Impact of Tax and Non-Tax Revenue on Nigerian National Development (1991–2020)

*Sadiq, A.I. & Durowaiye, O.O.

Abstract

This study expanded its focus to include the Federal Inland Revenue Service in Nigeria in order to examine if tax revenue contributed more to Nigerian national development than non-tax revenue. An ex post facto research design was used in the study. Data from the Federal Inland Revenue Service report, 2020, and the Central Bank Statistical Bulletin, 2020, were utilized as secondary sources. The Ordinary Least Squares (OLS) method was used in the investigation. The outcome demonstrated that external grants and sales of public property are statistically inconsequential. Value Added Tax, Company Income Tax, and Petroleum Profit Tax are statistically significant. The analysis disproved the null hypothesis (H0), according to which the overall estimate has a good fit and our independent variables are both concurrently significant. This implied that tax and non-tax revenue had a favorable and significant impact on Nigerian national development. However, the study suggested that there should be more openness on the part of the government regarding the use and management of tax resources in order to offer tax payers more confidence in its implementation.

Keywords: Company Income Tax, External Grant, Petroleum Profit Tax, Real Gross Domestic Product, Sales of Government Properties, Value Added Tax

Word Counts: 177

**Lecturer, Department of Taxation, The Federal Polytechnic Ilaro, Ogun State*
Co-Author's Email Address: *aderibigbe.sadiq@federalpolyilaro.edu.ng.*

***Lecturer, Department of Taxation, The Federal Polytechnic, Ilaro, Ogun State*
Correspondence Author's Email Address: *oluwatobiloba.durowaiye@federalpolyilaro.edu.ng.*

1.1 INTRODUCTION

Through resource allocation, income distribution, and economic stabilization, governments all over the world aim to achieve macroeconomic advancement. Government uses both fiscal and monetary policy to accomplish this. The fiscal strategy leverages tax revenue and government spending to promote national growth. Despite the fact that taxes account for a sizable amount of the national government's income, raising funds from non-tax sources serves the dual purposes of creating a logical framework and producing funds to support greater expenditure. The importance of non-tax revenue is now acknowledged in the context of revenue shortfalls (Mohanty, 2014). James and Moses (2012) argued that the most developed countries, such as African countries have had access to natural resources to succeed because of a well-designed tax system that makes use of non-tax revenue such as sales of government properties, interest on loans, fees and fines, royalties, external grants, dividend and profit from government parastatals, petroleum license, broadcasting fees, road, toll and bridge user charges,

police services, and electricity. Therefore, in exchange for supplying and facilitating any commodities or services for national growth, the government obtains non-tax money. With a score of 0.539 on the 2020 Human Development Index, the nation is rated 161 out of 189 and falls into the poor human development category (UNDP Statistical Update, 2018). Nigeria's HDI score improved by 14.4% from 1990 to 2020, from 0.465 to 0.539 between 2005 and 2020.

Taxes levied by the government are not a recent development. Government-imposed taxes are not a recent phenomenon. To improve tax administration and increase tax income, the Nigerian government has amended a number of its tax laws. The Value Added Tax (Amendment) Act of 2007 aims to, among other things, enhance the tax's base and means of collection. The 2007 Company Income Tax (Amendment) Act, the 2007 Federal Inland Revenue Service (Establishment) Act, and the 2004 Petroleum Profit Tax (Amendment) Act all have the objectives of promoting tax compliance and boosting tax yield (Aguolu, 2014). In truth, taxation has ceased to be solely for the purpose of raising money for the state. It has additionally become a vehicle for wealth redistribution and economic rebalancing. Taxation is important for national development since it provides funds for government spending. Without a doubt, the economy's historically low revenue creation has been the bane of national progress. Since then, the government's expectations for tax and non-tax revenue contributions have not been met. In light of this, the paper examines how tax and non-tax revenue affects the development of Nigeria.

