International Journal of
Advanced Research in Statistics, Management and Finance
p-ISSN: 2315-8409 | e-ISSN: 2354-1644

IJARSMF

February, 2024

Vol.11, No. 1

Influence of Multiplicity of Company Income Taxes on Economic Development in Nigeria

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Article DOI:
10.48028/iiprds/ijarsmf.v11.i1.14

Abstract

The multiplicity of taxes in a state creates different mindsets and causes a lot of breakdowns in economic activities. The consequences of a multitude of taxes are far-reaching and they affect business development. This study aims to ascertain the influence of the multitude of company income taxes on economic growth in Nigeria, with Champion Brewery Plc, Uyo as the case study. The study hypothesised that the multiplicity of company income taxes does not significantly influence economic development in Nigeria. A survey research design is adopted for the study. The sample size of this study was forty-two (42) employees obtained from the Champion Brewery Plc, Uyo. Data was obtained using a research questionnaire. The data collected was analyzed using descriptive statistics and inferential statistics. From the analyses of the collected data, it was concluded that the multiplicity of taxes had a negative and significant influence on economic development in Nigeria. This was because the variable of multiplicity of taxes (MCIT) all had a negative and significant influence on economic development in Nigeria.

Keywords:
Taxes, Multiplicity of Company Income, Economic Development

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Background to the Study

The running of government organs cannot be carried out effectively if funds are not available. The major sources of funds to run these organs by most governments all over the world are through taxes collected. These taxes can be direct and indirect. In some instances, like Nigeria, there may be only one major source of tax, like petroleum profit tax, which is more than 80% of the total accruable tax. The Federal Board of Inland Revenue is responsible for collecting the company's income taxes and petroleum profit taxes, the states are responsible for personal income taxes while the local governments are to collect taxes that are mainly used for community developments.

Taxes on goods imported or manufactured are collected by the Customs and Excise departments. The statutes in Nigeria provide the types of taxes that are collectable by each arm of government. Tax revenues of the Federal government are not supposed to be collected by the local or state governments. So also, the revenues meant for the local and state governments are not to be collected by Federal governments. According to Ojo and Oladipo (2017), the issues of multiple taxes on the same goods and services by different organs of government have now become a disincentive to business and commercial activities. Payment of normal taxes in one part of the country on goods is not an assurance of not paying similar taxes on the same goods in another destination across the country.

Multiplicity of tax occurs when the same income or tax bases are levied by more than one tax authority (Federal, State and Local government) (Sanni, 2012). This implies that an income is subjected to tax more than once, often by two or more different authorities in a manner that may be unfair or illegal. Examples of multiple taxes include company income tax (CIT), education tax, withholding tax, value-added tax and hotel consumption tax which are all based on the same income or profit. Multiple taxation in relation to a company or individual implies that the same income or profit of the company or individual has been subjected to tax by another tax authority in Nigeria. Multiple tax practice at the international level is usually mitigated with relief granted to the taxpayer for the earlier tax paid or to which he may be liable (Adebisi and Ibrahim, 2020). Multiple taxes are inevitable given equitable distribution of wealth and economic stabilization.

In line with the view of Abiola and Asiweh (2012), multiplicity of taxation constitutes a major challenge to tax administration in Nigeria even in the post-tax reforms era. Companies are subjected to several tax levies at all levels of government. This has the concomitant outcome of raising the cost of production, making locally produced goods lose international competitiveness and prevent inter-state commerce (Adebisi and Gbegi, 2013). Following the emergence of a multiplicity of taxes in the Nigerian fiscal landscape regarded as the Joint Tax Board (JTB) has taken several steps to curb the phenomenon. However, such efforts have recorded partial success. Multiplicity of taxes appears so difficult to be removed from the tax system of Nigeria and this harms the income of stakeholders or average citizens, businesses and even households in Nigeria.

Economic development is described as the improvement in various macroeconomic indices such as gross domestic product (GDP), gross national product (GNP), net national product (NNP) and per capita income through the provision of infrastructural facilities. In a country where there is a high level of multiplicity of taxes, taxpayers usually form the habit of defaulting or evading the payment of tax and as such, economic development is affected negatively. Tax revenue normally influences the economic growth and development of countries as more revenue is realised to support the expenditure of the government. However, multiplicity of taxes creates different mindsets and causes a lot of breakdowns in economic activities. Multiplicity of taxes could cause some enterprises to shut down and as such, economic development could be affected negatively. Hence, the a need for this study.

Objectives of the Study

This study aims to ascertain the influence of the multiplicity of company income taxes on economic development in Nigeria.

Research Questions

What is the influence of multiplicity of company income taxes on economic development in Nigeria?

Hypotheses of the Study

Multiplicity of company income taxes does not significantly influence economic development in Nigeria.

Literature review

Taxation

Ogbonna and Appah (2012) posited that taxation is an instrument employed by the government for generating public funds. According to Ojong *et al*. (2016), it is a required payment imposed by the government on the income, profit or wealth of individuals, groups of persons, and corporate organizations. Nwadialor and Ekezie (2016) opined that it is a result of the application of tax rates to a tax base. A well-designed tax system can help governments in developing countries prioritize their spending, build stable institutions, and improve democratic accountability. The main purpose of a tax is to enable the public sector to finance its activities to achieve some nation's economic and social goals. It can also be for redistribution of wealth to ensure social justice.

