act 2020); Companies Income Tax (CIT) and E-commerce; Personal Income Tax and E-commerce and Value Added Tax (VAT) on Electronic Commerce, (Odia&Akonoafua, 2022) as well as Finance Act 2023 among others. Olaghara and Adewuyi (2020) asserted that tax authorities have harnessed the benefits of digitalization and enhanced revenue collection through the seamless adoption of technology

Nigeria's tax system is based on constitutional provisions that provide the basis for the distribution of tax powers between levels of government, and are the basis for each citizen's tax obligations, types of taxes, and the various tax administrative agencies. The various tax types in Nigeria includeCapital Gains Tax, Companies Income Tax, National Information Technology Development Levy,Personal Income Tax, Petroleum Profits Tax, Stamp Duties, Tertiary Education Tax, and Value Added Tax. For this study, Companies Income Tax and Value Added Tax are discussed.

Companies Income Tax **(**CIT) is levied on profits accruing in, derived from, brought into or received in Nigeria. The legal backing for CIT in Nigeria is the Companies Income Tax Act (CITA), CAP C21, LFN 2004, and the tax is administered by the Federal Inland Revenue Service. Prior to the Finance Act amendment, CIT is charged at the rate of thirty percent (30%). Finance Act 2020 introduced the graduated tax rate for CIT. Consequently, CIT is charged at the rate of 0% (Companies with turnover below N25m), 20% (Companies with turnover of N25m but below N100m), and 30% for companies with turnover above N100m. The CITA witnessed the highest number of amendments with the advent of the Finance Act. While most of these amendments occurred in 2019, 2020, 2021, Some of these amendments occurred in 2023. The recent amendments include- requirement of detailed financial statement of operations of the shipping and air transport companies in Nigeria for income tax purpose, evidence of income tax filing and TCC to be required by their regulatory authority; deletion of reconstruction investment allowance (10%) (allowances granted to companies that have incurred expenditure on plant and equipment) as well as rural investment allowance. Others are repealing of 25% exemption of income in convertible currencies by hotels as well as exemption of companies engaged in upstream and midstream gas operations, manufacturing and agro –allied companies from limiting capital allowance to sixty six two third (662/3) of adjusted profit. All of these reforms are geared towards increase in company income tax revenue at the same time reducing the tax burden on tax payers. In year 2022, tax revenue for Nigerian amounted to N10.1trillion out of which N2.83trillion was from CIT which is over 94% increase from that of previous year of 2021 which amounted to N1.89 trillion. The tax revenue for 2021 was N6.4trillion (the cable news, 2023).

Value added tax (VAT) refers to an indirect tax imposed at every phase of the absorption sequence and suffered by the ultimate end user of a product or service (Oraka et al., 2017). In Nigeria the implementation of Value Added Tax Act in 1994 has provided a significant amount in the revenue accrued to the government. Somorin (2019) however pointed out that there have been agitations to raise the tax rate of Value Added Tax in Nigeria stating that Nigeria has one of the lowest VAT rate in the world as at that time which was 5%. However, in 2020, VAT tax rate was revised to 7.5% after previous unsuccessful attempts to revise it. In August, 2021 there have been agitations by various States in Nigeria to decentralize the collection of VAT in Nigeria (Audu&Ajibade, 2021). However this agitation has been a subject of intense litigation. A review of the VAT rate across nations shows that VAT in Cameroon is at 19.25%; South Africa 14%; Zambia 17.5% and Egypt 10%. Others are: India (between 5.5% - 14.5%); UK (17.5%) and Kenya (12-16%) respectively (Ordu, 2021), thus justifying the call for the increase in VAT rate in Nigeria. Presently, following the introduction and implementation of the 2020 Finance Actthe rate of VAT in Nigeria are 7.5% and 0% (for items specified to be zero rated).