Several studies has been conducted in relation to tax revenue and national development such as Uket, Wasiu and Etim (2020); Dagwom and Aminat (2019); Salizi and Squire (2018); Apere and Durojaiye (2016); (Onaolapo, Fasina & Adegbite, 2013) among others. From the study aforementioned above, the present study is conducted since there has been a contradiction in the sample size, variables, method of data analysis and findings of the study from the previous studies which shows inconclusive and mixed results on the studies carried out and most studies could not utilize the combination of the tax revenue and non-tax revenue proxies to determine national development in an economy. As a result, the current study's objective is to assess tax revenue and non-tax revenue for the thirty (30) years that cover the years 1991 through 2020. Among the tax revenue factors considered in the study are corporate income tax, value added tax, sales of government properties, and outside grants. Therefore, the study must evaluate how tax revenue and non-tax revenue affect Nigeria's overall economic growth.

2.1 LITERATURE REVIEW

2.1.1 Conceptual Framework

Tax revenue is a non-returnable levy to the government made by private institutions, companies, or groups. It could be implemented in accordance with wealth or profits, or as a price increase to raise money and impose a production cap on a certain good (Fagbemi, 2017). In addition to being a tool for fiscal policy, it is one of the government's biggest sources of income. According to a United Nations group expert who stated this in 2010, a nation's tax structure needs to be streamlined in order to guarantee the accomplishment of optimal tax revenue through equal and fair distribution of the tax burden. According to some, tax revenue significantly encourages development. The Petroleum Profit Tax Act (PPTA) governs the Petroleum Profit Tax. The tax, which is levied against the earnings of companies engaged in petroleum operations, is administered under the direction of the Federal Inland revenue Board. According to Attamah (2014), the Petroleum Profit Tax is the most significant tax in Nigeria in terms of its contribution to overall income, accounting for 95 and 70 percent, respectively, of government revenue and foreign exchange profits. It is required to pass "an Act to impose a tax upon

profits from the winning of Petroleum in Nigeria, to provide for the assessment and collection thereof and for purposes connected therewith" according to the Petroleum Profits Tax Act (2004), which was further changed in 2007 (Jakir, 2011). The execution of the corporate income tax is one of the taxes levied in Nigeria in compliance with constitutional criteria. Taxes are placed on people either individually, in groups, at places of business, or as corporate organizations, claim Chigbu and Njoku (2015). The government uses the funds raised to uphold the nation's stability, safety, economic expansion, and development for the benefit of its citizens. At every level of the purchasing process, the final consumer of the good or service is obligated to pay VAT, a consumption tax. Each person is required to charge and collect VAT at a flat rate of 5% on all invoiced amounts on all goods and services that aren't exempt from paying VAT in accordance with the value added tax Act of 1993, as modified. Both tax and non-tax instruments are used by governments to generate revenue; non-tax sources include all forms of income that are not obtained by paying taxes. Due to the various issues facing the continent today, such as dwindling official development assistance, rising debt levels, limited domestic resource mobilization skills, inadequate financial management, and systemic corruption, non-tax revenue is more important than ever. According to projections, significant financial resources will be needed to alter Africa's economy and implement the 2030 Agenda for Sustainable Development (UNDP, 2018). Compared to tax instruments, non-tax revenue instruments are far more diverse. Government engagement in joint ventures with private operators, royalties, royalty fees, income from government holdings in state-owned firms and stock investments, sovereign wealth funds, and other examples are a few. Revenue is needed to pay the planned expenditures that are economically oriented in order to attain national development objectives (Fagbemi, Uadiale, & Noah, 2015). Growth and national development are two separate economic concepts that are frequently mixed up. The process through which a country's Gross National Product (GNP) per capita increases over a very long period of time, both qualitatively and quantitatively, is referred to as economic development by Harelimana (2018).