Taxation is when a taxing authority, usually a government, levies or imposes a tax. Tax according to Oseni (2014) is compulsory contributions or payment of money or occasionally of goods and services from private individuals, institutions or groups to the governments for the defraying of expenditures incurred by the government in the common interest of all without reference to any special benefit conferred on any of the person or impersonal unit that made the compulsory contributions or payments. Mark and Nwaiwu (2015) defined tax as a compulsory levy payable by an economic unit to the government without any corresponding entitlement to receive a definite direct quid pro quo from the government. Taxation is different from other forms of payment, such as market exchanges, in that, taxation does not require consent and is not directly tied to any services rendered. The government compels tax payments through an implicit or explicit threat of force. Taxation is legally different from extortion or a protection racket because the imposing institution is a government, not private actors.

In Africa, natural resources such as income from production sharing, royalties, and corporate income tax on oil and mining companies yield a significant portion of tax revenue (Oloyede *et al*., 2017). The tax sources are the basic and most reliable sources of government revenue because of their certainty and flexibility characteristics. Certainty characteristic implies that collection of taxes from taxpayers is assured, all other things being equal. Tax collection is not affected by the state of the economy, whether the economy is declining, stagnant or growing. Its flexibility makes it possible for the government to adjust the tax system to suit its desired purpose.

The tax system in Nigeria is made up of the tax policy, the tax laws and the tax administration. All of these are expected to work together to achieve the economic goal of the nation. According to (Oboh *et al*., 2013), the central objective of the Nigerian tax system is to contribute to the well-being of all Nigerians directly through improved policy formulation and indirectly through appropriate utilization of tax revenue generated for the benefit of the people. In generating revenue to achieve this goal, the tax system is expected to minimize distortion in the economy.

Multiplicity of Taxes

Multiple taxes should be distinguished from numerous taxes which mean many but different taxes on different tax bases. Multiple taxations in relation to a company or individual is a situation where the same profit or income respectively which is liable for tax in Nigeria has been subjected to tax by another tax authority in Nigeria or another country outside Nigeria. In such situations, relief is usually granted to that taxpayer for the earlier tax paid or to which he may be liable. Specific arrangements are made to prevent such multiple taxes or to provide relief against them. A firm or any individual that is engaged in any business venture that earns income is subjected to tax. Saka et al. (2021) thought that as tax is an important source of funds for the development of the economy and provision of social services, Small and Medium Enterprises surveyed in his work were faced with the problems of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax related issues. Umoru and Anyiwe (2013) asserted that taxes for SMEs have been more harmful than beneficial as they increase running costs and slow down growth. Most of the SMEs surveyed are faced with the problems of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax-related issues.

Issues in respect of paying taxes on more than one occasion in respect of profits from the same business in the same period were classified as multiple taxations. Individuals and corporate bodies according to Micah, Ebere and (Osundina and Olanrewaju, 2013), feel the ripple effects associated with duplication of tax.

Multiple Taxation in Nigeria

It is very clear in the approved list of collections in the 1998 Decree No. 21 of the approved taxes and levies that there are a total of 39 taxes and levies in the constitution. There are 8 taxes and levies in the Exclusive list for the federal government, II in the concurrent list for state government and 20 in the residual list for local government. But at present, analysts and industrialists have observed that there are more than 154 taxes and levies in Nigeria. The concept of Internally Generated Revenue (IGR) has motivated the federal government, and state and local governments to go ultra-viral in their revenue drive. All the tiers of government have gone beyond the taxes and levies approved list of collection to increase their revenue for development. In collaboration, Ogbonna and Appah (2012) argued that the more a taxpayer transports his goods and services across many local governments in the country, the more he is exposed to multiple taxation. No state or nation can develop without interstate business. Small and medium-scale enterprises find it difficult to survive the unfriendly tax environment in Nigeria.

According to Ogwuche *et al*. (2019), the real sector (manufacturing sector) is exposed to multiple taxation such as import duties, export and excise duties, education tax, VAT and withholding tax. Corporate bodies pay company income tax and shareholders pay withholding tax from the same profit. Ogbonna and Appah (2012) opined that multiple taxation is rife in the hospitality industry such as hotel consumption tax, restaurant tax, wine tax, food tax or levies, and VAT. This amounts to multiple taxation. These multiple taxes payable on business profit will result in inflation. This is retarding growth in the hospitality industry. Most of the aforementioned taxes and levies are ultra vire (outside the approved list of taxes and levies collection). Even if the charges and levies are legal, it is sometimes arbitrary. The arbitrary charges contravene the principle of certainty.

Economic Development and Growth

Economic development and economic growth are two distinct economic terms which are often misused for one another. Egiyi (2021) referred to economic development as the process by which the Gross National Product (GNP) per capita of a country increases qualitatively and quantitatively over a very long period.

Ogbonna and Appah (2012) noted that both economic growth and economic development are complements because one makes the other possible. They further stated that growth is an increase in output and expands the economy, whereas economic development entails a structural change that must lead to a more equal distribution of income and wealth. Ojong *et al*. (2016) disclosed that economic development should at least create a conducive environment for people, individually and collectively, to develop their full potential and to have a reasonable chance of leading a productive and creative life according to their needs and interests.

