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An Assessment of the Contribution of Company Income Tax on the Nigerian Economic Development

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Abstract
This study examined the contribution of company's income tax on Nigerian economic development. The study utilized secondary data sourced from Central Bank of Nigeria (CBN) Statistical Bulletin and Federal Inland Revenue Service (FIRS). The study employed Statistical packages for social science (SPSS) technique for the analysis collected data, where Natural logarithm of Gross Domestic Product (GDP), the dependent variable stands as a proxy for economic development, and Company Income Tax (CIT), stands as the independent variables. The results of the analysis showed that company income tax does not have significant and positive contribution on the Nigeria economic development from the period of 2011 to 2015. In accordance with the findings, the study recommended that government should improve the level of supervision and regulating the activities of all agencies vested with responsibility of tax collections and administration, so that same amount realized as tax to be remitted to federation. Government officials or leaders need to be transparent and accountable in public monies. Monies collected from companies inform of company income tax (CIT) should be properly channeled to developmental project to benefit the citizens. And tax authorities should design penalties for defaulting companies. And finally, Tax clearance should also be presented when an individual company's wants to transact with government agencies.

Keywords: Company Income Tax, Economic Development, Nigeria, Taxation.

1. Introduction
Government all over the world undertakes huge public expenditures on behalf of their citizens such as the provision of infrastructure in form of roads, bridges, and social amenities. To meet up with these numerous wants and obligations, government requires substantial amount of funds. Such funds are usually generated from various sources, which usually include the imposition of government compulsory levies such as taxation.

Taxation is defined as an amount of money paid to the government usually a percentage of personal income or company profit. Aguolu (2009) taxation is the compulsory levy by government through the various agencies on the income, capital or consumption of its subjects.

The Institutes of Chartered Accountant of Nigeria (2006) view tax as an enforced contribution of money enacted pursuant to legislative authority. If there is no valid statute by which it is imposed; a change is not tax, Tax is assessed in accordance with some reasonable rule of apportionment on persons or property within tax jurisdiction. Sanni (2007) advocated tax as instrument of social engineering which can be used to stimulate general or special economic growth. Company income tax is a structure among the various tax structures in Nigerian company. Structures and categories of Nigeria Tax system are classified into direct and indirect tax by Aguolu (2009)

1.1 Direct Tax

Tax is direct if the person who pays the tax, i.e the person assessed, is also the person who bears the burden of the tax. It is a tax levied directly on the person who is expected to pay the tax, the tax payer cannot only advised by notification but he is duly receipt edlekan (2006) the purpose of these formalities is to being to taxpayer notice to the incidence of such tax.

1.2 Indirect Tax

According to Lekan (2006) indirect tax is borne by a person other than one from whom the tax is collected. The taxpayer is never notified nor have knowledge of such levy examples of indirect taxes are valued added tax, custom duties, excise duties pool , betting tax, Entertainment tax etc. it may be progressive, regressive or proportional rate.

Section 8 (1) of the companies income Tax Act (CITA) 2004, taxes are payable as specified upon profits of any company accruing in, derived from, brought into Nigeria. The current rate company's income tax is 30% of assessable income.

According to Akptoboro (2009) deemed tax is primarily payable on profits at the companies income tax rate of 30% However, as foreign companies liable to such tax do not ordinarily operate in Nigeria, and thus account to the Federal Board of inland Revenue (FBIR) with full accounts, the law permits FBIR to deem a position of the foreign company's turnover or gross income as profit.

Section 57 CITA 1990 mandate companies operating in the Nigerian stock exchange to file monthly returns with the Federal Board of Inland Revenue not later than 7 days after the end of each calendar month.

Tax revenue mobilization as a source for financing development activities in Nigeria has been a difficult issues primarily because of various forms of resistance, such as evasion, avoidance, corrupt practices attending to it. These activities are considered as sabotage the economy and are readily presented as reasons for the underdevelopment of the country. Government exists in order to effectively collect taxes from available economic resources and make use of same to create economic prosperity such that available and willing human and other resources are gainfully employed, infrastructures provided, essential public services (such as the maintenance of law and order) put in place etc. Tax resistance only makes these goods unattainable. Following some reasoning, changing or fine turning tax rates is used to influence or achieve macroeconomic stability.

