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I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
X. Appendices (if necessary)
XI. Author Biographies (optional)

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EFFECT OF COMPANY INCOME TAX AND VALUE ADDED TAX ON ECONOMIC GROWTH IN NIGERIA

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ABSTRACT

This research center on evaluation of effect of company income tax and value added tax on economic growth in Nigeria was based on objectives which were to examine the effect of company income tax on economic growth in Nigeria and evaluate the effect of value added tax on economic growth in Nigeria. An ex-post facto research design was employed. Auto Regression Distributed Lag (ARDL) analysis was selected to investigate the effect of company income tax and value added tax on economic growth. Secondary data were collected for a period 23 years 2001-2023 from CBN Statistical Bulletin. The finding shows that there is a positive significant effect of company income tax on economic growth. Also, value added tax was found to have a positive and significant effect on the economic growth in Nigeria. Based on these finding, this study recommends that government should enhance the efficiency of CIT administration by adopting digital tax platforms to reduce evasion, improve compliance, and streamline the tax collection process, ensuring that businesses contribute equitably to economic growth. Also, policymakers should ensure that VAT revenues are transparently allocated to critical sectors such as infrastructure and social services to maximize its positive impact on economic growth and public welfare.

Key Words: Company income tax, Value added tax, Economic growth.

INTRODUCTION

The discovery of crude oil in Nigeria during the late 1970s and early 1980s led to an economic boom, causing the country to overly rely on oil revenue while neglecting non-oil revenue sources, particularly taxation. This overreliance proved unsustainable, especially as fluctuations in the global oil market exposed the country's economic vulnerability (Wang et al. 2023). Consequently, taxation has become increasingly recognized as a vital source of revenue to meet growing public expenditure demands.

To address the declining importance of taxation, the Nigerian government has undertaken various tax reforms. These reforms, however, have largely focused on restructuring the tax system rather than improving its administration, which is crucial for maximizing revenue from existing tax sources. The urgency of diversifying revenue streams was heightened by the recent global oil price crash and subsequent economic recession in Nigeria, redirecting attention toward alternative revenue sources such as taxation. As Bogachov et al. (2024)

argue, taxation serves as a crucial macroeconomic tool that influences the pace and trajectory of economic growth in both developed and developing economies. A well-structured tax system, therefore, has the potential to drive economic development by increasing government revenue without placing an excessive burden on taxpayers.

Effective tax systems are essential for fostering economic growth and development. The productivity of a tax system; its ability to generate maximum revenue relative to its tax base determines its effectiveness. In Nigeria, however, low productivity in the tax system remains a significant challenge, attributed to weak tax administration, legislative complexities, and widespread tax noncompliance. Despite the progressive nature of income tax systems in theory, inefficiencies in administration often result in regressive tax outcomes that hinder revenue collection and economic growth.

The relationship between tax revenue and national income provides critical insights into the effectiveness

of a country's tax system. According to the World Bank (2019), countries that collect less than 15% of their GDP in taxes often face challenges in achieving sustainable economic growth, as insufficient tax revenue limits public investment and service provision. Similarly, the Organization for Economic Co-operation and Development (OECD, 2021) underscores the importance of efficient tax administration for maximizing revenue collection relative to national income. Efficient tax systems enable governments to fund essential public services, thereby contributing to overall economic development. These considerations highlight the need to evaluate the Nigerian tax system to determine its contribution to economic growth. Ensuring that tax revenue aligns with or surpasses international benchmarks is essential for enhancing fiscal sustainability and supporting broader development objectives.

Recent studies have explored the impact of Company Income Tax (CIT) and Value Added Tax (VAT) on Nigeria's economic growth. For instance, Adebisi et al. (2020) analyzed data from 1989 to 2019 and found that both CIT and VAT significantly and positively affect economic growth in Nigeria (REPEC IDEAS). Similarly, Atuma et al. (2024) evaluated tax revenue components from 1994 to 2021, revealing that CIT and VAT are positively related to economic growth in both short and long-term periods (African Journals Online). Furthermore, Oto and Wayas (2024) focused on VAT's contribution to economic growth between 2003 and 2022, concluding that VAT has a positive and significant impact on Nigeria's GDP (FUJAFR).

