

FISCAL TAX REVENUE AND NIGERIA ECONOMY SUSTAINABLE DEVELOPMENT-  
ALIGNING WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT AGENDA  
(ESG)

**ADEGBIE Folajimi Festus**

Babcock University, Department of Accounting, Ilishan-Remo, Ogun State

**ADELEKE Praise Toluwalope**

Babcock University, Department of Accounting, Ilishan-remo, Ogun State

**OLUWAGBADE Oluyinka Isaiah**

Afe –Babalola University, Department of Accounting, Ado-ekiti, Ekiti State

**AWOTOMILUSI Niyi Solomon**

Afe –Babalola University, Department of Accounting, Ado-ekiti, Ekiti State

DOI: <https://doi.org/10.56293/IJMSSSR.2025.5708>

IJMSSSR 2025

VOLUME 7

ISSUE 4 JULY – AUGUST

ISSN: 2582 – 0265

**Abstract:** Good economic growth of a nation increases the capacity and supply of goods and services for the citizens in the areas of healthcare, education, social protection and basic public services. Evidence from literature showed that Nigerian economy has been experiencing distress due to reliance on oil and gas in which fluctuations in the global prices have recorded negative effect on the development of the economy. Literature has further shown that Nigerian government has not placed much importance on taxes which form the main source of income for developed nations. Therefore, this study evaluated the effect of fiscal tax (Hydrocarbon tax, companies income tax, value added tax and customs and excise duties) on Nigerian economy. The study adopted ex post facto research design. Using time series, the study evaluated the effect of federal collected taxes on Nigerian for a period of 23 years (2002-2024). Data were obtained from Federal Inland Revenue Service, and Central Bank of Nigeria. Validity and reliability of the financial statements were premised by the statutory audit of the accounts by the office of Auditor General of the Federation. Data were analyzed using descriptive and inferential (multiple regression) statistics at 0.05 level of significance. The results found that fiscal tax revenue had significant effect on gross domestic product (Adj  $R^2=0.928363$ ,  $F(3,19) = 379.3583$ ,  $p < 0.05$ ), had significant effect on gross national product (Adj  $R^2=0.933252$ ,  $F(3,19) = 150.5240$ ,  $p < 0.05$ ) and had significant effect on per capita income (Adj  $R^2=0.553321$ ,  $F(3,19) = 130.7064$ ,  $p < 0.05$ ) in Nigerian economy. The study concluded that fiscal tax revenue enhanced Nigerian economy to align with Sustainable Development Goals 17 and 8 with support to Goals 1,3,4,10 and 12. The study recommended that the federal government of Nigeria should diversify the income base of Nigeria from oil to taxes so that there will be inflow of funds to execute projects and develop the economy of the nation. The government should develop policies that will make Sustainable Development Goals a priority in all the three tiers of government.

**Keywords:** Fiscal tax revenue, Gross Domestic Product, Gross National Product, Per Capital Income, Nigerian economy, Oil price, Sustainable development goals

**1. Introduction:** The economy of a nation will thrive and achieve growth if strategic developmental policies are effectively implemented to achieve growth, stability and sustainability. Fitriyah and Nuraini (2025) posited that developing nations of the world are faced with numerous problems in generating tax revenue to optimum level that will support economic transformation, and further that there is no gain saying the fact that tax policies have contributed to reshaping of many economies after global financial crisis. Igube and Okafor 2025 opined that the growth of nations is deeply connected to the amount of revenue it generates and the efficient allocation of it for developmental purposes. Globally tax is regarded as a macro-economy output that helps to dictate the direction of the growth of a nation; hence every nation needs policies and reforms to transform the economy. However, Igube and Okafor explained that tax evasion and tax avoidance affect tax revenue generation in Nigeria in addition to

poor tax administration. Also, that there is lack of adequate tax justice that will boost the morale of tax payers to comply with tax laws and regulations for payment of their tax liabilities. Ekeke et.al.,(2024) posited that government employed fiscal policy to intervene in the operations of an economy when the situation demands in order to reshape or rediscover such economy from financial distress. International Monetary Fund-IMF (2024) as cited by Ekeke et al (2024) affirmed that fiscal policy is a stabilization weapon to align taxation, spending and borrowing by a nation in order to influence the activities of the economy for financial recovery and stability. Ekeke et al, highlighted some factors that have been affecting fiscal policy realization in Nigeria such political instability, global financial crisis which has its effect on Nigeria, poverty in the land, growing unemployment, deficit budgeting, over-reliance on oil revenue whose volatility on global oil prices has affected inflow of revenue, and unprecedented volatility in public expenditure. Nigeria current economic downturn is not unconnected with the above listed factors.

Central Bank of Nigeria-CBN (2024) in analyzing the economic outlook of Nigeria explained that US Dollar strengthened against major global currencies, which depreciated the naira. On the domestic situation, inflation continued to weakened purchasing power with the rises in prices of goods and services, as inflation rate rose from 33.88 percent in October 2024 to 34.60 percent in November 2024. Nigeria crude oil production rose from 1.33 million barrels per day in October 2024 rose to 1.49million in November 2024, which is sequel to effectiveness of anti-theft measures and the renewed investments by the Federal Government of Nigeria, which eventually brought into operations all the oil fields that were not producing. Relative to October 2024, federally collected revenue increased by 21.23% but fell short of budget by 19.65%. The Federal Government retained revenue rose by 7.08% but fell below budget by 49.92%. Though the performance of external sector remains strong in November 2024, foreign capital inflow declined. The federal government recorded a lower net foreign exchange inflow during the period. The economy gained appreciation in exchange rate from ₦1, 641.78/US\$ in October 2024 to ₦1,641.12/US\$ in November 2024. Sequel to this analysis, CBN averred that the outlook of Nigerian economy remains encouraging. However, they concluded that the growth in the economy is contingent on the implementation of various fiscal policies of the government, and that the government should not overlook the factors such as decline in crude oil prices, insecurity in the nation and cut down in economic activities, which may further deepen the financial crisis in the economy. Omisakin et.al.,(2024) analyzed deep into the fragility of Nigeria economy by explaining the structural weakness and macroeconomic volatility which continue to manifest the uncertainties in all the sectors of the economy. Even though the government tried to introduce some reforms to ease out the uncertainties, Nigeria is still experiencing low investment levels, stagnant productivity, imbalance in macroeconomic activities, standard of living of the citizens still remains at the poverty level. Consequently, as they posited further, the private sector that is supposed to contribute significantly to the growth of the economy of Nigeria is not fully developed. They averred that Nigeria private sector needs to navigate for business growth and resilience. They expressed their belief that Nigeria needs a robust market system that will transform the private sector for more aggregate revenue and tax output for sustainable development, which is the focus of this study. Ejegbede and Ejubekhokpo (2022) pointed out that Nigeria problem of crawling in achieving remarkable development emanated from their inability to effectively manage their endowed natural and human resources in order to build and gain competitive advantage in the non-oil sector. Another challenge explained is the issue of corruption, which has eaten deep into the fabrics of the nation and overshadow accountability, transparency, fairness and responsibility which are pillars for corporate governance in sustainable development agenda.