In Nigeria the contribution of tax revenue especially company income tax has not met the expectations of government. Government has equally expressed this disappointment and has accordingly vowed to expand the non-oil tax revenue. In the actual sense, the system helps to stabilize the economy. A good tax system should have a desirable effect on the economy, on the same vein it is believed that tax system in Nigeria have equity, as value judgment in this orientation and it was further interpreted equal should be treated equally Amadasu (2001). Further explanation shows that the progressive and the proportional or regressive rate aspect of taxation. It shows that if the base increase and the rate increase. It is progressives. If it is the other way around, is regressive (the rate increase and the base decrease) and when the base increase and the rate is constant it is proportional. This paper discovers the problems of improper book of account as the majority of the traders keep improper or no book of account at all and insincerity of the tax collectors is also a serious problem. Majority of them are after their personal gain and are ready to receive bribe no matter how small from tax payers in place of actual amount they are supposed to pay. False declaration of income in some many workers especially those in private firms do not declare their real incomes. Tax evasion: many people do not fulfill their civic responsibilities by paying tax as when due to mismanagement of fund, embezzlement and misappropriation of government fund by those at the corridors of powers may kill people's enthusiasm to fulfill their civic obligation of paying tax and lack of provision of amenities many people with the belief that the money they pay as tax is used only for provision of social amenities will resist payment of tax if these anticipated amenities are not provided. Therefore the objective of this study is to determine the contribution and importance of company income tax to the Nigerian economic development.

To achieve the objective of this study a null and alternate hypothesis have been formulated

Null Hypothesis (Ho): Company income tax does not contribute significantly to the Nigerian economic development.

Alternative Hypothesis (Hi): Company income tax contributes significantly to the Nigerian economic development. The rest of this paper will be in the following order. Section two is the literature review, followed by section three which is methodology, and section four and five are data presentation, analysis and discussion, summary of findings, conclusion and recommendations.

2. Literature Review

The need for government in the affair of man is basis for taxation. For a government to superintend human affairs in a given territory, that government will need human and material resources to do its work which is the provision of the social or basic amenities of life. (Good roads, hospitals, schools, electricity, pipe borne water) etc.

The most efficient way of getting the resource, is for the individuals concerned to contribute in an agreed manner a proportion of their income to finance, and sustains the government and its machinery in the discharge of its responsibilities. Such contribution is known as tax, and the whole activities culminating in the collection of the contribution is "Taxation" Government intervention is an economy takes many forms differing from one country to another depending on the form of political governance. According Webster Dictionary, describe tax as a charge imposed by governmental authority upon property, individuals, corporate body or transactions to raise money for public purposes.

Tax is compulsory extraction of money by a public authority for public purposes and Taxation is a system of raising money for the purpose of governance by the means of contributions from individual persons or corporate bodies.

2.1 Overview of Company Income Tax in Nigeria

Company income tax is a tool to achieve economic growth/development in any country such as Nigeria, income tax is accepted not only as a means of raising the required public revenue, but also as an essential fiscal instrument for managing the economy (Burgess, 2003). The World Bank (1991) Report state that of all the taxing systems, company income tax plays a major role in generation of revenue and distribution of income in any country. If income taxation is poorly designed, it may lead to fiscal imbalance, insufficient tax revenue and distortions in resource allocation that can reduce economic welfare and growth. Hence, an ideal tax system would achieve a balance between resource allocation, income distribution and economic stabilization (Lewis, 1994). An optimal tax rate has to compromise between the state's revenue and its economic development, a high tax rate would deter saving and development, while a lower tax rate would lead to less revenue to the state.

