THE ROLE OF TAXATION IN PROMOTING SUSTAINABLE DEVELOPMENT IN NIGERIA

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Abstract: This research examined the nexus between taxation and sustainable development in Nigeria. The study's specific objectives were to investigate how company income tax, petroleum profit tax, and value added tax would affect sustainable development, measured by per capita income, in Nigeria. Secondary data from 1994 till 2022 and sourced from the annual report of the Nigerian Federal Inland Revenue Services was utilized for the study. The sourced data was estimated using the Vector Error Correction Model. The unit root test showed that all the variables were stationary at first difference and the Johansen Cointegration revealed a long run relationship among the variables. Findings showed that company income tax, petroleum profit tax, and value added tax positively and significantly impact per capita income. The research, therefore, recommended that the government should ensure that tax funds are utilized for infrastructural and economic developmental objectives as it would facilitate Nigeria's economic development.

Keywords: Company Income Tax, Petroleum Profit Tax, Value Added Tax, Per Capita Income, Taxation

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1. Introduction

1.1 Background of the Study

The government must prioritize the populace's needs and support all initiatives to see Nigerians develop. Through their potential to solve economic, social, and environmental challenges, taxes help to achieve sustainability. Sustainability heavily focuses on progress, equity, and ecological preservation principles. As a result, fiscal policy needs to be reviewed to better align with its goals. The capacity of taxes to provide funds for significant investments accounts for their significance in development. According to (Azubike, 2009), taxes have a significant role in every society on the planet.

Taxation plays a crucial role in a nation investment and development strategy. The government must impose taxes on an individual or his property to ensure that social services, security, and economic welfare prerequisites may be met. The states use tax revenue to assume responsibility for several public duties, including transportation, unemployment benefits, healthcare, and education. (Baghebo, 2012)

All areas of development, including infrastructure, social services, health, education, and environmental protection, are partly funded by government tax revenues. Governments can address citizen needs and establish the framework for sustainable growth by controlling the flow of income taxes. (Azubike, 2009)

A country's internal resources can be mobilized most effectively through its tax system, which also helps foster an atmosphere supporting economic growth (Azubike, 2009). Despite numerous studies exploring various aspects of taxation and sustainability, much is still needed to combine these findings to understand how taxes might be optimized to promote sustainable development. Every country globally faces different difficulties in balancing the urgent need to address social inequality, environmental deterioration, the depletion of natural resources, and the need to generate income. sustainable development is the ability to satisfy current needs without endangering the ability of future generations to satisfy their own. Taxation serves as the cornerstone of funding for social endeavours, serving as the principal means for mobilizing resources and managing the economy. This research investigates and evaluates the many roles taxes play in Nigeria's shift to sustainable development.

The UN's Sustainable Development Goals represent the global community's vision for a future marked by social inclusion, economic success, and environmental protection. According to this vision, taxes can be a dynamic force to support social goals, lessen economic disparity, and encourage ecologically sustainable behavior.

Although theoretical frameworks are available to aid in navigating this complex relationship, effective policy decisions require actual data and practical expertise. The choice to concentrate on taxes was made with the knowledge that the government's efforts to raise money might either help or impede sustainable development. The actions of businesses and individuals are influenced by tax incentives, penalties, and the overall tax system. This influences their investment decisions, spending habits, and environmental effects. International projects such as the Sustainable Development Goals (SDGs) emphasise the need for change. Thus, it is vital to comprehend the nuances of taxation and its significance. This study aims to provide insightful recommendations for economists, policymakers, and sustainability advocates by examining multiple tax structures and their outcomes. The results are expected to contribute to the expanding discourse on fiscal measures supporting public treasuries while advancing the more general objective of sustainable and equitable development in the twenty-first century.

This research aims to identify strategies for implementing favorable tax policies and illustrate taxes' ability to support social cohesion, sustainable economic growth, and environmental protection. We also close this gap by systematically analyzing how taxes support sustainable development. It combines theoretical understanding with valuable techniques to give decision-makers relevant information.

1.2 Statement of Research Problem

In line with the country's efforts to balance social fairness, economic development, and environmental integrity, sustainability has emerged as a critical objective. Within the intricate context of sustainability, taxes stand out as a fundamental and adaptable instrument capable of fostering social progress, shaping financial systems, and contributing significantly to the realization of Sustainable Development.

Specifically, this research examines taxation's role in promoting sustainable development in Nigeria. In pursuing sustainable development, the relationship between taxation and its effects on economic, social, and environmental conditions represents a complex and unexplored area. Despite recognizing the vital role of taxation in moving countries towards sustainable development, significant research questions still need to be understood in the complex ways in which different tax policies affect various aspects of sustainable development.

At the core of this research study is the gap in understanding the various relationships between tax structures and their impact on sustainable development outcomes. Existing literature looks at economic growth, social

justice, and environmental protection separately and ignores their interrelationships. It is a comprehensive review that goes beyond sectional views and looks at cooperation and trade within the complex fiscal policy framework and sustainable development.

Additional inquiry is required to assess the implications of tax on providing high-quality job opportunities, improving equitable labour practices, and supporting inclusive economic growth. Existing research cannot elucidate the precise mechanisms via which tax reform can accomplish these significant societal objectives. The effectiveness of tax policies in promoting sustainable development may differ between developed and developing countries. Therefore, the research provides an understanding of how the socio-economic environment influences the outcomes of fiscal policies and sustainable development approaches in Nigeria.

The study questions emphasize how critical it is to thoroughly grasp how taxes support Nigeria's particular brand of sustainable development. This necessitates an interdisciplinary study considering Nigeria's social, environmental, and economic interconnection. This study aims to fill the gap by providing relevant information to policymakers, institutions, and practitioners in Nigeria. It advocates for a holistic financial policy approach that prioritize sustainability and fairness.

1.3 Research Questions

This research pursues to provide answers to the following questions.

1. To what degree does company income tax (CIT) have an impact on sustainable economic growth in Nigeria?
2. How does Petroleum Profit Tax (PPT) influence Nigeria's sustainable economic growth?
3. What impact does the Value Added (VAT) Tax have on Nigeria's sustainable economic growth?

1.4 Research Objectives

The fundamental purpose of this study is to explore and appreciate how taxes helps to supporting sustainable development inside Nigeria. Analyzing the current tax structure and its impact on economic, social, and environmental conditions and making informed recommendations to optimize tax policies in line with the principles of sustainable development.

