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NIGERIA'S TAX REFORM: AN ANALYSIS OF THE FINANCIAL IMPLICATIONS FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

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Abstract: There has been series of tax reforms in Nigeria initiated through Finance Acts between 2019 to 2023, aims to increase revenue generation and promote economic growth among other objectives. However, the financial implications of this reform on Small and Medium-Sized Enterprises (SMEs) in Nigeria are not well understood. This study analyses the financial implications of Nigeria's tax reform on SMEs, using a mixed-methods approach. The results show that the reform has both positive and negative effects on SMEs, including increased tax burdens, reduced profitability, and improved tax compliance.
Keywords: Tax, Tax Reform, Tax Compliance and Tax Burden

Introduction

There has been series of tax reforms in Nigeria initiated through Finance Acts between 2019 to 2023 (Adeyeye, 2020). The reform aims to increase revenue generation, promote economic growth, and improve tax compliance (Oyedele, 2020) and other objectives. SMEs are a crucial sector of the Nigerian economy, accounting for over 90% of businesses and employing millions of people (World Bank, 2020). However, SMEs in Nigeria face numerous challenges, including limited access to finance, inadequate infrastructure, and a complex regulatory environment (Kwakye, 2017). Globally, the growth of any economy is dependent on vibrant SMEs and when the reverse seems the case, the entire economy suffers. The stunted growth of the economy has often been blamed on many factors, top of which is the challenge of uncoordinated tax administration that has crippled production capacity of the SMEs (Idewele, 2020). One of the major impediments to the growth of SMEs is the issue of taxation. The yoke of taxes on SMEs ranked second among the factors stunting the growth of the economy in USA, and that taxes are heavy yokes that frustrates existing investors, and scares away prospective ones (Ihenyen et al,2021). Small businesses play a crucial role in Nigeria's economy, accounting for over 90% of businesses and employing millions of people. However, small businesses in Nigeria face numerous challenges, including limited access to finance, inadequate infrastructure, and a complex regulatory environment. The plight of SMEs in the face of the unfriendly tax policies being experienced and the effect of the scenario on the economy make this study imperative. There is the need to find out how the tax system has affected the financial and non-financial perform indicators of these SMEs judging from perceptions of the key players in the firms. Unlike extent studies that used pure secondary data, this study is based on primary sources in order to ascertain the perceptions, feelings and views of the entrepreneurs, owners of the SMEs and their managers on the subject matter.

Conceptual Reviews

a. Financial Performance

Performance comes from the Latin verb 'parfourmen', which means 'to do' It means execution, completion, etc. In a broader sense, performance refers to a task's accuracy, completeness, cost, and speed. It refers to the extent of an achievement. Thus, the performance includes both presentation and results. Performance indicates success, conditions, and conformity. Financial performance refers to how well financial goals are met. It measures a company's activities and policies in monetary terms. It's used to monitor a firm's financial health over time and to compare similar firms in the same industry or industries or sectors as a whole. Financial performance measures how well a company uses its assets to create revenue. Financial performance measures a firm's production and productivity (total business performance), profitability, liquidity, working capital, fixed assets, money flow, and social performance (Ihenyen,et al., 2021). This study focuses on profitability. Furthermore, it refers to the act of performing; execution, accomplishment, fulfillment, etc. In a broader sense, performance refers to the accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed. In other words, it refers to the degree to which an achievement is being or has been accomplished.