World Bank (2025) posited that between 2015 and 2022, growth rate and real GDP per capital declined due to policy misdirection, distortion in monetary and exchange rates, and fiscal deficits which continue on the increase and hindered development activities. They further explained that the government on Nigeria from May 2023 has been trying to integrate some corporate development policies and reforms to re-establish macroeconomic strategies that will focus on economic stability and growth. The Central Bank of Nigeria tightened the monetary policy and entrenched price stability so as to end deficit fiscal budget. However, further analysis by the World Bank showed that high inflation rate, poverty and hardships remain in the economy. World Bank explained that new policy of the government has boost international competitiveness, attracts investor's foreign investment and reduced debt-related fiscal risks. Further explanations on Nigeria current economic outlook shows that Nigeria is faced with acute challenges in the growth in poverty level of 38.9% with an estimated 87million Nigerians living below acceptable standard. Nigeria is rated as the second largest poor nation after India. Some of the key challenges hampering developmental growth as enunciated by the World Bank are spatial inequality among the regions of the nation, low capacity of some states in Nigeria as some states rely solely on revenue allocation from

the Federal consolidated revenue, insecurity and violence across the nations which have stagnated development activities, infrastructural gaps that cannot support development and climate change have negative effects majority of the states in Nigeria. The World Bank therefore recommend that Nigeria should launch reforms and policies that will strengthen macroeconomic necessities for sustainable development, which is the main objective of this our study.

A well implemented fiscal policy will stabilize an economy through a model of aligning government spending and taxation to enhance macroeconomic variables in the areas of output, employment and price levels towards the right direction. Blanchard (2025) opined that fiscal policy should be given premium role than monetary policy because of the limitations of monetary policy in reshaping the economy because it focuses on lower bound of nominal interest rates. He further argued that fiscal policy plays quasi-automatic stabilizers through the combination of income and substitution effects on the economy as a nation. Olisoji and Onuora (2021) explained that fiscal policy is a major stabilization tool employed by the government to regulate and control the financial position of a distressed economic system. That Nigeria potential in economic performance and stability has not been achieved due to many shocks and financial turbulence being experienced over the years. Raval (2024) emphasized the importance of fiscal policy to achieve economic stability in view of the fact that nations across the global village are battling with unprecedented economic turbulence and economic transformation. He laid credence to Keynesian approach of fiscal credibility and coordination to achieve effectiveness. Those primary transmission channels of government transparent spending focused and targeted tax policies, good transfer payments and direct expectations that will activate private sector behavior and economic participation are needed to achieve stability and sustainability. He opined further the need for simple budgetary tools to revolutionary policy mechanisms that can be employed to address specific economic challenges. He therefore suggested modern revolutionary tools like automatics stabilizers, targeted fiscal stimulus programs and conditional transfer program that will impact different segments of the economy in view of the current global economic integration. Raval (2024) further explained that fiscal policy implementation in developed nations is characterized by sophisticated institutional framework, advanced policy coordination mechanisms and large fiscal space which have gone beyond the traditional mechanism that are still prevailing in the developing economies.

Central bank of Nigeria (CBN) manages the economy of the nation and currently implementing expansionary fiscal policy. CBN directed attention to price stability, tightened monetary policy and put a seal on deficit monetization. They set the goal of boosting international competitiveness; attract both domestics and foreign investments. To stabilize the economy, they also raised monetary policy rate (MPR) and cash reserve ratio, and retained existing liquidity ratio. Oladosu (2025) analyzed that the actions of Central Bank show a journey to economic recovery, however, it has not guaranteed the total exit of Nigeria out of deep financial distress. The Financial Statements presented by CBN reflect improvement in some macroeconomic determinants like external reserves, asset quality, cost efficiency and bottom line. The external reserves on Nigeria increased from \$36.6billion in 2023 to \$38.8billion in 2024. Also, Nigeria recorded reduction in loans and receivables from ₦16.1trillion to ₦11.9trillion, which was achieved through implemented policy choices to improve the economy. The CBN'S financial position changed from ₦1.3trillion deficit in 2023 to an ₦165billion surplus in 2024 due to committed strategic financial management implementation.

The fiscal policy in Nigeria is currently directed at tax reforms further to 2017 national tax policy by focusing on revenue diversification from oil to non-oil sources and debt management. The government of Nigeria wants to expand the tax net, improve tax compliance and revolutionized tax administration and digital economy taxation in order to enhance income generation. Kolawole (2025) averred that 2025 federal government budget of Nigeria is tagged "budget of restoration" which was presented to address economic stagnation, reduce high inflation and plan towards repaying the unsustainable debts level, and ensure the creation of good operating environment for growth. However, he explained that the unresolved challenges that have been militating against economic sustainability in like will continue to serve as bane against Nigeria economic system. We have issues like poor governance that creating lack of trust in governance by the people and organizations, corruption, external economic shocks reoccurring from global oil price volatility pressure from exchange rate fluctuations, global economic slowdown which has effects on exports, security instability which have effect on foreign direct investment, high unemployment, inactiveness of private sector due to inconsistency in policies. It is clear from the background to this study that Nigeria needs to restructure the non-oil sector by focusing on generating more revenue from non-oil sector which has not been given priority over the years due to government focus on revenue

from oil contribute 65% of government total income and 85% of exports. To resolve this challenge and ensure Nigeria achieve sustainable development, this paper was designed to evaluate the effect of fiscal tax revenue on Nigeria economy sustainable development aligning with united nations sustainable agenda of environmental, social and governance.

United Nations 2030 Agenda for sustainable development covers 17 sustainable development goals which are meant to address critical challenges in the areas of poverty, hunger, health, education, inequality, climate change and environmental protection.(United Nations,2015,2023).The impact on Nigeria economy was measured by Gross Domestic Product (GDP),Per Capital Income (PCI) and Gross National Product (GNP).Fiscal revenue through taxation will stabilize the economy and drive United Nations Sustainable Goals pursuit by Nigeria through strong tax systems. Beloe and Khan (2023) explained the belief of United Nations that tax revenue is the most sustainable source of income for governments in any country. They explained further the partnership between United Nations Development Programme (UNDP) and governments of Finland and Norway in 2022, and in 2023, it increased to 22 countries which was termed Country Engagement Plans (CEPs). The purpose was for a country to have strong tax systems that would address tax avoidance, tax evasion and other tax leakages. The United Nations launched SDGs launched a taxation framework in 2023 to help nations assess and align their tax system with SDGs in an effective situation. (Beloen&Khan,2023). This study was designed to evaluate how fiscal tax revenue measured by petroleum profit tax /hydrocarbon tax, companies' income tax, value added tax and customs and excise duty affected Nigeria economy sustainable development.

The following hypotheses were tested to evaluate the effect of fiscal revenue on Nigeria economy sustainable development and aligned it with United Nations Sustainable Development Agenda.

H<sub>0</sub>1: Fiscal tax revenue has no significant effect on Gross Domestic Product in Nigeria

H<sub>0</sub>2: Fiscal tax revenue has no significant effect on Gross National Product in Nigeria

H<sub>0</sub>3: Fiscal tax revenue has no significant effect on Per Capital Income in Nigeria.

## 2. Literature Review/Theoretical Review

### 2.1 Conceptual Review

**2.1.1 Sustainable Development:** Development is an essential aspect of determining the wellbeing, prosperity, wealth and financial stability of an economy. Development changes all aspect of quality of life that can be measured for human existence, it strengthens governance and create strategic outlook for the future. United Nations –UN (2023) analyzed sustainable growth as the growth that satisfies the needs of the present generation of people and organizations without undermining or compromising or destroys the efforts of ensuring future generations meeting their own needs. This covers the economic needs, social needs and environmental protection to avoid depletion and degradation. International Institute for Sustainable Development-IISD (2025) explained that sustainability is the global focal point for leaders of the nations to ensure the future of coming generations is not jeopardized or compromised in any way by setting achievable goals. They further expressed that “Achieving the ambition of agenda 2030 for sustainable development and the SDGs requires actions on all fronts-governments, businesses and society and people everywhere all have a role to play” Minutiello et al., (2024) averred that sustainable development has become an undisputed financial and operational strategy to save the whole planet from total destruction; by ensuring preservations of the global environment through actionable goals. Bogers et.al,(2022) explained that the 17 sustainable development goals which were agreed upon in 2015 were to enhance international integration for a change in the paradigm for future of many nations to achieve sustainability. Mulineh (2025) explained that for the government of Ethiopia to have embraced international policies by adopting the Millennium Development Goals (MDGs) and the implementation of Sustainable Development Goals (SDGs) was evidenced of resolving many surmounted challenges in Ethiopia. The government of Ethiopia employed capacity to transform the economy of the nation for value for future generations of people and organizations to live on. Iliemema-Ifeanyi and Amedu( 2025) opined that the pursuit of sustainable development goals changed the focus of organizations and nations from wealth creation to value creation for future benefits. They further explained that sustainable business is the creation and formulation of strategy and effective risk management based on societal needs in the areas of economic and social for their future benefits. This study believed that sustainable development is creation of strategies with use of contingency and

pragmatic approach to pursue the economic, social, governance and environmental goals that will guarantee the benefits for future generations of people and organizations and ensure compromise does not interplay.