The specific objectives of this study are to;

1. Examine the influence of income tax (CIT) on Nigeria’s sustainable economic growth.

2. Assess the impact of petroleum profit tax (PPT) on sustainable economic growth in Nigeria.

3. Explore the effects of Value-Added Tax (VAT) on Nigeria's sustainable economic growth.

1.5 Research Hypothesis

For the emphasis of this study, the research hypotheses are expressed in null form:

- **H_{01}:** Company Income Tax (CIT) has no discernible correlation on sustainable economic growth in Nigeria.
- **H_{02}:** Petroleum Profit Tax (PPT) does not influence Nigeria's sustainable economic growth.
- **H_{03}:** Value Added Tax (VAT) does not have a substantial influence on sustained economic development in Nigeria.

1.6 Scope of the Study

The scope of this study has been carefully set to focus on Nigeria and include specific factors that offer a formal framework for analyzing the country's tax system and how it affects sustainable development. The aspect of accounting this study is focus on is taxation and it also addresses SDG 8 which supports decent work and economic growth. The study primarily considers the facts and statistics of the (1994-2022). This study also addresses how taxation affects economic growth. This methodology permits the scrutiny of past patterns while guaranteeing that the analysis stays pertinent and mirrors the nation's present-day tax regulations and sustainability endeavors. The study's main emphasis areas are Nigeria's tax laws, including company income tax, value-added tax, and petroleum profit tax.

1.7 Justification of the Study

Taxation policies have a profound impact on economic, social, and environmental outcomes. Understanding how taxation can be utilized to advance sustainable development goals is crucial for Nigerian policymakers in crafting effective and fair tax policies that foster long-term socio-economic progress. Nigeria grapples with various development challenges, including poverty, unemployment, inequality, and environmental degradation. By exploring the role of taxation in promoting sustainable development, the study can offer insights into potential policy measures to tackle these challenges and

achieve inclusive and sustainable growth. Conducting research on this subject can help bridge this gap, advancing scholarly comprehension and laying the groundwork for future studies and policy deliberations.

Informed decision depends on empirical data on how tax laws affect sustainable development goals including employment creation, poverty reduction, and environmental preservation. Through empirical research, the study can furnish policymakers with valuable insights into the efficacy of different tax policies in realizing sustainable development objectives.

In essence, this study acts as a driving force for positive transformation, providing practical insights that can guide policy decisions, influence strategic planning initiatives, and shape Nigerian views about sustainable development.

2. Literature review

2.1 Conceptual Framework

Conceptual Framework Model

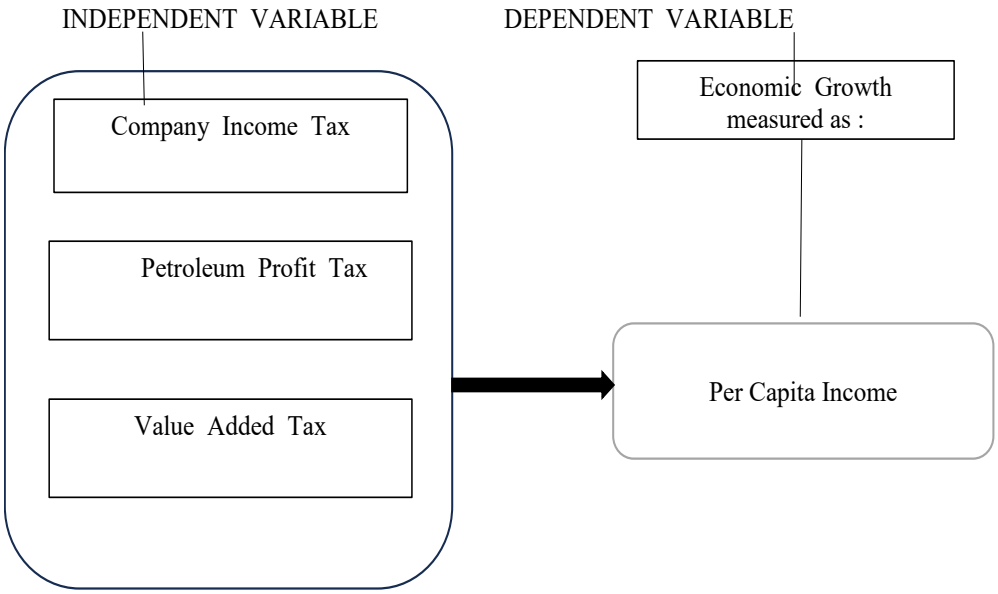

Figure010 *conceptual Framework Model0*

2.1.1 Scope and Nature of Taxation

A tax is an official government charge that is required, often through it representatives, on the wages, income, or spending of its inhabitants or residents. Taxation is, by definition, a contentious matter. Although taxes remain a source of contention in many areas of the economy, they are necessary for funding government activities and providing public services. Also, (Nzotta, Tax evasion problems in Nigeria, 2007) claims that taxes are one of the primary sources of income for the federal, state, and local governments. Complementing this, (Sanmi, 2005) proposes using tax as a weapon of social control to foster overall economic growth. In this regard, taxation can impact both the individual and the government. According to (Ogundele, 1991) Taxation involves transferring substantial economic resources from the private sector to the public sector to fund governmental activity. It can be inferred that taxation involves shifting resources from private entities, such as household and communities, to the public sector to support societal development. (Nzotta, 2007) outline four fundamental aspects essential for taxation to fulfil its roles in any society Firstly, taxation involves a mandatory payment by citizens to the government for public purposes. Secondly, taxation creates a universal obligation for taxpayers. Thirdly, it is assumed that taxpayer payments to public income could not exactly correspond with the advantages derived. Lastly, the government imposes tax on citizens not based on specific services provided to them or their families. An effective tax system fills an intricate part in the economic growth that occurs in any country. (Appah, 2010). As can be seen, private individuals and corporations pay taxes to the government for the government to fund societal growth.

2.1.2 Classification of Taxes

Direct Taxes

A direct tax is a payment made by an individual or entity directly to the authority imposing the tax. Direct taxes are levied on profit, wealth, and income. Examples of direct taxes include income, capital gains, and national insurance taxes. An individual's pocket payment serves as the primary summary of direct tax.

Indirect Taxes

Indirect taxes are levied on goods and services prior to their delivery to the customer and are finally subtracted from the total cost of the commodity or service. Spending charges- e.g. excise duty on items, Value Added Tax for a good or service (VAT) are indirect taxes.

2.2.1 Forms of Taxes

Taxes can be distinguished by their impact on an individual's income and wealth structure. Furthermore, taxes are divided into many types of tax: Regressive, Progressive, and Proportional.

Regressive Tax

A regressive tax is levied in a way that the tax reduces as the taxable amount rises. The term "regressive" denotes the movement of tax rates from higher to lower levels, resulting in the average tax rate exceeding the marginal rate.

