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Selected tax forms, tax evasion, quality of life and the mediating role of information and communication technology: Evidence from Nigeria

Joy Limaro YADO[1]
Cordelia Onyinyechi OMODERO[2+]

[1,2]*Department of Accounting, College of Management and Social Sciences, Covenant University Ota, Ogun State, Nigeria.*
[1]*Email: joy.yadopgs@stu.cu.edu.ng*
[2]*Email: onyinyechi.omodero@covenantuniversity.edu.ng*

(+ Corresponding author)

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ABSTRACT

The research analyzes the implications of specific tax types and tax evasion on the quality of life in Nigeria using income per person as a proxy. It specifically investigates the effects of company income tax, petroleum profit tax, value-added tax, and tax evasion on per capita income (PCI) in Nigeria. The study also examines the moderating role of information and communication technology (ICT) in enhancing the quality of life in Nigeria. Secondary data from 1990 to 2023 is utilized, and Autoregressive distributed lag technique is used and not techniques are employed for analysis. The findings indicate that company income tax and petroleum profit tax have minimal impact on the quality of life in Nigeria. Conversely, value-added tax has a negative and significant effect on income per person in Nigeria. The unintended effect of the shadow economy on PCI is positive at the 10% level, while ICT exerts a considerable positive influence on PCI at the 5% level. In light of these findings, the study recommends a reassessment of VAT policies to ensure alignment with Sustainable Development Goals 1 to 3, given its regressive nature that negatively impacts the nutritional consumption of impoverished households. The Tax Authority should endeavor to utilize OECD strategies to stop Base Erosion and Profit Shifting of multinational corporations operating in Nigeria. Furthermore, the research advocate for more allocation of tax revenue towards infrastructural and ICT development to enhance tax collection and improve living standards, similar to those in developed nations.

Contribution/ Originality: This study contributes to knowledge by developing an ICT tax evasion control model that can improve tax collection, curb evasion, and enhance the quality of living in Nigeria. The study further validates the existing literature on the regressive nature of VAT, which does not promote SDGs 1-3.

1. INTRODUCTION

The government of most emerging economies, such as Nigeria, prioritizes the needs of the populace and supports initiatives aimed at development. Among the Nigerian government's potential strategies to address economic, social, and environmental challenges, taxation plays a crucial role in achieving economic development (Adeyemi, 2023). Economic development 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 economic development (Okoh et al., 2025).

Taxation is vital in a nation's investment strategy. The government imposes taxes on individuals and properties to guarantee that social services, security, and economic welfare fundamentals are upheld in all material respects. The

authority uses tax income to take on obligations for various community onuses, such as transport, job provision, medical facilities, and human development (Adegboye, Erin, & Asongu, 2025; Kuyebi & Omodero, 2025). By the regulation of the flow of income taxes, governments are able to meet the needs of citizens and provide the framework for sustainable development (Omodero, Okafor, & Nmesirionye, 2021). The best way to raise domestic funds is through the use of a country's tax structure.

Despite numerous studies like Adeniran (2020) exploring various aspects of taxation and economic growth, much is still needed to combine these findings to understand how taxes might be optimized to promote sustainable economic development. Every country globally faces different difficulties in balancing the urgent need to address social inequality, environmental deterioration, and the need to generate income. Economic development is fundamentally about meeting current needs without jeopardizing future opportunities. Taxation serves as a cornerstone for funding social endeavors, acting as the principal means for mobilizing resources and managing the economy. The government uses tax income to fulfill its customary obligations, which include upholding social and economic fairness, policing trade and business, protecting the nation from external and internal threats, preserving law and order, reducing income inequality among the population, using revenue as a fiscal tool to steer the economy, and attracting foreign investment into the economy (Mu, Fentaw, & Zhang, 2023).

According to Amahalu, Okoye, Obi, and Iliemena (2023), taxation is now globally recognized as the only practical source of sustainable revenue to finance government spending at the state government level. Also, according to Di Nola, Kocharkov, Scholl, and Tkhir (2021), there are four major principles taxpayers should comply with in order to observe proper compliance with tax laws. The first principle is revealing the actual tax base to appropriate tax collectors. The second principle is that the computation of tax liability should be done honestly. The third principle is that the tax return should be filed on time, and the last principle states that the tax liability should be offset promptly (Di Nola et al., 2021).

There are two behaviors of taxpayers regarding the fulfillment of tax obligations: tax avoidance, which can be considered legal because it involves exploiting gaps to lower tax liabilities. In tax avoidance, taxpayers remain responsible for their tax liabilities; they only legally reduce the liabilities. In simpler terms, it involves using creative accounting to reduce tax liabilities (Kumi-Dumor, Fernandes, & Lopes, 2022). If any of these principles are not adhered to by the taxpayer, the taxpayer will be considered non-compliant. Tax evasion is the second behavior of taxpayers that will be thoroughly examined in this research. Tax evasion is considered illegal and is regarded as a serious and heinous offense or crime (Kumi-Dumor et al., 2022). A major issue faced by Nigeria's tax system and Africa at large is tax evasion. It occurs when certain taxpayers find illegal and unfair ways to evade paying taxes. Tax evasion occurs when taxpayers do not intentionally declare their income to tax officials, providing dishonest income, revenue, and profit figures that are higher than what has actually been earned, with the goal of lowering tax liabilities. Tax evasion is a willful and deliberate act to violate laws and evade tax payments imposed by the law of the tax jurisdiction (Usman, 2019). This has an adverse effect on government income. Nigeria, along with other emerging nations, experiences low tax-to-GDP ratios. Consequently, developing countries find it difficult to obtain sufficient funding for even the most basic necessities.

Tax dodging presents a significant challenge for many emerging countries. Alongside ongoing corruption cases within these nations, tax evasion is notably associated with Nigeria. The extent of tax circumvention in developing nations is quite disturbing, and it is particularly discouraging that authorities have not taken the initiative to address the ethical arguments presented by tax evaders (Okoh et al., 2025). Several countries tend to increase their tax rates or borrow funds when their revenues are insufficient to meet expenditures, resulting in rising debt levels and distress in the private sectors of their economies. Individuals and establishments often evade taxes by not disclosing their actual financial reports, primarily due to high tax rates and the administration's failure to effectively utilize tax revenues for economic development and infrastructure (Mukolu & Ogodor, 2021).

While tax evasion is considered illegal, various arguments have been advanced to justify it. These arguments include high tax rates, job loss, shortages, lack of awareness, misconduct in public office, insufficient training of tax administrators, theft of tax proceeds, ambiguities in tax regulations, difficulties in interpreting complex tax protocols, an inefficient permissible system, and the judiciary's delays in implementing important laws against taxpayers who do not pay their taxes (Mukolu & Ogodor, 2021). Non-oil tax revenue is a type of revenue generated from sources other than oil and gas activities (Salami, Amusa, & Ojoye, 2021).

This research aimed to provide insightful explanations for economists and sustainability advocates by examining the subject matter. The study would contribute to the expanding discourse on fiscal measures supporting public treasuries while advancing the broader objective of sustainable and equitable development in the twenty-first century. This research aimed to identify strategies for implementing favorable tax policies and demonstrate taxes' ability to support social cohesion, sustainable economic growth, and environmental protection. The researcher would also address this gap by systematically analyzing how taxes support sustainable development. It combines theoretical understanding with practical techniques to provide decision-makers with relevant information.

1.1. Statement of Research Problem

In line with Nigeria'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 development. In pursuing economic development, the nexus between tax and its impacts on economic, social, and environmental conditions represents a complex and unexplored area.

In spite of the relevance of tax to a nation's development plans, there is still a lack of in-depth knowledge regarding the methods by which diverse tax policies impact all areas of economic development. The research thus investigated the linkage between tax and economic development. Existing research cannot elucidate the precise mechanisms through which tax reform can accomplish these significant societal objectives. Therefore, the research provides an understanding of how the socio-economic environment influences the outcomes of Nigerian tax policies.

