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## Tax Identification Number and Non-Oil revenue: A Comparative Analysis of Pre and Post Tax Identification Number

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### **Abstract**

*Non-oil tax revenue constitutes an integral part of the total revenue of Nigeria. It is expected that the introduction of the Taxpayer Identification Number (TIN) will have a significant effect on total non-oil tax revenue since more companies would be captured by the tax net. This paper therefore set out to empirically investigate the effect of TIN on non-oil tax revenue through a comparative analysis of pre and post TIN years of 2000 to 2015. Data was collected from Central Bank of Nigeria (CBN) Statistical Bulletin. The study employed both descriptive and pairwise t-test statistical techniques for analyses with total non-oil tax revenue as the dependent variable while CIT, VAT and TET were the independent variables. Findings showed that there has been a significant increase in total non-oil tax revenue with the introduction of TIN. Also, revenue generated from CIT and TET after the implementation of TIN improved significantly. VAT revenue however, did not improve after the implementation of TIN. Recommendations include that the VAT base needs to be enlarged through electronic capture of all VATable persons.*

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**Key Words:** Tax Identification Number, Non-oil tax Revenue, Company Income Tax, Value Added Tax, Tertiary Education Tax.

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### **Introduction**

Tax reforms are widely accepted as deliberate tax re-engineering by tax policymakers and tax administrators that ensures compliance by all who should pay for efficient revenue generation (Harrison, 2002; Azubuike, 2009 and Omesi and Nzor, 2015), through the eradication of fiscal deficits, attraction of higher revenue and improvement of the revenue elasticity or buoyancy of the tax structure (World Bank, 1991). Though taxation is widely recognized as a major contributor to the revenue of nations as well as a major tool for economic growth and development, Nigeria's tax structure has been described as unfair, complex, inefficient, inelastic and inequitable (Anyanwu, 1997). This necessitated the various tax reforms of the Nigerian tax system of which the Taxpayer's Identification Number (TIN) is one of them.

TIN which is a unique sequential number of predetermined electronically generated digits created for all corporate and individual tax payers became effective in Nigeria from February 2008 with the major aim of efficient tax administration and collection. Tax collection from taxpayers had been neglected with just the formal sector complying reluctantly. Interestingly,

company income tax (CIT), value-added tax (VAT) and tertiary education tax (TET) from companies in Nigeria constitute a significant component of taxation revenue (Onaolpo, Aworemi and Ajala, 2013; Madugba, Ekwe and Kalu, 2015). With the introduction of TIN, it is believed that more taxpayers from both the formal and the informal sector would broaden the tax base. Although oil revenue (Royalties, and Petroleum Profit Tax) has been a major contribution to the tax collection by the Federal Inland Revenue Service (FIRS), thus, the significance on total non-oil tax revenue cannot be lost.

Regrettably, revenue generated from taxation over the years has not made significant contribution to total government revenue with majority of the revenue being derived from crude oil. According to Odularu (2008), the contribution of non-oil revenue to total revenue dropped to 23 % by 1985 while the contribution of oil revenue to total revenue increased to 73%. By 2000, oil and gas export accounted for about 83% of federal government revenue. With the introduction of TIN in 2008, it is expected that tax revenue from the non-oil sector would gross in huge tax revenue that would significantly reduce Nigeria's dependence on oil revenue which is being threatened by glut in the global economy, severe reduction in oil price and inability to meet production projections as a result of domestic challenges. It is against this back drop that this paper seeks to ascertain the influence of the TIN reform on non-oil tax revenue between 2000 and 2015. This will enable comparative analyses of the pre and post TIN years to be carried out.

The downturn in the price of crude as well as the challenge of meeting annual crude production targets has further intensified the need for the federal government to generate more non-oil revenue from taxation of individuals, enterprises and companies. Raising revenue from non-oil tax/sector has been characterized by a general apathy to pay tax, corruption amongst tax officials and taxpayers, lack of taxpayer information and a very unstable political structure. Yet, revenue from the non-oil tax sector is deemed more reliable than the volatility experienced in the oil sector (Ogundare, 2016).

