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IMPACT OF TAXATION OF THE GROWTH AND DEVELOPMENT OF AN ECONOMY: EVIDENCE FROM ZAMFARA STATE NIGERIA

MUHAMMAD USAINI [1]* & MUSTAPHA S ASHIR[2]

[1] Department of Accounting and Finance,
Federal University Gusau, Zamfara State, Nigeria.
[2] Accounting Dept, Final Account Unit, AKTH Kano.

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ABSTRACT

The research explores the effect of taxation on growth and development for the Nigerian economy's growth and development. A Federal Inland Tax Service (FIRS), State Internal Revenue Board (SBIR) and Local Government Revenue Committee case study (LGRC). Research objectives include: determining the relationship between economic growth and taxation in Nigeria, analyzing the effect of tax on economic growth and development in Nigeria, and making recommendations to improve its efficiency. The population size consists of 600 Federal Inland Revenue Service workers, the Zamfara State Board of Internal Revenue and the Gusau Local Government Revenue Committee. The primary data was collected by 60 employees chosen for the sample three (3) scale questionnaire. Tables built simply in rows were presented with the available details. The presentation of data with the simple percentage line of the research questions was analyzed. The results have shown that there is an essential correlation between economic growth and development in Nigeria. The study also revealed that there is an effect of taxation on economic growth and development in Nigeria. It was proposed that Nigeria's government should promote entrepreneurial growth as this would increase government tax revenue and decrease Nigeria's unemployment rate. For taxation to play a significant source of non-oil income, Nigeria's economy should also be constrained.

Keywords: Taxation, Growth, Development, Economy

1.0 INTRODUCTION

Anyanwu (2012) defined tax as a compulsory payment or levy levied by the government on the revenue, profit, property, resources, goods, and services of individuals and corporate bodies to maintain its expenditure on various activities government benefit to taxpayers is guaranteed. The primary objective of any developing country such as Nigeria is to ensure or initiate taxation on economic growth and development that leads to a higher standard of living to accelerate the Nigerian economy's growth (Akintoye, 2018).

Economic growth and development can be defined as the increase in the annual rate of total economic output or revenue (Poulson, 2008). Taxes are a percentage of a country's population's revenue or consumption. This has resulted in too many studies to evaluate the effects of economic growth and development and whether there is a long-term correlation between economic growth and taxation. Most studies have shown a negative correlation between economic growth and development, and taxation (Poulson 2008).

Taxation will boost capital costs and decrease investment incentives to the degree that high tax rates deter investment, adversely affecting economic growth and development (Ihenyen et al.,2014). Taxation also affects household decisions to save, supply labour and invest in human resources. Individuals substitute the activities taxed at high rates for activities at comparatively low rates. This is mainly because high tax rates lead people to decrease working hours to participate in less profitable economic activity to build the labour market, resulting in lower economic growth and development rates (Poulson et al., 2008). High taxes harm the hours worked per-self-employed in all of the sample countries, according to Dladla et al. (2018). This is the issue found in this report, and it is widespread or expensive because the economy's overall growth is hampered by the disincentive to function.

After the advent of democracy, the Nigerian economy has undergone a significant transformation. From 1999 to 2012, Nigeria achieved an average economic growth rate of 3.3 per cent per year in real terms, a remarkable increase over the average growth rate of 1.4 per cent between 1980 and 1998. (Industrial Development corporation, 2013). During and after the 2008 world financial crisis, the Nigerian tax system was robust. However, the growth rate fell far short of the 3.6% average achieved by the world economy (Industrial Development Corporation, 2013). The tax revenue collected in the fiscal year 2014 and 2015 amounted to N986.3 billion and increased by N86.3 billion (9.6 per cent); this growth was driven by personal income tax and value-added tax that rose by 13.9 per cent and 9.9 per cent, respectively [Federal Inland Revenue Service, (FIRS) 2015]. By 2012, Nigeria's gross domestic product was 77 per cent greater in real terms than in 1999, with a corresponding increase in the global economy of 90 per cent Juliana (, 2018).