This is tax payable for each year of assessment on the profit of any company a rate 30%, these include profit accruing in, derived from or brought into or received from a trade, business or investment. Also companies paying dividend to its holders are the first obliged to pay tax on its profit at the company dividend or other company distribution whether or not of a capital nature made by a Nigeria is liable to tax at source of 10% however, dividend paid in the form of bonus share or scrip share to individual shareholders are not subject to tax. Also where a company is also shareholder in another company, then such dividend are excluded from the profits of the company for the purpose of computation of the tax. The company doing business in Nigeria (private and public limited companies alike), other than those engaged in petroleum operations,

The Federal Board of Inland Revenue is the sole authority for the administration of this tax. Policy markers frequently use tax policy to spur economic activities and to compete with other state to attract new capital. Although researchers have examined the effectiveness of state and local tax policies as an economic stimulus no consensus exists regarding whether and how state company income tax policies affect Nigeria economy. it is clear that all else equal lower company income tax rates would be expected to increase economic activity because of the reduce cost of such activity to install firms as the potential to attract new activity from out of state firms. However, there is much more to the story than company income tax rates. For example, most state requires multi- state firms to allocate income based on the firms in state percentage of its total sales, payroll and property.

2.2 Types of Taxes

2.2.1 Direct Tax

Tax is direct if the person who pays the tax, i.e the person assessed, is also the person who bears the burden of the tax. It is a tax levied directly on the person who is expected to pay the tax, the tax payer on not only advised by notification but he is duly receipted (lekan 2006) The purpose of these formalities is to bring to taxpayer notice to the incidence of such tax. Direct tax is a peculiar feature of profit or income tax, the burden of which is borne by the person who pays the tax.

- Petroleum Profit Tax (PPT): The petroleum profit tax is subject to any resident company or person in charge of a non- resident company who are exploring for petroleum or producing it. This also includes any liquidator, receiver, or agent of liquidator or receiver of any company carrying on petroleum operations in Nigeria at the rate of 85%.
- Personal Income Tax (PIT): Persons who get paid through employment pay their personal income tax through Pay as you earn (PAYE) system. According to PAYSE, employers deduct personal income tax from the salaries of their employees and pay it directly to FIRS through a designated bank on behalf of the employee in a monthly basis at the rate of 10%
- Educational Tax (EDT):Educational tax is also prepared and submitted with annual self-assessment of companies’ income tax to designated bank at the rate of 2%
- National Information Technology Development Fund (Nitdf) Levy:All the companies in Nigeria, who are operating as GSM provider or Telecommunication Company, Cyber Company or internet service provider, bank, insurance etc. and hasannual turnover of N100, 000,000.00 and above are liable to NITDF levy. The levy is paid through the designated bank at which the chargeable companies pay their companies income tax. How to pay the NITDF Levy as part of its companies income Tax returns, a company shall compute 1% of the profit before tax of each year of assessment. The tax due shall then be paid to FIRS through the designated bank.

2.2.2 Indirect Tax

According to Lekan (2006) Indirect tax is borne by a person other than one from whom the tax is collected. It is levied on the manufacturer but paid by the consumer. The ability to shift the burden of tax will depends on the elasticity or otherwise of the demand for the goods or services, the object of the tax: if the demand is elastic, then the burden of the tax be shifted, but if the demand is completely inelastic, then the burden can be 100% The taxpayer is never notified nor have knowledge of such levy.

- Valued Added Tax (Vat): Any person or individual, corporate sole, an organization that consumes or buys any taxable product or services will have to pay valued added tax or VAT at the rate of 5%.
- Custom Duties (CD): A tax levied on imports (and, sometimes on exports) by the custom authorities of a country to raise revenue or to protect domestic industries from more efficient.
- Agricultural Income Tax(AIT):There are two broad types of agricultural taxation in developing countries, namely explicit and implicit taxes.

2.3 Problems of Taxation

2.3.1 Tax Avoidance

Tax Avoidance Is Generally Considered As A Way of Identifying The Loophole In The Tax Laws And Then Taking Advantage Of Such A Loophole To Reduce the tax payable (Ojo, 2003). For instance, a taxpayer may invest in qualifying capital expenditures that will ordinarily not invest in because of the advantage there from. Because of this, tax avoidance is not considered as an offence.

Tax avoidance practices benefit the tax prayers at the expense of the state. The major loophole in the tax law is the area where companies exploit capital allowances on their qualified capital expenditure. Capital allowance would be claimed on qualifying capital expenditures in use for the purpose of a trade or business. Capital allowance is claimed in replacement for depreciation charge, which is treated as an inadmissible expense for tax purpose. The tax benefits help them to have retained funds in the system to grow their businesses. Tax avoidance is legal. According to Sanni (2007), tax avoider is simply one who agrees to his duties in such a way that he pays little or no tax. Tax evasion is a deliberate Act on the part of the taxpayer not to pay tax due. This is considered as a criminal offence on the part of the taxpayer. The relevant tax authority may take such steps as it deems fit to recover any such tax and the taxpayer penalized if found guilty.