With the introduction of the Tax identification Number (TIN) in 2008, it is expected that the revenue from non-oil tax would increase since it should automatically capture more individuals, enterprises and companies thereby reducing the wide gap between companies registered in Nigeria with the Corporate Affairs Commission (CAC) and those already in the tax net. Statistics shows that before the increase in corporate tax registration/75% of registered companies were not in the tax net while 65% of those in the tax net do not file returns or pay taxes. This implies that less than 9% of all companies operating in Nigeria neither file returns nor pay taxes (PWC, 2015). Studies in this area are few and specific to states in Nigeria with procedural differences. Ezugwu and Agbaji (2014) conducted a study on the application of Taxpayer Identification Number (TIN) on internally generated revenue in Kogi State for the period of 2003 to 2012 using regression in the investigation. Asaolu, Dopemu and Monday (2015) examined the impact of tax reforms on revenue generation in Lagos State while Ofurum, Amaefule, Okonya and Amaefule, (2018) investigated the impact of e-taxation on Nigeria's revenue and economic growth using a pre-post analysis

The major objective of the study is to assess the effect of the tax reform (TIN) on non-oil revenue in Nigeria. Specifically, the study intends to:

1. Assess the effect of the adoption of TIN on total non-oil tax revenue.
2. Assess the effect of the adoption of TIN on company income tax.
3. Assess the effect of the adoption of TIN on value added tax.
4. Assess the effect of the adoption of TIN on tertiary education tax.

## Research Hypotheses

**H<sub>01</sub>:** The adoption of TIN has no significant effect on total non-oil tax revenue.

**H<sub>02</sub>:** The adoption of TIN has no significant effect on company income tax.

**H<sub>03</sub>:** The adoption of TIN has no significant effect on value added tax.

**H<sub>04</sub>:** The adoption of TIN has no significant effect tertiary education tax.

## Literature Review

### Concept of Taxpayer Identification Number (TIN)

The Taxpayer Identification Number (TIN) is a platform that harmonizes tax payer identification and registration in Nigeria. It is a major reform put in place by government to reduce the problem of tax administration in Nigeria by capturing taxable persons through an electronic system of tax collection. The major objectives of introducing TIN include creating closer linkage between tax authorities in Nigeria, aid co-operation and information sharing amongst the tax authorities as well as increase revenue generation accruing to all tiers of the government (JTB Bulletin, 2011). Originated by the Joint Tax Board (JTB) in collaboration with the Federal Inland Revenue Service (FIRS) and the 36 State Boards of internal Revenue (SBIR), the taxpayers include individuals and companies. Being a unique number, TIN identifies the taxpayer for life and is available nationwide (FIRS, 2012). It is expected that TIN will help widen the tax base through registration of all eligible taxpayers.

Again, in order to overhaul the manual system at the ports, the FIRS in collaboration with the Nigeria Customs Service (NCS) launched an inter-connectivity project known as the importers' Taxpayer's Identification Number (TIN) platform at the nation's ports. The launch is expected to increase tax revenue, improve efficiency, accountability, transparency and better management of records and information on the part of both FIRS and NCS since the TIN must be used by all taxpayers when paying their taxes. In a bid to further increase states' revenue, the JTB with the collaboration of the federal and state governments introduced the Unique Taxpayer Identification Number (U-TIN) which is again an electronic system of tax identification that assigns unique identification to every taxable person in Nigeria with biometric capabilities. The benefits of the TIN reform include:

- Filling of existing loopholes in the Country's tax system.
- Enhancement of taxpayer's identification and registration thereby bringing more taxpayers in the tax net.
- Minimization of errors and mistakes associated with manual registration.
- Minimizing the issue of multiple taxation which has been a major challenge for both taxpayers and tax administrators.
- Enhancing of information sharing among relevant agencies in the country.
- Facilitate a more efficient system of tax assessment and collection
- Enhancement of voluntary compliance by allowing tax authority to increase revenue and verify claims of taxpayers.
- Block all leakages in tax collection, eliminate corruption in the tax system and enable tax authority ascertain the actual income and taxes of all registered taxpayers.
- Enhancement of ICT literacy and capacity among FIRS staff.
- Provide basis for planning and budgeting.
- Widen and deepen taxpayer data base, (Ezugwu and Agbaji, 2014).