All materials and business activities that are not exempted from VAT attract a charge of 7.5% VAT, which accounts for 50% increase in the VAT rate. Every taxable person is to collect VAT at the rate of 7.5% of the value of the goods and services supplied and the tax so collected is known as the output VAT. Monthly remission of the net VAT payable (which is the excess of the output VAT over the input VAT) is to be made in the currency of transaction on or before the 21st day of the following month of such transaction and returns must be rendered to the FIRS. A non-resident company (NRC) who makes taxable supplies to a person in Nigeria, is required to register for the tax with the FIRS and shall include VAT on its invoice for the supply of goods or services made. The NRC may appoint a representative in Nigeria for the purpose of compliance with its tax obligations in Nigeria. FIRS can also appoint a VAT agent who shall withhold and remit the VAT due on the transaction. Where an appointed non-resident did not collect the tax, the resident person to whom the supply was made is required to withhold and remit the VAT due to the FIRS in the currency of the transaction, (FIRS,2021). Wherever the input VAT exceeds the Output VAT, the taxpayer is entitled to a refund of the extra VAT funded or he may virtually obtain a tax credit of the surplus VAT from the administration (Andersen Tax Digest, 2020). Following the affirmation of Umeora, (2013), every export is zero rated for VAT, i.e., no VAT is billed on products shipped out to other countries for sale. Furthermore, VAT is collected based on the currency of transaction.

Digitalised taxation, Tax Reforms and Sustainable Economic Development in Nigeria

Sustainable economic development in Nigeria is a multifaceted endeavor that involves addressing various economic, social, and environmental challenges while pursuing long-term prosperity and well-being for its citizens(Ordu&Nkwoji, 2019). Although Nigeria is rich in natural resources, including oil, it faces many development challenges that impede the progress of sustainable economic development. Designing effective policies and strategies that promote economic growth, enhance revenue generation and foster sustainable development.

In order to achieve the Sustainable Development Goals (SDGs), it is crucial to focus on mobilising domestic revenue to support governments in providing effective public services. Taxation is an important instrument for providing government with stable flow of funds. Improving the efficiency of tax systems can improve the potential to generate revenues. Digitalized taxation refers to the use of digital technologies and platforms for tax administration processes. It involves the integration of digital tools, such as online portals, electronic filing systems, data analytics, and artificial intelligence, into tax processes to streamline operations, enhance compliance, and improve overall efficiency. Key components of digitalized taxation include Electronic Filing and Payment Systems, Automated Compliance Monitoring, Digital Record Keeping, Online Services and Assistance, Integration with Government Systems, Data Security and Privacy Measures, etc(Olaghare&Adewuyi, 2020).Digitalized taxation offers numerous benefits for both tax authorities and taxpayers. It enhances transparency, reduces administrative burdens, minimizes opportunities for tax evasion and fraud, and promotes greater efficiency in tax administration, foster economic growth, improve public services, and enhance overall governance. However, successful implementation requires adequate investment in technology infrastructure, capacity building, and stakeholder engagement to ensure inclusivity and effectiveness. Digitalized taxation in Nigeria has become increasingly prominent in recent years, driven by the government's efforts to modernize tax administration, improve revenue collection, and enhance compliance. Several initiatives and tax reforms have been implemented to leverage digital technologies in the country's tax system, aiming to address longstanding challenges and streamline processes. Tax reforms in Nigeria have been a crucial component of the government's efforts to improve revenue generation, enhance tax compliance, and foster sustainable economic development. Over the years, various reforms have been introduced to address structural deficiencies, streamline tax administration, and create a more conducive environment for business and investment. Some key tax reforms in Nigeria include the introduction of yearly Finance Act since 2019 that amends relevant sections of the tax laws to reflect current economic reality, align with international best practices and promote investment; a more transparent, equitable, and business-friendly tax environment; and digitalised tax administration processes that would ensure protection of taxpayers' right; and increase revenue generation for sustainable economic development.

2.1 Research Problem and Gap

While the introduction and migration to electronic platforms in the administration of taxes seem laudable and commendable, there have been reported challenges and reasons why the needed revenue increase has not be achieved (Yayaha&Bakare, 2018; Omesi et al., 2020; Olaghara&Adewuyi, 2020). However, regardless of these challenges, the benefits and prospects of digitisation of taxes are enormous and cannot be overemphasised. These among others include increase in revenue both at the states and federal levels, expansion of the tax net especially into the digital economy, widening of Nigerian fiscal space as well as increased level of data capturing for taxation (Hammed, 2023; Hassan, 2023). There is growing number of literature in the last decades on the issue of taxation and economic development. Although they are looked at from different dimension of tax revenue; however the overwhelming conclusion on these studies (Omotigun&Longe, 2017; Odiambo&Olushola, 2018; Ordu&Nkwoji, 2019: Ordu, 2021; Ordu&Omesi, 2022; Ordu et al., 2023) is that a significant relationship exists between taxation and economic development using various dimensions of tax and measures of economic development.Furthermore, none of the studies reviewed have focused on digital taxation and sustainable economic development, thereby creating research gaps. In addition, of the related studies reviewed they focused on different dimensions of tax revenue such as personal income tax and company income tax, but without a moderating effect of tax reforms on these relationships, hence creating a gap in variables of which this present study could fill.