There is always a certain level of confidence that taxes will be imposed by the government with the goal of funding its operations, even in the event that the amount collected falls short of expectations or the budget. With the recent volatility in world oil prices, the Nigerian government has been forced to look elsewhere for effective, constant, and consistent fund flow. Hence, tax was one area the Nigerian government decided to focus on, but tax evasion has made it seem impossible for the government to generate their budgeted revenue through taxation.

It is indisputable that diversion of levies is a considerable and serious issue for the government. The gap between the actual revenue collected and the planned tax returns has been significantly affected by tax evasion, complicating the management's capability to meet its commitments, including the construction of social infrastructure and improving the living environment for its citizens. Moreover, tax evasion in Nigeria negatively impacts honest taxpayers, as it tends to dissuade them from paying their taxes, forcing them to carry a heavier tax burden than is fair. Tax evasion also wear away civic assurance of the administration's capacity to allocate resources equitably and undermines the overall integrity and effectiveness of the tax system.

1.2. Research Questions

1. To what extent does companies' income tax impact per capita income in Nigeria?
2. Does petroleum profit tax affect per capita income in Nigeria?
3. To what extent does value-added tax influence per capita income in Nigeria?
4. To what extent has tax evasion affected per capita income in Nigeria?
5. How does technological innovation in the country affect per capita income in Nigeria?

1.3. Research Objectives

The primary aim of the study was to understand taxation and its contributions to improving the standard of living in Nigeria. Other objectives included to.

1. Scrutinize the impact of company income tax on income per person in Nigeria.
2. Assess the impact of petroleum profit tax on per capita income in Nigeria.
3. Study the impact of value-added tax on individual income in Nigeria.
4. Evaluate the impact of tax evasion on per capita income in Nigeria.
5. Investigate the effect of information and communication technology on per capita income in Nigeria.

1.4. Research Hypotheses

All hypotheses in null form are included.

H_{01}: Companies' income tax has no substantial influence on per capita income in Nigeria.

H_{02}: Petroleum profit tax has no significant impact on per capita income in Nigeria.

H_{03}: Value-added tax does not have a notable effect on per capita income in Nigeria.

H_{04}: Tax evasion does not significantly affect the per capita income in Nigeria.

H_{05}: Information and communication technology substantially affects per capita income in Nigeria.

1.5. Scope of Study

The study is particularly focused on the Nigerian tax structure. The structure has many parts; however, this study will focus on petroleum profit tax, company income tax, and value-added tax, as well as the role of technology in modern times. Additionally, this study will examine tax evasion and analyze how the four variables impact Nigeria's standard of living. The study uses secondary data from 1990 to 2023 due to data availability. Data were extracted from financial reports of the Federal Inland Revenue Service and the CBN and will be estimated using Autoregressive Distributive Lag econometric analysis. The study aligns with a branch of accounting known as Public Sector Accounting and Finance (PSAF). In terms of the study's fiscal scope, it addresses the contribution of taxation to Sustainable Development Goals 1–3.

2. REVIEW EXISTING LITERATURE

The section provides reviews of existing ideas, hypotheses, and empirical analyses that support this study. The literature review aims to lay the groundwork for future research by highlighting important discoveries, pointing out gaps, and placing pertinent theories and references in perspective.

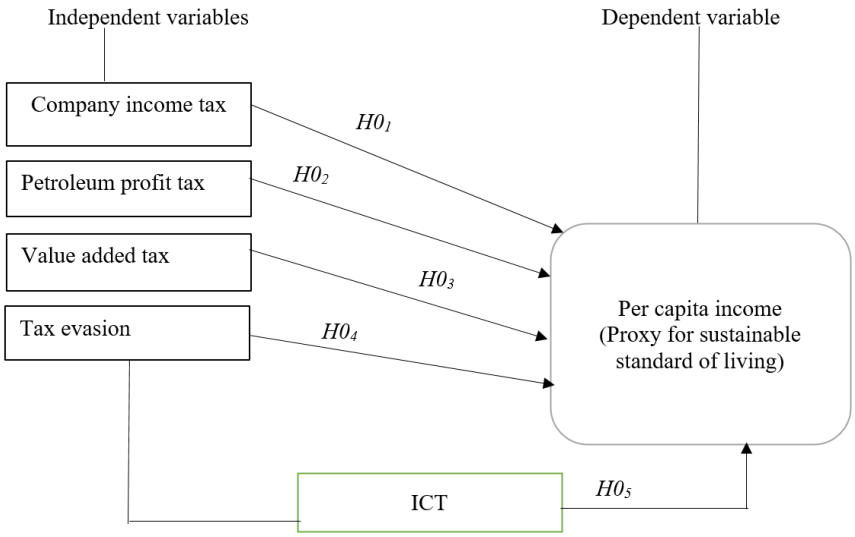

Figure 1. Conceptual framework model.

2.1. Conceptual Review

2.1.1. Conceptual Framework

The Figure 1 illustrates the diagrammatic concepts and assumptions of this study. In this research, the role of Information and Communication Technology (ICT) is well recognized as a mediating factor in the technological era.

2.1.2. Tax Scope and Nature

Taxes are mandatory yet unofficial fees that the government enforces, typically through its representatives, on the revenue of its citizens or residents. Taxation is essential for funding government activities and providing public services. Additionally, Ogunwale, Isibor, Ogbebor, and Lawal (2024) claimed that tax is a primary source of public income. Olaniyi, Adebisi, and Osemene (2020) explained that tax serves as a tool to foster overall growth. In this regard, taxes can impact both individuals and the government. According to Ofoegbu, Okaro, and Okafor (2022), taxation involves transferring tangible funds from the private sector to the government sector. Olaniyi et al. (2020) outlined four fundamental aspects essential for taxation. Firstly, taxation involves a mandatory payment by individuals for public purposes. Additionally, taxation creates a universal duty for taxpayers. Furthermore, the tax paid may not directly correspond to the benefits received. Lastly, the government imposes taxes on citizens not based on specific services provided to them or their families (Olaniyi et al., 2020). A well-designed tax system plays a complex role in the economic development of any nation (Cornelius, Ogar, & Oka, 2016).

2.1.3. Company Income Tax

According to Ademola, Olaleye, and Olusuyi (2020), it is imposed on the earnings of firms. These taxes are typically enforced nationally in many countries. Nigeria implemented the Company Income Tax (CIT) in 1961 (Federal Inland Revenue Service, 2022). After numerous amendments, the initial legislation governing company tax was formalized under the CIT Act (CITA) of 1990. The government imposes CIT on the revenue of firms and businesses under its jurisdiction. This refers to a portion of the taxable income that a business generates from its operations, such as sales, investments, and other revenue streams. CITA 1990 remains the legislation governing the taxation of profits earned by businesses in Nigeria. The applicable rate is 30% on any firm profits for each assessment year, based on the fiscal year.

According to Ademola et al. (2020), limited liability companies are subject to regulatory limits on tax assessment and collection. Section 40(6) establishes a tax rate of 20% on chargeable profit for enterprises solely involved in export trade, manufacturing, and agriculture for companies with a total gross turnover lower than ₦1,000,000 (Ademola et al., 2020). According to Yaro and Adeiza (2021), taxation is a process established by the government to exert control over taxes and tax collection. Taxes are usually charged to regulate the production of certain goods and services, safeguard infant and local industries, minimize revenue inequality in society, normalize commercial activities, and effectively manage rising costs (Yaro & Adeiza, 2021). Considering the essential role of taxes in providing revenue for governmental functions, shaping consumption trends, and contributing to economic development by influencing key economic factors, it is the goal of every government to maximize tax revenue collected from its citizens (Ewa, Adesola, & Essien, 2020). When tax administration is effective and efficient, it results in increased revenue generation, enabling the government to provide amenities for citizens and implement projects. However, fraudulent schemes and activities by tax authorities, coupled with the incompetence of tax personnel, pose significant threats and challenges that compromise revenue by siphoning tax funds into personal accounts (Ewa et al., 2020).

The primary purpose of a tax system is to generate sufficient revenue to fund essential government expenditures on goods and services. Taxation is regarded as the most effective mechanism for enhancing the capacity of the public sector and for debt repayment. Therefore, a tax system is considered a vital levy that supports the government's efforts in promoting economic and social development (Asaolu, Olabisi, Akinbode, & Alebiosu, 2018). Furthermore, it plays a crucial role in fostering sustainable growth and development within the economy (Ewa et al., 2020).