Despite the complexity of the concept of economic development literature has it that, increased living standards, improved health and well-being for all, and the achievement of whatever is regarded as a general good for society as a whole (Olaoye *et al*., 2019), Human Development Index (HDI) which is of combinations of a measure of income, a health indicator and an access to knowledge indicator, Inequality-adjusted Human Development Index (IHDI) which adjusts HDI for inequality in the distribution of each dimension across the population, Physical Quality of Life Index (PQLI) which discloses the wide range of indicators such as health, education, water conditions, nutrition and sanitation, Multidimensional Poverty Index (MPI) which identifies multiple deprivations at the individual level in health, education and standard of living, Per Capital Real Income (PCRI) which deals with income based on population, are measures of countries' economic development (Oseni, 2014).

Nwanakwere (2019) opined that economic development entails combined action and all-encompassing, long-term investment. According to Dibia and Onwuchekwa (2019), economic development talks about the critical conditions needed for the microeconomic working of the economy. Furthermore, they stated that economic development is centred around government and though it is undoubtedly feasible to have economic advances without development in the immediate or near term, economic development generates the environments that enable long-run economic growth, (Egiyi (2021). The cardinal objective of economic development is employment generation but for progress, what is important is the number of jobs created in the economy. Thus, the focus of economic development is career advancement opportunities, wages and working conditions.

According to Obongo *et al.* (2018), economic growth is a sustained increase in per capita national output or net national product over a long period. It implies that the rate of increase in total output must be greater than the rate of population growth. Another quantification of economic growth is that national output should be composed of such goods and services which satisfy the maximum wants of the maximum number of people. Economic growth can be determined by four important determinants namely, human resources, national resources, capital formation and technological development.

The theories of economic growth can be examined under the Harrod-Domar theory of growth, Kaldor model of distribution, Pasinetti model of profit and growth, Joan Robinson's model of capital accumulation, Meade's Neo-Classical model of economic growth and the slow model of long-run growth. Economic growth specifically means an increase in the value of goods and services produced by a country over a period and Economists use an increase in a country's GDP to measure it.

Thus, it is possible to have economic growth without economic development in the short or even medium term (Abiola, 2012). In other words, there could be an increase in GDP without any increase in the standard of living of people in a state. Environmental conditions that would enhance economic growth must be created through an investment of the national income in infrastructural development for subsequent improvement in the standard of life of the population of a country (Adum, 2018). This can be achieved through the revenue generated through tax. Akinboade (2015) emphasized the need for a new measure of progress in the well-being of people, arguing that GDP is not a good measure because economic growth is not synonymous with improved well-being. The author suggested that indicators promoting sustainable development should be used to replace GDP. Oriakhi and Rolle (2014) argued that the Human Development Index (HDI) is a measurement indicator that takes into consideration the literary rates and life expectancy that affect productively and could lead to economic growth while economic growth does not take into account unrecorded economic activity.

Theoretical Review

Two theories were reviewed and adopted in the study because of their suitability in the study conducted.

Ability to Pay Principle

The ability to pay principle as the name implies says that taxation should be levied according to an individual's ability to pay. It says that public expenditure should come from “him that hath” instead of “him that hath not”. The principle originated in the sixteenth century. The ability-to-pay principle was scientifically extended by the Swiss philosopher Jean Jacques Rousseau (1712- 1778), the French political economist Jean Baptist Say (1767-1832) and the English economist John Stuart Mill (1806-1873). This is indeed the basis of 'progressive tax,' as the tax rate increases by the increase of the taxable amount. This principle is indeed the most equitable tax system and has been widely used in industrialized economics.

The usual and most supported justification for the ability to pay is on grounds of sacrifice. The payment of taxes is viewed as a deprivation to the taxpayer because he surrendered money to the government which he would have used for his personal use. However, there is no solid approach for the measurement of the equity of sacrifice in this theory, as it can be measured in absolute, proportional or marginal terms. Thus, equal sacrifice can be measured as (i) each taxpayer surrenders the same absolute degree of utility that s/he obtains from her/his income, or (ii) each sacrifices the same proportion of utility s/he obtains from her/his income, or (iii) each gives up the same utility for the last unit of income; respectively (Patrick and Kase, 2018). Thus, this theory was adopted in this study.

Empirical Review

Previous studies conducted both locally and internationally were surveyed by the researcher of this study to identify gaps in the literature. These included the following:
Osundina and Olanrewaju (2013) assessed the welfare effects of taxation on the Nigerian economy. The study sought to determine the welfare effect of taxation on the Nigerian economy using the consumption theory function. Total consumption expenditure (TCE) was used to measure the welfare effect of taxation while private investment level (PIL) and total federally collected revenue (TFCR) were used to capture the economy. Jarque-Bera normality tests showed that TCE data had a normal distribution, PIL data had a normal distribution and TFCR data were normally distributed. Augmented Dickey-Fuller (ADF) showed that TCE data were stationary at first difference with lag 6, PIL data was stationary at level with TFCR data was stationary at first difference with lag 9.