2.2 Aim and Objectives of the Study

The main aim of the study is to investigate the relationship between digital taxation and sustainable economic development of Nigeria within the period of 2000-2022. Other specific objective is as follows

i. Determine the relationship between CIT revenue and human development index (HDI)of Nigeria
ii. Determine the relationship between CIT revenue and unemployment rate of Nigeria
iii. Ascertain the relationship between VAT revenue and human development index (HDI)of Nigeria
iv. Ascertain the relationship between VAT revenue and unemployment rate of Nigeria
v. Investigate moderating influence ofTax Reforms on the relationship between digital taxation and sustainable Economic development of Nigeria.

2.3 Research Questions

i. What is the relationship between CIT revenue and human development index (HDI) of Nigeria?
ii. What is the relationship between CIT revenue and unemployment rate of Nigeria
iii. What is the relationship between VAT revenue and human development index (HDI)of Nigeria?
iv. What is the relationship between VAT revenue and unemployment rate of Nigeria?
v. What is the moderating influence of Tax Reforms on the relationship between digital taxation and sustainable Economic development of Nigeria?

2.4 Hypotheses

HO$_1$: There is no significant relationship between CIT revenue and human development index (HDI) of Nigeria

HO$_2$: There is no significant relationship between CIT revenue and unemployment rate (UNR) of Nigeria

HO$_3$: There is no significant relationship between VAT revenue and human development index (HDI) of Nigeria

HO$_4$: There is no significant relationship between VAT revenue and unemployment rate (UNR) of Nigeria.

HO$_5$: Tax reforms does not have a significant moderating influence on the relationship between digital taxation (DTX) and sustainable Economic development (SED) of Nigeria?

2.5 Theoretical framework

The Modernization Theory of development

This theory distinguishes between two main categories of society in the world, namely the traditional and modern societies. Tipps (1976), opined that the traditional societies are entangled by norms, beliefs and values, which are hampering their development. Therefore, in order to progress, the traditional societies must emulate the culture of modern societies, which is characterised by accumulation of capital and industrialization which are compatible with development. In essence, this theory seeks to improve the standard of living of traditional societies through economic growth by introducing modern technology (Huntington, 1976). This theory is criticised for not taking into account Sen's (1999) view of development regarding freedoms and self-esteem.

The Globalization Theory

The Globalization Theory originates from the global mechanisms of deeper integration of economic transactions among the countries (Portes, 1992). However, apart from the economic ties, other key elements for development interpretation as far as globalisation is concerned are the cultural links among nations (Kaplan, 1993). In this cultural orientation, one of the cardinal factors is the increasing flexibility of technology to connect people around the world (Reyes, 2001). Therefore, open and easy communication among nations has created grounds for cultural homogenisation, thereby creating a single global society. Political events no longer take local character but global character. Thus, according to Parjanadze (2009), globalisation is underpinned by political, economic, technological and socio-cultural factors and orientations. Although these developments theories have their weaknesses, they have paved the way for the current global development concepts and paradigm, namely sustainability and sustainable development (SD) (Mensah, 2019).

3. 0 METHODOLOGY

In this study, a mixture of expost facto and survey design was adopted. Ex post facto research design is basically concerned with how to perform impact analysis on already existing data. It is relevant for this study since it was used to find out if one or more already existing conditions could have possibly caused subsequent differences in groups of subjects. The population covers 66 years' period (from 1960-2022) that is looking at when Nigerian gained independence up to year 2022. Using purposive non-probability sampling technique, the sample for the study was selected. A sample of 23 years' period starting from 2000 to 2022 was chosen for the study. Data used for the study were collected both from primary and secondary sources (triangulation method adopted). Secondary sources of data were the main data collection sources. Data was collected from the CBN Annual Reports and Statistical Bulletin for periods of 2000 -2022. While primary data was sourced with the use of research instrument (copies of questionnaire) scaled on 4 point modified likert scale administered to stakeholders from federal Inland Revenue Service (FIRS) in Nigeria. Correlation as well as regression analysis were used for data analysis and testing of hypotheses. The justification of regression and correlation analysis used here is due to the data. On one hand, Primary data gathered are ordinal scale data while secondary data as well used (triangulation), and thus make it suitable for non-parametric statistical tools of analysis such as Pearson's Product Moment correlation, Spearman's Rank correlation, as well as T test statistics amongst others, thus while the impact is assessed with the help of regression analysis.