Company income tax (CIT) or corporation tax is the tax paid by registered companies to the government coffers and was introduced in 1961 (Ogunmakin, Fashina, & Zawawi, 2021). For example, the excess profit tax was rescinded in 1991, and the capital transfer tax was abolished in 1996 (Ogunmakin et al., 2021). As noted by Okeke, Mbonu, and Amahalu (2022), in the interest of global competitiveness, the 30 percent tax rate for corporations remains one of the highest globally. The challenges of CIT include taxing firms that incur losses, which can harm the Nigerian business environment. Additionally, the penalties for non-compliance within the provisions of the Act are too low and counterproductive to the goals of the Act (Okeke et al., 2022).

2.1.4. Value Added Tax

It involves imposing charges on products and services. The VAT Act of 1993 established Nigeria's VAT. According to Adeyemi (2023), VAT is borne by consumers. Adeyemi (2023) further revealed that the obligation of tax payment shifts from the manufacturer to the wholesaler, retailer, and ultimately the consumer. Consequently, the sole method to evade paying VAT is to abstain from purchasing or utilizing the pertinent products or services. The Federal Inland Revenue Service (FIRS) administers this federal tax, which is currently 7.5% in Nigeria.

However, there is an exemption for medical and pharmaceutical products, as well as essential food items. VAT raises its burden on low-income taxpayers while increasing administrative burdens on corporations. The VAT applies to all purchases equally, in divergence from a progressive revenue tax, which charges bigger taxes on individuals with increased incomes (Okeke et al., 2022).

2.1.5. Petroleum Profit Tax

The primary goal of Nigeria's petroleum profit tax administration has been to generate income at the expense of promoting economic development and progress (Cornelius et al., 2016). The petroleum sector is the main driver of the Nigerian economy (Cornelius et al., 2016). According to Okoh et al. (2025), the petroleum profit tax is levied on profits derived from oil operations. Okoh et al. (2025) further emphasized that the significance of petroleum to Nigeria's economy has led to the implementation of various regulations governing the taxation of revenues from oil-related activities. This tax plays a crucial role in Nigeria's revenue generation, contributing over 70 percent of government income and accounting for approximately 95 percent of foreign exchange earnings (Okoh et al., 2025).

2.1.6. Information and Communication Technology (ICT)

An umbrella term that describes a broad and diverse range of communication technologies, including the internet, wireless networks, cellular systems, computers, software, middleware, video conferencing, social networking, and other media applications and services. These technologies provide users with the means to access, retrieve, store, transmit, and manipulate information in digital formats.

2.1.7. Tax Evasion

The phenomenon of tax skirting poses a significant challenge for various countries, as it can severely impede sustainable progress by reducing government revenue through non-compliance with tax requirements (Ofoegbu et al., 2022). This issue extends beyond the responsibilities of revenue collection agencies; it also directly impacts taxpayers. Individuals, in their role as taxpayers, may find themselves deprived of essential public services when tax evasion leads to decreased government funding. Consequently, the effects of tax evasion influence daily life and overall social welfare, highlighting its broader societal implications (McNabb, 2018).

Tax evasion is the willful and illegal act of not paying or insufficiently paying taxes. It involves engaging in illegal activities, including the creation of false financial documents, the inflation of deductions, and the understatement of income. Salami et al. (2021) pointed out that redirecting revenue or rescheduling income are examples of tax avoidance strategies, along with modifying the nature of income. Governments cannot solely rely on

taxpayers' moral sense of duty to remit tax returns after announcing a tax system (Basheer, Ahmad, & Hassan, 2019). Although certain conscientious individuals promptly fulfill their tax commitments, a noteworthy percentage opts for non-compliance. Furthermore, even among those who lawfully pay their taxes, there is a tendency to underreport their tax obligations, often going unnoticed for extended periods. Contrary to the myth that tax evasion is primarily orchestrated by the wealthy, individuals across various income classes engage in such practices. The affluent may evade taxes to redirect funds for other purposes, while regular people could take advantage of refundable tax credits or become self-employed (Basheer et al., 2019). The misconception that tax evasion is confined to specific income classes is debunked, as anyone, irrespective of wealth, can engage in such behavior. Even large corporations have options for tax circumvention, such as profit shifting, tax base erosion, shifting operations to tax havens, or making investments in overseas companies that are not subject to local taxation (Basheer et al., 2019). Taxes charged heavily on taxpayers can reduce their willingness to pay. There are proven records indicating that these tensions can encourage tax evasion, which may result in revolts and revolutions. The strains of paying high taxes can lead individuals and companies to seek ways to pay less, such as avoiding paying taxes where possible (Basheer et al., 2019).

2.1.8. Per Capita Income

This represents the total income as a ratio of the total population. It is an aggregate of all income that accrues to the number of persons living in a nation and is also a measure of the economic development of any nation. With per capita income, one can measure the living standards of the population and assess how much is earned by each member of the population.

2.1.9. Tax Compliance

In the context of taxes, compliance refers to taxpayers' decision to adhere to tax laws and regulations by paying taxes on time and accurately (Akintola, Omotola, Oyinbodunmi, & Akinyemi, 2022). Manukaji (2018) outlines several reasons that may hinder taxpayers from complying with their tax obligations, such as disapproval of public institutions, perceptions of tax justice, prevailing social norms, and the risk of disobedience being discovered and penalized. Conversely, various factors can influence tax compliance, including the cost of compliance, the severity of penalties, taxpayers' perceptions of the fairness of the tax system, taxpayer awareness, and attitudes toward government spending (Manukaji, 2018).

2.2. Theoretical Review

2.2.1. Socio-Political Theory

According to the theory, social and political aims ought to be the main considerations when selecting taxes. According to Olushlola, Oliver, Okon, and Osang (2020), a tax system should be created to address societal problems rather than benefit specific people. Individuals play a significant role in the larger society. The tax system should be established to promote the general well-being of society. The theory is a conceptual framework that considers the broader societal and political implications of tax policies. It is vital in promoting economic growth and employment. It focuses on the redistribution of wealth, social cohesion, political representation, accountability, and behavior modification.

By implementing progressive taxation, Nigeria can reduce income inequality, stimulate demand for products, and boost social justice. Fair and transparent tax policies also foster trust in institutions, reduce social tensions, and promote investment, entrepreneurship, and economic development (Olushlola et al., 2020). By involving citizens in policy formulation and budgetary processes, Nigeria can foster economic development and promote sustainable practices.

2.3. Empirical Review

This section provides a comprehensive review of related past studies examined in this current study. The necessary critiques that demonstrate the relevance of this present work are highlighted in Table 1. Thus, Table 1 presents the objectives, methodology, and critiques of the past studies reviewed in this work.

Table 1. Review of past scholarly works.

Authors and years	Objective	Methodology	Findings and critiques
Ewa et al. (2020)	Investigate the effect of tax revenue on Nigerian economic development.	OLS Regression	The study found significant effects of taxes on company earnings and VAT on GDP but little impact on Nigerian oil companies due to production ceiling restrictions, global price shocks, and apathy towards tax payments. The study failed to investigate petroleum profit tax.
Olaoye, Ogundipe, and Oluwadare (2019)	Reviewed on tax revenue and Nigerian economic development	ARDL Bounds Testing	Taxation has a significant effect on Nigeria's economic development. The study failed to examine tax evasion.
Edewusi and Ajayi (2019)	Assess the linkage between economic growth and tax	OLS method	VAT, CIT, and PPT affected the level of national output in the short and long term. The study failed to examine tax evasion.
Olushlola et al. (2020)	Determine how tax income impacts economic growth	Multiple regression	There was a positive correlation between tax and economic growth. It is in line with the writings of several academics who argue that taxes are determined by how well they are managed. The study should have used ARDL to buttress its findings.
Onyeoma, Enabulu, and Oligbi (2021)	Assessed tax as a weapon for economic progress.	ARDL Bounds Testing	VAT has a negative impact on GDP, but PPT, CED, plus CIT have positive effects. To achieve the intended outcome, the study suggests that FIRS and JTB work with the government to implement suitable VAT remittance policies and minimize bureaucracy and bottlenecks associated with VAT administration. Tax evasion is a concept the study should have examined also.
Okonkwo and Chukwu (2019)	This study evaluated economic development from 1996 to 2017 in relation to government tax revenue.	Time series data	The findings indicate that Nigeria's economic development has not been significantly affected by tax. The government should encourage tax staff training and enforce tax laws to increase tax collection rates. The study should have used ARDL for its analysis.
Ogbodo and Nweze (2021)	Studied the effect of tax on economic development.	OLS Technique	According to this study, all tax offices in Nigeria must implement technology to maximize the positive relationship between CIT and GDP. The study should have examined per capita income as a development variable.
Egolum and Ugonabo (2021)	Investigate how economic development has been impacted by value-added taxes.	OLS Regression	There was a statistically significant positive nexus between value-added tax and GDP. Other forms of taxes, such as CIT, should have been examined.