Ordinary least square method of regression analysis was used to measure the possible effect, PIL had a direct/positive relationship with TCE as expected but no significant effect ($p = 0.7922$) while TFCR had a negative and significant effect ($p = 0.0000^*$) on TCE. About 65% of the variations in TCE are explained by variations in PIL and TFCR. The overall significance of the model was tested using the F-test and we found out that taxation had a significant ($p = 0.00000$) welfare effect on the Nigerian economy.

Umoru and Anyiwe (2013) investigated tax structures and economic growth in Nigeria: Disaggregated empirical evidence. The study aimed to evaluate the empiricism behind the new national tax policy in Nigeria by employing co-integration and error correction as methods of empirical estimation with an empirical strategy of disaggregation. In line with the objective of the study, empirical results indicated that while the policy of direct taxation was significantly and positively correlated with economic growth, indirect taxation proved insignificant with its negative impact on economic growth in Nigeria. The study indeed ascertained that the tax-based revenue profile in Nigeria was skewed towards direct taxes.

Kizitoi (2014) evaluated the nexus between tax structure and economic growth in Nigeria: A prognosis. In light of this, the study examined the nexus between the Nigerian tax system and economic growth using the correlation method and Granger Causality to establish the relationship. The study revealed that the tax system had no significant impact on growth because of the numerous challenges confronting the system. Further analysis of the components of the tax system showed that Custom Duties had more impact on economic growth than company income tax, value-added tax and petroleum profit tax. The study also revealed a negative and insignificant relationship between petroleum profit tax and company income tax on the one hand, and between petroleum profit tax and value-added tax on the other hand. Consequently, the study recommended that the Nigerian tax system should be reformed so that it can have a significant impact on economic growth.

Michael (2014) conducted a study on multiple taxation as a bane of business development in Nigeria. The study examined the appropriateness of multiple taxes in developing nations like Nigeria. Despite unambiguous legislation that contains a list of fees and taxes to be collected, all tiers of governments, ministries, departments and agencies are involved in collecting taxes that are not within this list. Various names are coined for these multiple taxes. The study used the content analysis method to highlight challenges that are peculiar to Nigeria. From the analysis, it was observed that the various challenges posed by multiple taxation are capable of deterring business development in Nigeria.

Nwokoye and Rolle (2015) determined tax reforms and investment in Nigeria: An empirical examination. The study was informed by the quest to examine the investment implication of the series of tax reforms in Nigeria, particularly the tax reforms of 2003 and the National tax policy of 2012. Annual time series data spanning the years (1981-2012) were utilized. A preliminary diagnostic test was conducted to examine whether the estimated model satisfies the Ordinary Least Square (OLS) assumptions. The basic assumptions of the OLS were satisfied. The result of the estimated OLS model showed that tax reform as proxied by VAT and CIT, both positively and significantly stimulated investment in Nigeria.

Jelil *et al*. (2017) in a study to ascertain multiplicity of taxes and foreign direct investment: A relational analysis of Nigerian tax environment. The study aimed to examine the relationship between multiple taxes and Foreign Direct Investment inflow in Nigeria for the period 1996 to 2015. The study adopted the *ex post facto* research design. Secondary data used was collected from Central Bank of Nigeria statistical bulletins, National Bureau of Statistics publications and Central Bank of Nigeria annual reports. Descriptive analytical procedures and inferential statistics were employed. Descriptive statistics was used in explaining the characteristics of the variables while inferential statistics involved the use of multiple regressions for analysis and time series was used for estimation. From the findings, it was noted that there was an inverse relationship between multiple taxes and Foreign Direct Investment (FDI) in Nigeria, which implied that the higher the taxes, the less the FDI inflows into the country. The given high value of the R^2 (0.858333) implied that an 85.83% systematic variation in Foreign Direct Investment (FDI) is explained by Company Income Tax (CIT), Value Added Tax (VAT), Education Tax (ED) and Customs and Excise Duties (CED).

Summary of Empirical Review

The gap that necessitated the conduct of the present study was appropriately determined from the summary of the related empirical literature reviewed. These are presented in Table 1:

Table 1: Summary of Empirical Review

S/N	Author(s)	Topic	Methodology	Finding
1.	Osundina and Olanrewaju (2013).	Welfare effects of taxation on the Nigerian economy.	The Ordinary Least Square (OLS) method of regression analysis was used to measure the possible effect of the independent variables on the dependent variable.	PIL had a direct/positive relationship with TCE as expected while TFCR had a negative and significant effect on TCE.
2.	Umoru and Anyiwe (2013).	Tax structures and economic growth in Nigeria: Disaggregated empirical evidence.	Data analysis was conducted using the regression technique.	The empirical results indicated that while the policy of direct taxation was significantly and positively correlated with economic growth, indirect taxation proved insignificant with its negative impact on economic growth in Nigeria.
3.	Kizitoi (2014).	The nexus between tax structure and economic growth in Nigeria: A prognosis.	The collected data were analysed using the correlation method and Granger Causality to establish the relationship.	The study also revealed a negative and insignificant relationship between petroleum profit tax and company income tax on the one hand, and between petroleum profit tax and value-added tax on the other hand.