2.2 Theoretical Framework

Adams Smith introduced the ability to pay theory of taxation in 1776. One of the most well-known and widely accepted tax theories is the one that permits individuals to pay taxes to the government in accordance with their status as individual tax payers (Otu and Theophilus, 2011). In his book "the wealth of a nation," author CicilPigou made the initial suggestion, which was later expanded and made popular in 1877. Jean Jacques Rousseau, a Swiss philosopher, is credited with creating the notion in the 16th century, namely between 1712 and 1778, according to Jones and Rhoades (2011). Rousseau was later given credit for refining the thesis scientifically. The benefit principle theory was created after the ability to pay theory. The benefit theory of taxation was specifically developed in the seventeenth century by the English philosophers Thomas Hobbes (1588-1679), John Locke (1632-1704), and Dutch jurist Hugo Grotius (1583-1645) (Otu & Theophilus, 2011). According to this theory, taxes should be levied on individuals in proportion to the social services that they would otherwise receive from the government, with a heavier tax burden applied to those who stand to gain the most from these programs. Following empirical studies on the correlation between per capital income and the proportion of the labor force employed in non-agricultural businesses, the Zimmerman theory was created. The non-agricultural sectors (industry, services, commerce, recreation, etc.), according to Eric Zimmerman's 1933 idea, must improve for economic development to occur (Zimmermann, 1933). The modernization paradigm was devised by Talcott Parsons in 1902 using the modernization thesis, which was first proposed by German sociologist Max Webber in 1864. The approach examines a nation's internal dynamics while presuming that, with aid, "traditional" nations can be driven toward development similarly to more advanced

nations. In an effort to understand how civilizations change, modernization theory looks for the social elements that influence society development and advancement.

2.3 Empirical Review

Using recently released macrodata, in 2019, Kaisa, Mika, and Jukka looked into how Finland's value-added tax implementation affected income disparity and tax collections. Instrumental variable analysis with traditional nation fixed effect regressions, which simulate the implementation of the VAT using historical data from other countries' VAT systems, are included in the analysis. The most recent World Income Inequality Database (WIID) report is where the data on inequality is taken from. The VAT variable is instrumented, and the equation is examined using both a fixed effects ordinary least square model and a fixed effects instrumental variable (IV) model. Instrumentation is necessary since the dependent variable and VAT adoption may be impacted by unobservable factors. Contrary to past research, the data show that the VAT's revenue impacts have not been favorable. According to the findings, the introduction of the VAT had no effect on consumption disparity, but it did raise income-based inequality.

An empirical research of the effects of taxes on specific macroeconomic aggregates in Spain from 1996 to 2016 was done by Vera, Branimir, and Jelena (2017). The purpose of this research is to ascertain how taxes impact the macroeconomic foundations of the Spanish economy. The study considers both social contributions and the results of direct taxes like the income tax on individuals, the corporate income tax, and the property tax. Contrarily, the primary macroeconomic drivers and current dependent variables in defined models include inflation, investment, gross domestic product (GDP) per capita, unemployment and government spending. The results of the defined model demonstrate that the growth of tax revenue, personal income tax, property tax, and social security payments has a considerable impact on GDP per person. The impact of business and individual income taxes on governmental spending, investment, and employment is also significant. Research indicates that personal income taxes have a more significant impact on government investment and spending than corporate income taxes. The fact that indirect taxes have a stronger relationship with inflation than direct taxes can also be used to explain why the current tax system has little impact on inflation.

The factors that affect Jordan's tax revenues (TXR) were discovered by Ali (2021). The ARDL Long Run form, ARDL Error Correction regression, and ARDL Bound test for co-integration were employed in the study, which covered the years 1990–2019, to assess the study hypotheses. The industrial sector, the fiscal deficit, public spending, and trade openness in Jordan have a long-term relationship, based on the results of the bound test and co-integration equation (CointEq1). The results of the analysis demonstrated that government spending, the budget deficit, and per capita GDP all had positive long-term benefits on tax receipts. However, foreign aid sharply lowers tax receipts. Economic openness and value addition have a good effect on tax collections in the short term, but not much in the long term. The findings indicate that factors other than industrial sector value addition and economic openness that are better long-term predictors of tax collections are the fiscal deficit, government spending, per capita GDP, and foreign aid. But these variables are good short-term predictors of tax collections in the near future.