The regressiveness of a particular tax can also be affected by taxpayers' inclination to participate in the taxed activity based on their financial means. In less advanced countries, a regressive tax system is more prevalent where more people work with the same category, thus lowering adverse effects of the regressive tax (kagan, 2021).

Progressive Tax

A progressive tax is characterized by increasing tax rates as the value of taxable assets rises. This system is applicable to either individual taxes or the overall tax system. They are imposed to reduce the incidence of taxes on lower-income individuals, as such taxes are rapidly moving the incidence to people with higher pay ability. The progressive taxation system is intended to reduce the burden of taxes off those that are less able to pay compared to higher income individuals (kagan, 2021). It is often carried out by setting tax brackets based on income ranges for the taxpayer group.

Proportional Tax

A proportionate tax, often called a flat-rate tax, is a kind of income tax in which, independent of income level, each person pays the same amount of tax. That goes for upper class, middle class and lower class income earners The proportionate tax system can be used for taxes on a person or the tax system for a single year, several years, or for the rest of one's life.

2.2.2 Administration

Tax administration is described as the implementation of several tax laws in one jurisdiction to achieve its goal (Administration-FIRS, 2021).

In Nigeria, tax administration is divided among three levels of government. While the State Internal Revenue Boards (SIRB) administer taxes for the 36 states, the Federal Inland Revenue Service (FIRS) oversees taxable income for the federal government. Inside the federation. Local councils also oversee the rates and levies they collect within their jurisdictions.

Individuals can acquire a tax clearance if they have fully settled all taxes due over the preceding three years. This certificate is typically required for dealings with ministries, government departments, and agencies.

The FIRS was established under the federal inland Revenue Act of 2017. The various federal taxes will be administered in accordance with the appropriate laws. That power includes the ability to assess, collect, and report revenues to the federal government.

Under the Personal Income Tax Act, the Joint Tax Board (JTB) was founded (PITA). The body consists of representatives from both state and federal tax authorities. For all Nigerian tax authorities, it serves as a fundamental unifying factor. Conducting consultations is the official role of the Joint Tax Board.

Registration, assessment, refunds, collection, monitoring, enforcing, sanctioning, taxpayer education and awareness, and other actions that can improve tax efficacy and efficiency are all included in the administration of taxes.

2.2.3 Company Income Tax

According to the American Dictionary, "corporate tax, often referred to as a business tax or corporation tax, is a direct tax imposed on the capital or earnings of companies or other comparable legal organisations." Although they may also be levied at the state or local levels, these taxes are usually applied nationwide. Company income tax is one tax levied in Nigeria in compliance with the constitution. Company income tax (CIT) was introduced in Nigeria in 1961. The corporate income tax act of 1990 (CITA) formalised the original laws controlling business income tax after many revisions. A direct tax, the government levies Company Income Tax (CIT) on the profits of enterprises and corporations falling under its jurisdiction. This is a percentage of taxable income generated by sales, investments, and other sources of income for a company. The income tax Act of 1990 of the corporation is the present legislation controlling how earnings made by Nigerian companies apart from those involved in petroleum exploration are taxed. For every assessment year (based on fiscal year), this tax is levied at a rate of 30% on the earnings of every corporation. Companies income tax is defined by (Ogbonna & Appah, 2010) as a tax levied on profits earned within, originated from, introduced into, or received in Nigeria from various sources such trade or business activities, rental income, premiums, dividends, interest, royalties, and other forms of yearly profit. The Federal Inland Revenue Service is in responsibility of the Company Income Tax under the Company Income Tax Act. Regulating restrictions on tax assessment and collection apply to all limited liability businesses, with the exception of those in the petroleum industry. For companies with a total gross

turnover of less than one million naira for the first five (5) years of assessment, section 40(6) of the Company Income Tax Act (CITA) sets a tax rate of 20% on chargeable profit; for enterprises solely engaged in export trade, manufacturing, agriculture, or mining, section 40(1) sets a tax rate of 30% on chargeable profit.

2.2.4 Value Added Tax

The Value Added Tax (VAT) is imposed by the Value Added Tax Act Cap VI, 2004 LFN, which replaced the sales tax formerly implemented by federal government order No. 7 of 1986. VAT is described as an indirect tax that imposes charges at each step of the production and distribution of goods and services. Value-added tax (VAT) is an expense tax levied on goods at any location of transaction in which benefit is generated, from basic supplies to finished retailing. The discrepancy between a company's revenues and its purchases of inputs from other firms shows its value added. In other words, it represents the amount of value that a corporation increases to a product or service via the usage of its sources of production, including capital, labor, land, and entrepreneurial skills. The Value Added Tax Act of 1993 introduced Nigeria's Value Added Tax (VAT), a consumption tax. In accordance with (Abata, 2014) Value Added Tax is described as a sales tax, where the payment of taxes is borne by consumers. The obligation of paying taxes transmits from the manufacturer to the distributor, retailer, and finally the consumer was highlighted. Consequently, the lone way to dodge paying VAT is to abstain from getting or using the necessary things or services. The Internal Revenue Service handles this federal tax (FIRS). VAT is applied at a set rate of 7.5 percent on various products and services in Nigeria. However, exception is given in the case of medical and pharmaceutical goods, as well as vital dietary items. VAT is a regressive tax that boosts the economic burden on lower-income taxpayers while raising administrative responsibilities on companies. The VAT applies to all purchases equally, in contrast to a progressive income tax, which imposes larger taxes on those with higher earnings (Kagan, 2019). Companies may deduct VAT they collect before reporting it to the FIRS by utilising a percentage of the VAT they pay (Deloitte, 2019).

2.2.5 Petroleum Profit Tax

The Petroleum Profit Tax Act of 1959 defines petroleum profit tax as a liability a business bears when it sells chargeable oil and gas. Refinery transfer of charged oil is referred to as disposal. The tax is applied in compliance with the PPTA on the company's profits from petroleum activities in Nigeria. The discovery, development, production, and sale of crude oil are all included in a petroleum operation, according the legislation. Any business engaging in petroleum activities is required by Section 8 of the Petroleum Profit Tax Act

(PPTA) to file a return within a certain time after the accounting period ends, including with appropriately audited yearly accounts and computations. Ogbonna and Appah (2012) state that the main objective of Nigeria's petroleum profit tax administration has been to collect revenue at the price of advancing economic growth and advancement. The petroleum sector is the major engine of the nation and must be nurtured for the nation to experience significant economic progress (Adegbie & Fakile, 2011). Petroleum profit tax, as defined by Fasoranti (2013), is the tax levied on earnings from oil activities. He emphasised that the importance of petroleum to the Nigerian economy results in the enactment of many laws governing the taxation of revenues from petroleum-related enterprises. Within the oil business, rental revenue, royalties, prospecting and exploration leases, and other upstream operations are subject to the petroleum profit tax. Contributing more than 70% of government revenues and 95% of foreign currency gains, it is hugely significant to Nigeria's revenue creation (Kiabel & Nwokah, 2009).