Chigbu et al. (2012) argued that the economic sector maintained that both developed and developing countries' economic history shows that taxation is an essential revenue-generating government tool, which also generates fiscal objectives that affect the course of investment reduce the consumption and output of some goods and services. He noted that taxes are levied to regulate the production of such goods and services, protect infant industries, manage industry and trade, reduce inflation, reduce income inequality, and result in economic growth and development in turn. A sound tax structure that protects infant industries promotes the country's entrepreneurial development, which is vital to fostering economic growth and an economy's growth (Chigbu et al., 2012). For a tax system to work well in an economy, the following problems must be understood, according to Nzotta (2017).

i.Tax is a compulsory contribution made by the citizens to the government and general everyday use. ii) A tax imposes a general obligation on the taxpayer. iii) There is a presumption that the contribution to the public revenue made by the taxpayer may not be equivalent to the benefits received. iv) Finally, a tax is not imposed on a citizen by the government because it has rendered specific services to him or his family (Akintoye et al., 2018).

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Therefore, it is evident that a successful tax system has many consequences for any nation like Nigeria's economic growth and development process (Ogbonna et al., 2016). Musgrave et al. (2004) maintained that these impacts include the degree of public saving and the amount of money available for capital formation; the level of personal protection is influenced by both the story and the tax structure. Akintoye et al. (2018) clarified that the efficiency of resource usage could be affected by a system of tax incentives and penalties; the distribution of tax burdens plays a significant role in promoting an equal distribution of the fruit of economic growth and development, the number of capital inflows and the rate of expenditure of income from that place can be influenced by the tax treatment of investments from abroad. The pattern of taxation of imports compared to that of domestic producers affects the balance of foreign exchange.

Nwezeaku (2015) claims that these functions' reach will depend on their needs and ambitions and their ability to pay tax on the people's political and economic orientation. The degree to which a government may execute its duties depends mainly on developing tax plans and administration and the government's desire and patriotism. Nigeria's top economy is the sustainability of its economic growth and development in terms of Gross Domestic Product (GDP), the total quantity of goods and services produced within a country, typically within one year.

A research was conducted by Babatunde et al. (2017) to study the effect of taxation on the growth and development of the economy and the relationship between taxation and economic growth in Africa from 2004 to 2013. Therefore, it can be realized that tax revenue and economic development have experienced upward growth in absolute terms since the advent of democracy in Nigeria. Therefore, this study seeks to determine the effect of taxation on economic growth and development and determine whether there is a correlation between economic growth and tax in Nigeria using a simple percentage process (SPM).

The report aims, entitled The Effect of Taxation on Economic Growth and Development, to evaluate the essence of taxation and how it can be used for economic growth and development and control financial activities in Nigeria. It is not always easy for a study to easily explicitly and fully state the research problem. Still, because a clear statement of the research problem is one of the most critical components or components of the study, a researcher must state the issues satisfactorily.

This study aims to investigate how taxation in Nigeria has influenced economic growth and development. It is evident that Nigeria is one of the world's developing nations and is deeply faced with serious issues, including; i)The degree to which the link between economic development and taxation in Nigeria exists. (ii) The likely effect of tax on economic growth and development in Nigeria. Potential recommendations to increase the efficiency of tax in the economy of Nigeria.

2.0 REVIEW

2.1 Introduction

Over the years, taxes are massively understated due to improper tax administration resulting from under-assessment and inefficient collection machinery (Adegbie et al., 2016). The success or failure of any tax system depends, according to Naiyeju (2006), on the degree to which it is appropriately managed; on the extent to which the tax law is interpreted correctly and enforced.

The position and effect of taxation in fostering economic growth and development in Nigeria are not fully felt. Optimal taxation that can drive economic growth and development is not realized, primarily due to its poor administration (Abata 2014). Even after such tax measures, such as the e-payment system, tax identification number (TIN), anti-tax avoidance regulations, have been placed in place by the tax authority over the last few years, there are still significant tax challenges. These include ethical limits, low transparency, lack of taxes, tax official corruption, tax evasion and tax unit evasion, tax officials' connivance with the taxing community, high tax rates, inferior tax collection methods (Abata, 2014).

Empirical literature, however, is full of distinct and divided outcomes. Anyanwu (2012); Ogbana et al. (2016); Akwe (2014) showed positive relationships between taxes and economic growth; others, Dietl et al. (2013); Saima et al. (2014) showed negative associations. For the most part, if research empirically evaluating the relationship between taxation and economic growth have shown that the aggregate tax has harmed economic growth, some papers do not find such results. Some others, such as Essoh (2011), have proposed that these two significant variables have no critical relationship. However, we used the single ordinary least square estimation method and descriptive techniques in some studies (Okoli et al., 2017).