Using annual time series data spanning more than 30 years, from 1989 to 2019, in 2020, Joseph, Mahmoud, and Nurudeen investigated the relationship between Nigeria's taxation practices and economic expansion. The dependent variable was Economic Growth (GDP), and the independent

variables were Companies Income Tax (CIT), Value Added Tax (VAT), and Personal Income Tax (PIT). Regression analysis was the method of choice for the study. The results demonstrate that value added tax, personal income tax, and corporate income tax have a considerable and favorable impact on Nigeria's economic development. According to Uket, Wasiu, and Etim (2020), tax revenue affects the path of the Nigerian economy. The influence of value added tax, income tax on corporate profits, and income tax on petroleum company earnings was examined between 1994 and 2018. Economic growth was measured as an increase in the gross domestic product (at current base prices). With SPSS 20.0, the study used the Ordinary Least Squares statistical method. With a coefficient of determination of 99.2%, the study discovered a significant association between the examined tax income streams and the variation in economic development. The study also demonstrated that taxes on corporate profits and the value added tax significantly affect Nigeria's GDP growth, whereas taxes on the profits of oil companies have little to no effect.

Festus, Appollos, and Olalekan (2020) investigated how non-oil taxes affected Nigeria's economic growth. Ex post facto research design was employed in the study. The National Bureau of Statistics and the CBN statistical bulletin were used to compile 76 observations of macro data spanning the years 1994 to 2017. The materials had already been given to the appropriate regulatory organizations for assessment. The descriptive and inferential statistics employed to analyze the data made use of multiple regressions. According to the report, taxes on higher education, capital gains, and value-added have a big impact on economic growth in addition to taxes on oil. (Adj. R2 = 0.75, F(5,71) = 213.43, p. This study came to the conclusion that Nigeria's economic growth and development were significantly impacted by non-oil taxes.

3.1 MATERIAL, METHODS AND DISCUSSIONS OF EMPIRICAL RESULTS

The resources and methods used in this part of the empirical investigation were discussed, along with the results of the data obtained from the Federal Inland Revenue Service (FIRS) report and the Central Bank Statistical Bulletin, 2020. The data was gathered for a period of thirty (30) years, from the year 1991 to 2020.

4.1 PRESENTATION OF DESCRIPTIVE RESULTS

Table 4.1.1: Descriptive Statistics

	CIT	**External Grant**	**PPT**	**Real GDP**	**Sales of Government Property**	**VAT**
Mean	3338.130	2835.599	44751.66	45424.97	4977.122	218.7326
Median	2450.900	1631.500	30375.20	43385.88	5547.500	144.3728
Maximum	9832.520	12705.62	145639.1	71387.83	11116.80	699.3703
Minimum	160.9000	438.8900	2257.200	21660.49	192.8000	5.030000
Std Dev.	2825.749	3032.137	44160.12	18694.47	3770.860	204.0218
Skewness	0.844947	1.723833	0.813210	0.085951	0.160912	0.668918
Kurtosis	2.847084	5.638900	2.403986	1.430463	1.624037	2.317561
Jarque-Bera	3.239016	21.20647	3.375533	2.804622	2.246453	2.537470
Probability	0.197996	0.000025	0.184932	0.246028	0.325229	0.281187
Sum	90129.52	76561.17	1208295	1226474	134382.3	5905.780
Sum SqDev	2.08E+08	2.39E+08	5.07E+10	9.09E+09	3.70E+08	1082247
Observations	27	27	27	27	27	27