While these studies provide valuable insights into the role of CIT and VAT in fostering economic growth, they primarily focus on overall relationships without addressing potential sector-specific impacts or regional disparities within Nigeria. Additionally, the mechanisms through which these tax components influence key economic sectors, such as manufacturing and agriculture, remain underexplored. Moreover, existing research has largely overlooked the moderating role of external factors, such as inflation or exchange rate fluctuations, in the CIT-VAT-growth relationship.

This study seeks to bridge these gaps by examining the effect of Company Income Tax (CIT) and Value Added Tax (VAT) revenue on Nigeria's economic growth. Unlike previous studies, it adopts a holistic approach to assessing the combine effect of CIT and VAT on GDP. By doing so, the research aims to provide a more robust understanding of how taxation influences economic development, offering insights that can inform future policy reforms for improved tax administration and revenue generation.

The main objective of this study is to evaluate the effect of company income tax and value added tax revenue on Nigeria's economic growth. The specific objectives are to:

i. Examine the effect of company income tax on Nigeria's economic growth.
ii. Evaluate the effect value added tax revenue on Nigeria's economic growth.

Based on the above objectives, the following null hypotheses were derived to guide the study:

$H_{01:}$ Company income tax has no significant impact on economic growth in Nigeria.

$H_{02:}$ Value added tax has no significant impact on economic growth in Nigeria.

LITERATURE REVIEW

Company Income Tax

Ogbonna and Ebimobowei (2016) defined Companies Income Tax (CIT) as a tax imposed on the profit of companies (excluding profit from companies engaged in petroleum operations) accruing in, derived from, brought into or received in Nigeria in respect of any trade or business, rent, premium, dividends, interest, loyalties and any other source of annual profit. Oladipo et al. (2022) saw company income tax as a tax on the profit made by companies. It was introduced in Nigeria in1961 and administered by the Federal Internal Revenue Services. Since enactment, the law on CIT has passed through series of amendment. The rate of CIT varies according to operation and size of turnover per annum. This is also known as company profit tax or corporation tax. Company income tax is a tax on the profit made by companies. It was introduced in Nigeria in 1961 and administered by the Federal Internal Revenue. Since enactment, the law on CIT has passed through series of amendment. The rate of CIT varies according to operation and size of turnover per annum. According to Akpokhio and Ekperiware (2022), Companies condemn this Services Company taxes on profit as it is seen as a penalty for success without compensation for failure. Company taxes are designed to collect revenue from firm's economic profit. The tax is on the net accounting profit: gross profit less administrating, operating and interest expenses. The revenue from company income tax has been low due to tax concessions, rebates and tax holidays allowed to newly established companies.

Value Added Tax

Value-added tax is a consumption tax that has been embraced by so many countries all over the world. Because it is a consumption tax, it is relatively difficult to evade and easy to administer (Odu, 2022). Value-added tax in its simplest form is a tax chargeable on the supply of goods and services and only indirectly on the people who consume such goods and services. Alotaibi (2021) explain that VAT is an indirect tax and is imposed on the value-added in production during the different stages of production. Since the introduction of VAT, there have been a lot of arguments for and against it. For those on the supporting side, VAT has been introduced in most

countries of the world to replace sale tax and as a source of revenue to the government (Almarri, 2024).

VAT is described as a money-spinner, it has assisted so many developed countries to increase the percentage of indirect tax contribution to gross tax receipt (Ewa et al., 2020). VAT is one of the major generators of revenue for the government (Adefolake & Omodero, 2022). It was recognized at the international tax dialogue held in Rome, on Value-added Tax (VAT) that more revenue is raised by countries with VAT than those without. It is also the most effective way of raising tax revenue for the government (Eneche & Stephen, 2021). Revenue is more protected under VAT by imposing tax levy on every stage of production (Akpokhio & Ekperiware, 2022).

Economic Growth
Economic growth is conceptualized as the continuous increase in the per capita national product or net national period over a long period of time (Mose, 2021). This suggests that the speed at which the total output increases must be greater than the speed at which population increases. Igbasan (2017) clarified that another measure of economic growth is that national product should comprise of goods and services that meets the urgent need of a reasonable number of people. He also maintained that economic growth can be ascertained by four important indicators such as national resources, human resources, technological development and capital formation.