### Overview of Non-Oil Tax Contribution to Nigeria's Economy

Tax is described as 'the enforced proportional contributions from persons and property, levied by the State by virtue of its sovereignty for the support of Government and the public needs

(National Tax Policy, 2013). Apart from the generation of revenue for the Government, tax is also an avenue for the redistribution of wealth and re-adjustment of the economy (Ojo, 2008). Taxation has been in operation in Nigeria even before the amalgamation of the North and South protectorate. Contribution to Nigeria's non-oil tax revenue was primarily based on the major commodity for export. Before the mid-1970s, agricultural commodities were the dominant commodities. They thus served as proxy for personal income tax because of the challenges of correctly determining tax liability and accessing individual farmers. It was the responsibility of the various marketing boards to collect the taxes (Odusola, 2006). From 1975 the rates of tax payable on personal income were fixed by the then Federal Ministry of Finance under the recommendation of the Joint Tax Board. With the discovery of crude oil however, the contribution from agriculture dwindled drastically while revenue from crude increased tremendously. Non-oil tax revenue did not make any significant contribution to tax revenue due to the tax administration challenges which gave rise to rampant tax evasion. The passage of the Federal Inland Revenue Service (Establishment) Act 2007 gave financial and administrative autonomy to the Federal Inland Revenue Service. This was the brain child of the Study and Working groups on Nigerian tax System. This led to the modernization and reform of the various state and federal tax authorities as well as key reforms such as automation of key processes. The following however are some of the existing tax laws in Nigeria through which tax contributions are made annually to the federal government.

- Company Income Tax Act (CITA) CAP 60 Law of Federation of Nigeria (LFN) 1990
- Stamp Duties Act CAP 411 LFN 1990
- Capital Gains Tax Act CAP 42 LFN 1990
- Education Tax Act No 7 LFN 1993
- Value Added tax (VAT) Act No 102 LFN 1993
- Personal Income Tax Act (PITA) CAP P8 (LFN) 2004
- Petroleum Profit Tax Act (PPTA) 2007
- Information Technology Development Act 2007 (Abiola and Asiweh, 2012).

With the recent unstable nature of oil revenue, FIRS has seen the need to diversify some of tax collection in form of non-oil taxes. Non-oil tax revenue thus consists of revenue from companies' income tax, value added tax, customs and excise duties, education tax, customs levies and others (CBN, 2010), while tax revenue from oil refers to tax from oil and gas related activities (petroleum profit tax, royalties, etc.). An analysis of tax revenue collection over the period spanning from the year 2000 – 2015 shows a steady drop in percentage contribution of oil revenue from 2011 - 2015.

Year	Non-oil Tax Revenue	Oil Tax Revenue	Total	% Oil Revenue contribution	% Non-oil Revenue contribution
	₦'Billions	₦'Billions	₦'Billions	%	%
2000	314,483.90	1,591,675.80	1,906,159.70	83.50	16.50
2001	523,970.10	1,707,562.80	2,231,532.90	76.52	23.48
2002	500,986.30	1,230,851.20	1,731,837.50	71.07	28.93
2003	500,815.30	2,074,280.60	2,575,095.90	80.55	19.45
2004	565,700.00	3,354,800.00	3,920,500.00	85.57	14.42
2005	785,100.00	4,762,400.00	5,547,500.00	85.85	14.15
2006	677,535.00	5,287,566.90	5,965,101.90	88.64	11.36
2007	1,252,550.00	4,462,950.00	5,715,500.00	78.09	21.91

2008	1,335,960.00	6,530,630.00	7,866,590.00	83.02	16.98
2009	1,652,650.00	3,191,940.00	4,844,590.00	65.89	34.11
2010	1,907,580.00	5,396,090.00	7,303,670.00	73.88	26.12
2011	2,237,880.00	8,878,970.00	11,116,850.00	79.87	20.13
2012	2,626,780.00	8,025,970.00	10,652,750.00	75.34	24.66
2013	2,950,560.00	6,809,230.00	9,759,790.00	69.77	30.23
2014	3,275,030.00	6,793,820.00	10,068,850.00	67.47	32.53
2015	3,082,410.00	3,830,100.00	6,912,510.00	55.41	44.59

**Source:** Central Bank of Nigeria Statistical Bulletin (2016).

### **Theoretical Framework**

This study relies on three theories: The socio-political theory, psychological theory and economic based theory.

**The Socio-Political Theory of Taxation** postulates that social and political objective should be the major reason for collecting taxes. Taxes therefore, should not be designed to serve individuals but should be used to cure the ills of society as a whole (Bhartia, 2009). In line with this, Chigbu, Akujobi and Appah, (2012) assert that even though the society is made up of individuals, the society is the sum total of its individual members. This therefore implies that the tax system should be directed towards the health of the society as a whole.

**The Psychological Theory** assumes that taxpayers are influenced to comply with tax obligations as a result of psychological factors. The theory postulates further that taxpayers comply when the probability of detection is low. It further suggests that taxpayers will comply when their attitudes towards tax systems changes.