Authors and years	Objective	Methodology	Findings and critiques
Ezekwesili and Ezejiofor (2022)	Examines how tax income affected economic expansion.	OLS Regression	Tax has no effect on GDP. The research suggested that the federal government must enhance public financial management and promote transparency. The research failed to examine tax evasion.
Manukaji (2018)	Impact of tax income on economic development from 1994 till 2016.	Multivariate logit model	VAT, PIT, PPT, and CIT had a notable impact on GDP. The study should have used per capita income to measure economic development.
Adeusi, Uniamikogbo, Erah, and Aggreh (2020)	Studied effects of non-oil earnings on economic development	OLS Regression	CIT plus PIT have a significant negative effect on GDP, whereas VAT tax and customs and excise taxes have a more pronounced positive effect. The study concluded that the government must implement simple, transparent tax laws and address implementation issues. The study should have used per capita income to measure development.
Bruno and Emmanuel (2019)	This study analyzed tax revenue and the economy.	OLS Regression	CIT and PIT impacted Nigeria's GDP. The government should address the issue of multiple taxation since it deters entrepreneurial ventures in Nigeria. The study failed to examine PPT and VAT.
Solanke, Fadaka, and Ogunleye (2020)	Investigated the effect of taxation on economic development from 1980 to 2014.	ARDL Bounds Testing	The findings of the research enhance knowledge of CIT and support economic expansion. The government must notify the people to ensure taxes are accounted for correctly. The data year should have been increased to 2020 to cover the research's current year.
Muhammad, Abba, Balarabe, and Halilu (2019)	This study investigates how Petroleum Profit Tax affects the Nigerian economy.	OLS Regression	There was a substantial effect between total revenue generated and petroleum profit tax, but no significant correlation between petroleum profit tax and GDP. The study stated that the government should explore other measures that will boost gross domestic product. The study should have investigated other tax forms such as CIT.
Adegbie, Jayeoba, and Kwarbai (2020)	Assessed the effect of non-oil taxes on economic growth and development.	OLS Regression	According to the study, non-oil taxes majorly impact Nigeria's economic development and growth. The report emphasizes that the government should maintain its unwavering commitment to raising non-oil tax revenue.
Yaro and Adeiza (2021)	Assessed the linkage between economic growth and taxation.	Simple percentage	Expansion of the Nigerian economy and the non-oil revenue profit tax had a positive, significant relationship. The study should have examined tax evasion. Additionally, the study should have used ARDL to analyze its data.

Authors and years	Objective	Methodology	Findings and critiques
Akintola et al. (2022)	Studied influence of tax earnings on the economy.	OLS Regression	VAT, CIT, PPT, and customs and excise charges significantly impact Nigeria's GDP. The government should invest in the development of infrastructure to achieve a long-term objective. The study should have examined tax evasion as a variable.
Mvunabandi, Nomala, and Marimuthu (2024)	Studied tax evasion on the economy.	OLS regression	Disproved that tax evasion affects the economy.
Aksentijević, Ježić, and Zaninović (2021)	ICT impact on human development	GMM estimator	Significant positive impact of ICT on human development.
Alhassan and Adam (2021)	Digital inclusion and ICT impact on the quality of life: a global perspective.	PLS-SEM	Digital inclusion and ICT significantly impact quality of life globally.

2.4. Gaps in Literature

Most of the existing literature, such as Yaro and Adeiza (2021) and Bruno and Emmanuel (2019), primarily focus on analyzing the effects of various taxes on economic indicators like GDP growth in Nigeria. However, there is a notable absence of comprehensive research on how taxation policies can align with economic development in the country, particularly concerning per capita income. Also, while some studies like Akintola et al. (2022) acknowledged the importance of tax revenue for economic progress, there is limited discussion on how tax evasion hampers Nigeria's sustainable development. It is another gap this research would fill by including tax evasion and examining its impact on Nigeria's income per capita. Furthermore, there is an issue of conflict in findings. Onyeoma et al. (2021) found that value-added tax has a negative impact on Nigeria's economic growth, while Olaoye et al. (2019) found it to be positively significant. Hence, this research will fill this gap by confirming the type of relationship that value-added tax, alongside petroleum profit tax, company income tax, and tax evasion, has on Nigeria's economic development.

Despite some studies on broader economic effects of taxation, empirical evidence on how taxation specifically impacts per capita income is scarce. Understanding this relationship is crucial as it would reveal how taxation could contribute to economic development goals, which are integral to sustainable development.

3. METHODOLOGY

The research utilized an ex-post facto design to attain its stated objective. Ex-post facto design examines how a subject matter is analyzed based on available secondary data. It makes inferences and decisions based on the estimation of sourced data. Ex-post facto research refers to a systematic empirical investigation where the researcher does not have direct control over the variables, as their manifestations have already taken place or are not manipulated. Therefore, the choice of this design is necessitated by the fact that the data employed for analysis have been captured from events that have already occurred; that is, the data are not to be derived by the researcher because they are already existing due to past events. This research utilized secondary data extracted from the Nigerian Federal Inland Revenue Service report and the CBN annual report from 1990 to 2023. The study used the Autoregression Distribution Lag model due to the long-run relationship discovered and the unit root of one of the series being integrated at order zero.

3.1. Validity and Reliability of Instrument

Data used in the research were validated and credible because they are obtained from FIRS and the CBN annual report. Information was derived from historical data that is accurate and reliable. As a result, the data can be regarded as reliable for the study.

3.2. Model Specification for Autoregression Distributed Lag Model

ARDL Equation with ECM after controlling for information and communication technology (ICT).

$$lPCI_t = \alpha_0 + \sum_{i=1}^{v_1} \alpha_1 \Delta lPCI_{t-i} + \sum_{i=0}^{v_2} \alpha_2 \Delta lPPT_{t-i} + \sum_{i=0}^{v_3} \alpha_3 \Delta lCIT_{t-i} + \sum_{i=0}^{v_4} \alpha_4 \Delta lVAT_{t-i} + \sum_{i=0}^{v_5} \alpha_5 \Delta lEVA_{t-i} + \sum_{i=0}^{v_5} \alpha_5 \Delta lICT_{t-i} + \delta_1 lPCI_{t-i} + \delta_2 lPPT_{t-i} + \delta_3 lCIT_{t-i} + \delta_4 lVAT_{t-i} + \delta_5 lEVA_{t-i} + \delta_6 lICT_{t-i} + \mu_t \quad (1)$$

The long-run relationship is expressed as follows.

$$lPCI_t = \alpha_0 + \delta_1 lPCI_{t-i} + \delta_2 lnPPT_{t-i} + \delta_3 lCIT_{t-i} + \delta_4 lVAT_{t-i} + \delta_5 lEVA_{t-i} + \delta_6 lICT_{t-i} + \mu_t \quad (2)$$

The short-term dynamics are expressed in Equation 3.

$$lPCI_t = \alpha_0 + \sum_{i=1}^{v_1} \alpha_1 \Delta lPCI_{t-i} + \sum_{i=0}^{v_2} \alpha_2 \Delta lPPT_{t-i} + \sum_{i=0}^{v_3} \alpha_3 \Delta lCIT_{t-i} + \sum_{i=0}^{v_4} \alpha_4 \Delta lVAT_{t-i} + \sum_{i=0}^{v_5} \alpha_5 \Delta lEVA_{t-i} + \sum_{i=0}^{v_5} \alpha_5 \Delta lICT_{t-i} + \theta ECM_{t-i} + \mu_t \quad (3)$$

We utilized the ARDL bounds co-integration test framework proposed by Pesaran, Shin, and Smith (2001) to investigate the long-run interactions of the variables. The ARDL is a vital measurement technique required when the series are stationary at both level and first difference. Most significantly, when the bound test indicates a long-run relationship among the series. In this context, Δ is identified as the difference operator, and θECM_{t-i} is the notation for the residual and error correction term. Similarly, α is used to denote the drift, t-i indicates the lag lengths, and the coefficients $\alpha 1$-$\alpha 5$ are those that require estimation. Moreover, l refers to natural logarithms, while μt represents the error term.