**2.1.2 Nigerian Economy:** Nigeria is a mixed economy and operating in the emerging market with expansion recorded in some sectors of the economy like manufacturing, financial services, telecommunication, entertainment industry and information technology. However, World Bank (2025) analysis of Nigeria economy between 2015 and 2022 showed a downward trend in Gross Domestic Product per capital, policy mismanagement/misdirection by the government and distortions in both exchange rate and interest rate. Majekodunmi and Idowu (2025) averred that Nigeria economy is in distress with some macroeconomic indicators showing alarming trend. Inflation is in the range of 32.7% driven by rising cost of living, high interest rate in the range of 29.5% which has implication on the productive sectors of the economy. Small and medium enterprises are finding it very difficult to achieve growth. They further explained that the business environment in Nigeria is being influenced by high inflation, volatile exchange rate, weak Gross Domestic Product (GDP), Unfavorable government policies for business operations and weak governance. They called for urgent intervention to return Nigeria to its old image. Zaccheous and Omosomi (2025) opined that the uncertainty in the global economy will have its toll effect on Nigeria economy. That the growth of 3.4% recorded in Nigeria economy in 2024 has not resolved the inflationary trend, depreciation in Nigeria currency, fiscal imbalance and rising debt profile. The economy of a nation can be measured with many metrics. For this study, Gross Domestic Product (GDP), Gross National Product (GNP) and Per Capital Income (PCI) were used as analyzed thus:

**2.1.2.1: Gross Domestic Product:** Gross Domestic Product (GDP) is the aggregate value of goods and services produced in a country in monetary terms. GDP is the global metric to determine the activities of economic transactions in a nation for a fiscal year. International Monetary Fund –IMF( 2025) explained that GDP measures final goods and services purchased by the final consumer and enumerates all output produced within the borders of a country, which covers goods and services produced for sale and some nonmarket production which covers defense and education produced by the government. Bondarenko (2025) opined that GDP is the total value of goods and services produced by an economy using the power of supply and demand (market value). This is the aggregate of all final goods and services not minding the ownership and even if they are not resold. He further stated GDP is measured by this formula-

$GDP=C+I+G+NX$  which can be explained thus: "C" covers private consumption expenditures by households and nonprofit organizations; "I" covers investment by businesses expenditures, household purchases and government. "G" covers expenditures on goods and services by the government and "NX" covers nations export minus import. Masterson (2022) averred that GDP measures the health of the economies of nations and the global economies. That GDP explains the size of the economy and the rate of its growth. She further explained that GDP was widely accepted as a standard to measure national economies during 1937 Great Depression in America because it guides policy makers, investors and business firms to make economic decisions.

**2.1.2.2: Gross National Product:** Gross National Product (GNP) measures the economic output of a nation consisting of goods and services which are produced by the citizens within the nation and outside the country. Corporate Finance Institute –CFI (2025) stated that Gross National Product measures the value of all goods and services produced by residents of a country living in the country and offshore. They gave the stated formula for the determination of GNP:

$$Y=C +I+G+X+Z$$

Y=Gross National Product

C=Consumption Expenditures

I=Investment

G=Government Expenditure

X=Net Export (Value of imports minus value of exports)

Z=Net Income (Net Income inflow from abroad minus net income outflow to foreign countries)

Adegbie et al. (2019) opined that GNP is an estimate of total value of all the final products and services by a country's resident in a fiscal year, which has influence on the level of economic growth. Auerbach (2025) averred that GNP is an essential metric necessary to assess a nation's economic health, as it takes into consideration the

total economic output produced by the residents of the nation both local residents and foreign residents which is calculated using the income approach, the expenditure approach and value-added approach.

**2.1.2.3: Per Capital Income:** Per Capita Income (PCI) is used to describe the wellbeing of individuals in an economy in a specified period of time. Oginni (2022) opined that the effect on economic development can indirectly affect sustainable development. Babajide et al. (2021) explained that Nigeria PCI maintained a steady growth between 1990 and 2004 from 1986 Structural Adjustment, and achieved increase from 2006 to 2014 when there was a rebase of the GDP component of PCI measurement. African Development Bank (2023) averred that growth in PCI declined to 0.8% from 1.2% in 2021. Adesina (2025) affirmed that Nigeria is facing a high level of economic regression as the current GDP per capita is \$824 which has brought the nation to a worse off than the position during 1960 independence. He further explained that Nigeria needs a radical and quick transformation in order to become industrial nation in a comity of nations for competitive position. The analysis further revealed that in 2023 PCI was \$2,416.36 which was 19% of the world average metric, with the implication of below global average. Nigeria PCI fluctuates as it was \$2,585.73 in 2015. PCI is a useful global acceptable measure to appraise the overall well-being and the living standard of a nation.

**2.1.3: Fiscal Tax Revenue:** Organization of Economic Cooperation and Development-OECD (2025) stated that fiscal tax revenue is the aggregate of revenue generated from taxes on income, profits, social security contributions, goods, payroll and properties. Fiscal tax revenue is regarded as the measure of the level of control made by the government on the nation's resources. International Monetary Fund –IMF (2023) averred that Nigeria has the lowest revenue to GDP ratios in the world, which is one of the reasons why the fiscal position of Nigeria has vulnerability of shocks and volatility. Nigeria recorded 7.3 percent of GDP in 2021 below half of the average of countries in Economic Community of West Africa States (ECOWAS). This challenge arose because of tax revenue of Nigeria is driven by narrow bases of indirect taxes and low tax compliance and moral and large amount of exceptions from taxes. IMF in its analysis explained the government plan to raise GDP ratio to 15% in 2025 through its Strategic Revenue Growth Initiative. This can be achieved if Nigeria is committed, pursue and accomplish its priority tax reforms. IMF concluded.

**2.1.3.1: Petroleum Profit (PPT)/Hydrocarbon Tax (HCT):** The Petroleum Profit Tax Act cap 13 V13LFN 2004 (as amended) oversees the taxation of enterprises engaged in activities of oil and gas exploration and production of upstream operations. PPT Act is a legislation which imposes tax at the rate of 85% upon profits from the mining of petroleum in Nigeria and provides for the assessment and collection thereof and for the purpose connected therewith (Oyegun,2023). Petroleum Industry Act 2021 was enacted thereby transforming to a new regime of governance of oil and gas operations in Nigeria. Holders of a Petroleum Prospecting License and Petroleum Mining Lease will be subject to Companies Income Tax of 30% and 30% hydrocarbon tax (Kolade and Ogunrinde,2025). They further explained that the petroleum industry as a pillar of the economy contributes 90% of the country's foreign exchange and contributes 5.5% to GDP.