b. Tax Reforms

The Finance Act 2020 was signed on 31st December, 2020 and became effective from January 1, 2021. The Act was introduced to amend the existing Tax and Regulatory Legislation in Nigeria to enhance the ease of doing business throughout the country. The main affected areas are the Capital Gains Act, Company Income Tax Act, Personal Income Act, Value Added Tax, Nigerian Export Processing Zone Act, Oil and Gas Export Free Zone Act, Federal Inland Revenue Service (Establishment) Act, as well as Customs and Excise Duties Act.(Finance Act, 2020). The main purpose of the new tax laws is to clear some ambiguities that characterize the extant laws and make room for ease of doing business as well as cushioning the effects of the Covid 19 Pandemic. Under the new Act, crisis intervention fund together with unclaimed funds trust were set up to mitigate the impasse of Covid 19 effect. The government is poised to increase production in core agricultural production such as crops, livestock, forestry and fishing hence it separated agricultural business from actual primary production (S. 11.2 CITA). The minimum moratorium was reduced from 18 months to 12 months with respect to tax exemption on commercial banks loans for companies engaging in primary agricultural production and other local businesses. Withholding Tax remains the final tax for these categories of services unlike the previous Act which inadvertently included the provision for management, consultancy, technical, and professional services. S.14 of the CITA was altered to clarify that revenue earned from leasing, containers, non-freight operation or any other incidental income should be subject to tax in accordance with s.9. This provision creates a distinction between revenue from core shipping/freight operations and air activities that should be subject to tax under s.14 of the CITA, and revenue from other incidental activities that should be subject to the general corporate income tax rate of 30%. Finance Act is era of a active environment and basis the by means Finance significant fiscal milestone for Nigeria as it marks a return to an supervision motivating regular stimulation of the economy on an review of the macro annual or at least regular of such instruments (Miscellaneous time Nigeria utilized this Provisions) as a Act Finance Act. It is No.30 of 1999 instructive represents that the last budgetary fiscal environment for business (Wole, 2020).

c. Value Added Tax

Value Added Tax has been defined by different authors and writers. According to Abata (2019), Value-Added Tax is described as a consumption tax whereby the consumers bear the tax burden. He explained that tax burden is passed from the manufacturer to wholesaler to retailer and finally to the consumer who ultimately bear the burden. VAT is charge on services and goods indirectly therefore, it means that VAT can only be avoided by not buying and consuming the vatable goods or services. Similarly, a vatable person is one who trades in vatable goods and services for survival. This is mainly an indirect tax on services. Olurofimi (2020) argued that, indirect tax imposed on every sale begins at the production and distribution cycle and culminates in sales to the consumers. He went further explained that, consumers absorb VAT as part of sales prices, meaning that VAT is essentially a consumption tax collected throughout the production and distribution system. VAT is broadly based tax on consumption with few exceptions, levied on goods and services at the rate that varies from one country to another. Okoye and Eze (2018) added that Value Added Tax is a multi-stage tax imposed on the value added to goods and services as they proceed through various stages of production and distribution process and to services as they are rendered with its burden eventually borne by the final consumer and collected at each stage of production and distribution network. Recently, the Nigerian government raised VAT to 7.5% to funds her 2020 budget. Every call, bank transaction and all services oriented activities in Nigeria, VAT is being charged. Billions of naira is being raised from VAT annually to help funds government programs and policies. VAT has a profound impact on the economic development of the country

d. Capital Gain Tax

This is a tax imposed on the disposal of assets which is not in the ordinary course of business. The tax liability on Capital Gains Tax imposed increased from 10% to 15% on any capital sum received as compensation for loss of office. The Finance Act, however, limits the impact of this provision by exempting any capital sum of N10 million or less received as compensation for loss of office. Further, tax concessions on assets transferred pursuant to a related party business reorganization was introduced in the Finance Act. The Finance Act exempt chargeable gains on assets transferred pursuant to a related party business reorganization from CGT, subject to meeting certain conditions such as share-based business reorganization only. The tax concessions contained under the CITA are applicable only to related-party business reorganizations, subject to meeting certain conditions; whereas the VAT does not contain any specific tax provisions on business reorganizations. Harmonizes the tax concessions available to related parties undertaking a business by introducing similar provisions in the CGTA, CITA and VATA as the basis for enjoying the concessions modify the conditions under which the concessions may be enjoyed. The Finance Act introduces a “minimum holding requirement” test for related party group restructuring. Under the revised provisions of the CITA, VATA, CGTA, a company would be recognized as part of a group for such company has been a member of such group for a minimum 365 days prior to the date of the reorganization.

e. Challenges of Tax System in Nigeria

The Nigeria tax system is beset by a myriad of challenges, some of which are highlighted below (FRN 1997, 2002; Ariyo 1997; Ola 2001; Odusola 2002, 2003; study group on tax reform 2003): non availability of tax statistics; inability to prioritize tax effort; poor tax administration; multiplicity of tax; regulatory challenges; structural problems in the economy; corruption; complexity of tax laws: The Concept of Small and Medium