3.3. Data Measurement

This section provides an explanation of the variables used in this study. In Table 2, the parameters are described as the measurements indicated.

Table 2. Data description, measurement, and sources.

Variable	Description	Measurement	Type	Source
Per Capita Income	Average income earned by Nigerians at a particular point in time	Gross National Income divided by Total Population (PCI)	Dependent	CBN Bulletin
Company income tax	Given by firms to tax authorities	CIT	Independent	FIRS Report
Petroleum profit tax	Paid by firms in petroleum upstream sector	PIT	Independent	FIRS Report
Value-added tax	Paid on consumption of some selected products and services.	VAT	Independent	FIRS Report
Tax Evasion	Amount of losses accrued based on companies that did not pay tax.	EVA	Independent	FIRS Report
Control Variable:				
Information and communication technology	Technological presence in data form	ICT	Moderating factor	CBN statistical bulletin

4. DATA ANALYSES AND INTERPRETATION

The section showed the data estimation coupled with interpreting the results.

4.1. Descriptive Statistics

It explained the traits of per capita income (PCI), company income tax (CIT), petroleum profit tax (PPT), value added tax (VAT), tax evasion (EVA), and information and communication technology (ICT). Mean and median are measures of central tendency, and from Table 3, ICT had the highest mean and median values of 6.502 and 7.460,

respectively. Additionally, ICT had the highest maximum value of 9.308, while CIT had the minimum figure of 0.653. The standard deviation measured the variations within the dataset. From Table 3, ICT had the highest standard deviation of 2.514, while PCI had the lowest value of 0.706. Kurtosis measures the data distribution relative to the mean and should be above 1 but not exceeding 3 to indicate a normal distribution of the dataset. Therefore, all variables, based on the results in Table 3, were normally distributed, with kurtosis values above 1 but not exceeding 3, indicating a normal distribution. To further confirm the normality of the dataset distribution, the Jarque-Bera test was used, which summarizes the data by providing a p-value. All series had p-values above 0.05, confirming that the datasets employed in this study are appropriately distributed and suitable for analysis. To check for the presence of multicollinearity and to avoid interdependency among the variables, a correlation analysis was performed. The results in Table 3 confirm that there is no multicollinearity among the series.

Table 3. Summary statistics and correlation analysis.

Type	PCI	PPT	CIT	VAT	EVA	ICT
Mean	5.127	2.714	2.278	2.241	2.876	6.502
Median	5.346	3.058	2.457	2.431	2.996	7.460
Maximum	5.994	3.843	3.589	3.672	3.846	9.308
Minimum	3.613	1.247	0.653	0.427	1.454	2.968
Std. Dev.	0.706	0.766	0.861	0.887	0.768	2.514
Skewness	-0.693	-0.593	-0.362	-0.531	-0.402	-0.439
Kurtosis	2.383	1.958	1.835	2.222	1.792	1.460
Jarque-Bera	3.263	3.532	2.667	2.455	2.983	4.453
Probability	0.196	0.171	0.263	0.293	0.225	0.108
Sum	174.3	92.29	77.44	76.18	97.79	221.1
Sum Sq. Dev.	16.46	19.34	24.46	25.96	19.47	208.6
Observations	34	34	34	34	34	34
Correlation matrix						
	PCI	PPT	CIT	VAT	EVA	ICT
LPCI	1.000					
LPPT	0.360	1.000				
LCIT	0.488	0.261	1.000			
LVAT	0.292	0.463	0.492	1.000		
LEVA	0.348	0.254	0.246	0.452	1.000	
LICT	0.246	0.348	0.366	0.351	0.242	1.000

Source: Researchers' computation, 2025.

4.2. Unit Root Test

The research utilized the Augmented Dickey-Fuller test to check for data stationarity. The null hypothesis revealed no unit root. The p-value of the ADF test statistic must be lower than the 0.05 significance level to indicate stationarity at either levels or first difference. Table 4 showed that PCI was stationary at level, while the rest of the variables became stationary at first difference for the null hypothesis to be rejected.

Table 4. Augmented Dickey-Fuller unit root test.

Variable	ADF – Statistic	Critical value @ 5%	P-value	Order of integration	Remarks
LPCI	-3.728	-2.957	0.008	I(0)	Stationary
LPPT	-5.074	-2.960	0.000	I(1)	Stationary
LCIT	-5.313	-2.957	0.000	I(1)	Stationary
LVAT	-4.221	-2.957	0.002	I(1)	Stationary
LEVA	-5.491	-2.960	0.000	I(1)	Stationary
LICT	-5.267	-2.957	0.000	I(1)	Stationary

Source: Researchers' computation, 2025.

4.3. Optimal Lag Length

It showed the highest lag length to minimize autocorrelation in the error term and reduce equation misspecifications. In Table 5, the Akaike Information Criterion (AIC) selected one lag.

Table 5. VAR Lag order selection criteria.

Lag	LogL	LR	FPE	AIC	SC	HQ
0	16.75	NA	2.068	-0.672	-0.397	-0.581
1	171.8	242.4*	1.251*	-8.118*	-6.194*	-7.480*
2	204.7	39.06	1.961	-7.924	-4.351	-6.739

Note: * indicates lag order selected by the criterion
Source: Researchers' calculation, 2025.

4.4. Analysis of Long Run ARDL Estimation

Table 6 indicates that the long-term results show a negative significance of value-added tax at the 10% level. This outcome confirms the regressive nature of VAT and its gradual impact on the standard of living in the country. The rationale is that when poorer individuals buy goods and services at the same price (including VAT) as wealthier individuals, it drains their limited income without affecting the affluent. Over time, their standard of living starts to diminish as they strive to make ends meet, often leading to a reduction in their nutritional quality and overall well-being.

Table 6. Long-run ARDL estimation.

Dependent Variable: LPCI				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	-0.085	0.412	-0.206	0.839
LPCI(-1)	1.057	0.126	8.387	0.000***
LPPT(-1)	0.000	0.046	0.002	0.998
LCIT(-1)	0.035	0.104	0.338	0.738
LVAT(-1)	-0.196	0.114	-1.709	0.099**
LEVA(-1)	0.056	0.041	1.367	0.183
LICT(-1)	0.008	0.016	0.534	0.597

Note: R-Squared = 0.596; Adjusted R-Squared = 0.549; S.E. of regression = 0.045; F-statistic = 1109; F-statistic (p-value) = 0.000; Durbin-Watson = 1.91; AIC = -3.138; ***, ** confirms significant level at 5% and 10% respectively.
Source: Researchers' computation, 2025.

Table 7. Short-run ARDL estimation with ECM.

Dependent variable: D(LPCI)				
Variable	**Coefficient**	**Std. error**	**t-Statistic**	**P-value**
D(LPCI(-1))	1.351	0.184	7.321	0.000
D(LPPT(-1))	0.018	0.035	0.525	0.604
D(LCIT(-1))	0.004	0.100	0.041	0.967
D(LVAT(-1))	-0.214	0.095	-2.258	0.033***
D(LEVA(-1))	0.053	0.026	2.043	0.052**
D(LICT(-1))	0.034	0.015	2.225	0.035***
ECM(-1)	-0.792	0.236	-4.820	0.000***
C	-0.019	0.014	-1.361	0.186

Note: R-Squared = 0.532; Adjusted R-Squared = 0.548; S.E. of regression = 0.036.
F-statistic = 9.388; F-statistic (p-value) = 0.000; Durbin-Watson = 1.98; AIC = -3.633.
***, ** confirms significant level at 5% and 10% respectively.
Source: Researchers' calculation, 2025.