**2.1.3.2. Companies Income Tax (CIT):** Companies Income Tax Act 2004 (as amended) governs companies' income tax in Nigeria. Resident companies are assessed to tax on their worldwide income, while non-resident companies are assessed to tax only on their Nigerian-Source income. The Act stipulates that a company with a turnover greater than 100 million Nigeria Naira will pay 30%, medium companies with turnover greater than NGN 25million and less than NGN 100million will pay 20% and small companies whose turnover is N25million or less will be assessed at 0% rate. Anewe and Ogbu (2024) averred that company's income tax has relationship with the growth of an economy, and is one of the fiscal policy outputs in Nigeria; and that company's income tax has contributed to the growth of Nigeria economy in the midst of unstable economy influenced by internal and external factors arising from oil price fluctuations, political instability and global economic downturn. Dabor, et al., (2025) posited that the economy of a nation places much reliance on unwavering means of income and that a good tax system is a veritable tool that helps a country to mobilize internal resources through taxes of which companies' income tax plays a major contribution.

**2.1.3.3: Value Added Tax (VAT):** Value added tax is an indirect and consumption tax governed by Value Added Tax Act of 2024. This is a tax charged on goods purchased and services rendered. The dynamism of VAT is on multi-stage bases. It was 5% on value of items purchased or services rendered from its inception in 1994 until it was changed to 7.5% by Finance Act 2019. Kuyebi and Omodero (2025) posited that VAT has gained global

acceptance which is difficult to avoid or evade. They explained that the introduction of VAT expanded the scope of income generation for the government. Mukolu and Ogodor (2021) averred that VAT as consumption tax, has promoted the growth of many economies in the global village. They explained that Federal Inland Revenue Service confirmed the 16.3% contribution of VAT to total federal government revenue in 2022 fiscal year.

**2.1.3.4. Customs and Excise Duty:** Customs and excise duties is governed by Customs and Excise Management Act (CEMA) 2023 to guide the administration, management and collection of customs and excise duties on importation, exportation of goods, offences related to goods and provisions of forfeiture. Ese,et al., (2025) posited that customs and excise duties have positive impact on the economy, and they provide government revenue for public goods and regulate harmful goods and consumptions, though with implications on business costs. They explained further that the impact depends on industry structure, taxation policies and trade infrastructure. Etoama,et al., (2023) posited that customs and excise is a major source of income for the government, which the assessment is payable by importers in order for the government to expand their revenue base.

**2.2. Theoretical Review and Framework:** The following theories were reviewed and used to anchor the study.

### 2.2.1: Sustainable Development Theory:

Sustainable Development theory gained worldwide international acceptance through 1987 World Commission on Environment and Development (WCED) known as Brundtland Commission which came out with a report known as "Our Common Future" The theory focuses on satisfying present needs without jeopardizing the ability of future generations to satisfy their own needs. The theory creates the interconnectivity and interdependent of economic growth, social equity and environmental protection. The theory assumes that resources should be properly allocated and used to strike a balance between human development and preservation of environmental ecology. It assumes that strong planning and decision-making that will have long term effect. Satwat et al.,(2019) opined that human population of the world to support the reduction of degradation or damage of the global environment, use of efficient energy, improve quality of life to eliminate unused ideologies and improve sustainability. Zahhedi(2019) supported the sustainable development theory and advocated for three interconnected pillars of subject, space and time. Subject touches on political, economic, social and culture, technological, ecology and spiritual development. Space consists of local, national, regional and global areas, while time discusses the situation in the past, present and the case for the future. The theory is connected to the study as fiscal tax revenue is to promote the growth of the economy and ensure long-term wellbeing by giving priority to protecting the environment.

**2.2.2 Socio-Political Theory:** The theory was propounded by Adolph Wagner's in the year 1835. The governments in a country's economic growth is typically represented by its policy choices (monetary and fiscal). Sociopolitical stability is required for economic success; hence, in a multicultural, multilingual, and multi-religious society like Nigeria, policies may not necessarily be economic. As a result, the government must ensure that the public represents "unity in diversity". Adolph Wagner's 1835 "Socio-Political Theory" serves as the foundation for this study. After experimenting in Western Europe at the end of the nineteenth century, the German political economist Adolph Wagner (1835-1917) formulated a "law of increasing state activity" that became known as Wagner's rule. He believes that higher industrialization and economic progress precede government growth. This theory is linked to the typical development process and serves as a benchmark with which the unique empirical data from the nation can be compared. This theory is relevant to the current study because it holds that the government expands its tax base in an effort to raise enough money, meet the requirements of its residents, and enhance their quality of life.

**2.2.3. Ability-to-Pay theory:** The ability to pay theory was propounded by MS Kendrick in 1939. The theory of taxation recognizes tax liability as a compulsory payment to the state without any commercial or semi-commercial relationship between the state and the citizens. It does not assume any quid-pro-quo between the state and the tax payers. The concept of a progressive income tax dates back centuries, essentially advocating for a higher percentage of income to be paid by those who can afford it. It was advocated in 1776 by none other than Adam Smith, who is regarded as the father of economics. Smith stated: "The citizens of each state should, to the greatest extent feasible, contribute to the upkeep of the government in proportion to their respective capacities, that is, in proportion to the revenue which they respectively enjoy under the protection of the state." The taxes to be

imposed and the rates at which they are to be applied indicate a preference for a particular set of economic consequences over a different set of social consequences. The ability-to-pay argument, which holds that personal income taxes and other taxes on income and property should be imposed depending on taxpayer's ability to generate sufficient revenue from the most capable hands into government coffers, is relevant to this study.

**2.3 Empirical Review:** Fitriyah and Nuraini (2025) posited that developing nations of the world are faced with numerous problems in generating tax revenue to optimum level that will support economic transformation. There is no gain saying the fact that tax policies have contributed to the reshaping of many economies after the global financial crisis. In their study which focused on narrative review from for 20 years, they found that oil tax revenue can survive an economy for a short term because of the risk of volatility experienced in global oil price. However, they found that non-oil tax revenue provide long term income that guarantee long-term income that guarantee long-term sustainable development. Our study further strengthens the provision of fiscal tax revenue for development that is sustainable. Igube and Okafor (2025) conducted empirical research on effect of federal collected taxes on economic growth in Nigeria, and found that federal tax have no significant impact on change in DGP of Nigeria. They explained two major variables of tax evasion and avoidance which affect tax collection, and that poor tax administration and no tax justice affect the moral of tax payers. While there study focused on indirect effect of the above mentioned on the economy, our study focused on direct effect of taxes on the economy. Ekeke et al., (2024) employed content analysis on the role of fiscal policy in driving economic growth through the lens of structuralist theory of fiscal policy. They found that successive governments in Nigeria over relied on oil revenue of which volatility has led to the downward trend of Nigerian economy. While they used content analysis, we used ex-post facto through data from the financial statements which makes our finding to be more predictable. Omisakin,et al., (2024) in their comparative study found that robust market system is needed to transform private sector as engine for tax output for sustainable development. While our study used financial statements, they used survey for perception. Ejegbede and Ejubekphokpo (2022) did empirical study on non-oil sector on the development of Nigeria and found that the sector contribution to Nigeria is not optimal. While thy focused on non-oil sector and advised the government to diversify, our study is based on diversification of income. Olisaji and Onuora (2021) focused on impact of fiscal policy proxy by government expenditure and company's income and found significant effect of companies income tax on economic growth, our study focused on Companies Income tax, and three other taxes. Kolawole (2025) in the paper on fiscal policy a blueprint for economy recovery, averred that attaining United Nations agenda for Sustainability requires committed strategic policy especially Sustainable Development Goal 17 which are meant to address critical challenges in the areas of poverty, hunger, health, education and inequality. While the paper focused on policy, our paper focused on products of policy. Minutiello et al., (2024) used systematic literature review and content analysis, found that many global initiatives and development like circular economy, artificial intelligence, industry 4.0 and stakeholder role will enhance the achievement of UN Sustainable Development Goals, our study focused on empirical analysis of fiscal tax revenue. Bogers, et al., (2022) embarked on empirical study of 276 international organizations from 2012-2019, and found fragmentation on the increase in the organization after the launch of SDG, which showed that the operators of the economy are far from the SDG Goals. While they focused on organizations, our study focused on the economy of the nation. Muluneh (2024) conducted an empirical study on 176 participants using survey research design, and found unrealistic goal setting for lack of political commitment, insufficient participation, poor policy guidance and lack of clear focus on development pillars. They found significant positive impact of goal difficulty on SDG Implementation. While they used survey research design, our study used financial statements. Iliemena-Ifeanyi and Amedu (2025) conducted empirical study on implementation of sustainable business practices for long-tern value creation using structured questionnaire, they found a significant low and high challenges in the implementation of business practices for long-term value creation for sustainable development which are not unconnected to governance challenges. We used secondary data and they used perception. Anewe and Ogbu (2024) in their evaluating the effect of company income tax on economic growth for a period of 23 years (2000-2022), found that companies income tax has a positive relationship with economic growth and development. While they considered only Companies income tax, our study considered companies income tax and three other taxes. Dabor, et al., (2025) in their empirical analysis of tax revenue on economic growth, posited that companies' income tax has negative significant relationship with economic growth. They focused on only one tax structure, while we focused on four types. Ese, et al., (2025) conducted empirical study on impact of capital Gains tax and customs and excise duties on economic growth, they found that the two taxes have insignificant impact on the economy of Nigeria. They focused on only two taxes while we focused on four taxes.