Economic Growth

Economic growth refers to the expansion of an economy's production output within a given timeframe. According to (Dwivedi, 2004), "economic growth is characterized by a sustained rise in net national product or per capita national output over the long term". Economic growth occurs when the real production of goods and services expands at a faster pace than the population growth rate. Consequently, a nation's economic growth is measured by the rate of tangible output of goods and services over a significant period, leading to an enhanced standard of living. Gross National Product (GNP) or Gross Domestic Product (GDP) is the traditional metric used to measure aggregate economic growth (GDP). This is because GDP reflects the overall market value of all finished products and services produced inside a nation during a certain time. It is calculated yearly and contains all government expenditures, investments, exports less imports inside a certain region, as well as all private and public consumption. According to (Lipsey, R & Chrystal, A, 2007), GDP is frequently used as an economic indicator of an economy's general health and to gauge a nation's standard of living. The main catalyst for economic growth is enhancements in both aggregate supply and demand, facilitated by factors like an augmentation in the quantity of tangible capital goods within the economy. Economic growth can be assessed through four primary factors: Human resources, natural resources, capital creation, and technical advancement.

2.3 Theoretical Review

The present investigation employed various theoretical frameworks, including benefit received theory and socio-political theory.

Benefit Received Theory

The concept of benefit received is a theory in taxation that is employed to analyse the efficacy of taxes and examine fiscal policy. It was formulated by two Swedish economists, Johan Gustaf Knut Wicksell (1851-1926) and Erik Lindahl (1891-1960). According to this theory, taxes are only necessary to fund public goods expenditures when a political will to pay for benefits is demonstrated. In accordance with (Chigbu, Akujuobi, & Appah, 2012), this theory operates under the assumption of a reciprocal or contractual arrangement between taxpayers and the government. According to this concept, the state offers specific goods and services, and the expenses associated with these are distributed based on the benefits received. As a result, distribution is determined by the extent of benefit obtained. The tax burden among different groups. However, this theory disregards the potential utilization of tax policy to foster economic growth or stabilization. According to their perspective, the benefits-received theory and the cost-of-service theory are closely analogous. The concept highlights the significant role of quasi-commercial interactions between the government and its citizens. They said that this implied that citizens had no right to any benefits from the state and that if they did, they would have to foot the bill. This theory can be applied to promote sustainable development in Nigeria by ensuring equitable distribution of tax burden, investing in public goods and services, encouraging compliance and trust, and addressing inequality and poverty. Taxation policies should be designed to ensure that those with higher incomes or corporations benefiting from government services contribute their fair share. By aligning taxation with the provision of essential services, such as infrastructure development, education, healthcare, and environmental conservation, taxpayers can see a direct correlation between their contributions and the benefits they receive.

Socio Political Theory

According to the socio-political perspective, social and political aims need to be the key factors when setting taxes. According to the notion (Ogbonna & Appah, 2012), a tax system should be established to solve social issues rather than reward individual persons. Individuals have a key role in the greater community. A taxation system should be designed that supports the overall well-being of society. The socio-political theory of taxation is a conceptual framework that addresses the larger socioeconomic and political ramifications

of tax policy. it has a significant function in supporting economic development and jobs. It emphasises on the transfer of income, social cohesiveness, political representation, accountability, and behaviour modification. By implementing progressive taxation, Nigeria can reduce income inequality, stimulate demand for goods and services, and promote social justice. Fair and transparent tax policies also foster trust in institutions, reduce social tensions, and promote investment, entrepreneurship, and economic growth. By involving citizens in policy formulation and budgetary processes, Nigeria can foster economic development and promote sustainable practices.

2.4 Empirical Review

Ewa, Adesola and Essien (2020) conducted a review on the impact of tax revenue on economic development in Nigeria. This study's longitudinal research strategy was appropriate due to the utilization of time series data. The Ordinary Least Squares Regression (OLS) method was used to evaluate these data. This result showed that the petroleum profit tax and GDP growth, which measures economic development, had a substantial link. (Olaoye, Ogundipe, & Oluwadare, 2019) conducted a review on tax revenue and economic development in Nigeria. Data for the pertinent variables in this analysis were gathered from the Central Bank of Nigeria's statistical bulletin and the Nations Development

Programme's human development report for the year under consideration. The data was analysed using Group Unit Root Test, ARDL Bounds Testing, and Co-integrating Long Run Testing. The study found that taxation has a major long-term impact on Nigeria's economic development.

Edewusi & Ajayi (2019) assess the relationship that exists in Nigeria between economic growth and tax income. As a result, the study examined economic development as a function of petroleum profit tax, company income tax, and value added tax from 1995 to 2015. According to the analysis, only company income tax has a significant and favorable impact on Nigeria's economic growth. The OLS method is used in the study to investigate the experimental data. Olushlola, Oliver, Okon, & Osang (2020) explore how tax income influences the direction of economic growth in Nigeria. The study discovered, using the multiple regression technique, that tax revenue had a considerable beneficial impact on economic growth in Nigeria. Oyeoma, Enabulu, & Oligbi (2021) studied taxation as a tool for economic progress. Utilizing annual data from 1986 to 2019, the study examined taxation as a tool for economic growth in Nigeria and produced compelling policy recommendations using the Group Unit Root Test, ARDL Bounds Testing, and Co-integrating Long Run Testing. In this study, the gross domestic product

(GDP) served as the dependent variable, while the independent variables were the value-added tax (VAT), enterprises' income tax (CIT), petroleum profit tax (PPT), and customs and exercise duty (CED). VAT appears to have detrimental effects on GDP, although PPT, CED, and CIT appear to have positive effects. In addition, it is imperative to develop suitable policies and initiatives with the objective of augmenting the efficacy and efficiency of tax administration in Nigeria. Economic growth will be positively impacted by this. Okonkwo & Chukwu (2019) evaluated Nigeria's economic development from 1996 to 2017 in relation to government tax revenue. The research utilized time series data that were gathered. The tax income collected by the government had no significant impact on Nigeria's economic development. Ogbodo & Nweze (2021) analysed the effect of tax revenue on economic development based on evidence from Nigeria. The study's technique was Ex-post Facto research design. The study discovered that company income tax has a considerable positive influence on Nigerian per capita income; petroleum profit tax has a significant positive effect on Nigerian per capita income. Education taxes were not considered as a source of revenue in this study.