Source: Researcher's Compilation (2023)

Table 2: Summary of Empirical Review Continued

S/N	Author(s)	Topic	Methodology	Finding
1	Michael (2014).	Multiple taxation as a bane of business development in Nigeria.	The study used the content analysis method to highlight challenges that are peculiar to Nigeria.	From the analysis, it was observed that the various challenges posed by multiple taxation are capable of deterring business development in Nigeria.
2	Nwokoye and Rolle (2015).	Tax reforms and investment in Nigeria: An empirical examination.	A preliminary diagnostic test was conducted to examine whether the estimated model satisfies the Ordinary Least Square (OLS) assumptions. The basic assumptions of the OLS were satisfied.	The result of the estimated OLS model showed that tax reform as proxied by VAT and CIT, both positively and significantly stimulated investment in Nigeria.
3	Jelil *et al.* (2017).	Multiplicity of taxes and foreign direct investment: A relational analysis of Nigerian tax environment.	Descriptive analytical procedures and inferential statistics were employed.	From the findings, it was noted that there was an inverse relationship between multiple taxes and Foreign Direct Investment (FDI) in Nigeria.

Source: Researcher's Compilation (2023)

Methodology

Research Design

The conduct of this study necessitated the application of survey research design simply because the data collection method of the present study required the researcher to design an instrument regarded as a questionnaire for obtaining the relevant data. The adoption of such a design allowed the researcher to evaluate the influence of multiplicity of taxes on economic development in Nigeria: A study in Champion Brewery Plc, Uyo.

Population of the Study

The population of this study consisted of the employees in Champion Brewery Plc, Uyo who were acquainted with the subject matter. The total number of employees in the organization was forty-two (42). Thus, the population of this study was forty-two (42).

Sample Size

For the fact that the researcher was able to reach out to the entire population of forty-two (42), the entire number of employees that constituted the population of this study was sampled for the study. In this regard, the sample size of this study was forty-two (42) employees obtained from the Champion Brewery Plc, Uyo. The researcher believed that the entire population of forty-two (42) employees studied together would offer directions on the influence of multiplicity of taxes on economic development in Nigeria: A study of Champion Brewery Plc, Uyo.

Sampling Techniques

The census sampling techniques were employed by the researcher in this study. This supported the fact that the entire population of forty-two (42) employees drawn from Champion Brewery Plc, Uyo was sampled for the study. The method of data collection was primary with the use of a research instrument.

Source and Nature of Data

Data for the present study was collected using primary techniques. The data was collected from the respondents drawn from Champion Brewery Plc, Uyo. The data for the study were gathered from the opinions of respondents with an instrument regarded as a questionnaire. The nature of data collected was cross-sectional simply because they were obtained once for the present study.

Method of Data Collection

The method of data collection was primary with the use of a research instrument. The research instrument to be employed in the study in the collection process of data was a structured questionnaire. The questionnaire was administered to respondents individually who were the employees of Champion Brewery Plc, Uyo as at the time of this study. The questionnaire structured by the researcher was divided into two main parts.

The first part of the questionnaire dealt with the personal data or biodata of the respondents while the second part of the questionnaire was concerned with the research data in line with the objectives of the study. The second part of the questionnaire was divided into subsections known as A, B, C and D. The construction of the questionnaire was done by the researcher under the direction of experts in this area of interest. To convert the qualitative data obtained to quantitative data, the Likert scale was adopted. The score assigned to each of the scales is strongly agreed five (5), agreed four (4), disagreed three (3), strongly disagreed two (2) and undecided one (1). The questionnaire was structured appropriately and presented in Appendix One.

Reliability of Data

The data obtained was subjected to a reliability test. To assess the reliability of the data collected for the present study, Cronbach's Alpha statistics were used to check the reliability of the data collected. In line with the views of scholars, Cronbach's Alpha statistics of sixty per cent (60%) and above were considered adequate and the data collected was viewed as being reliable for the study (Oboh and Dabor, 2020).

Variable Description

The key variables of this study were multiplicity of taxes and economic development. The dependent was Economic Development (ED) while the independent variable was the multiplicity of taxes measured by the Multiplicity of Company Income Taxes (MCIT). All the variables are described in Table 3.1:

Table 3: Variable Description

S/N	Variable	Abbr.	Measurement	*Apriori* **Expectation**
1.	Economic Development	ED	Five-Point Likert Scale	
2.	Multiplicity of Company Income Taxes	MCIT	Five-Point Likert Scale	Positive

Source: Researcher's Compilation (2023)

Empirical Specification of Models

The empirical models were stated appropriately in line with the variables in each of the objectives of the study:

$$ED=\beta_o+\beta_1 MCIT+e_t \qquad \text{Equation (1)}$$

Where β_1= Coefficient of the independent variables, β_o= Intercept of ED and e_t= Random Error Term.

Model 1 was formulated to test the individual influence of multiplicity of taxes regarded as Multiplicity of Company Income Taxes (MCIT) on Economic Development (ED) in Nigeria: A study of Champion Brewery Plc, Uyo.