Economy is a very important part of any nation. Salami et al. (2015) view economic growth as a continuous rise in the net national product over a time frame. Peter and Adesina (2015) believe that a rise in capital stock, an enhancement in the literacy level and an upgraded level of technology is a vital source of economic growth. They believe certain economic indicators will provide a view of the economy and an improved understanding of the economy some of which include Gross Domestic Product (GDP), Gross National Product (GNP) and Per Capita Income. Conceptually, economic growth is defined as a gradual upswing in national revenue or output as a direct consequence of the government's deliberate manipulation of economic indicators via fiscal or monetary policy measures (Etim et al., 2021).

Empirical Review
Adesanya et al. (2024) investigated the reciprocal relationship between tax revenue and economic growth in Nigeria over the period 2011–2022. The study utilized total tax revenue and nominal Gross Domestic Product (GDP) at current prices, with quarterly data obtained from the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), and Federal Inland Revenue Service (FIRS). The Augmented Dickey-Fuller (ADF) test confirmed that

the variables were stationary at first difference across the 1%, 5%, and 10% significance levels. The Engle-Granger co-integration test identified a long-term relationship between the variables. Results from the Error Correction Model (ECM) showed that total tax revenue significantly positively impacts nominal GDP, and nominal GDP similarly influences tax revenue. Granger causality tests indicated a significant bidirectional relationship. The study concluded that fostering economic growth enhances tax revenues, which in turn supports further economic development. It recommended that the government invest in human capital, security, employment, and infrastructure to attract foreign investment and boost taxpayers' income.

Odum (2024) evaluated how federal tax revenues influence Nigeria's economic growth, focusing on custom and excise duties, petroleum profit tax (PPT), and education tax. Using an ex-post facto design, the study relied on time series data from 2010 to 2022. Ordinary Least Squares (OLS) regression revealed that custom and excise duties significantly impact GDP, while PPT showed a non-significant negative effect, and education tax had a non-significant positive effect. The study suggested optimizing customs processes and implementing strategies to combat smuggling and improve tax compliance, thereby enhancing economic growth and creating a more efficient fiscal system.

Osamor et al. (2023) assessed the impact of tax revenue on economic growth in Nigeria using Petroleum Profit Tax (PPT), Company Income Tax (CIT), Value-Added Tax (VAT), and Custom and Excise Duties (CED) as proxies for tax revenue, and GDP as a proxy for economic growth. Quarterly data spanning 2011–2020 were analyzed using ARDL, co-integration tests, and descriptive analysis. The findings revealed that while PPT, CIT, VAT, and CED had positive effects on GDP, these effects were statistically insignificant. The study recommended regular tax audits to mitigate evasion and enhance the contribution of tax revenue to economic growth.

Adefolake and Omodero (2022) analyzed the influence of hydrocarbon tax, CIT, and VAT on Nigeria's economic growth using time series data from 2000 to 2021. Stationarity tests confirmed that the variables were stationary at first difference, and Johansen co-integration analysis revealed a long-term relationship among the variables. The Vector Error Correction Model indicated that PPT and VAT positively and significantly influenced GDP, whereas CIT had a significant negative effect. The authors recommended public sensitization on the importance of tax compliance and improved engagement by tax authorities to boost tax revenue for economic development.

Ewa et al. (2020) examined the contributions of tax income streams—including corporate income tax, petroleum profits tax, and VAT—to Nigeria's economic development from 1994 to 2018. Using OLS regression, the study revealed that tax revenue explained 99.2% of GDP growth variance. While corporate income tax and VAT significantly impacted GDP, petroleum tax showed limited influence due to production ceilings and global oil price volatility. The study identified issues such as tax avoidance, corruption, and inefficiencies in tax administration, recommending robust reforms to address these challenges.

Edewusi and Ajayi (2019) explored the relationship between tax revenue components (PPT, CIT, and VAT) and Nigeria's GDP. Employing multiple regression analysis on time series data, the study found that PPT and CIT positively and significantly impacted GDP, with VAT also showing a positive effect. The authors advocated for an efficient tax system to address evasion and improve revenue generation to support economic growth.

Abomaye-Nimenibo et al. (2018) investigated the relationship between PPT, CIT, and CED on Nigeria's economic growth over 1980–2015. The findings from co-integration and Granger causality tests indicated a long-term relationship among variables. While CED had a significant positive impact, PPT and CIT showed no significant effects on GDP. The study recommended stricter enforcement of tax compliance and penalties for tax evasion.

