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An Evaluation Of The Contributions Of Tax Revenue To Sustainable Economic Growth In Nigeria

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ABSTRACT

Over the years, the impact of taxes has not been felt by the tax payers and this indeed causes serious doubts on the relevance of taxes paid to the Nigerian government. Therefore, this study examined the impact of tax revenue on the economic growth of Nigeria for the period of 2000 – 2021. Secondary data were used and sourced from journals, textbooks and Central Bank of Nigeria (CBN) statistical bulletin. The variables considered are: Real Gross Domestic Product (RGDP) as a proxy for economic growth, Value Added Tax (VAT), and Personal Income Tax (PIT).The Ordinary Least Squares (OLS) multiple regression technique was employed in data analysis. Gross Domestic Product (GDP) was adopted as the dependent variable to represent economic growth while value –added tax (VAT) and personal income tax (PIT) were the independent variables. The results revealed that personal income tax (PIT) had a significant impact on gross domestic product while value-added tax had an insignificant impact for the period under review. The study concludes that tax revenue has significant impact on Nigerian economy growth. The paper therefore recommended that there is need for government to enlarge the VAT net in order to bring in other services through which revenue could be generated for government. Further, government should ensure effective utilization of the income accrued from personal income tax to encourage continuity in tax payment by the tax payers.

Keywords: Taxation, Economy, Value-added tax, Personal Income Tax, Real gross domestic product

INTRODUCTION

The recent economic recession contributed to inconsistencies in the Nigerian tax laws which had made it difficult for the tax authority to administer and tax payers to comprehend tax system, (Matthew, 2014). The intention of the federal government to maintain a uniform tax system proved abortive as a result of economy condition of each state which gives room for divergence system. In any economy, the usefulness of taxation in the activities of any government cannot be overemphasized. The main aim of any developing nation like Nigeria is to increase the rate of economic growth and per capital income which otherwise increases the standard of living thus taxation can be used as a stimulus to accelerate such growth. Tax is one of the major sources of government revenue however, not every government effectively exploits this opportunity as a means of revenue generation. Azubike (2009) posits that tax is a major player in every society of the world. It is an opportunity for government to generate additional revenue to discharge its pressing obligations. Also, it is one of the effective means of mobilizing a country's internal resources so as to promote economic growth.

According to Appah (2004), tax is a compulsory levy imposed on a subject or properties by the government to provide security, social amenities and cater for the wellbeing of the society. It is levies imposed by the government on incomes, profits and properties of both individuals and corporate bodies for the sole administration of that government which has no compensatory benefits. The main

forms of tax collected are direct and indirect taxes. For the direct taxes, it is levied on individuals and factors of productions e.g. Personal Income Tax (PIT), Capital Gain Tax (CGT).
However, indirect taxes are levied on goods and services e.g. import and export duties. Thus, the consumers bear the ultimate burden. It is an important note that taxation supposed to be an instrument of social change which is not answering as much as it should be doing presently in Nigeria. The impact of tax payment is not felt by payee and some do not understand some tax laws and this indeed has put them into doubt and confusion which has definitely led to tax evasion and avoidance. Having realized that taxation is one of the most important sources of revenue for the various tiers of government and a major way of sourcing financial support to the Nigeria government at large, it is of paramount importance that tax evasion and avoidance is discouraged with every conceivable means.

Statement of the Problem

Taxation is expected to be an instrument of social change and has not been felt much as it should be doing presently in Nigeria. The impact of tax payment is not correspondingly felt by the tax payers as the economy continues to dwindle and littered with very poor infrastructural facilities such bad roads, poor electricity, inadequate medical facilities, etc, which are supposed to be provided by government using the huge revenue arising from taxation.
Again, a good number of citizens do not also understand the tax laws. This situation has led them into doubt and confusion and thus leading to tax evasion and avoidance.

Objectives of the Study

This main objective of the study is to investigate the impact of tax revenue on economic growth in Nigeria (1999-2020). Specifically, the study has its objectives to include:

i. Examine the impact of Value-Added Tax (VAT) on economic growth in Nigeria.
ii. Investigate the impact of personal income tax (PIT) on economic growth of Nigeria.

Research Questions

The following research questions are raised in this study:

i. What is the impact of Value-Added Tax (VAT) on economic growth in Nigeria?
ii. To what extent does personal income tax (PIT) impact on economic growth in Nigeria?