Method of Data Analysis

The data collected was analysed using descriptive statistics and inferential statistics. Descriptive statistics was used to evaluate the nature of the data collected for the study while inferential statistics was used to establish the influence of multiplicity of taxes on economic development in Nigeria: A study of Champion Brewery Plc, Uyo. The inferential statistics included various regression statistical tools such as R, R^2, Adjusted R^2, t-statistic, p-value, and F-statistics. R was used to establish the relationship between the dependent and independent variables in the study.

R^2 and Adjusted R^2 were used to determine the rate of variation in the dependent variable that was explained by the influence of the predictors (independent variables). The t-statistics and p-value were used to test the significance of individual predictors in each of the models. F-statistics was used to test the significance of individual models in this study. The regression tests were all conducted at a 5% level of significance. Also, the correlation matrix, Variance Inflation Factor (VIF) and Tolerance will be used to check for the existence of multi-collinearity in the combined model of the study.

Data Presentation, Analysis and Discussion

Data Presentation

In this subsection of the study, the computed data in line with the relevant attributes of this study were presented in appendix one (i), two (ii) and three (iii) respectively. The collected data were strictly on the key variables of the study known as Economic Development (ED) and Multiplicity of Company Income Taxes (MCIT).

The computed data for the regression analysis were based on the opinions of the respondents collected using a questionnaire. The dependent variable of the study was Economic Development (ED) while the independent variable was the Multiplicity of Taxes (MT) represented by MCIT.

The analysis of the bio-data collected were as follows:

(i) - Gender

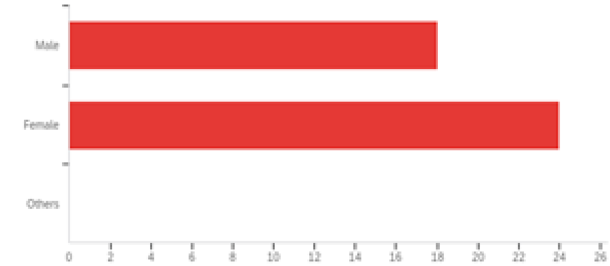

Table 4: Analysis of Gender

#	Answer	%	Count
1	Male	42.86%	18
2	Female	57.14%	24
3	Others	0.00%	0
	Total	**100%**	**42**

Source: Researcher's Computation (2023)

From Table 4, it was observed that the gender of the respondents was made up of 42.86% (18) male and 57.14% (24) female. The respondents in Champion Brewery Plc, Uyo constituted more female gender than the male gender.

(ii) - Age

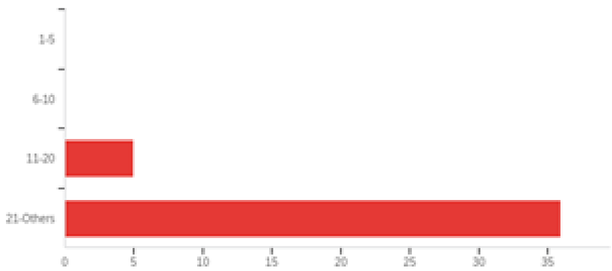

Table 5: Analysis of Age

#	Answer	%	Count
1	1-5	0.00%	0
2	6-10	0.00%	0
3	11-20	11.90%	5
5	21-Others	88.10%	37
	Total	**100%**	**42**

Source: Researcher's Computation (2023)

From Table 5, it was observed that the age of the respondents was made up of 11.90% (5) of ages 11-20 and 88.10% (37) of ages 21 and others. The respondents in Champion Brewery Plc, Uyo constituted more employees from ages 21 and others.

(iii) - Staff Category

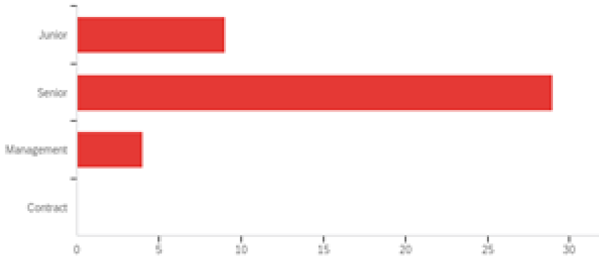

Table 6: Analysis of Respondents' Category of Position

#	Answer	%	Count
1	Junior	21.43%	9
2	Senior	69.05%	29
3	Management	9.52%	4
5	Contract	0.00%	0
	Total	**100%**	**42**

Source: Researcher's Computation (2023)

From Table 6, it was observed that the staff category of the respondents was made up of 21.43% (9) junior, 69.05% (29) senior and 9.52% (4) management. The respondents in Champion Brewery Plc, Uyo constituted more senior staff.

(iv) - Marital Status

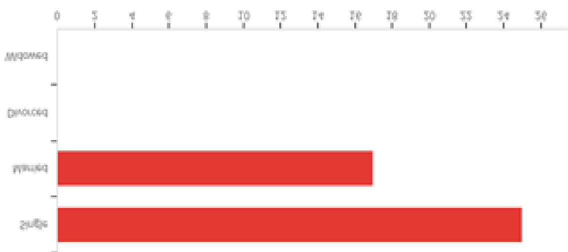

Table 7: Analysis of Marital Status of Respondents

#	Answer	%	Count
1	Single	59.52%	25
2	Married	40.48%	17
3	Divorced	0.00%	0
5	Widowed	0.00%	0
	Total	**100%**	**42**

Source: Researcher's Computation (2023)

From Table 7, it was observed that the marital status of the respondents was made up of 59.52% (25) single and 40.48% (17) married. The respondents in Champion Brewery Plc, Uyo constituted more single staff.