Yahaya and Bakare (2018) assessed the effects of PPT and CIT on Nigeria's GDP from 1981 to 2014. Employing fully modified least square regression, the study revealed that both PPT and CIT positively and significantly influenced GDP. The authors emphasized transparent and judicious use of tax revenues for infrastructural development to stimulate economic growth.

Egbunike et al. (2018) compared the impact of tax revenue on economic growth in Nigeria and Ghana, using data from 2000 to 2016. The study confirmed a positive relationship between tax revenue and GDP for both countries and recommended measures to ensure effective utilization of tax revenues to foster economic development.

Theoretical Framework
Traditional Tax Handle Theory
The traditional tax handle was postulated by Solow (1956) and Swan (1956). They posited that the level of fiscal need is nearly related to the level of economy development (Musgrave, 1989). According to this theory, to reach a certain level of growth of per capita income, there is need to create a given level of national income through taxes. Taxes are obligatory

contribution for which no certain benefit is received in return to the tax paper. Taxes are arranged to compulsorily make the household to transfer the purchasing power to the government for its use. The process also affects significantly the allocation of resources, recognize social costs which are not evident in the market prices and affect the allocation of income and wealth since they reduce the disposable income and wealth to those who bear them (Goode, 1984). Mansfield (1988) is one of the leading proponents of the tax handle theory as being the most important theory that describes the approach of tax structure in the developed and developing countries. The theory suggests that as a country's per capita income and level of monetization increases, indirect taxes becomes more noticeable more than direct taxes. Therefore, while direct taxes contribute significantly to the fiscal revenues of developed countries, the indirect taxes contribute much more to the growth of the developing countries (Karumba, 2016).

METHODOLOGY
Ex-post facto research method was used in this study to gather pertinent data on taxation (represented by Value Added Tax (VAT) and Companies Income Tax (CIT)) and economic growth in Nigeria (represented by Gross Domestic Product (GDP)). The study used this method because it appears to limit the study's ability to control the variables because the variables already existed and could not be changed. It also tends to be effective when it comes to gaining insight into a particular phenomenon and understanding the relationship and effect between two variables. Data were gathered from secondary sources majorly from CBN Statistical Bulletin and Federal Inland Revenue Service.

Time series secondary data from the years 2001 to 2023 are used in this study. The FIRS and CBN statistical bulletin were used to compile data. Time series data on VAT and CIT were gathered from FIRS report for the stipulated years. CBN statistical bulletin was used to gather data on GDP. The study adopted descriptive and inferential techniques to analyse the data that was obtained. Detail of the data set is given in the appendix. The descriptive statistics technique was used to analyse the data in order to measure the mean, minimum and maximum statistics and standard deviation of the data set. The inferential technique used is Auto Regression Distributed Lag (ARDL) analysis to explain the effect and relationship of the variables identified in the study. The parameter estimates observed from the ADRL possess some desirable properties such as efficiency, sufficiency, consistency, and unbiased.

More so, to obtain stationarity of the series in order to make the data reliable, a unit roots investigation through application of Augmented Dickey-Fuller that is practically available on E-views econometric

package is performed. Finally, any other statistical analysis that seems to contribute positively to proper understanding and further interpretation of result is conducted.

The functional relationship between tax revenue and the economic growth of Nigeria is expressed thus;
GDP = f (TR)……………….............................…(i)
TR = (CIT, VAT)…………………….....................(ii)
Therefore; GDP = f (CIT, VAT)………………....(iii)
The mathematical form of the model is specified as follow:

GDP = $\beta 0 + \beta_1 CIT + \beta_2 VAT$ (iv)
The stochastic form of the model is specified as follows:

RGDP = $\beta 0 + \beta_1 CIT + \beta_2 VAT + \mu$
Where:

f = functional Notations
GDP = Gross Domestic Product
TR = Tax Revenue
VAT = Value Added Tax

CIT = Company Income Tax
β_0 = constant β_1, β_2 = Coefficient of regressors
μ = Stochastic term.

RESULTS AND DISCUSSIONS
Description Statistics
The study's descriptive statistics summarize key metrics such as mean, median, variance, skewness, kurtosis, Jarque-Bera, and standard deviation, assessing the normal distribution of the data. The results indicate that all variables are positively skewed, suggesting an upward trend, with Value Added Tax (VAT) showing the highest skewness (1.658398), followed by Company Income Tax (CIT) (1.155816) and Real Gross Domestic Product (RGDP) (0.650884). VAT is also leptokurtic, with a kurtosis value of 5.458717, indicating the presence of more outliers compared to the normal distribution. In contrast, CIT (2.927403) and RGDP (1.803220) are platykurtic, producing fewer extreme outliers. The Jarque-Bera test reveals that the series is not normally distributed, as all variables exhibit significant deviations from normality, with the test statistic for the entire dataset showing a high value of 29.83125.