Statement of Hypotheses

The following hypotheses are established in line with the objectives of the study:

Ho_1: Value-Added Tax does not have a significant impact on economic growth in Nigeria.
Ho_2: There is no significant impact of personal income tax on economic growth of Nigeria.

Significance of the Study

This study on completion will be of immense importance to the Nigerian economy in general and to the following parties in particular:

1. **Government:** The findings of this work will be of immense benefit to the government of Nigeria and its agencies in policy formulation and implementation as it concerns revenue generation. Agencies of government such as the Federal Inland Revenue Service (FIRS) will find the outcome of this work very interesting and useful.
2. **Students:** Students conducting research on tax revenues and related topics will find this work very useful. It can serve as a basis for further research on their areas and as well contribute to academic literature in finance.
3. **Researchers:** Researchers will benefit from this work. It could serve as a reference point on which works related to public revenue, VAT and economic growth could be based.

Scope and Limitations of the Study

This focused on the impact of tax revenue on the economic growth of Nigeria for the period of 2000 – 2021. Value Added Tax (VAT) and Personal Income Tax (PIT) were covered in the study.
A lot of time is required to carry out an in-depth research since it was carried out alongside other academic activities. However, since the work has to be submitted within a specific time, the researcher combined other academic works in the process of completing this research work.

2.0 LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Meaning of Taxation

The conceptual review of taxation is drawn from the submissions of Anyaduba (2004), Dandago and Alabede (2001), Piana (2003) and others. According to Anyaduba (2004), taxation is one of the

instruments employed by the government for generating public funds. It is the payment imposed by the tax authorities on the income, profit or wealth of individuals, group of persons, and corporate organizations. Dandago and Alabede (2001) see taxation as a compulsory but non-penal levy by the government through its agent on the profits, income, or consumption of its subjects or citizens. It is also viewed as a compulsory and obligatory contribution made by individuals and organizations towards defraying the expenditure of government. Succinctly, taxation is describes as the transfer of real economic resources from private sector to finance public sector activities. This can be inferred that taxation is the transfer of financial resources from private economic agents such as households and corporate bodies to the public sector to finance the development of the society. Piana (2003) suggested that it is a result of the application of tax rate to a tax base. Therefore, it is obvious that a good tax system plays many roles in the process of economic growth of any country which does not exempt Nigeria, (Appah, 2010).

Purposes of Taxation

Though, the structure of taxation in the many developing countries differs to each other, but the objectives of taxation are virtually the same in these countries. Cutt (1969) therefore identified some of the objectives of taxation:

i. **Revenue Generation**: The main aim of tax system is to raise revenue required to meet government expenditure such as the provision of goods and services which members of the public cannot afford. Others include security, maintenance of laws and order, health services, education etc.

ii. **Income Redistribution**: In modern days, the great emphasis was placed on the redistribution of income. This can be classified into two distinct forms. Firstly, the doctrine that taxation should be based on ability to pay and is summarized by the saying that “the greatest burdens should be borne by the broadest backs.” The second form presumed that the present distribution is unjust and concludes that this should therefore be undone. This second principle sees confiscation as a legitimate objective of taxation.

iii. **Price stability***:* One of the motives of government for taxing its citizens is to provide a reasonable degree of price stability in the country (Summerfield, 1980). Most spending by the public and private sectors without taxes generate high demand, which leads to inflation. In such a situation, the main role of taxation is to reduce private expenditure in order to increase government's spending without causing inflation. Thus, taxation is basically a deflationary measure. On the other hand, when aggregate demand is lower than the deserved level, government has two options which are to increase government spending with increasing taxes or to reduce taxes while leaving government spending stable.

iv. **Economic growth and development:** The sole management of the economy rests on the federal government in which taxation plays an important role. To maintain reasonable price stability, governments are determined to promote the near-full employment of all the resources of the country (including human resources) and ensure a satisfactory rate of economic growth. Economic growth and development programmes are geared towards raising the standard of living of the masses in the country through improvement of their economic and social conditions. Taxation discourages, postpones or reduces consumption and encourages saving for private investments which is only possible when the basic necessities of life including security, law and order, education and communication are provided by government, hence, the plans of developing countries are considered to be important.