4.5. Analysis of Short-run ARDL Estimation with ECM

Table 7 provides an overview of the immediate-term linear velocity of the selected tax types, fraudulent tax practices, and technology in relation to the standard of living. The ECM (-1) reveals a negative t-statistic of -4.820 and a p-value of 0.000, indicating a statistically significant coefficient of -0.792. This coefficient of -0.792 implies that

about 79.2% of the disequilibrium in PCI from the previous year is accounted for. It also demonstrates the rate at which the model converges to equilibrium. The magnitude of this coefficient indicates that nearly 79.2% of any disequilibrium in PCI is corrected by the independent and moderating variables within one period (one year). The Durbin-Watson of 1.98 indicates zero autocorrelation, while the F-statistic of 9.388 with a p-value of 0.000 describes the statistical collective effects of the independent and moderating variables on PCI in the short term. The R-squared of 0.532 indicates the level at which the selected tax types, tax evasion, and ICT determine the variations in PCI, while the adjusted R-squared of 0.548 confirms the degree to which the independent and moderating variables can be adjusted to achieve model fitness, and the value is appropriate. The standard error of regression has a value of 0.045, which is below 1. The result indicates that the predictions of this study are free from material errors.

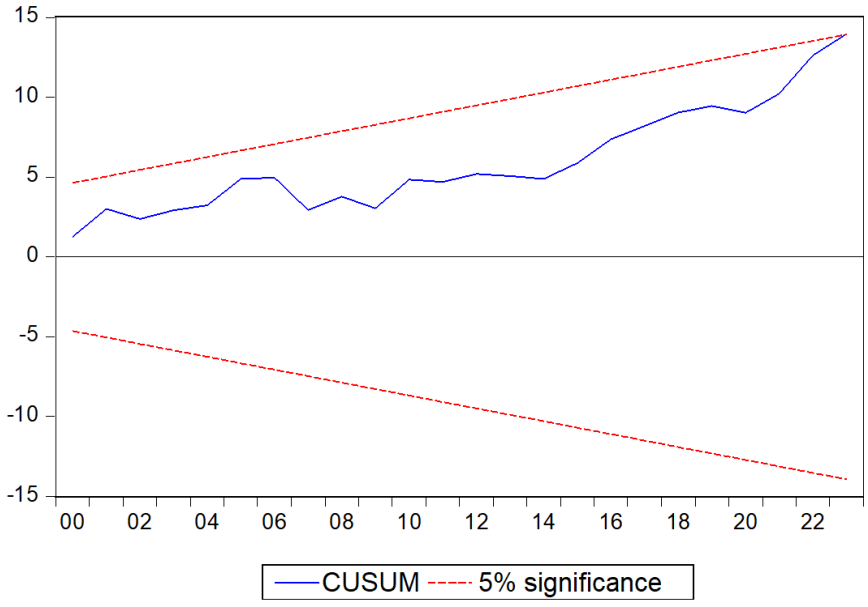

Figure 2. Cumulative sum of recursive graph.

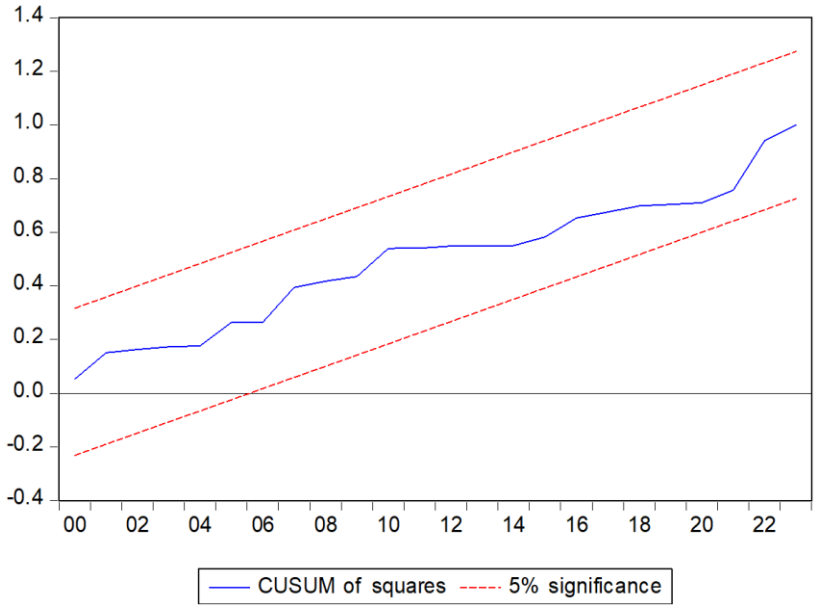

Figure 3. Cumulative sum of squares graph.

Figure 3 illustrates the validity of our model and proves that is stable and reliable.

Table 8. Post estimation tests.

Type	F-statistic	P-value
Breusch-Godfrey serial correlation LM test	0.931	0.409
Heteroskedasticity test: Breusch-Pagan-Godfrey	0.515	0.814
Test of multicollinearity using variance inflation factors		
Variable	**Coefficient Variance**	**Centered VIF**
D(LPCI(-1))	0.034	3.019
D(LPPT(-1))	0.001	1.032
D(LCIT(-1))	0.010	1.396
D(LVAT(-1))	0.008	1.684
D(LEVA(-1))	0.001	1.125
D(LICT(-1))	0.000	1.092

Source: Researchers' computation, 2025.

Table 8 presents the diagnostic tests performed to assess the appropriateness of the model utilized in this research. The post-estimation analysis included the serial correlation LM test, the heteroskedasticity test, and the multicollinearity test. The results from these three assessments indicated that the variables exhibited no issues with serial correlation, heteroskedasticity, or multicollinearity. Specifically, for serial correlation and heteroskedasticity, the p-values exceeded 0.05, while the Variance Inflation Factor (VIF) for the multicollinearity assessment was below the threshold of 10. Consequently, the model employed in this study is deemed appropriate.