Table 1. Descriptive Statistics Result.

.	RGDP	CIT	PPT	VAT
Mean	199.0167	390.5829	835.7586	342.1592
Median	101.0000	79.25000	279.4500	74.85000
Maximum	546.6800	1747.990	3201.300	2072.850
Minimum	27.75000	3.000000	10.60000	0.000000
Std. Dev.	170.9193	528.5889	978.9309	488.7325
Skewness	0.650884	1.155816	0.943012	1.658398
Kurtosis	1.803220	2.927403	2.636667	5.458717
Jarque-Bera	5.472039	9.360600	6.455921	29.83125
Probability	0.064828	0.009276	0.039638	0.000000
Sum	8358.700	16404.48	35101.86	14370.69
Sum Sq. Dev.	1197750	11455656	39290537	9793236.
Observations	23	23	23	23

Source: Author's compilation, using E view 9

Table 2. Unit Root Test Result

Variable	ADF Value	1%	5%	10%	Prob	Co-integration
CIT	-3.393625	-2.625606	-1.949609	-1.611593	0.0012	I(1)
VAT	2.914934	-2.624057	-1.949319	-1.611711	0.9988	I(1)
RGDP	-5.055248	-3.605593	-2.936942	-2.606857	0.0002	I(0)

Source: Author's compilation, using E-View 9 (2024)

Unit Root Test
The unit root test is to ascertain whether a time series variable is non-stationary and possesses a unit root. The null hypothesis is generally defined as the presence of a unit root and the alternate hypothesis is stationary, trend stationary or explosive root depending on the test used. The most appropriate technique for larger sample is the Augmented Dickey-Fuller test, on this note the researcher base the decision on the ADF t-Statistic value.

The result of the unit root test as represented in

Table 2 shows that variable CIT, PPT and VAT are stationary at first differencing while observing their p-value at the different orders. On the other hand, RGDP is stationary at level, i.e., the t statistic value is greater than the 5% critical value of the unit root result. RGDP is therefore stationary at level order. The Autoregressive Distributed Lag model is then used to determine the relationship between the variables and to estimate the effect of the independent variables on the dependent variables based on the mixed stationarity results.

ARDL Analysis (Short-run)

Table 3. Short Run Estimate of the dependent and independent variable.
Dependent Variable: RGDP
Method: ARDL
Included observations: 23
Maximum dependent lags: 4 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (3 lags, automatic): CIT VAT
Fixed regressors: C
Number of models evaluated: 500
Selected Model: ARDL (1, 3, 2, 0)
Note: final equation sample is larger than

Table 3. Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDP(-1)	0.467495	0.057128	8.183336	0.0000
CIT	0.082416	0.020698	3.981794	0.0004
CIT(-1)	0.008908	0.020390	0.436877	0.6654
CIT(-2)	-0.020948	0.027940	-0.749754	0.4594
CIT(-3)	-0.047161	0.023817	-1.980149	0.0572
VAT	-0.007009	0.016753	-0.418381	0.6788
C	22.91671	3.787393	6.050788	0.0000
R-squared	0.997122	Mean dependent var	204.8013	
Adjusted R-squared	0.996229	S.D. dependent var	175.7624	
S.E. of regression	10.79379	Akaike info criterion	7.812374	
Sum squared resid	3378.673	Schwarz criterion	8.238928	
Log likelihood	-142.3413	Hannan-Quinn criter.	7.965418	
F-statistic	1116.332	Durbin-Watson stat	1.888709	
Prob(F-statistic)	0.000000			

Note: p-values and any subsequent tests do not account for model selection.