Source: Author's Compilation Using Eviews 9

Table 4.1.1 displays the mean, median, maximum, minimum, and standard deviation together with the results of the statistics for skewness, kurtosis, and jarque-bera. By dividing the total value by the number of observations, the mean, or average value, of the series is determined. The aforementioned table shows that the mean values for the following variables are, respectively, 45424.97, 44751.66, 3338.130, 218.7326, and 2835.599 for RGDP (Real Gross Domestic Product), PPT (Petroleum Profit Tax), CIT (Company Income Tax), VAT (Value Added Tax), SGP (Sales of Government Properties), and EXG (External Grant). When data are arranged in ascending order, the middle value of the series is known as the median. The median figures for RGDP, PPT, CIT, VAT, SGP, are 43385.88, 30375.20, 2450.900, 144.3728, 5547.500, and 1631.500. The terms "maximum" and "minimum" denote, respectively, the highest and lowest values of the series in the current sample. The ranges for real gross domestic product are 71387.83 to 21660.49, petroleum profit tax is 145639.1 to 2257.20, corporate income tax is 9832.520 to 160.9000, sales of government properties are 11116.80 to 192.8000, and external grants are 12705.62 to 438.8900. The standard deviation is a metric for the spread or dispersion in a series. According to the preceding data, the standard deviation for RGDP, PPT, CIT, VAT, SGP, and EXG is 18694.47.
Skewness is a statistic describing the asymmetry in the distribution of values around the mean of a series. The skewness of a normal distribution is zero. Depending on whether the distribution has a long right tail or long left tail, the skewness is positive or negative. All of the variables have positive skewness and large right tails, as evidenced by the results in the table above. Whether the series' distribution is flat or peaks depends on the kurtosis value. If the kurtosis is more than three and less than three, the distribution is flat or platykurtic, and if it is peaked or leptokurtic in proportion to the normal. External grants exceed three, as shown in Table 4.1.1, suggesting that it has reached its apex.

Table 4.1.2 Covariance Analysis

Covariance Analysis: Ordinary
Date: 06/05/23 Time: 02:23
Sample: 1994 2020
Included observations: 27
Balanced sample (list wise missing value deletion)

Correlation t-Statistic Probability Observations	RGDP	PPT	SGP	VAT	EXG	CIT
RGDP	1.000000 ----- ----- 27					
PPT	0.940797 13.87726 0.0000 27	1.000000 ----- ----- 27				
SGP	0.921111 11.83035 0.0000 27	0.830062 7.442206 0.0000 27	1.000000 ----- ----- 27			
VAT	0.954717 16.04476 0.0000 27	0.989989 35.06957 0.0000 27	0.862191 8.509855 0.0000 27	1.000000 ----- ----- 27		

EXG	0.448195	0.660998	0.292616	0.634264	1.000000	
	2.506864	4.404375	1.530048	4.101992	-----	
	0.0190	0.0002	0.1386	0.0004	-----	
	27	27	27	27	27	
CIT	0.926319	0.980771	0.824475	0.984894	0.683215	1.000000
	12.29387	25.12708	7.284655	28.43879	4.678159	-----
	0.0000	0.0000	0.0000	0.0000	0.0001	-----
	27	27	27	27	27	27

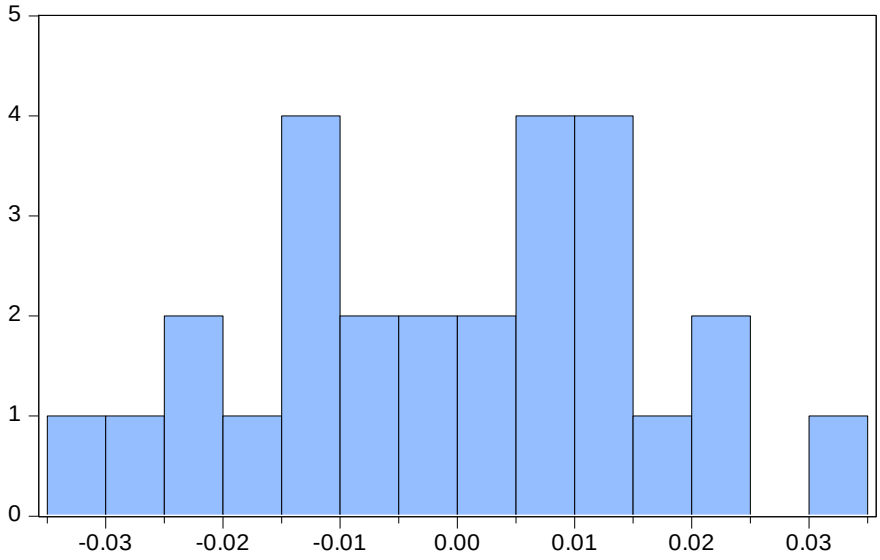
Source: Author's Compilation Using E-views 9