Challenges of Tax Administration in Nigeria

In the study of Soyode and Kajola (2006), the challenges facing tax administration in Nigeria was identified as follows:

i. **Tax Evasion:** Tax evasion is a deliberate and willful practice of not disclosing full taxable income so as to pay less tax. In other words, it is a contravention of tax laws whereby a taxable person neglects to pay the tax due or reduces tax liability by making fraudulent or untrue claims on the income tax form, (Samuel and Tyokoso, 2014). Tax is evaded through different methods such as refusing to register with the relevant tax authority, failure to furnish a return, statement or information or record keeping required, making an incorrect return by omitting or understating an income liable to tax refusing or neglecting to pay tax; overstating of expenses so as to reduce taxable profit or income, which will

also lead to payment of less tax than otherwise have been paid; A taxpayer hides away totally without making any tax return at all and entering into artificial transactions.

ii. **Tax Avoidance:** This can be describe as the arrangement of tax payers' affairs using the tax shelters in the tax law, and avoiding tax traps in the tax laws, so as to pay less tax than he or she would otherwise pay. That is, a person pays less tax than he ought to pay by taking advantage of loopholes in a tax levy (Samuel and Tyokoso, 2014). Tax avoidance can arise in various ways: incorporating the tax payer's sole proprietor or partnership into a limited liability company; the ability to claim allowances and reliefs that are available in tax laws in order to reduce the amount of income or profit to be charged as tax.

Tax Revenue as a catalyst for Nigerian Economy Growth

It is evident that the taxes generated as revenue has not reached the level of income from oil sector despite the efforts of Nigerian government. Its implementation has been a bane due to lack of commitments to target objectives, leakages, wastages, endemic corruption and the vast unorganized informal sector. A comparative review of tax revenue as a percentage of Gross Domestic Product (GDP) of some African countries between the period 2009 and 2012 indicate that Nigeria has the lowest tax revenue as a percentage to GDP (World Bank, 2014). According to Dwivedi (2004), economic growth is a sustained increase in per capita output or net national product over the period of time. It implies that the rate on increase in total output must be greater than the rate of population growth. Economic growth can be determined by four essential determinants such as; human resources, national resources, capital formation and technological development.

Desai, Foley and Hines (2004), postulate that governments have at their disposal many tax instruments that can be used to finance their activities. These taxes include personal and corporate income taxes, sales taxes, value added taxes, capital gain taxes and numerous others. It is not uncommon for a country to impose all of these taxes simultaneously. In determining tax instruments to be used and the rates to be imposed, governments are typically influenced by their expectations of the effects of taxation on investment and economic activities; including Foreign Direct Investment (FDI). They stated that high corporate income tax rates are associated with low levels of FDI. Also, the high tax rate on company income tax is associated with reduced foreign direct investment by multinational organizations. Ogbonna and Appah (2012), investigated the impact of tax reforms on economic growth of Nigeria for the period 1994 – 2009.

The study adopted petroleum profit tax, company income tax, value added tax, education tax, personal income tax and customs and excise duties (independent variables) and Gross Domestic Product (GDP) as the dependent variable. The Augmented Dickey-Fuller was used to examine the unit root test and the Johansen's Co-integration test and Error correction technique was also adopted to run the regression analysis. It was discovered that there is a positive relationship between tax revenue and economic growth of Nigeria. They argued that 54% variation in the dependent variable (GDP) is as a result of change in tax revenue and that there exists long run equilibrium relationship between GDP and the independent variables. The Augmented Dickey- Fuller test conducted on the variables showed that all the series were stationary at 1(1) and that the series were significant between 1 and 5 percent except for companies' income tax and customs and excise duties that were significant at 5percent. In the study of Ogbonna and Ebimobowi (2012), on the impact of tax revenue on economic growth of Nigeria using relevant descriptive statistics and econometric analysis. It concluded in the various results that tax revenue is positively and significant related to economic growth. Also, tax revenue improves the revenue generating machinery of government to undertake social desire that will translate to economic growth in real output. However, in his view so far represented the most comprehensive assessment of the impact of tax revenue on Nigeria economic growth.

Theoretical Framework

This study review three theories of taxation: the cost of service theory, the benefit theory and the socio-political theories of taxation. According to the cost of service theory, the cost incurred by government in providing certain services to the people must collectively be met by the people who are the ultimate receivers of the service (Jhingan, 2009). This theory believes that tax is similar to price. So if a person does not utilize the service of a state, he should not be charged any tax. Some criticisms have been leveled against this theory.

According to Jhingan (2009), the cost of service theory imposes some restrictions on government services. The objective of government is to provide welfare to the poor. If the theory is applied, the state will not undertake welfare activities like medical care, education, social amenities, etc. furthermore, it will be very difficult to compute the cost per head of the various services provided by the state, again, the theory has violated the correct definition and tenets of tax, finally the basis of taxation as propounded by the theory is misleading. The limitations inherent in the cost of service theory led to the modernization of the theory. This modification gave birth to the benefit received theory of taxation. According to this theory, citizens should be asked to pay taxes in proportion to the benefits they receive from the services rendered by the government.