**3. Methodology:** The study adopted ex-post facto research design. The study evaluated the effect of fiscal tax revenue on Nigeria economy 2002-2024 aligning with United Nations Sustainable Development Agenda. Secondary data were obtained from Central Bank of Nigeria for Nigeria economy proxy by Gross Domestic Product, Gross National Product and Per Capita Income while fiscal tax revenue was proxy by Petroleum/Hydrocarbon tax, Companies Income tax, Value Added tax and customs and excise duties. Data were obtained from Federal Inland Revenue Services, and Central Bank of Nigeria. The validity and reliability of data were premised on statutory audit of the data obtained from the agencies of the government by the office of the Auditor General of the Federation. All the data were validated and approved for use by the Central Bank of Nigeria. E-View Statistical package version 22 was used to analyze the data by adopting descriptive statistics for explaining the characteristics of Fiscal Tax Revenue and measures of Nigeria economy, while inferential statistics through multiple regression was used to evaluate the combined effect of fiscal tax revenue on each of the measures of Nigeria economy. The study adopted 5% level of significance.

**3.1 Operationalization of variables:**

Y =f(X)  
 Y= Dependent variable –Nigeria Economy (NE)  
 X=Fiscal Tax Revenue  
 X=Fiscal Tax Revenue (FTR)  
 y<sub>1</sub>= Hydrocarbon Tax (HCT)  
 y<sub>2</sub>=Companies Income Tax (CIT)  
 y<sub>3</sub>=Value Added Tax=VAT  
 y<sub>4</sub>=Custom and Excise Duties (CED)

Y=Nigeria Economy (NE)  
 y<sub>1</sub>=Gross Domestic Product (GDP)  
 y<sub>2</sub>=Gross National Product (GNP)  
 y<sub>3</sub>=Per Capital Income (PCI)

**Functional Relationship**

GDP =f(HCT,CIT,VAT,CED)...equation 1  
 GNP=f(HCT,CIT,VAT,CED)...equation 2  
 PCI=f(HCT,CIT,VAT,CED).....equation 3

**Models**

GDP=β<sub>0t</sub> +β<sub>1</sub>HCT<sub>t</sub>+β<sub>2</sub>CIT<sub>t</sub>+β<sub>3</sub>VAT<sub>t</sub>+β<sub>4</sub>CED<sub>t</sub>+μ<sub>t</sub> ....Model 1  
 GNP=β<sub>0t</sub> +β<sub>1</sub>HCT<sub>t</sub>+β<sub>2</sub>CIT<sub>t</sub>+β<sub>3</sub>VAT<sub>t</sub>+β<sub>4</sub>CED<sub>t</sub>+μ<sub>t</sub> ....Model 2  
 PCI=β<sub>0t</sub> +β<sub>1</sub>HCT<sub>t</sub>+β<sub>2</sub>CIT<sub>t</sub>+β<sub>3</sub>VAT<sub>t</sub>+β<sub>4</sub>CED<sub>t</sub>+μ<sub>t</sub> ....Modeli 3  
 In the A priori expectation, we expected beta β > 0= positive.

**4.Data Analysis, Results and Discussion of Findings**

**4.1. Descriptive Statistics**

10/02/25 Time: 11:03  
 Sample:2002-2024

**Table 1: Descriptive Statistics of Variable**

	GDP	PCI	GNP	HCT	CIT	VAT	CED
Mean	119948.56	2126.39	327.468	1708.51	930.99	404.13	213.565
Median	62980.40	2202.46	342.31	1904.90	820.57	318	203

Maximum	202365.62	3222.69	542.39	4209.02	2649.19	1171	329
Minimum	7062.75	554.64	54.39	392.20	51.10	44	102
Std.Dev.	117695.57	521.37	376.260	1468.59	485.13	522.31	48.728
Skewness	0.944481	1.197236	0.839114	0.365624	0.795428	1.153900	0.395025
Kurtosis	2.661375	3.540712	1.752320	1.920540	2.220221	2.894820	2.164452
Jarque-Bera	4.910455	8.034491	5.253720	2.263723	4.396124	0.391892	3.128276
Probability	0.077655	0.029004	0.173295	0.531094	0.345298	0.047209	0.380523
Sum	2646176	4155.618	7590.16	48666.58	28162.89	8923.95	26325.99
Sum Sq.Dev	9.62E+10	388464.3	299282.5	42481596	9669193	635628	25732944
Observations	23	23	23	23	23	23	23

Source: EViews 12 raw result, 2024

The summary of statistics of the data used for this study is presented in Table 1. As contained in the table, a total of twenty-three (23) observations formed the constituent for each of the variables of this study. The average Gross Domestic Product (GDP) value is ₦119,948.56 billion with a corresponding maximum value of ₦202,365.62 billion and a minimum value of ₦7,062.75 billion during the period under review showing a positive position. The average Per Capita Income (PCI) is ₦2,126.39 billion with a corresponding maximum of ₦3,222.69 billion and a minimum of ₦554.64 billion. The average Gross National Product (GNP) value is ₦327.468 billion with a corresponding maximum of ₦542.39 billion and a minimum of ₦54.39 billion. The performance of the economy with the three measures showed impressive position.

The average value of Petroleum Profit Tax (PPT)/Hydrocarbon Tax (HCT) is ₦1,708.51 billion with a corresponding maximum value of ₦4,209.02 billion and a minimum value of ₦392.20 billion. Furthermore, the average value of Company Income Tax (CIT) is ₦930.99 billion with a corresponding maximum value of ₦2649.19 billion and a minimum value of ₦51.10 billion. The average value of Value Added Tax (VAT) is ₦404.13 billion with a corresponding maximum value of ₦1,171 billion and a minimum of ₦44 billion. The average Custom and Excise Duty (CED) is ₦213.565 billion with a corresponding maximum value of ₦203 and a minimum value of ₦102 billion. The PPT from all contributed the highest to the economy of Nigeria. It is observable in the Table 1 that the Jarque-Bera statistics of each of the variables used for this study with their corresponding p-values indicated that all the data sets except that of PCI and VAT were normally distributed. Also, all the data were positively skewness while all the data sets indicate platykurtic as their values lie below 3 except that of PCI that is leptokurtic in nature since its value lies above 3.