2.2 Federal Board of Inland Revenue

Oluba (2008), through its executive arm, the Federal Inland Revenue Service (FIRS), the Federal Board of Inland Revenue, deals with corporate bodies as well as with personal income tax for some groups of individuals: members of the Armed Forces, the Nigerian Police, citizens of the Abuja Federal Capital Territory, official and Non-Resident External Relations Citizens. This is the body constituted by and vested in the power of the Federal Government to administer the Act and to conduct all actions that may be considered necessary and reasonable for the assessment and collection of taxes and to account for all sums collected in such a manner as may be prescribed by the Federal Ministry of Finance. The board as confident reserved to powers which it shall not delegate to another person to perform, e.g. ability to acquire, hold and dispose of property of any company in satisfaction of tax or any judgment debt, power to satisfy forms of returns, claims and notice. All taxes collected by the Federal Inland Revenue Service go to the Federal Government.

2.3 State Board of Internal Revenue

World et al. (2012) proposed that the State Board of Internal Revenue collects taxes from individuals and partnerships living in the states through its operating arm, the State Internal Revenue Service. Collected taxes go to the state government. Defined taxes, levies and fees are collected from individuals and businesses residing in the local government area by the local government revenue committee.

2.4 Joint Tax Board

Because each State has its Internal Revenue Board to supervise the administration and collection of personal taxes, it is beneficial for the central body to resolve disputes between states regarding individuals' residence and income tax claims. An agency called the Joint Tax Board is responsible for this responsibility (JTB). This agency was established under the Income Tax Management Act 1961 under section 27(1) as amended. Under the 1993 Personal Income Tax Decree (PITD), its primary role is to organize and foster cooperation in implementing federal and state tax laws. The Joint Tax Board (JTB) is led by the Executive Chairman of the Inland Revenue Federal Board, who also serves as the Chairman of the Board of Directors. Per State of the Federation shall appoint a Member through the Commissioner responsible for the State's income tax. The presidents of the State Inland Board of Revenue typically serve their respective states. The secretary of the board must be named by the Commission of the Federal Public Service. In income tax matters, he must be an accomplished senior officer. Another member who should always be present at the JIB meeting is the board counsellor.

However, the Joint Tax Board (JTB) is the apex unifying authority for all tax authorities in Nigeria. In particular, this board, which has been created, among other things, to serve as the adjudicating body, addresses the common problems and disputes that occur between tax authorities (Oluba 20008).

2.5 Tax Laws and Economic Development

Musa et al. (2016) argued that laws and policies on economic and social growth provide the foundation for successful state action that lifts society from underdevelopment and raises living standards and facilities for achieving millennium development goals. Nigeria is in desperate need of a solution to its obstacles to growth. Strong legislation that is well followed will lead to addressing these challenges. In this case, the first thing to do is review the enforcement of the laws listed, such as the corporate income tax, the Petroleum Income Act and the Tax Reform Act. The second thing is to get the legislative committees and ministers relevant in enforcing the legislation, departments and organizations concerned to consider their respective stewardship/roles. In its research on the Nigerian tax system's productivity, Abiola (2002) notes a satisfactory degree of the tax system's productivity before the oil boom. Some laxity in the management of non-oil revenue streams, such as the business income tax, was promoted by the advertising for the oil boom, which was pretty rectified with the start of the structural adjustment program. The report highlights the urgent need to develop the tax information system to strengthen the tax system's efficiency in Nigeria and promote adequate macroeconomic planning and implementation. Abata (2014), the Executive Governor of the State of Zamfara, claimed that, whether in its strategy and formulation, legislation or administration, the tax system as a whole is an embodiment of debate and controversy. Similarly, the tax system's goals are multi-dimensional, like revenue production, allocation of capital, fiscal instruments to promote economic growth and development, social functions such as redressing the drift of rural-urban populations and make everyone a responsible citizen of society. Section 27 of the Income Tax Management Act of 1961 established the Joint Tax Board in tax law to harmonize its tax administration. It should be understood that the tax system is one of the most productive sources of income and that it helps to build an atmosphere conducive to economic growth and development. However, the strength of the tax system would rely heavily on the tax measures and policies adopted. Adegbie et al. (2011) viewed promoting ambition, rewarding success, promoting private savings and investments needed to build new employment, and sparking entrepreneurship spirit among citizens. The primary role of the tax system should also be the management of Nigeria's economy. Taxes should be directed mainly at establishing a suitable climate for economic growth and development. According to the conventional Keynesian theory, one of the most productive ways to do this is to adopt taxes that influence consumption and demand. The idea is that taxes should be used as a deflationary weapon. We are likely to import the more significant percentage of prevailing inflation from abroad as a developing economy with a limited, inadequate internal productive capacity; we will need to curb imports using taxes where circumstances warrant.