2.3.2 Tax Evasion

Tax evasion can be partial or total and its degree varies from company to company. There is partial evasion when a company under declares its profits for tax purposes and total evasion of income tax occurs when a company which is already qualified to pay tax refuses to get its name registered in the tax roll. From the above mentioned, evasion of income tax is a serious problem in Nigeria, more so as there is a big gap between actual and potential tax collections by the various levels of government. The criminal act in Nigeria is perpetrated through these medium: total ignorance of the law, lack of faith in the ability of the government to use the money well, high tax rate which makes evasion more attractive and economical, absence of visible benefits accruing to the taxpayers, outright unwillingness to contribute towards the development of the society, and the ridiculous low penalties prescribed in the laws for late payment of tax.

2.4Some Principles of Good Taxation

Importance of tax revenue provides one of the easiest and most convenient means of meeting ever increasing public expenditure. It is therefore imperative that every government no matter its nature and types put in place an efficient, effective and equitable tax system. However, it is important to x-ray the principles underlying the administration of taxes in general. According to Aguolu (2009) outline the principles of good taxation are as follows:

- Universality: The liability of tax should be all embracing, in line with the principle of universality therefore. It is important to note that the tax laws do not make any exemptions are as to certain classes of income which are exempted from tax.
- Certainty: The amount of the tax liability of individual or company must be determined with certainty as

well as the time of payment. If there is any ambiguity in the amount of tax the individual shall pay, there must be well defined options. Otherwise the tax system is inequitable.

- Convenience: The time and manner of payment must be convenient of tax payer. If the procedure for the payment must be convenient for tax payer. If the procedure for the payment of tax is complicated or not the tax payer required to pay at a time when he is least in the position to do so, then such a tax system lacks the essential principles of convenience and hence it is inequitable.
- Economy: The system of collection must be economical. Tax revenue must be judiciously applied to the benefits of the taxpayer.
- Simplicity: Tax assessment and determination should be easy to understand by an average taxpayer.
- Adequacy: Taxes should be just enough to generate revenue required for provision of essential public.
- Efficiency: Tax collection efforts should not cost an inordinately high percentage of tax revenue.

2.5 Administration of Companies Income Tax in Nigeria

Company income tax is a significant source of revenue to government of Nigeria. It is a direct tax levied on the profits of companies in Nigeria. Government had always use company taxation not only to raise money to run the affairs of government but also is important tool for economic development. There is therefore, need to have in place a strong and a vibrant tax administration not only at the federal level but also at state level so as to ensure that the objectives of tax system are achieved.

According to James (2008) tax administration is the process of assessing and collecting taxes from individuals and companies by relevant tax authorizes, in such a way that current amount assessed is collected efficiently and effectively with minimum tax avoidance or tax evasion.

The administration of the companies income tax vested in the Federal Board of Inland Revenue (FBIR) it is thus responsible for its care and management Federal board of Inland Revenue also referred to as board the “Board” has an operational arm known as the Federal Inland Revenue Service (FIRS) also known as the ‘Service” is saddled with the responsibility of income tax assignment, collecting, accounting and administration. Oluba (2008),

The Federal Board of Inland Revenue through its operational arm, the Federal Inland Revenue Service, deals with corporate bodies as well as Personal Income Tax for certain categories of individuals Viz: members of the Armed forces, the Nigeria Police, residents of the federal capital Territory Abuja, External Affairs officials and non-resident individuals. This is the body established by the federal government and it is vested with the power to administer the act and to carry out all acts which may be deemed necessary and expedient of the assessment andcollection of tax and shall account for all amounts so collected in a manner to be prescribed by the Federal Ministry of Finance. The Board as certain reserved to powers which it shall not delegate to other person to perform e.g. power to acquire , hold and dispose of property of any company in satisfaction of tax or any judgment debt, power to satisfy forms of return , claims and notice.(Section 1 (1) CITA).