The theory assumes that there is exchange relationship or *quid pro quo* between tax payers and government. The government confers some benefits on tax payers by providing social goods which the tax payers pay a consideration in the form of taxes for using such goods. The inability to measure the benefits received by an individual from the services rendered by the government has rendered this theory inapplicable (Ahuja, 2012).

The socio-political theory of taxation states that social and political objectives should be the major factors in selecting taxes. The theory advocated that a tax system should not be designed to serve individuals, but should be used to cure the ills of society as a whole (Bhartia, 2009). This study is therefore anchored on this theory.

Empirical Review

Several empirical studies have been conducted on the impact of taxes on economic growth. The empirical studies of Anyanwu (1997), Engen and Skinner (1996), Tosun and Abizadeh (2005) and Arnold (2011) provided different explanations of taxes on economic growth. Engen and Skinner (1996) in their study of taxation and economic growth of U.S. economy, large sample of countries and use of evidence from micro level studies of labour supply, investment demand, and productivity growth. Their result suggests modest effects on the order of 0.2 to 0.3 percentage points' differences in growth rates in response to a major reform. They stated that such small effects can have a large cumulative impact on living standards.

Tosun and Abizadeh (2005) in their study of economic growth of tax changes in OECD countries from 1980 to 1999 reveal that economic growth measured by GDP per capita has a significant effect on the tax mix of GDP per capita. It is shown that while the shares of personal and property taxes have responded positively on economic growth, shares of the payroll and goods and services taxes have shown a relative decline.

Arnold (2011) in their study found that short term recovery requires increase in demand while long run growth requires increase in supply. As short term concessions can be hard to reverse, this implies that policies to alleviate this crisis could compromise long run growth.

Okafor (2012) investigated the impact of income tax revenue on the economic growth of Nigeria as proxied by the gross domestic product (GDP). The study adopted the ordinary least square (OLS) regression analysis technique to explore the relationship between the GDP (the dependent variable) and a set of federal government income tax revenue heads over the period 1981-2007. The regression result indicated a very positive and significant relationship between the components of tax revenue and the growth of the Nigeria economy.

Adereti, Sanni and Adesina (2011) studied value added tax and economic growth in Nigeria. Time series data on the Gross Domestic Product (GDP), VAT Revenue, Total Tax Revenue and Total (Federal Government) Revenue from 1994 to 2008 sourced from Central Bank of Nigeria (CBN) were analyzed, using both simple regression analysis and descriptive statistical method. Findings showed that the ratio of VAT Revenue to GDP averaged 1.3% compared to 4.5% in Indonesia, though VAT Revenue accounts for as much as 95% significant variations in GDP in Nigeria. A positive and significant correlation exists between VAT Revenue and GDP. Both economic variables fluctuated greatly over the period though VAT Revenue was more stable. No causality exists between the GDP and VAT Revenue, but a lag period of two years exists.

Akwe (2014) analysed the impact of Non-oil Tax Revenue on Economic Growth from 1993 to 2012 in Nigeria. To achieve this research objective, relevant secondary data were used from the 2012 Statistical Bulletin of the Central Bank of Nigeria (CBN). These data were analyzed using the

Ordinary Least Squares Regression. The result from the test shows that there exists a positive impact of Non-oil Tax Revenue on economic Growth in Nigeria.

Onaolapo, Aworemi, and Ajala (2013) examined the impact of value added tax on revenue generation in Nigeria. The Secondary Source of data was sought from Central Bank of Nigeria statistical Bulleting (2010), Federal Inland Revenue Service Annual Reports and Chartered Institute of Taxation of Nigeria Journal. Data analysis was performed with the use of stepwise regression analysis. Findings showed that Value Added Tax has statistically significant effect on revenue generation in Nigeria.

Ogbonna and Ebimobowei (2012) investigated the impact of petroleum profit tax on the economic growth of Nigeria. To achieve the objective of this paper, relevant secondary data were collected from the Central Bank of Nigeria (CBN) and the Federal Inland Revenue Service (FIRS) from 1970 to 2010. The secondary data collected from the relevant government agencies in Nigeria were analysed with relevant econometric tests of Breusch-Godfrey Serial Correlation LM, White Heteroskedasticity, Ramsey RESET, Jarque Bera, Johansen Co-integration and Granger Causality. The results show that there exists a long run equilibrium relationship between economic growth and petroleum profit tax. It was also found that petroleum profit tax does granger cause gross domestic product of Nigeria.