Egolum & Celestine (2021) examined how Nigeria's economic development has been impacted by value-added taxes. Time series research approach was used to generate two hypotheses, and the data for their investigation came from the Joint Tax Board, the Federal Inland Revenue, and the CBN statistical bulletin for the study period. The E-Views 9.0 statistical programme was utilised to examine the hypotheses they made through the application of Pearson coefficient of correlation and basic regression analysis. Value Added Tax has a positive and statistically significant link with economic development (as measured by GDP and total government revenue) at a 5% significance level, according to their research. (Ezekwesili & Ezejiofor, 2022) examined how tax income affected Nigeria's economic expansion. The Statistical Bulletin, the Central Bank of Nigeria (CBN), and the National Bureau of Statistics' Annual Abstract of Statistics (NBS) were the sources of the data. Regression analysis, which describes the impact of changes in one variable's values on the values of the other variables, predicts the value of one variable based on the value of another variable with the aid of E-view 9.0. The research comes to a conclusion that tax income has no impact on economic growth Between 1994 and 2 18. (Manukaji, 2018) evaluates the effect of tax income on Nigeria's economic growth from 1994 to 2016. Petroleum profit tax, value-added tax, corporate income tax, and personal income tax were the explanatory variables. The study, which makes use of a multivariate regression model, concludes that each of the four independent variables significantly boosted Nigeria's economic growth. Adeusi, Uniamikogbo, Erah, & Aggreh (2020) examined the effects of non-oil revenue on Nigeria's economic growth, using

data from the National Bureau of Statistics and the Federal Inland Revenue Service to explore the non-oil revenue for the years 1994–2018. This included company income tax, value-added tax, personal income tax, and customs and excise duties. For the assessment of the data, ordinary least square regression method was utilised. According to the research, company income and personal income tax possess an immense detrimental effect on the economy, but value-added tax and tariffs and excise duties have more noticeable favourable impact. (Bruno & Emmanuel, 2019) used secondary data from numerous editions of the Central Bank of Nigeria statistics bulletin to assess tax income and the Nigerian economy between 2000 and 2017 . They utilised an after-the-fact design for conducting the research. Regression analysis utilizing Ordinary Least Squares (OLS) was employed for the statistical research. Their analysis's outcomes demonstrated that tax income had barely an influence on economic growth. (Solanke, Fadaka, & Ogunleye, 2020) examined the impact of tax income on economic growth in Nigeria from 1980 -2014. The study used a co-integration and error correction model to explore the link simultaneously. The study found evidence of a long-term link between the variables. The study demonstrates that adjustments in petroleum profit tax have a large positive impact on economic growth. (Muhammad , Aliyu, Bishir , & Ashiru, 2019) The purpose of the study is to evaluate how the petroleum profit tax affects the Nigerian economy. The information was gathered between 2006 and 2015 from the CBN Statistical Bulletin and Federal Inland Revenue Services Katsina. Regression analysis, correlation, and descriptive statistics were used to analyse the data. The study's conclusions demonstrate that there is a substantial correlation between total revenue generated and petroleum profit tax, but there is no significant correlation between petroleum profit tax and gross domestic product. The study concluded that, in addition to the petroleum profit tax, the government should explore for other measures that will boost gross domestic product.

Adegbie *et al*. (2021) investigated the effect of non-oil taxes on economic growth and development of Nigeria. An ex-post facto research design was used in the study. Seventy-six (76) observations of macro data for the period 1994Q1-2017Q4 were sourced from the National Bureau of Statistics and the CBN statistical bulletin. Multiple regressions were used in both descriptive and inferential statistics to analyse the data. This study found that non-oil taxes significantly impact Nigeria's economic development and growth. According to the report, the government should maintain its unwavering commitment to raising non-oil tax revenue.

Yaro & Adeiza (2021) examined the connection between Nigeria's economic growth and taxation. Narration response and simple parentage were used to present the data analysis. In order to provide answers to the queries, particularly those pertaining to the research, statistical calculations were made

using raw data. The results demonstrated that revenue was increased by the Federal Inland Revenue Service (FIRS) due to its efficient management. This indicates that the growth of the Nigerian economy and the non-oil income profit tax were significantly and positively correlated. Akintola *et al.* (2022) Analyzed empirically the impact of tax revenues on Nigeria's growth rate and evaluated how they affect the relationship between tax revenue and economic development. The World Bank and the CBN statistical bulletin were the sources of the data. The data analysis included a fusion between the temporal dimensions using a multiple regression analysis (time series). Analysis of the regression data was done using a quantitative research methodology. Thus, the study's conclusions demonstrated that value-added tax, corporations' income tax, petroleum profit tax, and customs and excise charges all significantly affect Nigeria's GDP when taken as a whole.

2.5 Gaps in Literature

The existing literature primarily focuses on analysing the effects of various taxes on economic indicators like GDP growth, government revenue, and sectorial development in Nigeria. However, there is a notable absence of comprehensive research on how taxation policies can align with sustainable development in the country. While some studies acknowledge the importance of tax revenue for economic progress, there is limited discussion on how taxation can be utilized to advance sustainable practices, environmental protection, social equity, and inclusive growth. Furthermore, there is a lack of investigation into how taxation policies impact employment rates and per capita income in Nigeria. Despite some research on the broader economic impacts of taxation, empirical evidence on how taxation specifically influence employment generation and income distribution at the individual level is scarce. Understanding this relationship is crucial as it can provide insights into how taxation can contribute to goals such as poverty reduction, social inclusion, and economic empowerment, all of which are integral to sustainable development.

In summary, this research seeks to address these gaps in the literature by examining the role of taxation in promoting sustainable development.

3. Methodology

Research design states the process and approaches to obtain the information required for this research. This study utilized an ex-post facto design to attain its objective. The choice of ex-post facto design was made

because of variables under investigation could only be estimated through the collection of secondary data.

3.1 Data Collection

This analysis was based on secondary data from the Nigerian Federal Inland Revenue Services from 1994 to 2022.

3.1.1 Sources of Data

1. Tax statistics and reports from the Federal Inland Revenue Services (FIRS)
2. Gross Domestic Product statistics from Macrotrends
3. Nigeria – OECD

Data Analysis Method

This study analyzes data using the Statistical Product and Service Solutions (SPSS) and E-view 10. The study will be finished with multiple regression analysis, which investigates the relationship between a single dependent variable and several independent factors.

3.5.2 Validity and Reliability of Instrument

The data used in this study are validated and credible because they are obtained from the Federal Inland Revenue Service (FIRS). Information was derived from historical data that is accurate and reliable. As a result, the data can be regarded as reliable for the study. While scanning material from secondary sources, necessary checks and cross-checks were performed.