Scale Enterprises The Nigeria Bank for Commerce and Industry (as cited in Jimah, 2011) defined a small scale enterprise as one whose capital does not exceed N750, 000. The above definition plays emphasis on the capital requirement in the formation of the business. Though capital is not the only consideration in determining whether a business venture is a SMEs or not. Agu (2001) defined SMEs as a business which is owned, led by one or a few persons, with direct owner(s) influence in decision making, and having a relatively small share of the market and relatively low capital requirement. Osazee and Anao (as cited in Inegbenebor, 2006) defined a small scale business is any business undertaken, owned, managed and controlled by not more than two entrepreneurs, has no more than twenty employees, has no definite organizational structure (that is, all employees report to the owners) and has a relatively small share of its market. In a similar vein, Inegbenebor (2006) opined that the current industrial policy of Nigeria, Small and Medium Scale Enterprises (SMEs) are now defined on the basis of employment. That is:

i. Micro/cottage industries 1 and 10 workers
ii. Small-Scale Industries 11 and 100 workers
iii. Medium Scale industries 101 and 300 workers
iv. Large scale industries 301 and above

Research Methodology

This study used mixed research design. The research questions will be analysed using the Augmented Dickey Fuller (ADF) model to investigate if there are unit root under the alternative hypothesis that the series is stationary or not. The ADF tests are performed using the Ordinary Least Square (OLS) technique. The secondary data sources are mainly from the studied Nigerian manufacturing firms' Financial Annual Reports, National Bureau of Statistics, CBN Bulletin, and Nigerian Stock Exchange Fact Book.

Model specification

A mathematical model was developed based on the proxies specified for the dependent variable (which is. Economic Growth) is proxy by Real Gross Domestic Product (RGDP). The independent variable (which is Tax Reform) is proxy by Value Added Tax (VAT) and Capital Gain Tax (CGT). The below mathematical model was developed to answer the null hypotheses:

$RGDP = \beta 0 + \beta 1\ RVAT + \beta 2\ RCGT + \varepsilon$ ---------- (1)

Where:

RGDP = Real Gross Domestic Product

VAT = Reform in Value Added Tax

CGT = Reform in Capital Gain Tax

β = the intercept of the regression model

ε = Error Term

Apriori Expectation

It is expected that $\beta 1$ $\beta 2 > 0$

Given that the study employs time series data, the stationarity of the data was examined using the Augmented Dickey Fuller (ADF) model to investigate if there are unit root under the alternative hypothesis that the series is stationary or not. The ADF tests are performed using the Ordinary Least Square (OLS) technique to estimate the following equation:

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$X_t = a + PX_{t-1} + \varepsilon_t$

Where:

X_t = Oppressor (Variable)

a = Alpha Factor. This must be = 0,

P = Raw

ε_t = Error Term

Note: H0: P = 1, this means Oppressor (Variable) is a non-stationarity time series

H0: P < 1, this means Oppressor (Variable) is a stationarity time series

Results and Discussions

This section presents the raw data for the research study, describes the analysis of data, tests the formulated hypotheses, and finally followed by a discussion of the research findings. The findings relate to the research questions that guided the study. Data were analyzed to identify, describe, and explore the relationship between Tax Reforms and the Nigerian Economy.

Data Presentation

The data sources are mainly from the studied Nigerian manufacturing firms' Financial Annual Reports, National Bureau of Statistics, CBN Bulletin, and Nigerian Stock Exchange Fact Book are placed as Appendices I, II, and III.

Summary of Data

Table 1: Descriptive Statistics

	RGDP	VAT	CGT
Mean	13.30689	0.013689	0.007728
Median	13.48225	0.017354	0.007358
Maximum	14.62130	0.021541	0.012483
Minimum	12.11870	0.000163	0.002249
Std. Dev.	0.793157	0.008662	0.002943
Skewness	-0.179255	-0.761444	-0.097477
Kurtosis	2.235481	1.767806	2.676198
Jarque-Bera	0.297091	1.598954	0.059523
Probability	0.861961	0.449564	0.970677
Sum	133.0689	0.136889	0.077284
Sum Sq. Dev.	5.661876	0.000675	7.80E-05
Observations	10	10	10

Source: Authors' compilation using E-views 10 (2025)