**The Economic Based Theory** (also known as deterrent theory) postulates that taxpayers are influenced by economic motives such as probability of detection. The probability of being detected and the resulting repercussions make taxpayers select the alternative that maximizes their expectations after tax returns and adjusting for risk (Smatrakalev, 2006).

### **Empirical Review**

Oriakhi and Ahuru (2014) conducted a study on the impact of tax reforms on federal revenue generation in Nigeria. The study adopted the time series data from the years (1981-2011). Augmented Dickey Fuller test was employed to test for the unit root which were non-stationary at levels but became stationary after first differencing. Johansen's co-integration test showed that long run relationship exists between tax reform and federally collected revenue in Nigeria. Employing regression analysis the total federal collected revenue was regressed on tax revenues which included petroleum profit tax and value added tax while customs and excise duties was proxies for tax reform. Findings revealed that by improving the tax system, reducing tax avoidance and evasion, reducing tax burden by reducing petroleum profit tax from 25% to 17.5% and company income tax from 30% to 20% may have enhanced government ability to generate more revenue through taxation. Recommendations include that FIRS should have full autonomy, the hydra-headed monster known as multiple taxation should be tackled while accountability and transparency should be promoted in order to restore confidence of the tax payer in the system.

Ezugwu and Agbaji (2014) conducted a study on the application of Taxpayer Identification Number (TIN) on internally generated revenue in Kogi State for the period of 2003 to 2012.

The study adopted tables and regression to analyze the contribution of internally generated revenue to the total state revenue pre and post TIN. Findings revealed that before the adoption of TIN, the internally generated revenue was not significant while it witnessed tremendous increase post TIN. Recommendations include that a holistic tax education should be carried out to keep the teeming taxpayers abreast of the taxpayer identification program in the State. This is the first and only comparative work with regards to the introduction of TIN but it is however limited by scope.

Asaolu, Dopemu and Monday (2015) examined the impact of tax reforms on revenue generation in Lagos State. Using Time Series quarterly data between the period of 1999 and 2012, the ordinary least square (OLS) regression technique was used to analyze the secondary data collected from the Lagos State Internal Revenue Service (LIRS) in the form of tax payer statistics and revenue status report. Findings revealed that there is a long run relationship between tax reforms and revenue generation in Lagos State. Findings further revealed that the State depended more on tax reforms with less dependence on other sources of revenue generation.

Ofurum, Amaefule, Okonya and Amaefule, (2018) investigated the impact of e-taxation on Nigeria's revenue and economic growth using a pre-post analysis. The study adopted paired sample t-test to assess the impact of E-taxation on tax revenue, federally collected revenue and tax-to-GDP ratio from second quarter 2013 to fourth quarter 2016. Findings revealed that the implementation of electronic taxation has not improved tax revenue, federally collected revenue and tax-to-GDP ratio in Nigeria. The findings again revealed that federally collected tax revenue and tax-to-GDP ratio significantly reduced after e-taxation was implemented while tax revenue decreased but the mean difference was not statically significant.

Onaolapo, Aworemi and Ajala (2013) assessed the effect of value added tax (VAT) on revenue generation in Nigeria. The study adopted stepwise regression analysis to assess the impact of VAT on revenue generation in the Nigerian macro economy between 2001 to 2010 accounting years. Findings revealed that VAT has significant effect on revenue generation in Nigeria.

Doki and Abubakar (2015) examined the potential of CIT on the search for sustainable alternative financing in Nigeria. The study employed Ordinary least Square (OLS) and Co-integration test over the period of 1987 to 2013 to analyze the relationship between CIT and revenue generation in Nigeria. Result showed that increasing the contribution of CIT by one percent increases revenue generation by 0.42%.

## **Methodology**

### **Research Design**

Ex post factor design was employed using already existing data from past events.

### **Sources of Data**

The study made use of secondary data extracted from Central Bank of Nigeria (CBN) Statistical Bulletin 2016. Data from the years 2000 to 2015 were observed for the study. The year 2008 was taken as the post TIN date because it was the year TIN first came into operation in Nigeria. Data were segregated into pre TIN period spanning from 2000 to 2007 and post TIN period spanning from 2008 to 2015. Variables of interest were Total Non-Oil Revenue, Company Income Tax, Value Added Tax and Tertiary Education Tax on pre TIN and post TIN periods.