Model Specification

In line with the hypotheses earlier stated in at introduction, regression models were formulated as shown in the following implicit equations:

HDI = f(CIT, VAT, TREMS)…………..(3.1)

UNR = f(CIT, VAT, TREMS)…………..(3.2)

HDI = $b_0+b_1CIT+b_2\ VAT + u$…(3.3)

UNR = $c_0+c_1CIT+c_2\ VAT + u$…(3.4)

TREMS = $d_0+d_1DTX+d_2\ SED +u$….(3.5)

Where:

for HDI:

b_0 is the intercept
$b_1$is the slope of CIT
$b_2$is the slope of VAT
for UNR:
c_0 is the intercept
$c_1$is the slope of CIT
$c_2$is the slope of VAT
u is the stochastic term

Using Statistical Package for Social Sciences (SPSS) software, the variables were subjected to complementary statistical test and the results used for analysis and for hypothesis verification.

4.0 FINDINGS AND IMPLICATIONS

Multicolinearity Test: This test is done to check for the multicolinearity between the independent variables. This was ascertained here using variance inflation factor (VIF) and Tolerance values. For VIF values when they are lower than 10, they are deemed to be acceptable within the range for colinearity and hence data are deemed to be reliable for analysis. Similarly, where the Tolerance values are below 1, the data is also deemed to be acceptable for the analysis.

Table 4.1 Normality Test Results of Skweness and Kurtosis values for Logged data

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
LUNR	23	2.4765	3.4965	2.929253	.3468967	.265	.481	-1.341	.935
LHDI	23	-.8164	-.6143	-.699138	.0702764	-.574	.481	-1.148	.935
LTREMS	23	.6931	1.3863	1.207151	.1950932	-.874	.481	.345	.935
LCIT	23	3.9338	7.8820	6.198282	1.1648647	-.633	.481	-.812	.935
LVAT	23	4.0690	7.8286	6.147925	1.0325754	-.396	.481	-.728	.935
Valid N (listwise)	23								

Source: (SPSS output of Data, 2024)

Table 4.2 Result of Variance Inflation Factor (VIF) and Tolerance values of variables (Logged data)

Model		Collinearity Statistics	
		Tolerance	VIF
1	LCIT	.033	9.234
	LVAT	.033	9.234

a. Dependent Variable: LRGDP

Source: (SPSS output of Data, 2024)

Table 4.3 Descriptive Statistics of all the variables

	N	Sum	Mean	Std. Deviation
UNR	23	456.3000	19.839130	7.0550909
HDI	23	11.4580	.498174	.0343454
CIT	23	18410.2218	800.444426	667.2377507
VAT	23	16516.9100	718.126522	637.4511563
Valid N (listwise)	23			

Descriptive Statistics Logged

	N	Sum	Mean	Std. Deviation
LUNR	23	67.3728	2.929253	.3468967
LHDI	23	-16.0802	-.699138	.0702764
LTREMS	23	27.7645	1.207151	.1950932
LCIT	23	142.5605	6.198282	1.1648647
LVAT	23	141.4023	6.147925	1.0325754
Valid N (listwise)	23			

Source: (SPSS output of Data, 2024)

From the descriptive result analysis as shown on the table above for all the variables, it shows that within the period of study unemployment rate averaged 19.839 percentage a year while the variation within months is equal to 7.1% as depicted by the mean and standard deviation values respectively. However the unemployment rate has continued to increase implying that there is need for job creation that will lead to reduction in unemployment rate. Looking at the tax revenue as a result of digitalisation, CIT has averaged over N800 billion Naira within the period of study why on a monthly bases CIT is equalto over N600 billion (as shown in the mean and standard deviation values respectably).Similarly, VAT revenue has averaged over N718 billion Naira within the period of study why on a monthly bases the VAT equals to over N637.5 billion (as shown in the mean and standard deviation values respectably).