Furthermore, taxes should be used selectively to induce and facilitate Nigeria's backward zone's nationally beneficial economy. Abata (2014) argued that tax incentives must be granted and framed to ensure that businesses' underlying purpose of growing economic growth is carried out. If the tax concession is to be avoided by the tax authorities, only after-tax loopholes can manoeuvre the agile tax player.

The United Nations 2010, Expert Group) noted that tax revenue contributes significantly to growth. Therefore there is a need to streamline a national tax system to ensure maximum tax revenue through equal and fair distribution of the tax burden. In most developing countries, the stark reality is that there is little space for extra tax revenue to increase. At the same time, there is extreme fiscal pressure due to the ever-increasing demand for government spending. Non-compliance concerns for corporate individuals emerge from technicalities and tax evasion, inadequate record-keeping and cash transactions.

Desai et al. (2004) suggested that governments have several tax instruments at their disposal that can be used to fund their operations alone or in concert. These tax alternatives include payroll taxes on personal and corporate income, sales taxes, value-added taxes, taxes on capital gains and many others. It is not unusual for a nation to concurrently implement all of these taxes. Usually, the government is informed by their views of the impact of taxes on investment and economic growth, including foreign direct investment, in deciding what tax tools to use and what rates to implement (FDI) they began with comprehensive empirical studies that high corporate income tax rates are correlated with low FDI levels. The empirical findings suggest that high corporate income tax rates are related to multinational organizations' reduced foreign direct investment.

2.6 Empirical Framework

There have been many empirical studies on the effect of taxes on economic growth and development. Okafor (2012) analyzed the impact of income tax revenue on Nigeria's economic growth given by the gross domestic product (GDP). Different scholars have investigated the relationship between indirect taxation and economic development. Anyanwu (2012), Nishiyama et al. (2005), Gallemore et al. (2014) and Arnold et al. (2019) 's empirical studies were used as the basis for various interpretations of economic growth and development taxes. Nishiyama et al. (2005), a broad sample of countries and use of evidence from micro-level surveys of labour supply, investment demand, and productivity growth in their study of taxes and economic development of the U.S. economy. Their outcome indicates moderate impacts on growth rate disparities in the order of 0.2 to 0.3 percentage points in reaction to a significant change. They suggested that such minor marks can have a significant cumulative effect on the standard of living. In their research on the economic growth and tax adjustments in OECD countries from 1980 to 1999, Mohamed (2017) show that economic growth calculated by GDP per capita has a substantial influence on the tax mix of GDP per capita. It has been demonstrated that while personal and property tax shares have reacted positively to economic growth, there has been a relative decline in payroll and goods and services tax shares. In their report, Arnold et al. (2019) found that short-term recovery requires demand increases, whereas long-term growth requires supply increases. As short-term compromises can be difficult to undo, this means that long-term development may be undermined by policies to alleviate this crisis.

Adam et al. (2010) empirically determined, according to the Umoru et al. (2013) report, that direct tax policy is a stimulant of economic growth, and Barry (2019) have found that direct taxes harm economic growth in the United States. Margalioth (2003) stated that in endogenous growth models, direct taxation is harmful to development. Tosun et al. (2020) noted that economic growth reacted positively to the share of personal income tax. MC Carten (2015) found that Pakistan's actual GDP growth was stimulated by the ratio of direct tax to GDP and the percentage of direct tax to the total tax. Tosun et al. (2020) claimed that corporate income taxes and personal income taxes are the most damaging to growth. Using cross-country data, Lee et al. (2015) found that statutory corporate tax rates are substantially and negatively associated with cross-sectional differences in average economic growth rates that influence other economic growth determinants. Djanker et al. (2012) found that the personal income tax had a significant negative impact on production growth.