The interactions between the independent components (PPT, CIT, VAT, SGP, and EXG) and the dependent variable (RGDP) are displayed in Table 4.1.2's results. The resultant co-efficient of 0.940797 and p-value of 0.0000, It has a lower level of significance than the 5% level, show a high positive correlation between real gross domestic product and petroleum profit tax. This suggests that there is a significant relationship between the actual gross domestic product and the petroleum profit tax. As a result, they are flat or platykurtic. The presence of the series' normal distribution is checked using the Jarque-Bera test statistic. According to the table above, the Jarque-bera values for RGDP, PPT, CIT, VAT, SGP, and EXG are 2.804622, 3.375533, 3.239016, 2.537470, and 21.20647, respectively. With a co-efficient of 0.921111 and a p-value of 0.0000, which is less than the 5% level of significance, the output result as presented in the table reveals a strong positive correlation between real gross domestic product and sales of government assets. This demonstrates the close relationship between actual gross domestic product and sales of government-owned properties.

With a co-efficient of 0.954717 and a p-value of 0.0000, it has a lower level of significance than the 5% level, the output result, as shown in the table, reveals a substantial positive correlation between real gross domestic product and value added tax. This demonstrates the strong correlation between real gross domestic product and value added tax. The outputs co-efficient of 0.448195 and the p-value of 0.0190, which is below the 5% significance level, show a weakly positive correlation between real gross domestic product and external grant. This demonstrates that real gross domestic product and foreign grants have a significant positive association.

With a co-efficient of 0.926319 and a p-value of 0.0000, it has a lower level of significance than the 5% level, the output result shown in the table demonstrates a strong positive relationship between real gross domestic product and corporate income tax. This suggests that real gross domestic product and business taxes are strongly correlated. The summary of the results shows that RGDP, PPT, SGP, VAT, and CIT have strong positive and significant relationships, whereas EXG and RGDP have weak and significant relationships.

4.1.3 Jacque-Bera Normality Test



Series: Residuals	
Sample 1994 2020	
Observations 27	
Mean	-2.13e-16
Median	0.000135
Maximum	0.034959
Minimum	-0.030582
Std. Dev.	0.016635
Skewness	-0.049280
Kurtosis	2.314489
Jarque-Bera	0.539595
Probability	0.763534

Source: Author's Compilation Using Eviews 9

The purpose of this test was to determine whether the error term adheres to the normal distribution. The Jarque-Bera (JB) test of normality was chosen as the normality test. The OLS residuals serve as the foundation for the asymptotic, or large-sample, JB test of normality. The findings of the Jarque-Bera test indicate that mistakes are normally distributed. When we want to analyze data using the estimated econometric equation, the normal distribution of errors is extremely crucial. The serial correlation shown in the errors diagram is verified using the Serial Correlation LM test, which may be accessed via the option View/Residual tests/Serial Correlation LM Test. The absence of first order is indicated by the Jarquebera statistic of 0.539595 with P-value 0.763534 > 5% and 10% threshold of significance.

4.1.4 Regression Result

Dependent Variable: LOGRGDP
Method: Least Squares
Date: 06/05/23 Time: 02:27
Sample (adjusted): 1994 2020
Included observations: 27 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOGPPT	0.312644	0.035282	8.861292	0.0000
LOGCIT	-0.116438	0.045279	-2.571566	0.0178
LOGVAT	0.135134	0.068048	1.985878	0.0603
LOGSGP	-0.034825	0.034216	-1.017787	0.3204
LOGEXG	-0.009746	0.010852	-0.898048	0.3793
C	3.521670	0.174394	20.19376	0.0000

R-squared	0.992581	Mean dependent var	4.618007
Adjusted R-squared	0.990815	S.D. dependent var	0.193128
S.E. of regression	0.018509	Akaike info criterion	-4.947968
Sum squared resid	0.007194	Schwarz criterion	-4.660004

Log likelihood	72.79756	Hannan-Quinn criter.	-4.862341
F-statistic	561.9318	Durbin-Watson stat	1.956082
Prob(F-statistic)	0.000000		

Source: Author's Compilation Using Eviews 9

Coefficients of variables

$RGDP = \beta_0 + \beta_1 PPT + \beta_2 CIT + \beta_3 VAT + \beta_4 SGP + \beta_5 EXG + \mu$

$RGDP = 0.312644 - 0.116438 + 0.135134 - 0.034825 - 0.009746 + \mu$

4.2 Interpretation of Result

T-Statistic Decision Rule: The study accepts H1 if the probability value is less than 0.05 (5% critical value), and vice versa.