Table 1 above shows the descriptive statistics of the data collected for the study. The descriptive statistics show the trend and comprehensive evidence about the variables. The Mean tells us about the average values of the set of variables. The Nigerian Real Gross Domestic Product has the highest average value of ₦13.31 billion, while the Nigerian Manufacturing Firms' Capital Gain Tax has the lowest value of ₦0.007728 billion. The Median tells us about the middle values for each of the variables. The Nigerian Real Gross Domestic Product also has the highest Median value of ₦13.48 billion, while the Nigerian Manufacturing Firms' Capital Gain Tax also has the lowest Median value of ₦0.007358 billion. Besides, Skewness tells us about the distribution of the variables. For normal Skewness, the value must be less than zero. If the value of a variable is more than zero, then the variable is said a to be an abnormal distribution. However, based on this, all the three series have Normal Distribution Curves with values of -0.179255, -0.761444, and -0.097477 respectively. Kurtosis measures the Flatness and the fitness of the distribution. If Kurtosis value is less than 3, it means the variable distribution is normal, but when it is more than 3, the distribution of the variable is said to be abnormal. However, based on this, the Kurtosis values of all the variables indicated Normal Distributions. The difference between the kurtosis

and skewness is measured using Jarque-Bera. The Nigerian Manufacturing Firms' VAT has the highest Jarque-Bera value of 1.598954 while the Nigerian RGDP has the lowest Jarque-Bera value of 0.297091

Data Analysis and Results (Model Estimation and Interpretation)

The data collected for the study were analyzed using the unit root test and the co integration test.

Unit Root Test

We begin the econometric analysis by investigating the non-sationarity of the series used for this research work (the presence of unit roots). Generally, unit root test involves the test of stationarity for variables used in regression analysis. The data is said to be stationary, if the mean and the variance of the variable are constant. But however, if any of them changes, it means that the data has a unit root. As Gordon (2017), puts it, the importance of stationarity of time series used in regression bothers on the fact that, it is not possible to generalize a non-stationary time series to other time periods apart from the present. This makes forecasting based on such time series to be of little practical value. Moreover, regression of a non-stationary time series on another non-stationary time series may produce spurious results. Besides, it has been established in the literature that most time series data are not stationary and using non-stationary variables in a model might lead to spurious regression of which the result cannot be used for precise prediction. Hence, we first examine the characteristics of the data to determine whether the variables have unit roots i.e. whether it is stationary and to determine the order of its integration. However, to avoid this, a test was conducted using the Augmented Dickey-Fuller (ADF) statistic to investigate the presence of unit root.

Table 2: Summary of Augmented Dickey-Fuller Test

Variables	ADF P-value @ 5% Level	ADF P-value @ 1st Difference	Order of Integration
RGDP	-	0.0295	I(0)
VAT	0.2283	0.0483	I(1)
CGT	0.5363	0.0136	I(1)

*Note: * represents 1% significant level; ** represents 5% significant level and *** represents 10% significant level. Calculated at trend and lag lengths selected automatically using the Schwarz Info Criterion (SIC).*

Source: Output from E-views 10 (2025)

Table 2 shows the Augmented Dickey-Fuller stationarity test results of the three economic variables used in this study. From the results, Value Added Tax (VAT) and Capital Gain Tax (CGT) were stationary at a first difference, while Real Gross Domestic Product (RGDP) was stationary at first difference. This implies that the economic variables are fit and suitable to be used for the analysis. However, the analysis of the unit root test results are shown in appendix IV. Based on the above table, the outcome of the results revealed that the series are integrated of different orders. Therefore, in this case we cannot use Johansen Co integration Test; we can only use the Bound Test of Co-integration proposed by Pesaran, Shin, and Smith in 2001.

Co-integrating Hypothesis:

Ho: There is no Co-integrating Equation

Hi: There are Co-integrating Equations

Decision Criteria:

Null Hypothesis is rejected, if the F-value is greater than 5% Critical Value for the upper bound series; otherwise, we fail to reject the Null, if the F-value is less than 5% Critical Value for the upper bound series.