3.5.3 Model Specification

The study adopted and modified the model of Ogbodo and Nweze (2021). The implicit model form was:

$PCI_t = f\,(CIT_t, PPT_t, VAT_t)$…….(1)

Where

PCI_t = Per capita income in time t

CIT_t = Company income tax in time t

PPT_t = Petroleum profit tax in time t

VAT_t = Value added tax in time t

The model's explicit form was:

$PCI_t = \alpha_0 + \beta_1 CIT_t + \beta_2 PPT_t + \beta_3 VAT_t + \mu_{it}$…….(2)

Where:

$\beta_1 - \beta_3$ = Coefficients of independent variables

α_0 = Constant Parameter

μ_{it} = White Noise Term

Furthermore, all the variables must be in logarithm form in order to make all the variables in the model be in a log-linear form. The new model was now:

$LPCI_t = \alpha_0 + \beta_1 LCIT_t + \beta_2 LPPT_t + \beta_3 LVAT_t + \mu_{it}$……..(3)

VECM MODEL

$$LPCI_t = \alpha + \sum_{i=1}^{k} \beta_i \, LCIT_{t-1} + \sum_{j=1}^{k} \phi_j \, LPPT_{t-j} + \sum_{m=1}^{k} \varphi_m \, LVAT_{t-m} + \mu_{1t}$$

Where:

$LCIT_{t-1}$: Log of company income tax lagged by one period

$LPPT_{t-j}$: Log of petroleum profit tax lagged by one period

$LVAT_{t-m}$: Log of value added tax lagged by one period

α, σ and ϑ : Constants

β, ϕ, and φ: Coefficients of the variables lagged by one period

μ: Error term

4. Data analysis and presentation

The section revealed the estimation of secondary data used for the research. It also revealed the estimation interpretation while achieving the study objectives. The techniques used to determine the subject matter were the Unit Root Test, Johansen Co-integration, and the Vector Error Correction Model.

4.1 Descriptive Analysis

This showed the attributes of all variables (Timothy, 2020) including log of per capita income (LPCI) (dependent variables), log of value added tax (LVAT), log of petroleum profit tax (LPPT), and log of company income tax (LCIT) (independent variables).

The mean and median estimated the central tendency measurements. LPCI had the highest figures of 5.285792 and 5.418628 respectively. LPCI also had the maximum value of 5.966602 while LVAT had the lowest minimum value of 0.845098 respectively. Standard deviation revealed the deviation from the mean and LCIT had the maximum figure of 0.698281.

Skewness reveals the deviation of the data from its mean by indicating its movement. Normal distribution skewness is usually between 0 and 1. Therefore, all the variables were typically skewed as their values were between 0 and 1. However, while LPCI and LPPT were positively skewed since their values carry negative signs, LCIT and LVAT were negatively skewed.

Kurtosis revealed the peakness of the spreads of the data series. When the value is 3 and above, it showed that the variable is evenly distributed. However, when it is less than 3, the dataset is flat to the normal distribution (Timothy, 2020). Kurtosis values for all the variables revealed that the data were normally distributed as the value of their kurtosis were approximately between the values of 2 and 3.

Jarque-Bera examined whether the series were distributed normally, and its probability is used to examine this (Timothy, 2020). The value of probability values must be above the significant value of 5 percent significant level to show that all variables were distributed normally. From Table 4.1, all the variables were distributed normally as the probability figures are above the significant value of 5 percent.

Table 4.1:

Descriptive Analysis

	LOG_PCI	LOG_CIT	LOG_PPT	LOG_VAT
Mean	5.285792	2.431657	2.857315	2.414007
Median	5.418628	2.623869	3.110576	2.603902
Maximum	5.966602	3.423082	3.624179	3.400711
Minimum	4.224611	1.079181	1.623249	0.845098
Std. Dev	0.515438	0.698281	0.611969	0.669918
Skewness	-0.461621	-0.411542	-0.839842	-0.551434
Kurtosis	1.898936	1.793458	2.376767	2.321364
Jarque-Bera	2.494865	2.577630	3.878456	2.026210
Probability	0.287241	0.275597	0.143815	0.363090
Sum	153.2880	70.51807	82.86212	70.00620
Sum Sq. Dev.	7.438926	13.65270	10.48615	12.56614
Observations	29	29	29	29

Source: Author's Estimation utilizing Eviews 9 (2024)

4.2 Unit Root Test

It was utilized to check for data stationarity and examine their integration order using the Augmented Dickey Fuller (ADF) test (Gujarati, 2004). The ADF figures must be higher than the standard critical value at a 5 percent significant level. Findings indicated that all variables analysed were static at first difference as the ADF figures were higher than the 5% crucial figures. It implied that all variables had a long-run relationship which was then confirmed by the Johansen co-integration test.

Table 4.2:

ADF unit root test results

Variable	ADF @ 1st Difference	5% Critical value	Integration Order	Comment
LPCI	-5.666551	-3.587527	I(1)	Stationary
LPPT	-4.924902	-3.595026	I(1)	Stationary
LCIT	-7.369328	-3.587527	I(1)	Stationary
LVAT	-5.693374	-3.587527	I(1)	Stationary

Source: Authors' Computation (2024)

4.3 Johansen Co-integration

It was employed to support the unit root test results and to establish the presence of a long-term relationship. There must be at least one co-integrating equation in the Johansen Co-integration table to validate the long-standing connection that is present. If there are none, then the finding will conflict the unit root test result (Gujarati, 2004). Table 4.3 displayed trace statistics, indicating the presence of one (1) co-integrating equation with probability value below 0.05: 0.0135. Additionally, table 3 demonstrated the maximum Eigen figures, confirming the existence of one (1) co-integrating equation with value of 0.0081. These results suggested that both trace statistics and maximum Eigen values support the presence of a long-run relationship, corroborating the findings of the unit root test. Hence, the vector error correction model (VECM) was utilized to check the corresponding adjustment speed and also check the significant relationship between both variables.

Table 4.3:

Unrestricted Co-integration Rank Test (Trace) (LPCI)

Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.709104	53.47947	47.85613	0.0135
At most 1	0.388982	20.14014	29.79707	0.4134
At most 2	0.210262	6.839166	15.49471	0.5964
At most 3	0.017101	0.465719	3.841466	0.4950
Trace test indicates 1 co-integrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

Table 4.4:

Unrestricted Co-integration Rank Test (Maximum Eigenvalue)

Hypothesized		Max-Eigen	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.709104	33.33933	27.58434	0.0081
At most 1	0.388982	13.30097	21.13162	0.4249
At most 2	0.210262	6.373448	14.26460	0.5658
At most 3	0.017101	0.465719	3.841466	0.4950
Max-eigenvalue test indicates 1 co-integrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

Source: Researchers' Estimation (2024)

4.4 Optimal Lag Length Test

It determined the maximal lag length as this would aid the minimization of autocorrelation in the residuals plus lower the potential equation misspecifications. In table 4.5, the Akaike Information Criteria (AIC) selected one lag.