Hypothesis I:

H_{01}: Petroleum profit tax has no appreciable effect on Nigeria's national development.

Decision: The regression lines co-efficient of 0.312644 indicated a positive correlation between Nigeria's national development and the petroleum profit tax. The regression line's probability value of 0.0000, or less than 5% critical value, confirms the value of the petroleum profit tax. As a result, the analysis supports H1 and rejects H0, which suggests that Nigeria's national development is positively and significantly impacted by the petroleum profit tax.

Hypothesis 2:

H_{02}: Company income tax has no appreciable impact on national development in selected Nigeria.

Decision: The regression lines co-efficient, which is -0.116438, suggests a negative correlation between Nigeria's national development and corporate income taxes. In the regression line displaying 0.0178, which is less than 5% crucial value, it does not correlate with the probability value of company's income tax. The study thus supports H0 and rejects H1, implying that corporate income tax in Nigeria has a negative but considerable influence on national development.

Hypothesis 3:

H_{03}: Value added tax have no significant effect on national development in Nigeria.

Decision: Value added tax and national development in Nigeria are positively correlated, as seen by the regression lines co-efficient of 0.135134. Value added tax probability is corroborated by the regression line, which displays a value of 0.0603, which is greater than 5% of the crucial threshold. The analysis accepts H_1 and rejects H_0, inferring that value added tax has a beneficial and significant impact on national growth in Nigeria.

Hypothesis 4:

H_{01}: There is no significant effect of sales of government properties on national development in Nigeria.

Decision: The co-efficient in the regression line shows -0.034825 this indicates a positive relationship between sales of government properties and national development in Nigeria. It corroborates the probability value of sales of government properties in the regression line shows 0.3204 which is more than 5% critical value. Thus, the study accepts H_0 and rejects H_1 which implies that sales of government properties have negative and insignificant impact on national development in Nigeria.

Hypothesis 5:

H_{01}: There is no significant effect of external grant on national development in Nigeria.

Decision: The co-efficient in the regression line shows -0.009746 this indicates a negative relationship between external grant and national development in Nigeria. It corroborates the probability value of external grant in the regression line shows 0.3793 which is more than 5% critical value. Thus, the study accepts H_0 and rejects H_1 which implies that external grant has negative and insignificant effect on national development in Nigeria.

4.3 Discussion of Result

The coefficients' signs should correspond to economic theory, expectations, other people's experiences, or intuition. The estimated coefficients are shown in the "Coefficient" column. The least squares regression coefficients are obtained using the standard OLS formula. While keeping all other variables constant, the coefficient for the simple linear models under consideration here quantifies the marginal contribution of the independent variable to the dependent variable. The other coefficients are thought of as the slope of the relationship between the corresponding independent variable and the dependent variable, presuming all other variables remain constant. The constant's value of 3.521670 suggests that the national development to tax and non-tax revenue indicators will rise by 3.521670 when the independent variable is held constant. The petroleum profit tax has a coefficient of 0.312644, meaning that for every unit rise in real gross domestic product attributable to the petroleum profit tax, Nigerian national development will increase by 8.861292. With a coefficient of 0.135134, the VAT demonstrates a positive association with real gross domestic product, indicating that for every unit that real gross domestic product grows due to value added tax, Nigerian national development will increase by 1.985878. The real gross domestic product will fall by -0.116438 (CIT), -0.034825 (SGP), and -0.009746 (EXG) for every unit rise in the explanatory variables for company income tax, sales of government assets, and external grant, respectively.