### Test Statistics

Descriptive statistics, precisely mean and standard deviation were employed in comparing the nature of the differences on revenue generation on pre and post TIN periods from identified tax variables and total non-oil revenue. Again, paired sample correlation statistics was used to determine whether positive or negative correlation exists between total non-oil revenue during the pre TIN and the post TIN periods. It was also used to determine whether positive or negative correlation exists between the identified tax variables in the pre and post TIN periods. To further test the hypotheses, paired sample t-test inferential statistic was employed to determine the significance of the differences between pre TIN and post TIN tax revenue. Finally, SPSS (Statistical tool for Social Science), version 20 was employed.

**Decision Rule:** To reject the null hypotheses the observed level of significance will be less than 0.05 alpha level of significance otherwise we accept the null hypotheses.

### Results

**Table 4.1: Table of Analyses**

NOTR2	IMOTR1	CITA2	CITA1	VAT2	VAT1	TET2	TET1
1335980	314500	89100	12275	2812300	525100	59500	7500
1652650	903500	593700	21878	468400	639200	139500	16200
1907580	50100	658400	22000	562900	392200	89180	10300
2237880	500800	663020	26000	659150	683500	130740	0
2628780	546600	847500	33300	710500	1183600	188435	0
2950560	785100	352178	46200	802670	1904900	279359	21800
3275030	677535	1180000	57100	802950	2038300	189613	28400
3082410	1200800	1290000	68700	767330	1600600	199824	59600

Table 4.1 presents array of variables used in analyses. These include non- oil revenue, company income tax, value added tax and education tax on pre and post adoption of TIN.

Where NOTR2 = Non oil tax revenue post adoption of TIN

NOTR1 = Non oil tax revenue pre adoption of TIN

CITA2 - Company income tax post adoption of TIN

CITA1 = Company income tax pre adoption of TIN

VAT2 = Value added tax post adoption of TIN

VAT1 = Value added tax pre adoption of TIN

TET2 = Education tax post adoption of TIN

TET1 = Education tax pre adoption of TIN

**Table 4.2: Descriptive Statistics  
Paired Sample Statistics**

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	TNOR 2	2383858.75	8	711554.046	251572.346
	TNOR 1	622366.88	8	355756.100	125778.775
Pair 2	CITA2	709237.25	8	397878.366	140671.245
	CITA1	35931.63	8	19581.694	6923.174
Pair 3	VAT2	948275.00	8	762381.100>	269542.423
	VAT1	1120925.00	8	654616.258	231441.797
Pair4	TET2	159518.88	8	69599.127	24607.007
	TET1	17975.00	8	19544.5S3 •	6910.053

Table 4.2 above presents the mean and standard deviations of the various pre and post TIN variables. An analysis of this table shows that the mean and standard deviation values of TNOR2 (2383858.75 and 251572.346) respectively are higher than that of TNOR1 which are 622366.88 and 355756.100 respectively. With respect to CITA2, the mean and standard deviation values of 709237.25 and 397878.366 are greater than that of CITA1 which are 35931.63 and 19581.694 respectively. The VAT2 values with respect to mean and standard deviation of 948275.00 and 762381.100 were lower than the VAT1 mean and standard deviation values of 1120925.00 and 231441.797 respectively. Finally, TET2 has mean and standard deviation values of 159518.88 and 69599.127 respectively. These were higher than the TET1 mean and standard deviation values of 17975.00 and 19544.583 respectively. This implies that revenue generated from post TIN periods were greater than the pre TIN periods except VAT which did not increase.

**Table 4.3: Paired Samples Correlations  
Paired Samples Correlations**

		N	Correlation	Sig.
Pair1	NOTR2&NOTR1	8	.527	.179
Pair 2	CITA2 & CITA1	8	.778	.023
Pair 3	VAT2 & VAT1	8	-.235	.575
Pair 4	EDUT2&EDUT1	8	.427	.291

Table 4.3 above presents a paired sample correlation between pre and post adoption of TIN on the variables of the study. From the analyses, a moderate correlation exists between total non-oil tax revenue before and after the adoption of TIN. Also NOTR shows a moderate correlation of 53%, CITA shows a strong correlation of 78%, VAT has a low correlation of 24% while TET has a moderate correlation of 43% respectively.