Table 4.4:

Lag Length

Lag	LogL	LR	FPE	AIC
0	63.20086	NA	1.46607	-4.385249
1	168.1982	171.1068*	2.04410*	-10.97764*
2	179.4948	15.06210	3.16610	-10.62924

Source: Authors' Computation (2024)

4.5 Vector Error Correction Model (VECM)

It displayed the adjustment speed whereby short-run disequilibrium meets long-run equilibrium. It was utilized only when variables are co-integrated or had long-run relationships (Gujarati, 2004). Under table 4.6, the

coefficient values of cointeq1 would first be examined to confirm the long-run relationship among the variables. Then, the coefficient values of all the independent variables would be examined to know if each independent variable would be fast in getting back to a long-run relationship in impacting LNMFG in the next time-period.

Further, under each coefficient, the first values were coefficient; the round bracket figures were standard error, while the square bracket figures were t-statistics.

Examining the Cointeq1 figure under LPCI, its 5% significant figure of 0.025546 confirmed a long-run relationship between all the independent variables with LPCI. Next was to check how fast each variable could meet LPCI both current and in the next time-period and also the form of correlation that existed among the independent and LPCI. The log of petroleum profit tax (LPPT) had a short-run time-period of approximately 14% (0.147422) in attaining a long-run effect on PCI now plus future time-period. It proved that it is a critical variable that impacts LPCI presently and in the next period. Assessing the t-statistic figures of 0.04411 in the square bracket, it was significant at a 5% significant level (less than 0.05) while having a positive sign to conclude that PPT was positively significant in impacting PCI Currently and in a forthcoming time-period with a 14% short-run adjustment movement. The coefficient of log of value added tax (LVAT) was 0.202265 revealing that it also had a short-run time-period in impacting LPCI presently and in the next time-period with the short-run adjustment speed being 20% (0.202265). It is a critical variable that would impact PCI presently and the next time-period.

Assessing t-statistic figures of 0.03969 in the square bracket, it was significant at a 5% significant level while having a positive sign to conclude that VAT also positively and significantly impact PCI presently and in the next time-period with a short-run adjustment speed of 20%.

The coefficient of log of company income tax (LCIT) was 0.198771 revealing that it had a short-run time-period in impacting LPCI presently and in the next time-period with the short-run adjustment speed being approximately 19% (0.198771). It is a critical variable that would impact PCI presently and the next time-period.

Assessing t-statistic figures of 0.02047 in the square bracket, it was significant at a 5% significant level while having a positive sign to conclude that PCI positively and significantly impact PCI presently and in the next time-period with a short-run adjustment speed of 19%.

Table 4.5

VECM Result

Error Correction:	D(LPCI)	D(LPPT)	D(LVAT)	D(LCIT)
CointEq1	0.025546	0.016204	0.009898	0.102224
	(0.01236)	(0.09643)	(0.02049)	(0.02507)
	[2.06647]	[-1.10131]	[0.48302]	[4.07711]
D(LPCI(-1))	-0.132806	0.147422	0.202265	0.198771
	(0.17910)	(6.39715)	(0.29689)	(0.36326)
	[-0.74151]	[0.04411]	[0.03969]	[0.02047]
D(LPPT(-1))	-0.005666	0.128021	-0.025595	-0.049753
	(0.03384)	(0.26396)	(0.05609)	(0.06863)
	[-0.16745]	[0.48501]	[-0.45632]	[-0.72497]
D(LVAT(-1))	0.191083	0.042851	0.173996	0.276025
	(0.09132)	(0.71239)	(0.15138)	(0.18522)
	[2.09240]	[0.06015]	[1.14939]	[1.49025]
D(LCIT(-1))	0.099677	0.035913	-0.032318	-0.087753
	(0.08283)	(0.64618)	(0.13731)	(0.16801)
	[1.20333]	[0.05558]	[-0.23536]	[-0.52232]
C	0.039100	-0.000402	0.049428	0.091296
	(0.00948)	(0.07397)	(0.01572)	(0.01923)
	[4.12370]	[-0.00543]	[3.14479]	[4.74734]
R-squared	0.651550	0.095428	0.273214	0.502885
Adj. R-squared	0.530966	-0.119946	0.100170	0.384524
S.E. equation	0.027465	0.214253	0.045528	0.055705
F-statistic	3.457939	0.443081	1.578871	4.248744

Source: Authors' Computation (2024)

4.6 Post-Estimation Tests

4.6.1 VEC Residual Heteroskedasticity Test

Heteroskedasticity can be defined as a dataset with unequal uniformity across a set of other predictor variables, thus making error terms not have constant variation. The probability figure of the Chi-Square (Chi-sq) must be insignificant at 5% significant level to prove zero heteroskedasticity in the equation. From table 4.7, the probability figure of 0.6071 was insignificant at a 5% level of significant to prove zero heteroskedasticity in the equation.

Table 4.6:

Heteroskedasticity Test

Chi-sq	Df	Prob.
193.9572	200	0.6071

Source: Researchers' Estimation (2024)

4.6.2 VEC Residual Serial Correlation LM Test

It was utilized to check for autocorrelation or serial correlation in the model. Autocorrelation means that each of the independent variables is not correlated but stand on its own. The probability figures must not be significant at a 5% significant level to prove zero autocorrelation in the equation. From table 4.8, the probability figure of 0.3451 was insignificant at a 5% significant level to show zero autocorrelation in the model.

Table 4.7:

Residual Serial Correlation LM Test

Lags	LM-Stat	Prob
1	17.64507	0.3451
Probs from chi-square with 16 df.		

Source: Researchers' Compilation (2024)

4.7 Hypothesis Testing

Hypothesis One

H_{01}: Company income tax has no significant influence on sustainable economic growth in Nigeria

From table 4.6, the null hypothesis was rejected because there was a positive and significant impact of company income tax on sustainable economic growth in Nigeria in the short term basis.

Hypothesis Two

H_{02}: Petroleum profit tax does not influence Nigeria's sustainable economic growth.

From table 4.6, the null hypothesis was rejected because there was a significant positive impact of petroleum profit tax on sustainable economic growth in Nigeria in the short run.

Hypothesis Three

H_{03}: Value added tax (VAT) does not have a significant effect on sustainable economic growth in Nigeria.