Empirically developed as a rise in the share of taxes from personal taxable income, Scarlett (2017) has the most significant damage over time to per capita GDP. It will take up to nine years to correct equilibrium from such an effect. Arnold et al. (2019) discovered that with marginal tax rates higher than their average rate, personal income taxes are progressive with the implication of discouraging savings and labour supply. The effect of the direct-indirect tax structure on economic growth in Turkey was evaluated by Ahmad et al. (2018). Their study's empirical conclusion holds that direct taxes do not have a substantial impact on economic development. Aamir Qayym et al. (2001) have reported a significant effect of direct taxation on India's overall income.

Le et al. (2009) indicated that an increase in indirect taxation decreases economic growth more than direct taxation does as opposed to direct taxation. Aamir et al. (2001) found that rising revenue from indirect taxes in Pakistan is more conducive to long-term economic development. This added value was discovered in Nigeria by Ajakaiye (2009). Romer et al.

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(2010) concluded in a broader analysis that progressive taxation provides policymakers with the ability to implement counter-cyclical fiscal policies that drive economic development. Specifically, they believe that only when compliance and implementation procedures are successful can VAT increase growth. The most effective tax for developing countries is one that raises the most significant amount of revenue least expensively and disproportionately, according to Bird (2003). He described the VAT based on the board as an ideal tax that fits the situation. Emran et al. (2015) argued that the recent resolution favouring the gradual decrease and eventual abolition of VAT sales taxes as an indirect tax instrument in developed economies is troubling. According to him, it is based on a fragile outcome resulting from an incomplete model relegating those involved in the informal sector.

From the disaggregated empirical analysis, research on the effects of direct taxation on economic growth was found to be split into two opposing viewpoints, with the majority inclined to the detrimental impact of indirect tax on economic growth. There is, on the other hand, a consensus that indirect taxation increases productivity.

3.0 THEORETICAL FRAMEWORK

Two primary schools of thinking, the Traditional Economic School and the Modern School should understand taxation on economic growth and development. Mintz et al. (2005) summarized opinions in the conventional economic school in the work of Slemrod (2003) that while keeping other growth determinants stable, Low tax rates and the correlation between low government expenditure and higher growth. This means that the higher the marginal tax rate, the more likely it is for higher-income taxpayers to devote extra time from productive tasks to leisure activities. On the other side, the modern school revealed that higher marginal tax rates contribute to longer-term economic growth as the government will secure higher taxes that will improve the economy when invested in its education and infrastructure development (Bonu et al.,2009).

Marginal tax rates are especially significant from the economic theory point since they influence people's incentives to gain more money. As a result, as marginal tax rates rise, people can maintain less of their extra earnings. Although economic theory predicts that marginal tax rates would have a negative relationship with economic growth and development, it also suggests several factors that complicate the measurement of the connection (Ogbanna et al., 2012). Such variables include, according to Dreher (2006), the following: first, there is such a gap between the short-run fee response at marginal rates that an increase in marginal tax rates decreases the supply of labour and capital, which appears to slow down the growth of actual gross domestic product (RGDP). The short-run answer can be a deceptive predictor of what will happen in the long run since this reaction is expected to take time. In the long term, the labour supply response would be smaller in the short run. Second, the relationship between marginal tax rates and GDP growth may have weakened, given that GDP statistics frequently fail to display the negative effect of market distortions accompanied by high marginal tax rates. Even if these costs outweigh the value derived by the consumer, GDP records the expenditure and prices of goods and services provided. Third, the relation between the marginal tax rates and GDP growth may also be weakened by the government spending trend. High marginal tax rates are levied in most countries to derive

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income for subsidized social insurance networks such as child care programs, retirement benefits and unemployed payments (Hammar et al., 2009).

Tax proposals typically have a more significant influence on the highest tax brackets, where adjustments in tax rates have the most significant effect on both labour supply and tax avoidance activities (Clark., 2008). Besides, as the laffer curve description shows, it can drive marginal tax rates so high that they will decrease the tax's income. Marginal tax rates are above the highly inefficient and wasteful general maximum profits since they reduce gross production and government revenue. Tax rates close to the total amount of income, on the other hand, are often highly inefficient because when the rate rises towards the maximum point of payment, higher tax rates can squeeze out vast amounts of trade profits compared to additional income because the most severe side effects of taxation are costly. The analytical results of this analysis will verify this.