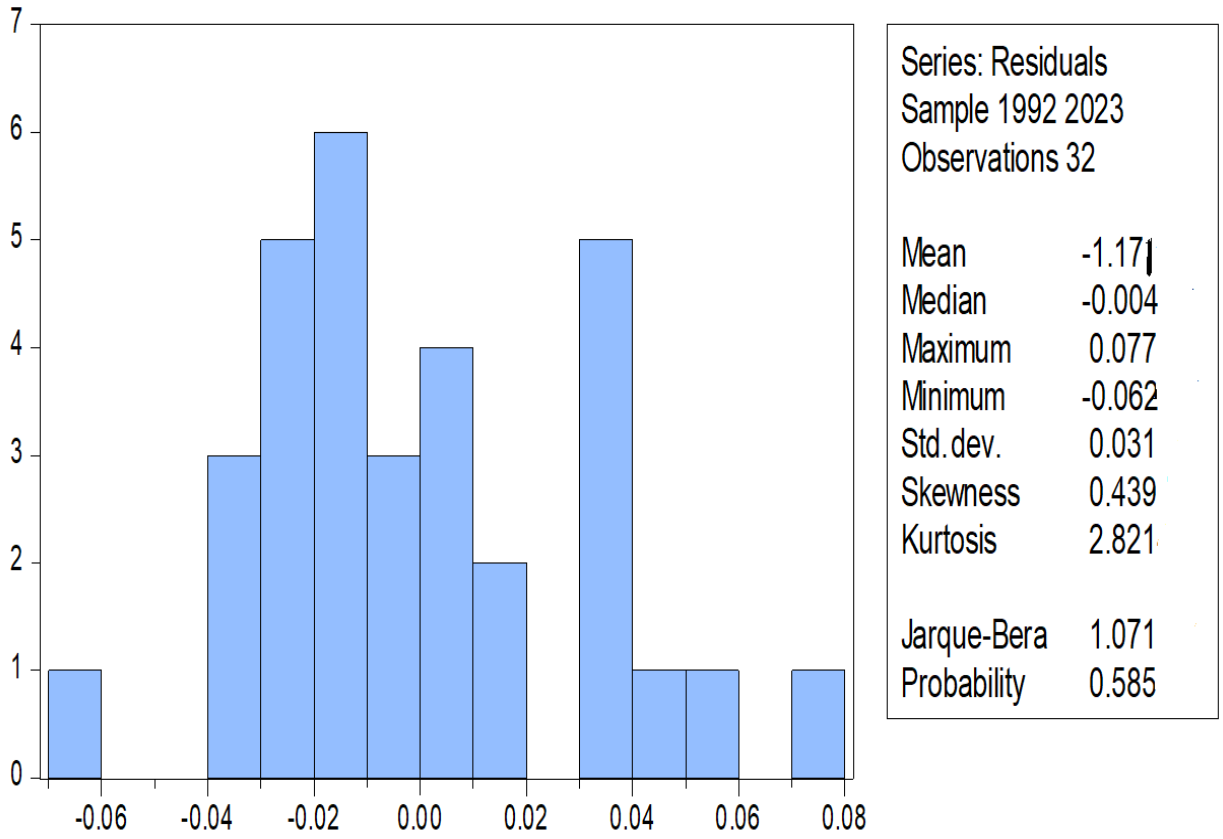

Figure 4. Test of normal distribution using histogram.

In addition, the evaluation of both short- and long-run multipliers is performed using CUSUM, CUSUMSQ, and leverage plots, which are represented in Figures 2, 3, and 5, respectively. All figures validate the stability test for our model at 5% confidence intervals and confirm that the model has been accurately specified. Furthermore, the presence of the blue lines situated in the middle of the red dotted lines in Figures 2, 3, and 5 indicates that the model for this

research is robust and appropriate. Figure 4 demonstrates that the data is normally distributed, as the kurtosis is approximately 3 and the Jarque-Bera test shows a p-value above the 0.05 threshold.

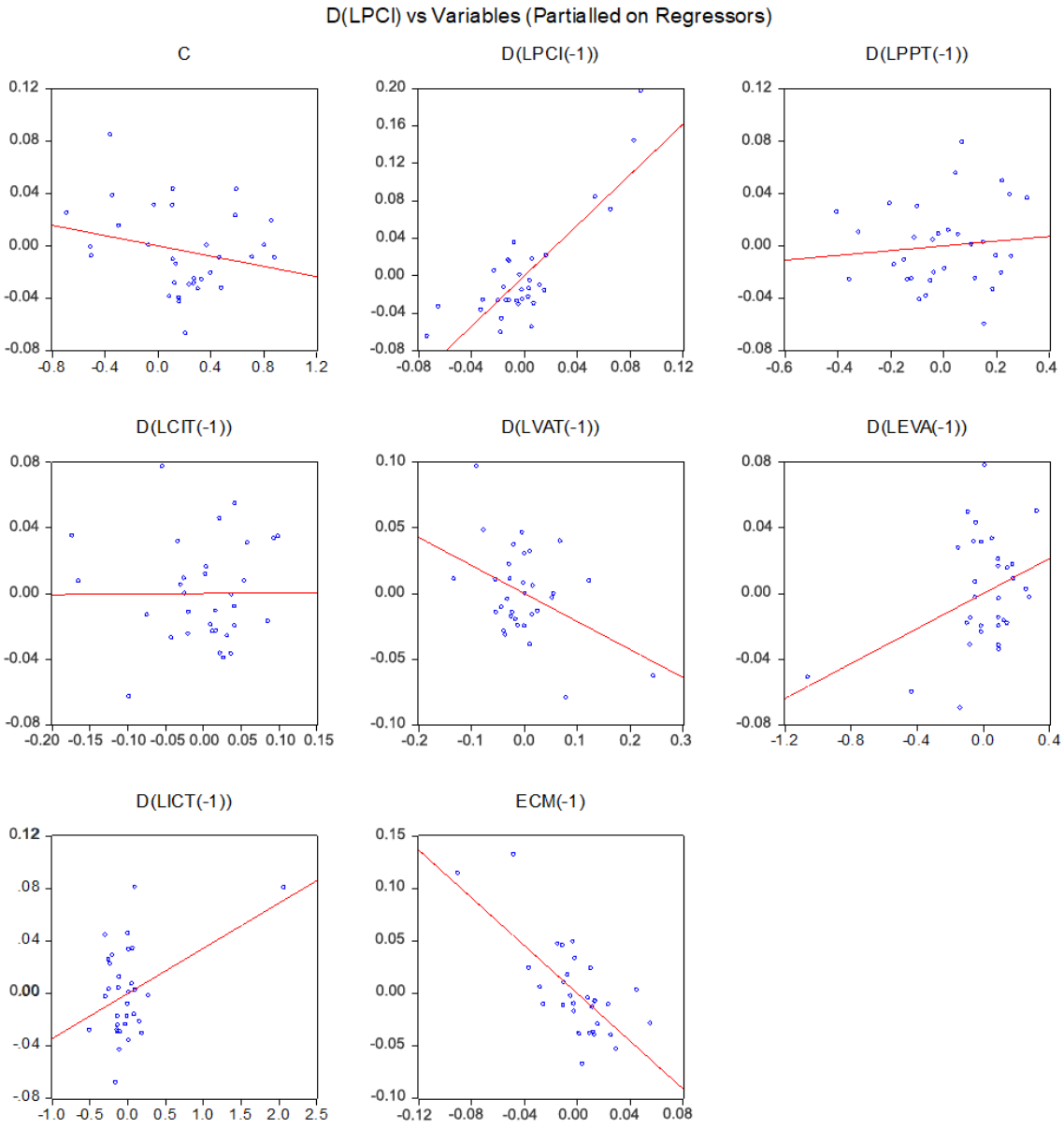

Figure 5. Test of model fitness.

4.6. Hypotheses Testing

In this investigation, we previously proposed that CIT, PPT, VAT, EVA, and ICT do not significantly affect PCI. The hypothesis testing for this study is based on the results shown in Table 6 and will be evaluated at both the 0.05 and 0.10 levels of significance. Additionally, the prior expectation indicated that CIT, PPT, VAT, and ICT would positively influence PCI, while EVA is expected to negatively impact PCI.

4.6.1. Hypothesis One

H_{01}: Companies' income tax has no significant influence on income per person in Nigeria.

As shown in Table 6, the corporate income tax (CIT) has a t-statistic of 0.041 and a p-value of 0.967, reflecting an insignificant positive influence on PCI. This implies that the revenue generated from CIT is not yet adequate to elevate the living standards of individuals in the country. Therefore, we fail to reject the null hypothesis (H01), which

states that CIT does not significantly affect PCI, but the alternative hypothesis, which suggests otherwise, is hereby rejected.

4.6.2. Hypothesis Two

H_{02}: Petroleum profit tax has no significant impact on per capita income in Nigeria.

In this study, the primary hypothesis posited that PPT does not exert a significant influence on PCI. Referring to the findings presented in Table 6, the t-statistic is calculated at 0.525, accompanied by a p-value of 0.604. This outcome suggests that PPT does not significantly affect PCI. Consequently, we accept H02 and dismiss the alternative hypothesis that contradicts this conclusion.

4.6.3. Hypothesis Three

H_{03}: Value-added tax has no significant effect on per capita income in Nigeria.

In our prior assumption, we posited that VAT does not have a substantial impact on Nigeria's PCI. The findings presented in Table 6 reveal that the t-statistic is –2.258, and the p-value is 0.033, which is below the 0.05 significance threshold. This outcome provides evidence that VAT exerts a significant negative effect on PCI. Thus, we reject the null hypothesis (H03) while we fail to reject the alternative hypothesis that suggests the contrary.

4.6.4. Hypothesis Four

H_{04}: Tax evasion has no significant impact on per capita income in Nigeria.