From table 4.6, the null hypothesis was rejected because there was a significant and positive impact of value added tax on sustainable economic growth in Nigeria in the current period.

4.8 Discussion of Findings

Descriptive statistics were first conducted in other to determine the association among the variables. The application of the unit root test indicated that all variables were stationary at first difference. As a result, Johansen co-integration estimation was performed and the probability figures were significant to the presence of a long- run relationship among the variables in both models.

The vector error correction model was conducted and proved the long-run relationship and showed that all independent variables had short-run adjustment speed to move into the next period. Furthermore, PPT, CIT, and VAT were positive and significant in having an impact on PCI.

VAT was seen to be significant because as the final consumers bear the burden, adequate funds are made available to the government for infrastructural development, public capital expenditures, and enhance of local production can easily be funded. All these would boost the per capita income of the population through increased earnings. Egolum and Celestine (2021) opined that value added tax was a necessity to enhance government revenue in the short run and boost economic development in the long run. This was in line with the positive relationship between both variables as VAT boosts government revenue which when put to use would assist Nigeria in sustaining its economic development. Also, the government revenue when put to use would enhance infrastructural deficit and this would in turn push up local production, jack up employment rate, and increase per capita income of the Nigerian populace.

Petroleum profit tax was also significant positively due to the fact that the tax earns the Nigerian government its highest revenue. Hence, the government would have adequate earnings to carry out fiscal federalism which is the government carrying out capital expenditures in all states of the federation without leaving any state out (Isibor, Alexander, Benjamin, Godswill, Adenike, Adedoyin, and Kikiyanu, 2023). It is one of the key tax variables that boost industrial growth in Nigeria. Huge earnings from the tax would be employed to build industries in Nigeria, boost employment rate, and above all, improve the populaces' per capita income. Ewa, Adesola, and Essien (2020) stated that petroleum profit tax was needed to cater for government expenditures on infrastructure that would benefit all the populace and provide the enabling environment for business growth. All these would improve the per capita income geared towards economic development in the long run.

Finally, company income tax was positively significant in impacting the Nigerian economic development that was measured by per capita income. Edewusi and Ajayi (2019) believed that only company income tax had a significant and favorable impact on the Nigerian economy. This was because funds from the tax were utilized to repair any damage done to the environment like flooding and oil plus chemical spillage. This would assist the companies in carrying out their operations with ease and this would in turn improve the per capita income of the company workers.

5.1 Summary of Findings

5.1.1 Theoretical Findings

The findings that petroleum profit tax, company income tax, and value-added tax significantly impact Nigeria's sustainable economic growth positively confirm the benefit received theory, as the theory emphasized that payment of taxes by the citizens should be based on benefits they received from the government from the last one they paid. Hence, the government uses the tax fund to develop infrastructure, improve the environment for business function, and stabilize the economy. All these would benefit the citizens and improve their per capita income and would also motivate the populace to pay more due to the benefits they received from the tax payment.

The study findings also confirmed the socio-political theory which stated that a tax system should be established that promotes the general well-being of society. It focuses on the redistribution of wealth, social cohesion, political representation, accountability, and behaviour modification (Ogbonna & Appah, 2012). All these would boost per capita income of the populace as wealth is redistributed and this would enhance a sustained economic growth.

5.1.2 Empirical Findings

Findings from the study supported the work of Egolum and Celestine (2021) who found that value added tax had a positive and statistically significant link with economic development. They further opined that value added tax played a significant role as a growth factor in the performance of the Nigerian economy as it positively influence a sustained economic growth. This supported the study's findings.

The finding of the significance of company income tax was also in sync with the findings of the study of Ogbodo and Nweze (2021) who found that company income tax had a considerable positive influence on Nigerian per capita income. The study concluded that the success of fiscal policy in promoting the Nigeria's sustained economic growth depends on the level of

company income tax revenue receipt and the usage of such funds to improve the welfare of companies. This was in line with this study's findings.

Moreover, Solanke, Fadaka, and Ogunleye (2020) found petroleum profit tax to have a positive and significant relationship with economic growth. They believed that such tax was utilized by the government to bring about large infrastructural development and boost economic growth. This was in line with this study's findings.

5.2 Conclusion

The research established a connection between Nigeria's sustainable economic development and taxation in Nigeria. The results showed that value added tax, petroleum profit tax, and company income taxes were positively significant in having an impact on sustainable economic development measured by per capita income in the long run. This research reached the conclusion that the significance of taxation in enhancing a sustained Nigerian economic development cannot be overstated, as indicated by these findings. Value added tax in a way increases government revenue, which in turn is expended on infrastructural growth and capital expenditures. Firms benefit from the expenditures and use them to boost output, which ultimately boosts productivity and also boost the per capita income of the company workers and the populace. Petroleum profit tax gives the government the major tax receipt and funds there are used for huge capital expenditures and also control elements that affect the business environment like flooding and oil spillage. This would improve the ease of doing business indices, boost employment and job creation, an ultimately improve per capita income. Company income tax provides the government with funds to carry out public expenditures that would be beneficial to the companies who pay them and also the welfare and ultimately the per capita income of individuals working in such firms.

5.3 Recommendations

i. The government should ensure that tax funds are utilized for infrastructural and economic developmental objectives as it would facilitate Nigeria's economic development.
ii. The government should regularly arrange seminars on taxation to the general public. The education would show the people the importance of tax payment and how it can improve the people's per capita income.
iii. Tax breaks should be offered to enterprises, institutions, and people who have been compliant to tax payment. This would motivate these entities to keep paying tax as at when due. There should be a more effective

surveillance of the tax revenue by the tax regulatory bodies. This would enhance the safety and safety for the usage of tax income in Nigeria.

iv. The government should regularly review the percentage to be paid as tax by individuals and companies. The reviewed percentage should be one that would not be a burden to pay by the tax payers.

5.4 Contributions to Knowledge

The subsequent contributions are derived from the discoveries and outcomes of this study:

i. The study contributed to sustainable economic development literature by proving the importance of taxation to the development of Nigerian economy.
ii. The research contributed to existing benefit received theory literature by proving that people are motivated to pay tax once their per capita income is improved upon greatly.
iii. The study contributed to tax literature by stating that value added tax, company income tax and petroleum profit tax could be utilized together to boost Nigeria's sustainable development.

5.5 Limitation to the Study

The research data constraints and other related limitations, resulting in the analysis being limited to a 29-year period from 1994 to 2022.

5.6 Suggestion for further studies

i. Additional researchers have the opportunity to explore the same subject matter on sectoral development.
ii. Additional scholars can investigate the same topic but using other econometric techniques like regression analysis.

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