(v) - Educational Level

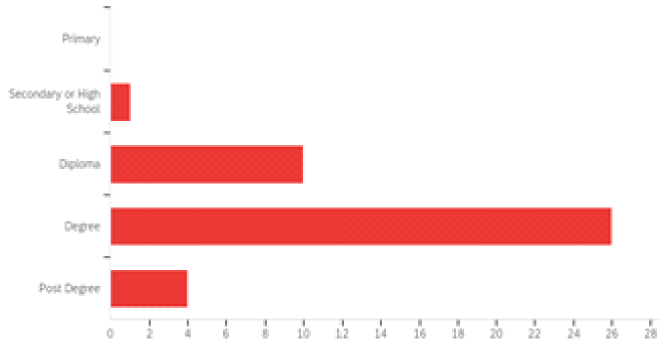

Table 8: Analysis of Educational Level of Respondents

#	Answer	%	Count
1	Primary	0.00%	0
2	Secondary or High School	4.76%	2
3	Diploma	23.82%	10
6	Degree	61.90%	26
7	Post Degree	9.52%	4
	Total	**100%**	**42**

Source: Researcher's Computation (2023)

From Table 8, it was observed that the educational level of the respondents was made up of 4.76% (2) secondary/high school, 23.82% (10) diploma, 61.90% (26) degree and 9.52 (4) post-degree. The respondents in Champion Brewery Plc, Uyo constituted more degree holders.

(vi) - Years spent in Champion Brewery Plc, Uyo

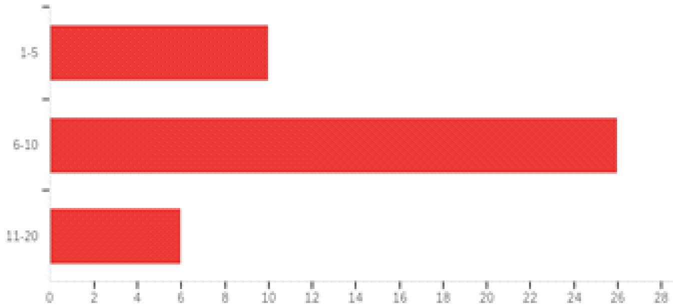

Table 9: Analysis of Years of Respondents Spent in the Company

#	Answer	%	Count
1	1-5	23.81%	10
2	6-10	61.90%	26
3	11-20	14.29%	6
	Total	**100%**	**42**

Source: Researcher's Computation (2023)

From Table 9, it was observed that the educational level of the respondents was made up of 23.81% (10) 1-5, 61.90% (26) 6-10 and 14.29% (6) 11-20. The respondents in Champion Brewery Plc, Uyo constituted of those who have served the company for 6 to 10 years.

Data Analysis

Fundamentally and as stated earlier, the drive of this study was to arrive at empirical results. Thus, the collected data were analysed using the numerous statistical tools stated to achieve the purpose of the study as well as suitable empirical evidence to suggest recommendations. For appropriate analysis of this study, questions eleven to fourteen and thirty-two to thirty-five were used in the computation of the dependent variable known as Economic Development (ED) respectively; questions fifteen to twenty-two and twenty-four to thirty-one were used in the computation of the independent variables regarded as Multiplicity of Company Income Taxes (MCIT), Multiplicity of Information Technology Taxes (MITT) and Multiplicity of Education Taxes (MET) respectively.

Reliability Test

The reliability statistics were computed and presented in Table 4.7:

Table 10: Reliability Test

Variables	Number of Items	Cronbach's Alpha Statistics
ED	4	0.965
MCIT	4	0.973

Source: Researcher's Computation (2023)

From Table 10, it was observed that Cronbach's Alpha Statistics indicated that the data collected for each of the variables of Economic Development (ED) and Multiplicity of Company Income Taxes (MCIT) were all greater than sixty percent (60%)* which showed that they were all reliable to this study. ED had 96.5% and MCIT had 97.3%. The number of items showed that the questions in each of the variables were four (4). Thus, other analyses can be conducted on the sourced data.

Descriptive Statistics

The descriptive statistics for all the variables of this study were computed and presented in Table 11:

Table 11: Descriptive Statistics

Variables	N	Range	Minimum	Maximum	Mean	Std. Deviation
ED	42	3.38	1.63	5.00	4.1071	0.95858
MCIT	42	3.75	1.25	5.00	4.1815	0.91198

Source: Researcher's Computation (2023)

From Table 11, Economic Development (ED) had a range of 3.38. This indicated that the difference between the highest and the lowest score with respect to ED for the study was 3.38. The minimum of ED was 1.63 while the maximum was 5.00. The mean (average) was 4.1071. This indicated that the average score for ED in the study was 4.1071. The standard deviation for ED was 0.9586. This indicated that the deviation from the mean that occurred for ED in the study was 0.9586 and it was not high. The observations of forty-two (42) were drawn from the sample size used in the study.