4.0 METHODOLOGY

The study population consists of Zamfara District, Zamfara State Internal Revenue (SBIR) and Local Government Revenue Committee (LGRC) staff of the Federal Inland Revenue Service (FIRS), Gusau Local Government Council, ranging from senior staff of their taxation department. The researchers selected the organization's population of six hundred (600) workers. The sample size is the population's selection method for the process of clarification. The sample can be identified as a group of items for analysis taken from the people; the sample size is 60 for Federal Inland Revenue Service (FIRS), Zamfara State Board of Internal Revenue (SBIR) and Local Government Revenue Committee (LGRC) employees, each comprising 20.

For this study, choosing an acceptable sample will follow the Roscoes rule of thumb, using at least 10 per cent to select an appropriate model for behavioural research.

This research work involves explaining the source or tool used, based on which the argument for the outcome of the study would be based, the pattern of responses, the sample size and sampling process, the nature of the questionnaire and the data analysis system on the internet. For this research, questionnaire, interview and observation are the essence and method.

5.0 DATA ANALYSIS

Compared to other methods, the elemental percentage used to interpret the data methodology is very simple, less complicated and precise. It is a mathematical measurement carried out with raw data to provide answers to questions, like studies. In line with the research questions, analyzed the data with a simple percentage. To assess respondents' answers, using the following parameters. Yes, No and No idea.

5.1 The scale was analyzed with the simple percentage using the formula

$$\frac{\text{Number of respondents}}{\text{Number of sample x}} \quad \frac{100}{1}$$

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6.0 ANALYSIS AND DISCUSSION

6.1 Introduction

Data from the Federal Inland Revenue Service (FIRS), the State Board of Internal Revenue (SBIR) and the Local Government, the Revenue Committee were obtained from the data used in this study to analyze taxation's effect on the growth development of an economy in Nigeria.

Data analysis is provided using a simple percentage and narration answer in tabular form. This is to promote the responses of the participants. Gave a total of sixty (60) copies of the questionnaires to the staff of the Federal Inland Revenue Service, the Zamfara State Board of Internal Revenue and the Gusau Local Government Revenue Committee, of which (50) copies representing (83%) of the questionnaire were correctly completed and retrieved. In comparison, they did not retrieve three (3) documents representing 5%.

The remainder, however, is the product of socio-economic questions presented to the respondents and the discussion of data analysis of responses from the fifty (50) responses duly completed, completed and retrieved via the research tools adopted.

Distributions and return of the questionnaire

Table 1a

Section of Population	Number of Questionnaire issued	Number of questionnaire returned	Percentage (%)
FIRS	20	18	36
ZSBIR	20	17	34
LGR	20	15	30
Total	60	50	100

Source: Field Survey, 2018

Analysis of data

Question 1: Sex of respondents

Table 1

Response Option	Number of Respondent	Percentage (%)
Male	47	94
Female	3	6
Total	50	100%

Source: Field Survey, 2018.

The respondents 47 respondent representing 94% were male, while only 3 of the respondents representing 6% were female.

Question 2: Educational Qualification?

Table 2

Response option	Number of respondent	Percentage (%)
WAEC/GCE	8	16
HND/BSC	30	60
OTHERS	12	24
Total	50	100%

Source: Field Survey, 2018

Based on the above analysis of data on educational qualification respondents shows that 8 respondents representing 16% has WAED/GCE, 30 respondents representing 60% were HND/BSc holder, while 12 respondents representing 24% with other qualification.

Question 3: Do you pay tax?

Table 3

Response option	Number of respondent	Percentage (%)
Yes	47	94
No	0	0
No Idea	3	6
Total	50	100%

Source: Field Survey, 2018.

The data above shows that 47 of the respondents representing 94% affirmed that they do pay tax while 3 respondents representing 6% said no idea.

Question 4: How effective do you pay tax?

Table 4

Response option	Number of respondent	Percentage (%)
Effective	6	12
Not effective	12	24
Very effective	32	64
Total	50	100%

Source: Field Survey, 2018.

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In response to the question only 6 of the respondents represents 12% effective, 12 representing 25% said not effective while 32 of the respondents representing 64% pay their tax very effective.

Question 5: Do you know that without tax, there will be no economic growth and development?

Table 5

Response option	Number of respondent	Percentage (%)
Yes	40	80
No	3	6
No idea	7	14
Total	50	100%

Source: Field Survey, 2018

The above table shows that 40 respondents representing 80% agreed that without tax there will be no development and there will be no economic growth in the country. While 3 respondent representing 6% disagreed with the idea, and 7 respondent representing 14% said they have no idea to the question.