4.2 Inferential Statistics:

4.2.1 Test of Hypothesis 1

H<sub>0</sub>1: Fiscal tax revenue has no significant effect on Gross Domestic Product in Nigeria

Table 2. Regression Table for H<sub>0</sub>1

Dependent Variable:GDP  
 Method:Lease Squares  
 Date:10/02/25 Time:9.47  
 Sample: 2002-2024  
 Included observations:23

Variable	Coefficient	Std.Error	t-Statistics	Prob.
C	1913.52895	2139.742	0.359601	0.2915
HCT	-0.051944	1.571920	-0.024273	0.9318
CIT	53.1794	3.453677	20.32814	0.0000
VAT	10.51858	1.009185	5.46402	0.0431
CED	5.29813	2.844501	0.98223	0.0000

R-squared	0.904323	Mean dependent var	45.912.47
Adjusted R-squared	0.928363	S.D.dependent var	53117.85
S.E. of regression	11598.13	Akaike info criterion	31.94298
Sum squared resid	5.27E+09	Schwarz criterion	31.23721
Log-likelihood	-352.5910	Hannan-Quinn criteria	31.93461
F-statistics (3,19)	379.3583	Durbin-Watson stat	1.491811
Prob(F-statistic)	0.000000		

Source: EVIEWS 12 raw result, 2024      Level of significance: 0.05

**Interpretation**

$$GDP = \beta_0 + \beta_1 HCT_t + \beta_2 CIT_t + \beta_3 VAT_t + \beta_4 CED_t + \mu_t \dots \text{Model 1}$$

$$GDP = 1913.529 - 0.051944HCT + 53.1794CIT + 10.51835VAT + 5.29813CED$$

The model with positive coefficient of GDP is fit for predictability of the nation Gross Domestic Product GDP. From the regression table 2, HCT with coefficient  $\beta_1 = -0.051944$ ,  $t = -0.024273$ ,  $p = 0.9318$ , it means that 1 unit increase in HCT (Hydrocarbon Tax) leads to 5 units decrease in GDP. With t statistics of  $-0.024273$  and p value of 0.9318 shows that HCT has negative and insignificant relationship with GDP.

CIT (Companies Income Tax with coefficient  $\beta_1 = 53.1794$ ,  $t = 20.8328$ ,  $p = 0.0000$  shows positive relationship with GDP. 1 unit increase in CIT will lead to 53 units increase in GDP. With t-statistic of 20.32814 and p-value is 0.000, it has positive and Significant relationship with GDP. VAT (Value Added Tax ) with coefficient 10.5185,  $t = 5.464$ , p value of 0.0437, it means 1 unit increase in VAT will lead to an increase of 10 units in GDP. With T-statistics of 5.46402 and P value of  $0.0431 < 0.05$ , It show that VAT has positive and significant relationship with GDP. CED (Customs and Excise Duty)  $\beta = 5.529$ ,  $t = 0.98223$ ,  $p = 0.0000$  it means 1 unit increase in CED will lead to 5 units increase in GDP. With t-statistics of 0.98223 and P-0.0000. It show that CED has positive and significant relationship with GDP.

With Adj R<sup>2</sup> of 0.928363, it shows that the composition of Fiscal Tax Revenue in GDP is 92.48% while the balance of 7.16% is as a result of Factors not considered in this study.

The Durbin-Watson statistics 1.491811 (approximately 2) indicates negative autocorrelation, which showed no autocorrelation among the independent variables.

**Decision:** At a level of Significance 0.05, and degree of freedom 3 and 19, the F-statistic is 379.358 while the p-value of the F-statistic is 0.000 which is less than 0.05 adopted level of signidficance. Therefore, the study rejected the Null Hypothesis which implied that fiscal tax revenue has significant effect on Gross Domestic Product in Nigeria.

**4.2.2 Test of Hypothesis 2**

H<sub>02</sub> =Fiscal Tax Revenue has no significant effect on Gross National Product in Nigeria.

**Table 3: Regression Table for H<sub>02</sub>**

Dependent Variable: GNP  
 Method: Least Squares  
 Date:10/02/25 Time:9.47  
 Sample:2002-2024  
 Included observations:23

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	17.705.15	7.538274	2.048733	0.0307
HCT	0.17453	0.021446	-0.531757	0.0232
CIT	0.31794	0.005938	13.32814	0.0201

VAT	0.13039	0.003013	0.425805	0.0000
CED	0.01384	0.232484	1.320480	0.0000
R-squared	0.925413	Mean dependent var		95.23074
Adj. R-squared	0.933252	S.D. dependent var		94.47683
S.E.of regression	28.13110	Akaike info criterion		9.501877
Sum squared resid	11835.95	Sckwarz criterion		9.501877
Log-likelihood	-130.8460	Hannan-Quinn criter		9.536636
F-statistic (3,19)	150.5240	Durbin-Watson stat		0.723588
Prob(F-statistic)	0.000000			

Source: EVIEWS 12 raw result, 2024 Level of significance: 0.05

$$GNP = \beta_0 + \beta_1 HCT_t + \beta_2 CIT_t + \beta_3 VAT_t + \beta_4 CED_t + \mu_t \dots \text{Model 2}$$

$$GNP = 17.70515 + 0.17453HCT + 0.31794CIT + 0.13039VAT + 0.01384CED$$

The model with positive coefficient of the GNP of 17.705515 is fit for predictability of Gross National Product. From the regression table 3, the result indicated that there is a positive coefficient of Hydrocarbon tax (HCT) of 0.17453,  $t = -0.531757$  and  $p = 0.0232$  which means that 1 unit Increase in HCT will lead to an increase of 17 units in GNP. With t-statistics of  $-0.531757$  and  $p = 0.0232$  show it has a negative and insignificant but positive relationship with GNP. Companies Income Tax-CIT with coefficient  $\beta$  of 0.31794,  $t = 13.32814$ ,  $p = 0.0201$ , it shows a Positive relationship and significant with GNP. 1 unit increase in CIT will lead to 32 unit increase in GNP. With t-statistics of 13.32814 and  $p = 0.0201$  shows that it has a positive and significant relationship with GNP. Value Added Tax (VAT) with a coefficient  $\beta$  of 0.13039,  $t = 0.425805$ , p-value of 0.0000 shows that 1 unit increase in VAT will lead to an increase of 13 units in GNP, VAT has positive and significant relationship with GNP. Customs and excise duties (CED) with a coefficient  $\beta$  of 0.01384,  $t = 1.320480$ ,  $p = 0.0000$  shows that 1 unit increase in CED will lead to 13 units increase in GNP. CED has positive and significant relationship with GNP.

With  $AdjR^2$  of 0.933252, it shows that the composition of fiscal tax revenue in GNP is 93.33%, while the balance of 6.67% is as result of factors not considered in this study. The Durbin Watson statistics of 0.723588 showed that Hydrocarbon tax, companies income tax, value added tax and customs and excise duties belong to the same taxation group.

**Decision:** At a level of Significance 0.05 and degree of freedom for 3 and 19, the F-statistics is 150.5240, while the p-value of the F-statistics is 0.0000 which is less than 0.05 adopted level of significance. Therefore, the study rejected the Null hypothesis, which implied that and accepted the alternate. This implied that fiscal tax revenue has significant effect on Gross National Product in Nigeria.

### 4.2.3 Test of Hypothesis 3

$H_0$ : Fiscal Tax Revenue has no significant effect on Per Capita Income (PCI) in Nigeria.