2.6 Problems of Tax Administration in Nigeria

2.6.1 Tax Evasion: This is a contravention of tax law whereby a taxable person blatantly refuses to pay tax. The tax payer achieve this either by reducing tax liability by making fraudulent or untrue claims on the income tax form. The various methods of tax evasion include:

- Refusal to register with relevant tax authority
- Failure to furnish a return, Statement or information or keep record so required.
- Making an incorrect return by omitting or understating an income liable to tax
- Overstating of expenses so as to reduce taxable profit or income, which will also lead to payment of less tax than otherwise have been paid (Madugba, et al 2013).

2.6.2 Poor Record Keeping: The attitude of our businessmen towards recording tax payments is poor, as many of them are illiterates who do not appreciate the importance of recording keeping.

- Unqualified Personnel: Lack of qualified and experienced personnel to administer tax laws in Nigeria hindered successful operation of the authorities
- High Rate of corruption among tax Officials: many of the tax officials take bribe in Order to reduce assessment of individuals and companies.
- Low penalties for defaulters: The existing penalties for defaulters are not severe enough to encourage compliance. The options for tax defaulters are ridiculous.
- Inadequate uniformity of tax administrations across the three tiers of government in Nigeria
- Love of money: which is “the root of all evils”? This leads to high rate of embezzlement and mismanagement of taxes.

2.7 Solutions to the Problems of Tax administration in Nigeria

- Government should embark on public enlightenment on tax policies and laws from time to time especially when tax law is introduced or put in place.
- Penalty should be put in place for any tax official caught mismanagement tax fund and also for anyone contravening any section of the tax laws.
- Government should spend tax funds collected judiciously. If people can feel or enjoy what the funds are being used for, the willingness to pay tax will be there and tax evasion will be reduced to the barest minimum.
- Government should establish state revenue court in each state as a matter of urgency and the court should be made effective.

Therefore, it is the sole aim of this research work to implores, and to suggest possible solutions which government may adopt by putting in places reliable policies, regulations and adaptable legal works, to poster a massive re-orientation to enlighten the tax taxpayers to perform their constitutional responsibility. The compliance will enable government to reciprocate towards the provision of the necessary infrastructure to poster social economic development, political development.

2.8 Reliefs Available To Companies Income Tax in Nigeria

- Employment Tax Relief
- Infrastructure Tax Relief
- Reconstruction Investment Allowance
- Loss relief
- Initial and Annual Allowance
- Balancing charge
- Pioneer Allowance
- Investment Allowance
- Rural Investment Allowance
- Capital allowance

2.9 Filling Returns of Companies to FIRS

The law required every company to, at least once in every year without notice or demand make and deliver to the board a return in the forms of:

- The audited accounts, tax and capital allowances computation and true and correct statement in writing containing the amount of its profit from each and every source.
- A declaration which shall be signed by director or secretary of the company that returns contains a true

correct statement of the amount of its profit computed in respect of all sources and that the particular in such returns are true and complete.

2.10 Contribution of companies Income Tax to Nigeria Economy

Presently the Nigerian economy is in the recession because the oil boom is over; there is fluctuation in oil market. So also, inconsistency in our tax policies has made it difficult for the tax authority to administer and even for the tax payer to obey tax law. The federal government had the intension to maintain a uniform tax system but the economy conditions of each state as given room for divergence system. The most important thing one should have in mind is that taxation is supposed to be an instrument of social change which is not answering as much as it should be doing presently in Nigeria.

The impact of tax payment is not felt by payee and some do not understand some tax laws and this indeed has put them into doubt and confusion and has definitely made others to want to avoid and evade tax. Every modern state or nation requires a lot of revenue to be able to provide and maintain essential services for its citizen. One ready means of revenue for the government is through the imposition of tax. The imposition of tax by the government is not a new phenomenon. There is hardly any government today that does not rely on taxation.

However, apart from the complications that has crept into the taxation system in modern times, the reason for the imposition of tax in fact ceased to be only for the generation of revenue for the state. It has also become the avenue for the redistribution of wealth and re-adjustment of the economy (Ojo,2008).