RESEARCH METHODOLOGY

Research Design

The study adopted the *ex-post facto* research design. The *ex-post facto* research design is used to foist a link between the dependent and independent variables, relying on already existing secondary data. The beauty of using the *ex-post facto* research design is that the researcher relies on the already existing data devoid of manipulation of the research (Osuala, 2010). This research design is appropriate and preferred in a cause-effect relationship where there is already an existing data which could not be manipulated by the researcher at the point of research. In this study, data for all the variables involved already exist in Nigeria.

Nature and Source of Data

The study made use of secondary data, mostly time series. The data for this study is obtained from the Central Bank of Nigeria (CBN) Statistical Bulletins (2016) and National Bureau of Statistics. Data obtained were on variables such as real gross domestic product (RGDP), value-added tax (VAT) and personal income tax (PIT) for the period covered in this study.

Data Analysis

The data used for this study were gathered from secondary source such as textbooks, journals and Central Bank of Nigeria (CBN) statistical bulletin, 2015. The variables considered are: Real Gross Domestic Product (RGDP) as proxy for economic growth, Value-Added Tax (VAT) and Personal Income Tax (PIT). The Ordinary Least Square (OLS) multiple regression technique was employed to test the significant impact of tax revenue variables on economic growth in Nigeria for the period 1994-2015.

Model Specification

To investigate the impact of tax revenue on Nigerian economy growth, the following model was employed:

$RGDP = f(VAT, PIT)$

$RGDP = \beta\ VAT + \beta\ PIT + \mu$

RGDP = Real Gross Domestic Product (RGDP)

VAT = Value Added Tax (VAT)

PIT = Personal Income Tax

β = Constant term 0

β = Coefficient of explanatory variables

μ = Error term

The economic expectations of all explanatory variables such as value-added tax and personal income tax revenue are expected to be positive greater than zero which indicate positive increase on economic growth in Nigeria.

DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

Data Presentation

The data used for this study are presented as below:

Data on Real Gross Domestic Product (RGDP), Value-Added Tax (VAT) and Personal Income Tax (PIT) Revenue

Year	RGDP	VAT	PIT
2000	1399.70	5.03	41.72
2001	2907.36	6.26	135.44
2002	4032.30	11.29	114.81
2003	4189.25	13.91	166.00
2004	3989.45	16.21	139.30
2005	4679.21	23.37	224.77
2006	6713.57	30.64	314.48
2007	6895.20	44.91	903.46
2008	7795.76	52.63	500.99
2009	9913.52	65.89	500.82
2010	11411.07	96.20	565.70
2011	14610.88	87.45	785.10
2012	18564.59	110.57	677.54
2013	20657.32	144.37	1264.60
2014	24296.33	198.07	1336.00
2015	24794.24	229.32	1652.65
2016	54612.26	275.57	1907.58
2017	60980.42	318.00	2237.88
2018	71713.94	347.69	2628.28
2019	80092.56	389.53	2950.56
2020	89043.62	388.85	3275.12
2021	94144.96	261.65	3082.42

Source: CBN Statistical Bulletin (Various)

Data Analysis

Regression Analysis

Table 1: Ordinary Least Squares (OLS) Result

Dependent Variable: GDP
Method: Least Squares
Date: 10/13/23 Time: 11:51
Sample: 2000 – 2021
Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4566.091	2312.739	-1.974	0.063
VAT	-20.617	44.442	-0.464	0.648
PIT	30.866	5.373	5.539	0.000
R-squared	0.951	Durbin-Watson stat		1.494
Adjusted R-squared	0.946			
F-statistic	183.586			
Prob(F-statistic)	0.000000			

Source: Author's computation (2023)

The implication of the econometric model is that holding all the explanatory variables constant, the Real Gross Domestic Product (RGDP) stood at -4566.091. However, value added tax indicate negative units which means any unit decrease in value-added tax at -20.619 will leads to decrease in

gross domestic product while personal income tax signifies positive unit at 30.866 which states that any unit increase in personal income tax will influence Gross Domestic Product (GDP) in Nigeria.

The t-statistic result (probability level) on VAT and PIT signify 0.648 and 0.000 respectively. This states that only personal income tax has significant impact on real gross domestic product in Nigeria at 5 percent level of significance while Value Added Tax (tax) is statistically insignificant for the period under review.