Testing of Hypotheses

Hypothesis one

HO_1: There is no significant Relationship between CIT Revenue and Human Development Index (HDI) of Nigeria

Table 4.4 Regression result for Hypothesis one

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.927[a]	.859	.853	.0269882	.859	128.174	1	21	.000

a. Predictors: (Constant), LCIT

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.093	1	.093	128.174	.000[b]
	Residual	.015	21	.001		
	Total	.109	22			

a. Dependent Variable: LHDI

b. Predictors: (Constant), LCIT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.046	.031		-33.594	.000
	LCIT	.056	.005	.927	11.321	.000

a. Dependent Variable: LHDI

Source: (SPSS output of Data, 2024)

From table 4.4 above, the result of the data regressed on human development Index (HDI) and company income tax revenue shows a positive and significant relationship with CIT revenue in Nigeria (p-value= 0.000). It means that a 1% increase in CIT Revenue will bring about a .927% increase in HDI all other variables are held constant. Since the p-value of the independent variable is less than 0.05, we therefore reject the null hypothesis and therefore concluded that there is a significant relationship between CIT and HDI in Nigeria.

Hypothesis two

HO2: There is no Significant Relationship between CIT Revenue and Unemployment Rate (UNR) of Nigeria

Table 4.5 Regression result for Hypothesis two

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.794[a]	.630	.612	.2160108	.630	35.738	1	21	.000

a. Predictors: (Constant), LCIT

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.668	1	1.668	35.738	.000[b]
	Residual	.980	21	.047		
	Total	2.647	22			

a. Dependent Variable: LUNR
b. Predictors: (Constant), LCIT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.464	.249		5.877	.000
	LCIT	.236	.040	.794	5.978	.000

a. Dependent Variable: LUNR
Source: (SPSS output of Data, 2024)

From table 4.5 above, the result of the data regressed on CIT Revenue and Unemployment rate shows a positive and significant relationship between CIT and Unemployment rate in Nigeria (p-value= 0.000). It means that a 1% increase in CIT revenue will as well bring about a .794% increase in unemployment rate all other variables are held constant. Since the p-value of the independent variable is less than 0.05, we therefore reject the null hypothesis and therefore conclude that there is significant relationship between CIT and Unemployment rate of Nigeria.

Hypothesis three

HO3: There is no significant relationship between VAT revenue and human development index (HDI) of Nigeria

Table 4.6 Regression result for Hypothesis Three

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.905[a]	.819	.810	.0306086	.819	94.973	1	21	.000

a. Predictors: (Constant), LVAT

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.089	1	.089	94.973	.000[b]
	Residual	.020	21	.001		
	Total	.109	22			

a. Dependent Variable: LHDI
b. Predictors: (Constant), LVAT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.078	.039		-27.372	.000
	LVAT	.062	.006	.905	9.745	.000

a. Dependent Variable: LHDI
Source: (SPSS output of Data, 2024)

From table 4.6 above, the result of the data regressed on VAT and HDI shows a positive and significant relationship between VAT and HDI in Nigeria (p-value= 0.000). It means that a 1% increase in VAT will as well bring about 0.905% increase in HDI of Nigeria all other variables are held constant. Since the p-value of the independent variable is less than 0.05, we therefore reject the null hypothesis and therefore conclude that there is a positive and significant relationship between VAT and HDI of Nigeria.

Hypothesis four

HO_4: There is no significant relationship between VAT revenue and unemployment rate (UNR) of Nigeria.

Table 4.7 Regression result for Hypothesis four

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.845[a]	.714	.700	.1898567	.714	52.447	1	21	.000

a. Predictors: (Constant), LVAT

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.890	1	1.890	52.447	.000[b]
	Residual	.757	21	.036		
	Total	2.647	22			

a. Dependent Variable: LUNR

b. Predictors: (Constant), LVAT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.184	.244		4.847	.000
	LVAT	.284	.039	.845	7.242	.000

a. Dependent Variable: LUNR

Source: (SPSS output of Data, 2024)

From table 4.7 above, the result of the data regressed on VAT and unemployment rate shows a positive and significant relationship between VAT and unemployment rate in Nigeria (p-value= 0.000). It means that a 1% increase in VAT will as well bring about 0.845% increase in unemployment rate all other variables are held constant. Since the p-value of the independent variable is less than 0.05, we therefore reject the null hypothesis and therefore conclude that there is a positive and significant relationship between VAT and unemployment rate of Nigeria.