Question 6: Do you think that impact of taxation can help in economic growth and development in Nigeria

Table 6

Response option	Number of respondent	Percentage (%)
Yes	35	70
No	4	8
No idea	11	22
Total	50	100%

Source: Field survey, 2018.

Responding to the question above, 35 respondents representing 70% were in view that impact of taxation can help in economic growth and development in Nigeria. While 4 respondents representing 8% disagreed and 11 of the respondents representing 22% have no acknowledgment.

Question 7: Can you now say that tax can be used as a tool for economic growth and development?

Table 7

Response option	Number of respondent	Percentage (%)
Yes	37	74

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No	4	8
No Idea	9	18
Total	50	100%

Source: Field Survey, 2018

Responding to the question 37 respondents representing 74% believes that that can be used as tool for economic growth and development, hence 4 respondents representing growth and development, hence 4 respondents representing 8% does not believe, and 9 respondents representing 18% have no idea.

Question 8: Does a tax consideration have a significant impact on the economy?

Table 8

Response option	Number of respondent	Percentage (%)
Yes	32	64
No	8	16
No idea	10	20
Total	50	100%

Source: Field survey, 2018.

From the above data 32 of the respondents representing 64% agreed that tax has no significant impact on the economy, while 8 respondents representing 16% disagreed and 10 respondents representing 20% said no idea.

Question 9: At what rate do you think tax can influence the price of commodity?

Table 9

Response option	Number of respondent	Percentage (%)
20%-44%	20	40
45-69%	20	40
70% and above	10	20
Total	50	100%

Source: Field Survey, 2018.

Responding to the above question 20 respondents representing 40% believe that tax can influence the price of a commodity by 20%-44% also 20 respondents representing 40% adopt 45-69% while 10 respondents said 70% above.

Question 10: Is there any relationship that exists between taxation and economic growth and development?

Table 10

Response option	Number of respondent	Percentage (%)
Yes No No idea	33 4 13	66 8 26
Total	50	100%

Source: Field Survey, 2018.

From the table above, 33 of the respondents representing 66% says there is relationship between taxation and economy growth and development, 14 respondents representing 8% says no, while 13 of the respondents representing 26% said they have no idea to the question.
Question 11: Can we now say that, there is significant impact of tax in a rapid raised in price on revenue and expenditure?

Table 11

Response option	Number of respondent	Percentage (%)
Yes No No idea	39 2 9	78 4 18
Total	50	100%

Source: Field Survey, 2018.

From the above data shows that 39 of the respondents representing 78% believes that there is significant impact(s) of a rapid rise in price on revenue and expenditure while 2 respondents representing 4% do not believe in that aspect and 9 of the respondents 18% have no idea.

Table 12

Response option	Number of respondent	Percentage (%)
Bad Fair Good	42 8 0	84 16 0
Total	50	100%

Source: Field Survey, 2018.

From the data above, 42 respondent representing 84% said their view on taxation to the poor masses is bad, 8 respondents representing 16% said it fair while no respondent say the view on taxation to the poor masses is good.

Question 13: In considering the poor masses, which forms of tax policy should be adopted?

Table 13

Respondent option	Number of respondent	Percentage (%)

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Progressive tax	25	50
Proportional tax	10	20
Regressive tax	15	30
Total	50	100%

Source: Field Survey, 2018.

From the above date 25 respondent representing 50% agreed in progressive tax, 10 of the respondents representing 20% agreed in proportional tax, while 15 respondents representing 30% agreed in regressive tax.

Question 14: Do you believe that tax can breach the gap between the rich the poor?

Table 14

Respondent option	Number of respondent	Percentage (%)
Yes	35	70
No	5	10
No idea	10	20
Total	50	100%

Source: Field survey, 2018.

Responding to the above question 35 (70%) of the respondents are view that tax can breach the gap between the rich and the poor, 5(10%) of the respondents do not agreed and 10(20%) of the respondents said no idea.

Question 15: Do you think tax can be used to regulate the economy?

Table 15

Respondent option	Number of respondent	Percentage (%)
Yes	42	84
No	2	4
No idea	6	12
Total	50	100%

Source: Field Survey, 2018.

From the above data shows that 42 of the respondents representing 84% is in view that can be used to regulate the economy, while 2 respondents representing 4% disagreed and 6 of the respondents representing 12% said no idea.

Question 16: Apart from the economy, is there any other ways in which tax can be useful.