**Table 4.4: Paired Sample T Test  
Paired Samples Test**

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 NOTR2 - NOTR1	1761491.875	604934.945	213876.801	1255753.605	2267230.145	8.236	7	.000
Pair 2 CITA2- CITA1	673305.625	382842.840	135355.384	353241.001	993370.249	4.974	7	.002
Pair 3 VAT2-VAT1	-172650.000	1115532.340	394400.241	-1105258.375	759958.375	-.438	7	.675
Pair 4 TET2-TET1	141543.875	63742.039	22536.214	88254.197	194833.553	6.281	7	.000

Table 4.4 presents a paired sample t test and observed significant levels of the variables of the study. This table was used for the test of the three hypotheses that guided the study.

### Test of Hypotheses

**H<sub>01</sub>:** The adoption of TIN has no significant effect on total non-oil tax revenue.

Test of hypotheses one showed a t statistics observed significant level of .000 which is less than the alpha level of significance of .05. We therefore reject the null hypotheses and conclude that there is a significant effect of TIN adoption on total non-oil revenue. Thus, the adoption of TIN in Nigeria has contributed significantly to the increase in total non-oil revenue in the period under review.

**H<sub>02</sub>:** The adoption of TIN has no significant effect on company income tax.

Test of hypotheses two reveals a t statistics observed significant level of .002 which is less than the alpha level of significance of .05. We therefore reject the null hypotheses and conclude that the adoption of TIN has a significant effect on company income tax in the period under review.

**H<sub>03</sub>:** The adoption of TIN has no significant effect on value added tax

Test of hypotheses three revealed a t statistic value of .675 which is greater than the .05 level of significance. As a result of this, we accept the null hypotheses and conclude that the adoption of TIN has no significant effect on value added tax in the period under review.

**H<sub>04</sub>:** The adoption of TIN has no significant effect on tertiary education tax.

Test of hypothesis four revealed a t statistic value of .000 which is less than the 0.05 level of significance. We therefore reject the null hypotheses and conclude that the adoption of TIN has no significant effect on tertiary education tax.

### Discussion of Findings

Most of the results are in line with prior studies. TIN had a positive effect on total non-oil tax revenue. This could be seen from the results on hypotheses one. The implication is that the adoption of TIN led to the generation of more non-oil tax revenue in Nigeria. This is in line with the research by Oriakhi and Ahuru (2014) and Ezugwu and Agbaji (2014) who revealed

that tax reform has a positive impact on revenue generation in Nigeria. This finding is however not in agreement with the findings of Ofurum, Amaefule, Okonya and Amaefule, (2018).

Findings from hypotheses two and four showed that the adoption of TIN led to a significant improvement in tax revenue from CIT and TET. This implies that more companies were caught by the tax web thereby increasing the tax base. This is in agreement with Doki and Abubakar (2015) who stated that CIT has the potential as a source of alternative financing for sustainable development of Nigeria. However, results from hypotheses three shows that the adoption of TIN has not led to increased revenue generation from VAT. Being a consumption tax, it is likely that more VATable persons have not been captured by TIN. This result is however not in agreement with Onaolapo, Aworemi and Ajala (2013) who revealed that VAT has significant effect on revenue generation in Nigeria.

### **Conclusion**

Tax reforms are necessary since they continuously upgrade the tax system with a view to improving the revenue generation in the economy. The paper concludes that the adoption of TIN improved the contribution of company income tax and tertiary education tax to Nigeria's non-oil revenue. This clearly shows an increase in the tax base. Also, non-oil revenue improved significantly after the adoption of TIN which also clearly shows that continuous tax reform could relieve the economy significantly from its dependence on oil revenue.

### **Recommendation**

The following major recommendations were made:

1. Tax policy makers should consciously make tax reform in Nigeria a continuous process since it has the propensity to improve revenue generation.
2. Tax authorities should create a high level of awareness on value added tax through advertisements, seminars, workshops, conferences and bulletins. Since VAT is a consumption tax, it is expected that more revenue can be generated from this tax.
3. All loopholes through which tax revenue leaks should be blocked by FIRS especially revenue from VAT.
4. VAT base needs to be enlarged through electronic capture of all VATable persons.
5. The government and its regulatory agencies should engage in tax education aimed at the enlightenment of taxpayers on the benefit of the Tax Identification Number (TIN).
6. Access to registration should be almost stress free and the steps (using the internet) should not be cumbersome.
7. Regular checks should be carried out on all platform related to TIN so as to detect and faustall abuse and other fraudulent practices.
8. A close monitoring of the registered entities (body corporate of individuals) on their filling and remission of their taxes should not be compromised or downplayed.

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