Hypothesis five

HO$_5$: Tax reforms does not have a significant moderating influence on the relationship between digital taxation (DTX) and sustainable Economic development (SED) of Nigeria

Table 4.8 Partial Correlation Analysis showing the Influence of Tax Reforms on the Relationship between Digital Taxation (CIT) and Sustainable development (HDI)

Control Variables			HDI	CIT	TREMS
-none-[a]	HDI	Correlation	1.000	.821	-.815
		Significance (2-tailed)	.	.000	.000
		Df	0	21	21
	CIT	Correlation	.821	1.000	-.968
		Significance (2-tailed)	.000	.	.000
		Df	21	0	21
	TREMS	Correlation	-.815	-.968	1.000
		Significance (2-tailed)	.000	.000	.
		Df	21	21	0
TREMS	HDI	Correlation	1.000	.222	
		Significance (2-tailed)	.	.322	
		Df	0	20	
	CIT	Correlation	.222	1.000	
		Significance (2-tailed)	.322	.	
		Df	20	0	

a. Cells contain zero-order (Pearson) correlations.

From the table above, the Zero correlation between CIT and HDI shows that the correlation when tax reform is not moderating the variable is high at 0.821 and its statistically significant (p – value (= 0.000). The partial correlation when tax reforms is moderating however is 0.222 and but statistically insignificant (p – value (= 0.322). Looking at the Zero correlations (0.973; 0.927) we find that digital taxation (CIT) and Sustainable economic development (RGDP) are positively correlated with tax Reform serving as a moderator (0.821-0.222) (0.559). Furthermore, the result reveals a Controlled Partial Correlation of 0.222 (CPC= 0.821) and a Zero Order Partial Correlation of 0.222 (ZPC = 0.222). With their significant values as (0.000 and 0. 322) respectively. The difference between the significant values of Zero Order Partial Correlation (ZPC) and that of Controlled Partial Correlation is -0.222 (0.000-0.322) and it is less than 0.05. Based on our decision rule we reject the null, thus tax reforms significantly moderates the relationship that exists between Digital taxation revenue (CIT) and sustainable economic development (HDI) of Nigeria.

Model 1 Testing and Analysis

Table 4.8 Combined influence of the variables of Digital Taxation and Human development Index (HDI) (Proxy for Sustainable Economic development)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.928[a]	.861	.839	.0282224	1.506

a. Predictors: (Constant), LTREMS, LCIT, LVAT

b. Dependent Variable: LHDI

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.094	3	.031	39.137	.000[b]
	Residual	.015	19	.001		
	Total	.109	22			

a. Dependent Variable: LHDI

b. Predictors: (Constant), LTREMS, LCIT, LVAT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.012	.151		-6.681	.000
	LCIT	.068	.029	1.135	2.374	.028
	LVAT	-.016	.036	-.237	-.449	.658
	LTREMS	-.011	.064	-.029	-.164	.871

a. Dependent Variable: LHDI

From the table above, on the combined influence of the variables of Digital taxation and sustainable economic development in terms of HDI, a positive, very strong and significant relationship is shown to exist amongst the variables of Digital taxation as well and HDI. This is evidenced by the r value of 0.928 (93%) and r squared value of 86.1% and adjusted r value of 84% respectively. This signifies that 84% of the total variation of sustainable economic development in terms of HDI is accounted for by the combined effect of digital taxation variables (CIT and VAT) of Nigeria while the remaining 16 percentage is accounted for by other factors. The result on table 4.8 shows that the value of F-statistics is 39.137 with the p value of 0.000 < 0.05 level of significance. The result indicates that the predictor variables (CIT, VAT) jointly and significantly influence the dependent variable (HDI). This is an indication that the model is statistically significant and appropriate for the study. The DW of 1.506 indicates that there is no autocorrelation problems. In addition, from table of coefficients above, the regression result is as follows: HDI = -1.012 + .068CIT - .016VAT. From the regression equation on table 4.8 when CIT and VAT are zero, the HDI will be -1.012. Therefore, a unit increase in CIT while holding VAT constant will on the average decrease the HDI by 10% in Nigeria. In the same manner, a change in VAT while keeping CIT constant will lead to a decrease in HDI by 2% in Nigeria.