This study's preliminary assertion is that tax evasion does not exert a considerable influence on the standard of living in Nigeria. The results indicate that the EVA t-statistic stands at 2.043, with a p-value of 0.052, which is marginally above the 0.05 significance level but below the 0.10 level. Therefore, the research statistically substantiates that this result is a side effect of the informal economy. Thus, as a consequence of informal economic activities that dominate the Nigerian business sector and employ more than 40% of the unemployed population within the active labor age, it appears that it is a contributory force to the living standards of individuals. Therefore, we reject the null hypothesis (H04) while we do not reject the alternative hypothesis that asserts the opposite.

4.6.5. Hypothesis Five

H_{05}: Information and communication technology does not substantially affect per capita income in Nigeria.

The investigation initially proposed that information and communication technology does not have a considerable effect on the quality of life in Nigeria. As shown in Table 6, the t-statistic is recorded at 2.225, and the p-value is 0.035, demonstrating a statistically significant influence of ICT on PCI. Thus, we reject the null hypothesis (H05) but do not reject the alternative hypothesis, which asserts the opposite.

5. DISCUSSION OF RESULTS

The impact of company income tax on the standard of living, as measured by per capita income, was found to be positively insignificant. This finding aligns with the research conducted by Ezekwesili and Ezejiofor (2022) but contradicts the conclusions drawn by Manukaji (2018). Nevertheless, the results of this study support the rationale behind the tax reform of 2025 enacted by the current administration, which aims to exempt small enterprises from corporate income tax (CIT), while larger corporations with a turnover exceeding N100,000 million will be required to pay CIT on their assessable profits.

The petroleum profit tax does not have a significant positive effect on PCI. The result aligns with Ezekwesili and Ezejiofor (2022) but contradicts the findings of Onyeoma et al. (2021). The insignificance of PPT's relevance is due to Base Erosion and Profit Shifting (BEPS), which is prevalent in developing economies such as Nigeria. BEPS involves tax planning strategies that multinational corporations (MNCs) use to reduce their tax liabilities by shifting

profits from jurisdictions with higher tax rates to those with lower or no tax rates. This is often achieved by exploiting gaps and inconsistencies in international tax rules. Such practices can lead to substantial revenue losses for countries where the economic activities actually occur. It is a situation where MNCs devise means of evading taxes in their host countries, ensuring that assessable profits are minimized to maximize the amount transferred back to their home countries. The OECD has developed strategies to assist host countries of these multinational corporations in recovering their tax obligations.

The research has demonstrated that VAT has a detrimental effect on the standard of living. This finding aligns with the conclusions of Onyeoma et al. (2021) but contradicts those of Adeusi et al. (2020), Akintola et al. (2022), and Egolum and Ugonabo (2021). Nevertheless, the outcome of this research elucidates the regressive nature of VAT and its failure to accommodate the consumption patterns of low-income individuals. Furthermore, VAT appears to be inconsistent with Sustainable Development Goals 1 to 3, as it neglects the financial realities of the impoverished when determining the pricing of goods and services. Consequently, individuals from lower economic strata pay the same prices as their wealthier counterparts, even for essential household items and services.

The study has also shown that tax evasion has a significant positive effect on the standard of living in Nigeria. This result supports the findings of Mvunabandi et al. (2024). The issue here is that no economy is without a shadow economy, and the increase in unemployment leads to the growth of informal economic activities uncontrollably, resulting in more unregistered businesses that cannot be taxed. Despite this, the economy appears to be booming, people are surviving, and they are paying their bills.

The results on ICT indicate a significant positive impact on the quality of life in Nigeria. This finding confirms the results of Aksentijević et al. (2021) and Alhassan and Adam (2021). The emergence of ICT has indeed improved all facets of human endeavors, including tax practice and financial sector activities.

5.1. Summary of the Study

The study findings confirm the socio-political theory, which states that tax policies must be formulated to promote the general well-being of citizens in line with SDG 3. It focuses on the redistribution of wealth, social cohesion, political representation, accountability, and behavior modification (Ogbonna & Appah, 2012). All these would boost the per capita income of the populace as wealth is redistributed, thereby enhancing sustained economic growth. The research findings indicated that VAT exerted a considerable adverse effect on PCI. This implies that household consumption will be limited as a result of the value-added tax imposed on goods and services. This outcome aligns with the conclusions drawn by Onyeoma et al. (2021), yet it stands in contrast to the results reported by Egolum and Ugonabo (2021) and others. Empirically, CIT and PPT did not have a notable impact on PCI, which can be attributed to tax evasion resulting from BEPS practices in Nigeria. This conclusion is consistent with the research conducted by Ezekwesili and Ezejiofor (2022), but is at odds with the findings of Manukaji (2018). Tax evasion has been shown to significantly influence PCI, as corroborated by Mvunabandi et al. (2024). Lastly, ICT positively contributes to the standard of living, a result that is affirmed by Aksentijević et al. (2021) and Alhassan and Adam (2021).

6. CONCLUSION

The research concluded that the significance of taxation in improving the quality of life in Nigeria cannot be overemphasized. Value Added Tax (VAT) could not achieve this goal because it does not consider the poor when it comes to the prices of goods and services. VAT in Nigeria is yet to be well-regulated to align with SDG 1 to 3. Corporate Income Tax (CIT) and Petroleum Profit Tax (PPT) are not significantly important in influencing Per Capita Income (PCI) because tax evasion is evident at a higher rate. Firms that ought to pay tax are still operating under cover, while multinational corporations (MNCs) devise methods to shift their assessable incomes to countries that do not tax them. It is important that the government begins to critically review policies that would address these

issues both locally and internationally. Again, the importance of Information and Communication Technology (ICT) to human existence is not comparable. Therefore, the government should implement policies that will boost ICT infrastructure in the country.

6.1. Recommendations

i. The government must utilize tax earnings for infrastructural and economic developmental objectives, as it would facilitate Nigeria's economic development. It is important for the government to adopt more modern ICT devices to improve tax collection and the standard of living in Nigeria.
ii. The government should regularly arrange seminars on taxation for the general public. The education would demonstrate the importance of tax payment and how it can improve people's per capita income.
iii. In order to prevent tax evasion, it is essential to scrutinize the activities of multinational corporations (MNCs) more rigorously by implementing the strategies recommended by the OECD, thereby addressing the BEPS agenda. Furthermore, the government should consider providing tax holidays to deserving firms.
iv. The Nigeria Revenue Service should adequately supervise government tax earnings to boost the aim of tax revenue in Nigeria.
v. 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 taxpayers.
vi. The policy lessons from Asia are also recommended by this study. The Asian context has proved that combating tax evasion is no longer mainly about increasing the workforce of auditors. Instead, it focuses on the strategic implementation of ICT to foster an environment where compliance is the standard, and evasion is both hard to perpetrate and simple to uncover. The crux of the matter is to build a holistic digital ecosystem that links identity, transactions, and data analytics into a seamless and intelligent entity.

6.2. Contributions to Knowledge

i. The study contributed to the literature on sustainable economic development by demonstrating the importance of taxation and ICT for achieving Sustainable Development Goals 1 to 3.
ii. The research contributed to existing benefit received theory literature by proving that people are motivated to pay taxes once their per capita income is improved upon greatly.
iii. The study contributed to tax literature by stating that value-added tax is regressive and defies the goals of SDG 1 to 3. CIT and PPT could not boost the quality of life in Nigeria due to BEPS strategically practiced in Nigeria by MNCs.
iv. The study further highlighted the effect of tax evasion on the standard of living due to the dominance of the informal sector in Nigeria.

6.3. Limitations of the Study

The data was limited to 1990 through 2023 due to data availability for those years. Additionally, the same lack of data restricted the study to Nigeria only and prevented extension to other developing countries in sub-Saharan Africa.

6.4. Suggestion for Further Studies

i. Additional researchers can assess the same subject matter regarding sectoral development.
ii. Other studies can examine the same subject matter using different econometric techniques, such as regression analysis.
iii. Other future works in this area should include other developing countries in both the Asian and African continents.

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Competing Interests: The authors declare that they have no competing interests.
Authors' Contributions: Both authors contributed equally to the conception and design of the study. Both authors have read and agreed to the published version of the manuscript.

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