Therefore, the tax system is one of the most powerful levies available to any government to stimulate and guide its economic and social development. The FBIR (Federal Board of Inland Revenue) which is vested with the power to administer the act and carry out all the act which may be deemed necessary and expedient for the assessment and collection of tax ,and shall for all amount so collected in a manner to be prescribed by the Federal Minister of Finance. The Board has certain reserved power which shall not be delegated to other person to perform, Tax revenue mobilization as a source for financing development activities in Nigeria has been a difficult issue primarily because of various forms of resistance, such as evasion, avoidance and other form of corrupt practices.

These activities are considered as sabotaging the economy and are readily presented as part of the reasons for present state of underdevelopment in Nigeria. Government exists in order to effectively collect taxes from available economic resources and make use of same to create economic prosperity such that available and willing human and other resources are gainfully employed, infrastructures provided, essential public services (such as the maintenance of law and order) put in place among others. Tax resistance only makes these Laudable programmed unattainable. Following some reasoning, changing or fine-tuning tax rates is used to influence or achieve macroeconomic stability. Some of the most recently cited examples are the governments of Canada, United States, Netherland, United Kingdom, who derive substantial revenue from Company Income tax, and have used same to create prosperity (Oluba 2008). In Nigeria, the contribution of company income tax has not met the expectations of government. Government has equally expressed this disappointment and has accordingly vowed to expand the non-oil tax revenue.

3. Research Methodology

This research work utilizes secondary sources of data collection whereby data required was obtained through the use of statistical bulletin and Annual publication of FIRS. However, Data was obtained from Central Bank of Nigeria (CBN) Annual Statistical Bulletin and company income tax (CIT) was chosen being the type of income mainly collected by the federal government. Data were obtained from Central Bank of Nigeria (CBN) Annual Statistical Bulletin and Federal Inland Revenue Service (FIRS).

The collected data were analyzed using the Statistical packages for social science[SPSS] Version 20.0. The statistical tools of multiple regression analysis were employed in this study.

The data were collected from the statistical publication from central bank of Nigeria (CBN) and FIRS. In view of this, the regression analysis model was employed to analyze the collected data and the relevant statistical test of Durbin-Watson (DW), multi collinearity and F-test were also conducted.

3.1 Model Specification

The chosen economic development indicator is the real Gross Domestic Product (RGDP) is specified to depend on the taxation indicator which is company income tax (CIT). Thus the functional relationship is expressed as follows

RGDP= f (CIT)

The structural form is expressed as

RGDP = a0 + CIT+ μ

Where:

RGDP= Real Gross Domestic Product

a0 = Constant term

CIT= Company income tax

μ = Stochastic variable or error term incorporating other factors that are not considered in the model.

The independent variable is also regressed against the dependent variable (RGDP) in order to know the relationship between them.

RGDP = a0 + CIT + μ

Where:

The functional relationship between each of the independent variable and the dependent variable is expressed as follows:

RGDP = a0 + y1 CIT + y2CIT + y3CIT + y4CIT + y5CIT + μ

4. Data Presentation, Analysis and Discussion

The data used for the research work were presented in this section in order to be analyzed.

Table 1: CIT and GDP in Billions Converted to Natural Logarithm

Year	RGDP in Billions	CIT in Billions	Natural Log of RGDP	Natural Log of CIT
2011	62,980.40	715.4	4.799205	2.854549
2012	71,713.94	846.6	4.855604	2.297678
2013	80,092.56	998.4	4.903592	2.999305
2014	89,043.62	1,204.8	4.949603	3.080915
2015	481.07	1,408.4	2.682208	3.148726

Source: CBN and FIRS Publication

The data above represent the Gross Domestic Product (RGDP) and Company Income tax (CIT) figures in billions which are converted to natural logarithm using Microsoft Excel Software to analyze the data collected from Central Bank of Nigeria (CBN) and Federal Inland Revenue Service (FIRS) from the period 2011-2015.

The researcher presents the summary of the results in the table below.