Model 2 Testing and analysis

Table 4.9 Combined influence of the variables of Digital Taxation and Unemployment rate (UNR) (Proxy for Sustainable Economic development)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.874[a]	.764	.727	.1813087	1.947

a. Predictors: (Constant), LTREMS, LCIT, LVAT

b. Dependent Variable: LUNR

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.023	3	.674	20.512	.000[b]
	Residual	.625	19	.033		
	Total	2.647	22			

a. Dependent Variable: LUNR

b. Predictors: (Constant), LTREMS, LCIT, LVAT

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.726	.973		1.774	.092
	LCIT	-.310	.185	-1.041	-1.673	.111
	LVAT	.573	.231	1.706	2.485	.022
	LTREMS	-.331	.413	-.186	-.800	.433

a. Dependent Variable: LUNR

Similarly, from the table above, on the combined influence of the variables of CIT and VAT and sustainable economic development in terms of UNR, a very strong, positive and significant relationship is shown to exist amongst the variables of Digital Taxation and UNR. This is evidenced by the r value of 0.874 (87.4%) and r squared value of 76.4% and adjusted r value of 73% respectively. This signifies that 73 % of the total variation of sustainable economic development in terms of UNR is accounted for by the combined effect of Digital taxation revenues of CIT and VAT in Nigeria while the remaining 27percentage is accounted for by other factors.

The result on table 4.9 shows that the value of F-statistics is 20.512 with the p value of $0.000 < 0.05$ level of significance. The result indicates that the predictor variables (CIT,VAT) jointly and significantly influence the dependent variable (UNR). This is an indication that the model is statistically significant and appropriate for the study. The DW indicates no auto correlation.

In addition, from table of coefficients above, the regression result is as follows:

UNR = 1.726 - .320CIT + .573VAT. From the regression equation on table 4.14, when CIT and VAT are zero, the UNR will be 1.726. Therefore, a unit increase in CIT while holding VAT constant will on the average decrease the UNR by 31% in Nigeria. In the same manner, a change in VAT while keeping CIT constant will lead to an increase in UNR by 57.3% in Nigeria.

SUMMARY AND DISCUSSION OF FINDINGS

Digital Taxation and Sustainable Economic development

From the results obtained, it can be seen that digital taxation activities affects sustainable economic development in Nigeria both in terms of HDI and unemployment rate. This is evidence from the result tables, on the combined influence of the variables of Digital taxation and sustainable economic development in terms of HDI, a positive, strong and significant relationship is shown to exist amongst the variables CIT, VAT and HDI. It implies that increase in Digital taxation will affect HDI and unemployment rate. This in line with the assertions of (Offurum & Fubara 2022, Ordu et al., 2023) whose studies indicated that tax revenue in Nigeria has significant relationship with economic development and growth in Nigeria.

CIT, VAT and Human development Index Relationship

Looking at the results of models and coefficients, it has adjusted r squared values of 0.853(85.5%) of CIT and HDI, and 81% of VAT and HDI respectively. It shows that between 81-86% of the total variation of sustainable economic development in Nigeria in terms of HDI was due to the effect of CIT and VAT revenues of Nigeria within the period of study. Considering the coefficient, result suggests that a 1% increase in CIT, VAT will bring about .93% and 91% increase in HDI, all other variables are held constant. The probability values (0.000) are less than the test significance level of 0.005. The implication of this is that CIT and VAT adequately used towards development activities would bring about economic growth and development on the long terms. The findings here are in consonance with earlier studies such as (Audu & Ajibade, 2021) whose works indicated that VAT among other taxes impacts on economic development in terms of HDI of Nigeria.

CIT, VAT and Unemployment rate Relationship

Looking at the results of models and coefficients, it has adjusted r squared values of 0.612(61%) of CIT and UNR, 0.700 (70%) of VAT and UNR respectively. Further, it shows that 61-70% of the total variation of sustainable economic development in Nigeria in terms of unemployment rate was due to the effect of CIT and VAT of Nigeria within the period of study. Considering the coefficient, result suggests that a 1% increase in CIT will bring about .79% increase in unemployment rate, while that of VAT will bring about .86% increase in unemployment all other variables are held constant. The probability value (0.000) is less than the test significance level of 0.005. The implication of this is digitalization of taxation in terms of CIT and VAT will lead to increase in revenue needed to pursue employment generation activities which could lead to sustainable development of Nigeria and vice versa. The findings here are in consonance with earlier studies such as (Ordu et al., 2022; 2023) whose works indicated taxation revenue, tax rates among others impacts positively on unemployment in Nigeria.