The coefficient of determinant R^2 is 0.951 which indicates that 95.1% of the variation in RGDP is explained by the explanatory variables such as value added tax and personal income tax while the remaining 4.9% unexplained variation is being influenced by other variables outside the model but captured by the error term.

The adjusted R-squared in the regression line shows 0.946 which means that 94.6% of the variation in the dependent variable (RGDP) was jointly explained by the explanatory variables (VAT and PIT) while the remaining 0.4% was due to variables not captured in the model. Therefore, the model has a good fit as shown by R-squared. The Durbin Watson statistics in the model is 1.494. This falls within the range 0 and 2. A value ranges from zero to two indicates a strong positive correlation while a value from two to four imply a strong negative correlation which signify absence of autocorrelation.

The F statistics in the regression line shows 183.586 with p-value of 0.000. Therefore, the p-value is less than critical value. This can be easily inferred that tax revenues have significant impact on economic growth in Nigeria.

Test of Hypotheses

Ho_1: Value-Added Tax does not have a significant impact on economic growth in Nigeria.

The probability value of value-added tax (VAT) 0.648 is greater than the test significant value of 0.05, i.e., ($0.648 > 0.05$), showing that value-added tax does not have a significant impact on economic growth in Nigeria for the period studied.

Ho_2: There is no significant impact of personal income tax on economic growth of Nigeria.

The probability value of personal income tax (PIT) 0.000 is less than the test significant value of 0.05, i.e., ($0.000 < 0.05$), showing that personal income tax has a significant impact on economic growth in Nigeria for the period studied.

Summary of Findings

The findings of this study reveals as follows:

(i) Value-added tax does not have a significant impact on economic growth in Nigeria for the period studied.

(ii) Personal income tax has a significant impact on economic growth in Nigeria for the period studied.

CONCLUSION

The role of taxation in developing a nation's economy has been described as irreplaceable. Some economic analysts suggest that taxation remains a strong socio-political and economic tool for economic growth and national prosperity. Though, the issue of tax leakages is a global concern which Nigerian situation cannot be exempted as a result of the scale of corruption practices in Nigeria. Taxation is one of the most reliable sources of income which contribute to economic development. From the findings, the study therefore concludes that tax revenues have significant impact on Nigerian economy growth for the period under review.

RECOMMENDATIONS

Based on the findings, the following recommendations were suggested:

i. There is need for government to enlarge the VAT net in order to bring in other services through which revenue could be generated for government.

ii. Government should ensure effective utilization of the income accrued from personal income tax to encourage continuity in tax payment by the tax payers.

iii. Strict penalties should be meted to people who avoid and evade tax payments in order to minimize the incidence of tax evasion and tax avoidance.

Contribution to Knowledge

The findings of this study provided evidences empirically on the contributions of tax revenues to sustainable economic growth in Nigeria. This study has established that Value-added tax did not have a significant impact on economic growth in Nigeria for the period studied while Personal income tax on the other hand had a significant impact on economic growth in Nigeria for the period studied.
Thus, the empirical findings of this study will go a long way in aiding students, researchers, and the general public in understanding and appreciating the contributions of taxes on economic growth of Nigeria. Generally, the study will equally add to the numerous available literature on taxation and economic growth and related areas, thereby widening knowledge and information in the very important area of study.

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APPENDIX 1

Data on Gross Domestic Product (GDP), Value-Added Tax (VAT) and Non-Oil (NOIL) Tax Revenue

Year	RGDP	VAT	PIT
2000	1399.70	5.03	41.72
2001	2907.36	6.26	135.44
2002	4032.30	11.29	114.81
2003	4189.25	13.91	166.00
2004	3989.45	16.21	139.30
2005	4679.21	23.37	224.77
2006	6713.57	30.64	314.48
2007	6895.20	44.91	903.46
2008	7795.76	52.63	500.99
2009	9913.52	65.89	500.82
2010	11411.07	96.20	565.70
2011	14610.88	87.45	785.10
2012	18564.59	110.57	677.54
2013	20657.32	144.37	1264.60
2014	24296.33	198.07	1336.00
2015	24794.24	229.32	1652.65
2016	54612.26	275.57	1907.58
2017	60980.42	318.00	2237.88
2018	71713.94	347.69	2628.28
2019	80092.56	389.53	2950.56
2020	89043.62	388.85	3275.12
2021	94144.96	261.65	3082.42

Source: CBN Statistical Bulletin (Various)