Table 2: Summary of Regression result

Variable	Coefficient		Sta. Error	Mean	Std. Deviation	t-value	Sig Value
Constant	20.958		10.966	4.4380	.98313	1.911	.152
CIT	-5.503		3.651	3.0022	.11729	-1.507	.229
R		.656[a]					
R-Squared		0.431					
Adjusted R		0.241					
D-W		1.927					
F-stat		2.272					

Source: SPSS Output 2017

4.1 Interpretation

From the table above, the coefficient of the variation, R-square is 0.43, this explains that about 43% of the variation in the dependent variable is explained by the independent variables and while the remaining 57% are explained by the external factors. However, the adjusted R-square is 0.24 The F statistics shows that there is element of reliability in the model because the higher the F statistics the better, the model (Andy, 2000). The explanatory power of the model as given by the R^2 0.43 or 43 percent is statistically significant given the high value of the adjusted R^2 value of 0.24 or 24 percent. This also means the independent variables is adequately explained or accounted for changes in the dependent variable.

Our F ratio obtained was 2.272. This also means the independent variables is adequately explained or accounted for changes in the dependent variable. The calculated Durbin Watson (DW) test for normality and autocorrelation reveals a figure of 1.927 which is approximately 2% indicates that there was no autocorrelation in the independent variables and this shows a moderate normality and robustness of the data used because it is expected for DW to be within the range of 1.5 to 2.5 of which (DW) value is 1.927 which is approximately 2%.t-test shows that the parameter estimates of CIT is not significant. Since t-statistics indicates that the overall regression is statistically significant (f-statistics = 2.272 > to. 0.05 = -5.503), we concluded by rejecting the alternative hypothesis and accepting the null hypothesis which states that company income tax does not contribute significantly to the Nigerian economic development. Since the f-statistics is greater than the t- values respectively, we conclude by rejecting the alternative hypothesis.

The result of this study supports the research findings of Oluba, (2008), Musa (2009), Madugba, et al (2013) but contravene the findings of Ariyo (1997).

5. Summary of Findings, Conclusion and Recommendation

5.1Summary of Findings

The data analysis revealed that company income tax (CIT) does not significantly contributed immensely towards economic development of Nigeria; the level of contribution of company income tax (CIT) towards economic development is not highly significant. This means that, company income tax CIT does not have significant positive effect on Gross Domestic Product (GDP). The results of the study analysis have shown that company income tax does not have a significant contribution on economic development from the period of 2011 to 2015 based on the researcher findings and analysis.

Also from the findings of this research, government is significantly doing well in terms of supervising and regulating the agencies that are vested with the responsibility of tax administration in Nigeria.

5.2 Conclusion

Recognizing the dominant role played by the company income tax (CIT) in developing the nation's economy, The Federal Inland Revenue Service as a major agency vested with the administration of company income tax in Nigeria, may seriously consider, among other things, to create an enabling environment by putting in place suitable policies, regulation and legal frame work to create awareness on the needs for tax payers to perform their constitutional responsibility, so that the government can also provide them with the developmental projects/activities.

However, based on the findings of this research work, the researcher concludes that, company income tax has not significantly contributed to the economic development of Nigeria. In term, notwithstanding the system of tax administration is well functioning in terms of collections of taxes from the companies.

Hence, this researcher work therefore concludes that company income tax (CIT) does not impact positively to the economic development of Nigeria even though it is well and properly administered and collected.

5.3 Recommendation

Considering the fact that, no nation economy can developed without a good and vibrant tax system, a good system of tax help the government of any nation to develop its economy and to be able to create employment opportunities and provide its citizens with basic amenities and infrastructural development.

In the light of the findings and conclusion, the researcher wishes to make the following recommendations.

- The government should improve the level of supervision and regulating the activities of all agencies vested with responsibility of tax collections and administration, so that same amount realized as tax to be remitted to federation.
- Government officials or leaders need to be transparent and accountable in public monies.
- Monies collected from companies inform of company income tax (CIT) should be properly channeled to developmental project to benefit the citizens.
- Tax authorities should design penalties for defaulting companies.
- Database for tax administration at all levels of government should be promptly computerized to ensure that the system of information, storage, processing and retrieval is efficient.
- Tax clearance should also be presented where an individual company's wants to transact with government agencies, and confirmations should be enforced to avoid forgery.
- Public enlightenment campaign should be carried out to educate companies on the need to register for tax payment.

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