Influence of Tax Reforms on the Relationship between Digital Taxation and Sustainable Economic development

From the result obtained, Tax reforms truly moderates the relationship between Digital taxation and sustainable economic development of Nigeria it asserts a positive and significant influence on the relationship. It indicates that 82.1% of the variation of the relationship that exists between digital taxation in terms of CIT and sustainable economic development in terms of HDI is accounted for by the moderating influence of tax reforms. This is in line with the finding of Ordu et al., 2023; Richard and Ekhator, 2019; Ofurum et al., 2018 whose studies indicated that e taxations among others have positive and significant effect on revenue generation in Nigeria, while the showing that the application of the ICT systems improved the efficiency of revenue collection in the country with the introduction of E tax systems. However the result of the study here, disagrees with that of Etim et al (2020), whose study result indicated that tax compliance is negatively influenced when economy is digitalised. The implication of the result is that the introduction of reforms in Nigeria such as digitalisation of tax administration activities through the introduction and adoption of information technology by tax administrators in Nigeria have made excellent impact on tax collection and enhanced revenue generation by reducing human error in transactions processing. The deployment of Information technology into Nigeria's tax administrative machinery has made the maintenance of taxpayers' database easier through the Taxpayers Identification Number (TIN). This has led to continued and persistent increase in tax revenue generation in Nigeria both at the federal and state levels where this reforms have been implemented as have been reported in recent times, tax revenue generations now reach to record heights in trillions Naira.

CONCLUSION

The result obtained shows that digital taxation (CIT and VAT revenue) – digitalised tax services in Nigeria affect sustainable economic development in Nigeria in terms of HDI and unemployment rate. Digitalisation leads to increase in company income and value added tax revenues, that leads to increase in HDI rating as well as reduction in unemployment rate of Nigeria within the period of study thus affirm the position of our apriori expectation in line with several assertions of various scholars that sustainable development of Nigeria can only be achieved when there is the availability of developmental funds and such funds judicious used for such purposes, creation of employment opportunities, environmental protection as well as creation of a systems that brings the people out of poverty while at the same time enjoying healthy life. Thus it concluded that HDI and unemployment rate have a positive and significant relationship with both CIT and VAT. Furthermore, Tax reforms is a strong and positive moderator of the relationship that exists between digital taxation revenue and sustainable economic development.

RECOMMENDATIONS

The study recommends as follows

1. More deployment of digital means and methods for CIT and VAT administration, collection and remittances is advocated at all levels where CIT and VAT are administrated and collected in Nigeria.
2. There should be judicious use of this increased tax revenue as a result of digitalization of activities in the provision of basic amenities for the people. Health care, education and poverty alleviation activities among others should be put in place by government so that development measured in terms of increase HDI could be achieved.
3. The greatest emphasis of government development objectives (at all levels of government) should be on employment generation, improve of skills set of its citizens, this way unemployment rate could be reduced. This is important as the study has shown that unemployment rate is the foremost indicator to be affected when there is adequate use of revenue from digital taxation activities. Where there is job available and the people gainfully employed, standard of living can increase as a result of increase disposable income and other economic development indicators can be affected too.

4. There is should constant reforms and review of already existing reforms especially towards digitalization. Reforms that will tackle some of the challenges of the present reforms should be embarked upon. Reforms that will ensure the more use of technology even Artificial Intelligence towards tax administration and collections should be embraced.

Contribution to Knowledge

i). Firstly, it provided understanding on the importance of digital taxation to achieve sustainable economic development of Nigerian nation by revealing that a significant and positive relationship exists between digital taxation in terms of CIT and VAT revenue and sustainable economic development when measured on HDI and Unemployment rate which differs from what is obtainable in previous researchers conducted developing nation contexts. Secondly, the study revealed that tax reform is a strong and significant moderator of the relationship that exists between digital taxation revenue utilised for sustainable economic development in developing economy context. This is contrary to the revelation of the study of Etim (2020) which revealed that digitalization of tax administration, in terms of E-taxation is negatively related with tax avoidance, thus reduced revenue generation from taxes in Nigeria among others . This current study disagrees with that position by revealing that within the Nigerian context, tax reforms that embraces digitalization of activities, has a strong and significant influence on revenue generated and used for sustainable economic development.

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