#### Regression Table 4 for $H_0$

Dependent Variable: PCI  
 Method: Least Squares  
 Date: 10/02/25 Time:9.47  
 Sample:2002-2024  
 Included observations:23

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	9.42089	4.395748	2.247792	0.0307
HCT	0.005544	0.002996	-0.684426	0.0242
CIT	0.17685	0.0238415	13.32814	0.0000
VAT	3.284722	0.093479	5.472847	0.0427
CED	1.37821	0.018292	1.442019	0.0319
R-squared	0.525233	Mean dependent var		83.80514

Adj.R <sup>2</sup>	0.553321	S.D.dependent var	82.78549
S.E.of regression	23.02251	Akaike info. Criterion	7.120688
Sum squared resid	13822.55	Schwvarz criterion	6.936017
Log-likelihood	-110.5036	Hannan-Quinn criter.	7.118478
F-statistic (3,19)	130.7064	Durbin-Watson stat	0.723588
Prob(F-statistic)	0.000000		

Source: EVIEWS 12 raw result, 2024 Level of significance: 0.05

$PCI = \beta_0 + \beta_1 HCT_t + \beta_2 CIT_t + \beta_3 VAT_t + \beta_4 CED_t + \mu_t \dots$  Model 3

$PCI = 9.42089 + 0.005544PPT + 0.17685CIT + 3.284722VAT + 1.37821CED$

The model with positive coefficient of Per Capita Income (PCI) of 9.42089 is fit for predicting Per Capita Income (PCI)

From the regression table 4, the result indicated that there is an inverse but insignificant impact of Hydrocarbon tax (HCT)  $\beta$  with positive coefficient of 0.005544, t-statistics = -0.684426, p value=0.0242, which means that 1 unit increase in HCT will lead to 0.56 unit increase in PCI. With t-statistics of -0.684426 and p value 0.0242<0.05, It shows that HCT has negative but significant relationship with PCI. Companies Income Tax (CIT)with positive coefficient  $\beta$  of 0.17685, t-statistics =13.32814, p value of 0.0000 implies positive relationship with PCI. 1 unit increase in CIT will lead to 17 unit in PCI with t statistics of 13.32814 and p 0.000 show it has positive and significant relationship with PCI. Value Added Tax (VAT) with positive coefficient  $\beta$  of 3.284722, t-statistics=5.472847, p value of 0.0427 means 1 unit increase in VAT will lead to 328 units increase in PCI. With t statistics of 5.472847 and p value of 0.0427<0.05, it shows that VAT has positive and significant relationship with PCI. Customs and Excise Duties (CED) with positive coefficient  $\beta$  of 1.37821, t-statistics= 1.44201, p value=0.0319 means 1 unit increase in CED will lead to 138 units increase in PCI. With t statistics of 1.44201 and p value of 0.03190<0.05, it show that CED has positive and significant relationship with PCI. With Adj. R<sup>2</sup> of 0.553321, it shows that the composition of Fiscal Tax Revenue on PCI is 55.33%, while the balance of 44.67% is as result of factors not considered in this study. Watson statistics of 0.723588 showed that Hydrocarbon tax, companies income tax, value added tax and customs and excise duties belong to the same taxation group.

**Decision:** At 0.05 level of significance 0.05, and degree of freedom 3, 19, the F-statistics is 130.7064 while the p-value of the F-statistics is 0.000 which is less than 0.05 adopted level of significance. Therefore, the study rejected the Null Hypothesis, which implied that fiscal tax revenue has significant effect on Per Capita Income in Nigeria.

**4.3 Discussion of Findings:** The study evaluated the effect of fiscal tax revenue on Nigeria economy proxy by Gross Domestic Product (GDP), Gross National Product (GNP) and Per Capia Income (PCI) The three hypotheses showed that fiscal tax revenue influenced GDP, GNP and PCI. This is in agreement with the findings of Fitriyah and Nuraini (2025) whose result found a long-term effect of taxes on the economy for sustainable development. The results are also in agreement with Igube and Okafor (2025), Beloe and Khan (2023) who all found that taxes have positive effect on the economy. The results contradict that of Olisaji and Onuora (2021) whose study found no significant effect of taxes on the economy of the nation. The study was anchored and influenced by sustainable development theory, socio-political theory and ability to pay theory. Sustainable Development Theory creates and influenced interconnectivity and interdependence between fiscal tax revenue measured by hydrocarbon tax, companies income tax ,value added tax and customs and excise duties and Nigeria economy measured by Gross Domestic Product(GDP), Gross National Product (GNP) and Per Capita Income (PCI) in the three hypotheses tested and the objectives. The Socio-Political Theory influenced the fiscal policy that produces the four taxes which were used by the government to generate economic success in all the sectors of the economy whose output were measured by GDP, GNP and PCI. The ability to pay theory underscores the structure of the various taxes which made the payment of taxes compulsory as levied on income and properties based on the progressive rates used to assess the tax payers.

### 4.3 Aligning the results with Sustainable Development Goals

The study was carried out to evaluate the effect of fiscal tax revenue on the economy of Nigeria which was measured by Gross Domestic Product, Gross National Product and Per Capita Income. The first result proved

that fiscal tax revenue (Hydrocarbon Tax, Companies Income, Tax, Value Added Tax and Customs and Excise Duties) affected the economy through Gross Domestic Product positively and significantly. This specifically aligned with Sustainable Goal 17 .1.1.which is referring to total government revenue in the proportion of GDP source. This measures the value of goods and services by sectors to the aggregate GDP. The second result proved that fiscal tax revenue (Hydrocarbon Tax, Companies Income, Tax, Value Added Tax and Customs and Excise Duties) influenced the economy positively through Gross National Product significantly. This specifically aligned with Sustainable Development Goal 8 set to achieve decent work and economic growth. This promotes sustained, inclusive and sustainable economic growth, full and productive employment. The third result proved that fiscal tax revenue (Hydrocarbon Tax, Companies Income, Tax, Value Added Tax and Customs and Excise Duties) influenced Per Capita Income which aligned with Sustainable Development 8 specifically target 8.1 which focuses on sustained per capita economic growth in line with the policy outlined by the government of the nation.

The Fiscal Tax Revenue also aligns specifically with Sustainable Development Goal 17.1 for the implementation of policies for revenue mobilization to support various Sustainable Development programmes like Poverty eradication (SDG1), quality education (SDG4), good health (SDG3), reduced inequalities (SDG10), and sustainable consumption and production (SDG12).

**5. Conclusion and Recommendations:** The study evaluated the effect of fiscal tax revenue which covered hydrocarbon tax, companies' income tax, value added tax and customs and excise duties which are governed by tax policies relevant to each tax structure on the Gross Domestic Product, on Gross National Product and on Per Capita Income. The three hypotheses tested revealed that fiscal tax revenue influenced Gross Domestic Product, Gross National Income and Per Capita Income. The study therefore concluded that fiscal tax revenue have influential effect on Nigeria economy and contributed to Sustainable Goals 8 and 17 majorly and also indirectly influenced the achievement of Sustainable Development Goals 1,3,4,10 and 12.

Based on these findings the study recommended that the government of the Nigeria should implement fiscal policies that will drive tax mobilization income in order to expand the aggregate income. The government should also create enabling business environment for firms in all the sector to expand their production in order to enhance Gross Domestic Product, Gross National income and Per Capita Income. All these will support the government of Nigeria to achieve the economic, social and governance/environmental goals.

**6. Contribution to knowledge and future research:** Based on the results achieved, the study has contributed to policy review and formulation that will drive all sectors on the economy to pursue economic activities that direct actions towards achieving goals that will lead to Sustainable Development activities. The study further discovered the government of Nigeria at all levels and all firms in different sectors should incorporate sustainable development theory, socio-political theory and ability to pay theories in their operations in order to motivate them towards objectives that will drive sustainable development goals. The three models developed are predictive and prescriptive which help economic development planners of Nigeria to do accurate forecast and planning for the growth and sustainability of Nigeria economy.