Goodness of Data Fit. Data must be suitable in a reasonable way. R2 should therefore be at least 60% greater than the national average. The higher the R2, the better the fitted data were. According to the analysis, this model's R2 score is 0.992581, which is good because 99% is greater than 60% and denotes that the model is fitted. The fact that the predictors can only account for 99% of the difference in national development between tax and non-tax measures can be used to further explain the predictors' adjusted R2, which is 0.990815 after taking the degree of freedom into account. The independent variables must each be significant. This can be confirmed using the t-test probability value. If the study's p-value for the t statistics is less than 5% (0.05), the alternative hypothesis can be accepted and the null hypothesis rejected. If not, the investigation goes backward. The result shows that outside grants and sales of government-owned properties are statistically negligible, with p-values of 0.3204 and 0.3793, respectively. However, the petroleum profit tax, corporate income tax, and value-added tax all have statistically significant p-values of 0.0000, 0.0178, and 0.0603, respectively. The cumulative importance of the used variables is assessed using F-statistics. Independent variables must be jointly significant in order to explain a dependent variable. This can be confirmed using the F-test. If the p-value of the F-statistic is less than 5% (0.05), the research can accept the alternative hypothesis and reject the null hypothesis. If not, the investigation goes backward. The p-value, which has a level of significance below 5%, is therefore (0.00000). As a result, the analysis disproves the null hypothesis (H0), which states that the total estimate fits the data well and that both of our independent variables are simultaneously significant. This shows that the national development of Nigeria is positively and significantly impacted by tax and non-tax revenue.

The study assessed the effect of tax and non-tax revenue on Nigerian national growth using real gross domestic product (RGDP) as a baseline. The results show a strong positive correlation between the values added tax and the petroleum profit tax and national development. The results also showed that corporate income tax, property sales by the government, and outside grants had a poor and minor impact on Nigeria's national development. Findings regarding business income taxes are unexpected given that CIT revenue fosters economic expansion. This is not that interesting, as it strongly contradicts the underlying theory. This could be as a result of the government not collecting more taxes from businesses

operating in Nigeria. Based on the investigation, the results are in line with the writings of various scholars who contend that the degree to which tax is well controlled determines how well it is handled. It is essential that taxes play a part in the economy in Nigeria because they are one of the main sources of income for the many levels of government there. Every state or country needs a sizable amount of revenue to offer and maintain essential services for its population.

5.1 Conclusion

The major goal of the study was to determine how much tax and non-tax income contributed to Nigeria's national development. In order to measure tax revenue and non-tax revenue, the study took into account the contributions of the petroleum profit tax, corporate income tax, value added tax, sales of government properties, and external grants, while real gross domestic product was utilized to estimate national development. Data for the analysis, which spanned the years 1991 to 2020, came from the Central Bank Statistical Bulletin and the Federal Inland Revenue Service Report. The Ordinary Least Squares (OLS) approach was used to analyze the data. The sale of government properties has a negative and insignificant influence, while the external grant also has a negative and insignificant impact, according to the study's conclusions. While the firm income tax has a negative but considerable impact on Nigeria's development, the petroleum profit tax has a positive and significant benefit.

5.2 Recommendations

The following suggestions were made in light of the results;

The Nigerian government is advised to restructure its petroleum industry by stepping up efforts to process crude oil and exporting exclusively processed oil to the global market. This will mitigate the current impact of outside shocks brought on by changes in crude oil prices brought on by OPEC gloat or quota limits.

The Federal Inland Revenue Service should work to maintain its existing unwavering dedication to increased revenue, which is visible in the collection of ED, CIT, and VAT. This can be accomplished by tweaking the current regulations (VAIDs, TIN, Tax Amnesty) in light of the changing business climate in order to bring in more taxpayers and utilize new tax revenue streams.

Tax officials should receive periodic training to enable them to assume the role of corporation tax consultant on matters with a high level of technicality.

Government administration and use of tax resources should be more transparent in order to give tax payers more confidence in how it will be used. By preventing leaks in tax revenue collection and broadening the country's tax base, Nigeria's tax administrative management efficiency should also be improved. This would bring in more tax income.

However, to consolidate the advantages of tax reforms and win back the trust of taxpaying citizens in the tax system, steps should be taken to achieve full autonomy for the Federal Inland Revenue Service (FIRS), confront the hydra-headed monster of multiple taxation, and promote accountability and transparency in government business.

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