Table 3: Co-integration Results

ARDL Long Run Form and Bounds Test
Dependent Variable: D(RGDP)
Selected Model: ARDL(1, 0, 0)
Case 3: Unrestricted Constant and No Trend
Sample: 1 10
Included observations: 9

Conditional Error Correction Regression				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.43149	4.823492	2.369961	0.0640
RGDP(-1)*	-0.866905	0.358711	-2.416722	0.0604
VAT**	-6.897139	33.62054	-0.205147	0.8455
CGT**	6.810964	97.83255	0.069619	0.9472
*** p-value incompatible with t-Bounds distribution.** **** Variable interpreted as Z = Z(-1) + D(Z).**				

Levels Equation

Case 3: Unrestricted Constant and No Trend

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
VAT	-7.956048	39.01422	-0.203927	0.8465
CGT	7.856643	112.7664	0.069672	0.9472
EC = RGDP – (-7.9560*VAT + 7.8566*CGT)				

t-Bounds Test

Null Hypothesis: No levels relationship

Test Statistic	Value	Signif.	I(0)	I(1)
t-statistic	-4.416722	10%	-2.57	-3.21
		5%	-2.86	-3.53
		2.5%	-3.13	-3.8
		1%	-3.43	-4.1

Source: Researcher Computations (2021) employing E-Views

The above results revealed that F-Value of 6.971905 is greater than the I(1) bound (Critical Value for the upper bound) of 4.14 at 5% level of significance. Similarly, the absolute T- statistics value of 4.416722 is greater than the I(1) bound (absolute Critical Value for the upper bound) of 3.21 at 5% level of significance. Therefore, it indicates that the null hypothesis of no long relationship is rejected and accepts the alternate hypothesis of there is long run relationship among the variables. Thus, we estimate the long-run model and extract the residual via the use Ordinary Least Square and Error Correction Model.

Table 4: Ordinary Least Square Test and Error Correction Model

Dependent Variable: D(RGDP) Method: Least Squares

10 Included observations: 8 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.320529	0.197769	-1.620725	0.2035
D(RGDP(-1))	0.494623	0.225168	2.196682	0.1155
90 D(VAT(-1))	18.14672	19.44817	-0.933081	0.0196
D(CGT(-1))	-145.9131	71.17149	2.050163	0.1327
ECM(-1)	-1.350763	0.320622	-4.212942	0.0244

R-squared 0.895974	Mean dependent var -0.050000
Adjusted R-squared 0.757272	S.D. dependent var 1.033959
S.E. of regression 0.509406	Akaike info criterion 1.758027
Sum squared resid 0.778482	Schwarz criterion 1.807678
Log likelihood -2.032107	Hannan-Quinn criter. 1.423151
F-statistic 6.459702	Durbin-Watson stat 1.901511
Prob(F-statistic) 0.018644	

Source: Researcher Computations (2025) employing E-Views

From the long-run regression results shown in Table 4, the following interpretation can be inferred; a unit increase in the Nigerian Value Added Tax (VAT) on the average holding other independent variables constant

will lead to a 18.14672 unit increase in the Nigerian Real Gross Domestic Product (RGDP). While a unit increase in the Capital Gain Tax (CGT) on the average, holding other independent variables constant will lead to 145.9131 unit decrease in the Nigerian Real Gross Domestic Product (RGDP). However, based on the probability value, the VAT was statistically significant in explaining the variation in the Nigerian RGDP, while CGT was statistically insignificant in explaining the variation in Nigerian RGDP. Besides, the ECM parameter is negative (-) and significant which is -1.350763 and the p-value is 0.0244; this shows that 1.35 percent disequilibrium in the previous period is being corrected to restore equilibrium in the current period. Moreover, the table above shows the relationship between the Nigerian Tax Reforms and the Nigerian Economic Growth. The R2 value is 0.90 ; it indicates the prediction capability of the independent variables. This indicates that 90% changes in the RGDP are explained by the changes in the Nigerian Tax Reform Also, that only about 10% other factors that could bring about changes in the model were not included. Besides, the value of 76% of the Adjusted R2 shows a strong relationship between the Nigerian Tax Reform and the Nigerian Real GDP. Furthermore, it has been established that the HO1 which stated that Value Added Tax (VAT) Reform has no significant impact on the Real Gross Domestic (RGDP) of Nigeria. Is rejected; this is because the p-value of 0.0196 is less than 0.05. Also, the HO2 which stated that Capital Gain Tax (CGT) has no significant impact on the Real Gross Domestic (RGDP) of Nigeria is accepted; this is because the p-value of 0.1327 is greater than 0.05. Finally, when VAT and CG are joined together, they can influence Nigerian RGDP. This is because; the Prob. (F-statistic) is 0.018644, less than 0.05. Therefore, it can be concluded that Tax Reforms has a significant effect on the Nigerian Economic Growth.