## References

1. Adegbie,F.F.,Akintoye,I.R. & Olayinka,O.G.(2019).Evaluation of petroleum crude oil price volatility on Nigeria national economy. *European Journal of Accounting, Auditing and Finance Research*,7(6),65-83.
2. Adesina,A.(2025).Nigeria's GDP per capita fall to \$824,worse than 1960 levels-ADB president Adesina. <https://www.nairametrics.com/2025/05/02/nigeria-gdp-per-capital>
3. Anewe,P.Y.& Ogbu,M.O.(2024).Company income tax and economic growth in Nigeria. *Journal of Innovation*,3(3),24-32 <https://sbtsue.efu.u2/index.php/imij/index>
4. Aurbah,M.P.(2021).Gross national product and gross national income EBSCO [www.ebsco.com/research-starters/economics/gross-national-productandgross-national-income](http://www.ebsco.com/research-starters/economics/gross-national-productandgross-national-income)
5. Beloe,T.& Hkan,A.(2023).How do taxes drive sustainable development goals. <https://www.undp.org>
6. Bondarenko, P.(2025). Gross Domestic Product. Britannica Money. <https://www.britanica.com/money/gross-domesticproduct>
7. Boulevard,M.(2025).Why GDP is the best measure of economic growth of a country. *oneibc*. [www.oneibc.com/en-us/insights](http://www.oneibc.com/en-us/insights)

8. Blanchard,O.(2025).Fiscal policy as a stabilization tool:The case of Quasi-automatic stabilizers with an application of VAT.Peterson Institute for International Economics-Working paper 25-6
9. [www.piie.com](http://www.piie.com)
10. Bogers,M.,Biermann,F.,Kalfagianni, A.,Kim,R.E.,Treep,J. & Vos,M.G.D.(2022). The impact of the sustainable development goals on a network of 276 international organisations. *Global Environmental Change*,76(2022),102567,1-12 [www.elsevier.com](http://www.elsevier.com) <https://doi.org/10.1016/j.gloenvcha.2022.102567>
11. Central Bank of Nigeria -CBN (2024).Economic report,November 2024. <http://www.cbn.gov.ng/out/2025/R&D/November2024economicreport/pdf>
12. Corporate Finance Institute (2025).Gross National Product.
13. <https://www.corporatefinanceinstitute.com/resources/economics/grossnationalproduct-gnp>
14. Dabor, A.O.,Onaji,A.A. & Ogujiofor,M.N.(2025). Tax revenue and economic growth in Nigeria:A theoretical and empirical review. *Asian Journal of Economics,Finance and Management*,7(1),17-23 Doi:10.56557/ajefm/2025/v7i1250
15. Ejegbede,R.U. & Ejuvbekphokpo,B(2022). Diversification towards sustainable economic growth and development in Nigeria. *Journal of Business Research*,141,1-15
16. Ekeke,K.I.,Offiah, G.A.,Ndukwe,C.,Adeyemi,H.S.,& Okpata,F.(2024). Interrogating fiscal policy for national economic growth and development in Nigeria. *Journal of Policy and Development Studies*,17(2),109-123 Doi: <https://dx.doi.org/10.4314/jpds.v17i2.8>
17. Ese,B.N., Nkanikpo,I.I.,Eno,G.U. & Affiong,U.O.(2025). Impact of capital gains tax and customs and excise duties on economic growth in Nigeria. *International Journal of Humanities,Social Sciences and Management*,5(2),765-774
18. Etoama,P.E.,Akanni, F.N. & Ogbona,G.N.(2023).Tax revenue and economic development in Nigeria. *Business Management gpb International Journal*,6(8),83-104 DOI:10.5281/zenodo.8248810 issn 2795-3257
19. Fitriyah,A. & Nuraini,A.(2025).Tax revenue and economic growth in developing countries:A narrative synthesis of empirical evidence..*Sinergi International Journal of Economics*,3(1),58-6 E-ISSN 2988-5604
20. Iliemena-Ifeanyi,R.O.& Amedu,M.J.(2025). Implementation of sustainable business practices for long-term value creation: challenges and advancement.European Journal of Sustainable Development Research,9(3),1-8. <https://doi.org/10.29333/ejosdr/16333>
21. International Institute for Sustainable Development-IISD(2025). Sustainable development. <https://www.iisd.org>
22. International Monetary Fund-IMF(2025).Gross Domestic Product: An economy's all. [www.imf.org/en/productions](http://www.imf.org/en/productions)
23. International Monetary Fund-IMF(2023). Nigeria's tax revenue mobilization: Lessons from successful revenue reform episodes:Nigeria.IMF e-library, [www.elibrary.imf.org/view/journals](http://www.elibrary.imf.org/view/journals)
24. Igube,P.C. & Okafor,M.C.(2025).Federal government taxes and economic growth in Nigeria. *Journal of Accounting and Financial Managemen*,11(2),114-133 E-ISSN 2504-8856
25. Kolade,T.& Ogunrinde,R.(2025).The petroleum sector:potential impact of tax reforms on Nigeria economic stability. *Anderson Digest* [www.businessday.ng](http://www.businessday.ng)
26. Kolawole,S.(2025).Nigeria's fiscal policy 2025: A strategic blueprint for economic recovery and growth. Proshare. <https://proshare.co/articles/nigerias-fiscal-policy-2025.a.strategic-blueprint-for-economicrecoveryandgrowth>
27. Kuyebi,F.O.& Omodero,C.C.(2025).Value added tax and economic development:focus on human capital development. *Sciendo*,33(1),49-80 *Studia Universitatis Economic Series* DOI.10.2478/sues.2025.003
28. Majekodunmi,S.A.& Idowu,J.K.(2025).Overview of strategic implications of Nigeria's economic outlook for year 2025.A policy guide for corporate organizations. *Jalingo Journal of Social and Management Sciences*,6(2),120-129
29. Masterson,V.(2022).GDP,what is it,and why does it matter?World economic forum. [www.weforum.org](http://www.weforum.org)
30. Minutiello,V.,Garcia-Sanchez,I.M.& Aibar-Girman,B.(2024).The latest developments in research on sustainability and the sustainable development goals in the areas of business management and accounting. *Administrative Sciences* 14(254),1-19. <https://doi.org/10.3390/admsci14i00254>
31. Mukolu,M.O., & Ogodor,B.N.(2021).The effect of value added tax on economic growth of Nigeria. *LAR Journal of Management*,21(1),203-210
32. Muluneh,G.S.(2024).Sustainable development goals(SDS) in a developing nation:The case of South Gonder Zone,Ethiopia. *Journal of Sustainable Development Sudies*,17(3),1-21
33. Oladosu,R.O.(2025).CBN'S 2024 financial statements as indicators of economic recovery.

- <https://economicconfidential.com> *Economic Confidential*
34. Olisaji, C.J. & Onuora, J.K.J. (2021). Impact of fiscal policy on the growth of Nigerian economy. *Journal of Accounting and Financial Management* 7(2), 62-76 [www.iiardpub.org](http://www.iiardpub.org)
  35. Omisakin, O.; OGebe, J. & Taiwo, S. (2024). Nigeria's private sector in 2025 adapting to economic uncertainty for growth and resilience. *Nigeria Economic Summit Group*. <https://nesgropu.org,1-44>
  36. Oyegun, G. (2023). Taxation and economic growth in Nigeria. *Journal of Economics, Finance and Innovation*, 2(10), 17-32
  37. Raval, N. (2024). Fiscal policies and economic stability: lessons from developed and developing nations. *Multidisciplinary Aspects of Education* ISBN. 978-93-6726-809-4. Book Saga Publications. [www.booksagapublications.com](http://www.booksagapublications.com)
  38. The Organisation of Economic Cooperation and Development-OECD (2025). Tax revenue. [www.oecd.org/en/data/indicators/taxrevenue.htm](http://www.oecd.org/en/data/indicators/taxrevenue.htm)
  39. United Nations (2023). Sustainable development goals-The 17 goals. <https://www.un.org>
  40. World Bank (2025). The World Bank in Nigeria. <https://www.worldbank.org>
  41. Zacchaeus, O. & Omosomi, O. (2025). Nigeria economic outlook. PWC. <https://strategyand.pwc.com>