Table 16

Respondent option	Number of respondent	Percentage (%)

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Yes No No idea	46 1 3	92 2 6
Total	50	100%

Source: Field Survey, 2018.

From the data, 46 of the respondents representing 92% believes that there is any other way tax can be useful, 1 of the respondents representing 2% disagreed and 3 of respondents representing 6% said no idea.

Question 17: Can we now say that taxation is an instrument of re-distribution of the wealth between the rich and poor?

Table 17

Respondent option	Name of respondent	Percentage %
Yes No No idea	41 5 4	82 10 8
Total	50	100%

Source: Field survey, 2018.

Responding to the above question 41 (82%) of the respondents agreed that taxation is an instrument of re-distribution of the wealth between the rich and poor, 5(10%) of respondents disagreed while 4(8%) of the respondents have no idea to the question.

7.0 CONCLUSION AND RECOMMENDATION

This research is intended to assess the effect of taxes on Nigeria's economy's growth and development. The Federal Inland Revenue Service (FIRS), the State Board of Internal Revenue (SBIR) and the Local Government Revenue Committee (LGRC) are the respective State and national tax authorities.

This study's primary purpose is to establish the relationship between economic growth and taxation in Nigeria and economic growth and development in Nigeria. The following description is focused on the results and interpretation of the method of this research:

The finding indicates that the Federal Inland Revenue Service (FIRS) efficient management has increased its revenue in recent years, thus growing economic growth and development. This means that the crucial positive relationship between the tax on non-oil income and the Nigerian economy's story has been positive.

It also shows that successful system management and control helped track and accurately assess revenue for economic development. It shows that the agent (FIRS) reflects the peak of the country's economy.

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The State Board of Internal Revenue (SBIR) key results indicate that, relative to the previous years, there was a considerable increase in the framework because there was a strong connection between investment growth and fair trading in the State of the research report. It also indicates that the State of the research study showed that there was an absolute decrease in corruption and embezzlement.

Finally, the Local Government Revenue Committee (LGRC) results show that, as reported in the State Board Internal Revenue as above, expenditure has increased, which has a negative return to said LGRC. General findings show a dual causality between company income tax and gross domestic product, meaning that granger company income tax (CIT) causes domestic product (GDP) and GDP.

Tax policies have a significant impact on the production of revenue. However, the administration of personal income tax on states has been discovered to be ineffective in achieving the overall objective of growing income produced internally. Its scope of payment has not been completely exploited. The finding also showed an essential connection between taxes and the development of the Nigerian economy. The result also showed a very positive and critical relationship between the tax revenue components and the Nigerian economy's growth. These results were also endorsed by Akwe (2014), who analyzed the effect on economic growth and development in Nigeria of non-oil tax revenues.

7.1 Recommendation

The following suggestions are proposed by the researchers he believes would assist in developing the Nigerian economy to represent an improvement in living standards and economic growth.

The government should ensure that taxation is correctly handled by the Federal Inland Revenue Service (FIRS) to accelerate economic growth, reduce inflation, and generate jobs in the region. The state government should investigate the other ways to raise revenue by providing state-owned companies. To ensure more money for their local transparency, local councils should provide a more robust oversight committee.

To meet the demands of the 21st century, it is also essential for the Nigerian government to restructure the tax system. There is a reform of the state government's tax scheme and local government as well.

Nigeria's federal government should support business growth as the study indicates that corporate income tax raises gross domestic product, which will decrease. In Nigeria, the unemployment rate and government dependency on paying workers would boost government revenue from corporate income tax. The state government should also foster the growth of entrepreneurs to increase state-owned investment. The local government should promote entrepreneurs' growth in other small and medium-scale businesses (SME).

Adequate infrastructure and essential services such as electricity, good water, good roads, etc., should be given, as this will increase tax payment compliance for citizens. It should also provide adequate provision of infrastructure and essential services to increase investment in the State. The local government should also offer good routes to enable rural dwellers to carry agricultural products to boost economic development.

The government of Nigeria should ensure that taxation is handled correctly to accelerate economic development, lowers the rate of inflation, and creates jobs. It should also ensure that state and local governments adequately address taxation.

At the beginning of the very financial year, FIRS, SBIR, and LGRC notices of tax returns should be sponsored by handbills and posters written in local languages such as Hausa, Yoruba, Igbo and others also to allow the remaining civil liability of illiterates.

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