Post Diagnostic Test

In order to make the results of table 4 more reliable and valid, we check the auto serial correlation and the stability of the model.

Serial Correlation LM Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	**0.688634**	**Prob. F(2,1)**	**0.6486**
Obs*R-squared	4.634791	Prob. Chi-Square(2)	0.0985

Source: Researcher Computations (2021) employing E-Views

The above table shows that all observed R-square and the corresponding P-Values is 0.0985, greater than 0.05; therefore, Ho is accepted, and concludes that the model is free from the problem of serial autocorrelation.

Discussion of Findings

The purpose of this study is to examine the Impact of Tax Reforms on the Nigerian economy growth. The study adopted time series secondary data which were used for analysis and these findings were observed from the study:

Value Added Tax and Gross Domestic Product The results showed a strong and significant relationship between the VAT and the GDP. This implies that the Nigerian Manufacturing Firms' Value Added Tax has a significant effect on the Nigerian economy growth. These findings however, do not corroborate the findings of Madugba and Joseph (2019) who examined the correlation between Value added tax and economic growth in Nigeria. But however, these findings are consistent with the study of Olufemi, Jayeola, and Naimot (2018) the studied the relationship between tax revenue and economic growth in Nigeria.

Capital Gain Tax and Gross Domestic Product The results showed a weak and insignificant relationship between the CGT and the GDP. This implies that the Nigerian Manufacturing Firms' Capital Gain Tax has no any significant impact on the Nigerian economy growth. The results of this research work are in line with Edame and Okoi (2019) who examined the impact of tax reforms on investment and economic growth in Nigeria from 2015 to 2019, and also consistent with the findings of Abomaye-Nimenibo, Michael, and Friday (2019), who empirically examined the relationship between tax reforms and economic growth in Nigeria.

Conclusion and Recommendations

The results obtained from the test of hypotheses carried out and review of extant literature showed that value added tax has positive significant effect on the economic growth in Nigeria. VAT reform has positive relationship with economic growth; the effect is, however, instructive from the findings that while tax reforms in general have a significant effect on economic growth and stability, the reforms narrative merits a careful evaluation of their content and context. The distortionary impact of corruption on economic growth is rooted in and routed from several trajectories. The interest here is on the egregious diversion of public treasury, in particular tax revenues, which would otherwise be committed to budgetary use. The corrupt diminution of public capital increases linearly with the intensity of corruption, decreases the growth-maximizing influence and, intensity of tax revenues, hinders investment, and impedes economic growth and stability. Besides, this study revealed that Capital Gain Reform has no any significant effect on the Nigerian economic growth. The burning issues in the Nigerian tax system are surmountable through proper system of tax reforms. This negligible contribution may be attributed to a combination of factors, including low percentage rate of the CGT and failure to remit.

However, based on the above conclusion, the following recommendations are made:

i. Although increasing the VAT rate may sound unpopular in a country ravaged by poverty and hardship, however, a moderate increase (to say, 7.5%), as has been canvassed by several commentators, would boost go v e rnm e nt ' s revenue profile. Similarly, expanding the base of VAT would be a progressive attempt at revenue expansion as it will potentially bring the informal sector into the tax net, thereby enhancing the n a t i o n' s economic growth and stability. Also, The tax authorities in Nigeria should be adequately staffed with qualified and well-motivated personnel to enhance productivity and rid the system of corruption.

ii. ii. The administration of CGT should be improved upon with focus directed towards reducing evasion and avoidance However, in order to consolidate the benefits from tax reforms effort should be made to achieve full autonomy for the Federal Inland Revenue

Service (FIRS), tackle the hydra-headed monster of multiple taxation and promote accountability and transparency in government business so as to restore the confidence of the tax payer in the tax system. The Nigeria capital gain tax laws should be reviewed and amended to address contentious and contemporary issues as well as close the loopholes that give way to tax avoidance. Besides, revenue courts should be established in every state of the federation to adjudicate and ensure easy dispensation of justice on tax matters. Individuals should be made to pay only personal income tax and not other forms of taxes to avoid multiplicity of taxes.

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