From Table 11, Multiplicity of Company Income Taxes (MCIT) had a range of 3.75. This indicated that the difference between the highest and the lowest score with respect to MCIT for the study was 3.75. The minimum of MCIT was 1.25 while the maximum was 5.00. The mean (average) was 4.1815. This indicated that the average score for MCIT in the study was 4.1815. The standard deviation for MCIT was 0.91198. This indicated that the deviation from the mean that occurred for MCIT in the study was 0.91198 and it was not high. The observations of forty-two (42) were drawn from the sample size used in the study.

Test of Hypotheses

The individual hypotheses of this study stated by the objectives were tested using a linear regression statistical tool. The computations were done following the stated models of this study.

The simple linear regression statistics were computed and presented in Table 4.9:

Table 12: Simple Linear Regression Output

Variable	Beta (β)	t-Stat.	P-Value	Remark	R	R^2	F-ratio
Constant	0.146	10.923	0.000	Significant	0.968	0.936	588.388, prob.<0.05
MCIT	-1.017	-24.257	0.000	Significant			

Source: Researcher's Computation (2023)
*Dependent Variable=ED

From Table 12, R^2 showed that 93.6% variation in Economic Development (ED) in Nigeria was caused by the influence of Multiplicity of Company Income Taxes (MCIT). From the computed value of F-statistics of 588.388 (prob.<0.05), it was discovered that R^2 was significant in explaining the influence of MCIT on ED in Nigeria. MCIT indicated a negative and significant influence on ED (t-stat.>1.966, p-value<0.05) in Nigeria. It implied that a percentage increase in MCIT resulted in -101.7% decrease in ED for the period of the study.

The result of the analysis complied with the *apriori* expectation stated by the researcher of the present study. The constant (β_o) of 14.6% showed the level of ED of this study as MCIT was held constant and significant (t-stat.>1.966, p-value<0.05). The null hypothesis, which states that multiplicity of company income taxes does not significantly influence economic development in Nigeria was rejected and the alternative hypothesis, which states that multiplicity of company income taxes significantly influences economic development in Nigeria, was accepted on the rationale of t-statistics and p-value computed (t-stat.>1.966, p-value<0.05).

Discussion of the Findings

From Table 12, it was observed that Multiplicity of Company Income Taxes (MCIT) had a negative and significant influence on Economic Development (ED) in Nigeria. The result of the analysis complied with the *apriori* expectation stated by the researcher. The negative influence exerted by MCIT on ED was because the coefficient of the independent variable was negative and the significance of MCIT on ED was caused by t-statistics and the p-value calculated which were greater than 1.96 and less than 0.05 respectively.

Multiplicity of company income taxes is capable of affecting various financial performance indicators of companies negatively such as profitability, liquidity and revenue growth. This is because various charges are often imposed on these companies and as such, the level of achievement attained by these entities cannot affect economic development positively. It could be substantiated that the negative implication of multiplicity of company income taxes on economic development in Nigeria is because various charges have been imposed on the companies in the form of income taxes. This study was in line with Egiyi (2021) who investigated company income tax and economic development nexus: ARDL approach.

Summary of the Findings

The main objective of the study was to examine the influence of multiplicity of taxes on economic development in Nigeria. The core variable for Economic Development (ED) used in this study was Multiplicity of Company Income Taxes (MCIT). These were the composition of the specific objectives of the study. Relevant data about the variables in this study were collected using a questionnaire structured and issued to the respondents from Champion Brewery Plc, Uyo. The data obtained were analysed with the help of statistical tools known as descriptive statistics, simple and multiple linear regression techniques, with the inclusion of correlation coefficient, R-Square, Adjusted R-Square, t-statistic, Tolerance, Variance Inflation Factor (VIF) and P-value. All regression tests were conducted at a 5% level of significance.

Below is the summary of the study from the analysis:

i. MCIT exerted a negative and significant influence on the ED (P-value<0.05) of Champion Brewery Plc, Uyo.

Conclusion

The study was carried out to ascertain the influence of multiplicity of taxes on economic development in Nigeria. Analyses for the study were carried out with descriptive statistics and as well as inferential statistics. The various statistical tools used were linear regression, R^2, Adjusted R^2, t-statistic (t-Stat), variance inflation factor (VIF), Tolerance, Durbin-Watson (DW) Statistic and P-value. From the analyses of the collected data, it was concluded that multiplicity of taxes had a negative and significant influence on economic development in Nigeria. This was because the variable of multiplicity of taxes (MCIT) all had a negative and significant influence on economic development in Nigeria.

Recommendations

The following recommendations were suggested in line with the empirical results:

i. The government of Nigeria should ensure that company income taxes are streamlined in order not to affect the profitability of companies negatively as well as economic development in Nigeria.
ii. Multiplicity of taxes should be discouraged by the government to bring about economic development in Nigeria.

Suggestions for Further Studies

The following areas not covered in the present study were suggested for further investigation:

i. Multiplicity of taxes and financial performance of listed manufacturing companies in Nigeria should be investigated.
ii. Multiplicity of taxes and financial performance of deposit money banks in Nigeria should be studied by another researcher (s).
iii. The directions of the forms of taxes on economic development should be investigated by another researcher (s) with the use of secondary data.

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