ARDL Analysis (Long-run)
Table 4. Long Run Estimate of the dependent and independent variable.
ARDL Cointegrating And Long Run Form
Dependent Variable: GDP
Selected Model: ARDL(1, 3, 2, 0)
Included observations: 23

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(CIT)	0.082416	0.020698	3.981794	0.0004
D(CIT(-1))	0.020948	0.027940	0.749754	0.4594
D(CIT(-2))	0.047161	0.023817	1.980149	0.0572
D(VAT)	-0.007009	0.016753	-0.418381	0.6788
CointEq(-1)	-0.532505	0.057128	-9.321323	0.0000
Cointeq = GDP - (0.0436*CIT + 0.1655* PPT -0.0132*VAT + 43.0357)				

Long-Run Coefficients

Variable	Coefficient	Std. Error	t-Statistic	Prob
CIT	0.043596	0.038671	1.127347	0.2688
VAT	-0.013162	0.030862	-0.426491	0.6729
C	43.035652	4.547724	9.463119	0.0000

R-squared	0.922994	Mean dependent var	7.641282
Adjusted R-squared	0.899096	S.D. dependent var	33.89850
S.E. of regression	10.76800	Akaike info criterion	7.807589
Sum squared resid	3362.545	Schwarz criterion	8.234144
Log likelihood	-142.2480	Hannan-Quinn criter.	7.960633
F-statistic	38.62167	Durbin-Watson stat	1.871738
Prob(F-statistic)	0.000000		

Note: p-values and any subsequent tests do not account for model selection.

The results indicate a significant cointegration relationship, affirming the existence of both short-run and long-run dynamics among CIT, PPT, VAT, and GDP. While PPT exhibits a strong and consistent influence on GDP, the effects of CIT and VAT are less pronounced, especially in the long run. These findings emphasize the need for reforms aimed at improving the administration and efficiency of Nigeria's tax system to optimize its contribution to economic growth.

F Statistics Bound Test
Table 5. ARDL Bound Testing of Co -Integration

ARDL BOUND TESTING						
Test Statistic	Value	K	Critical Value Bounds	Significance	I(0) Bound	I(1) Bound
F-statistic	39.84129	3		10%	2.72	3.77
				5%	3.23	4.35
				2.5%	3.69	4.89
				1%	4.29	5.61

The F-statistic value of 39.84129 exceeds the upper bound critical values at all levels of significance, indicating the presence of a cointegration relationship among the variables. This result validates the inclusion of both short-run and long-run dynamics in the analysis.

Test of Hypotheses
The hypotheses were tested using Autoregressive Distributed Lag (ARDL) Analysis. This is conducted to determine the significant effect of each independent variable identified in the model on the dependent variable. The decision is that at 5% confidence level, if p-value > 0.05 accepts the null hypothesis and vice-versa. From the Regression Result table (ARDL Analysis, short-run) the p-value of CIT is 0.0004. Therefore, since 0.0004 < 0.05, we reject the null hypothesis and accepts the alternate hypothesis that there is significant impact of Company Income tax on Nigerian economic growth. From the Regression Result table (ARDL Analysis, short-run) the p-value of PPT is 0.6788. Therefore, since 0.6788>0.05, we reject the alternate hypothesis and accept the null hypothesis that there is no significant effect of Value Added Tax on Nigerian economic growth.

Discussion of Finding
This study investigated the impact of tax revenue on economic growth in Nigeria, focusing on Company Income Tax (CIT) and Value Added Tax (VAT). Two hypotheses were tested to achieve the study's objectives, using the ARDL model to analyze the short- and long-term effects of these tax revenues on real gross domestic product (RGDP). Findings revealed that CIT positively influences RGDP in the short run, with a coefficient of 0.082416 and a p-value of 0.0004 (<0.05), indicating statistical significance. However, in the long run, CIT's impact on RGDP was

found to be insignificant. These results align with the findings of Ojong et al. (2016) but differ from Ibanichuka et al. (2016) and Asaolu et al. (2018), who reported varying relationships between CIT and economic indicators, likely due to differences in the measurement of economic growth and study periods.

The analysis also examined the effect of VAT on economic growth. Results showed that VAT was not statistically significant in both the short and long run, with p-values of 0.6788 and 0.6729, respectively (>0.05). This indicates that changes in VAT do not significantly contribute to RGDP in Nigeria. These findings contradict prior research by Adesina (2011) and Achor and Ekundayo (2016), who reported a positive and significant relationship between VAT and economic growth. Discrepancies in these findings may stem from variations in the time periods studied and the economic variables used to measure growth.

In conclusion, while CIT has a short-term positive impact on economic growth in Nigeria, VAT shows no significant effect in either the short or long term. These findings underscore the need for more effective VAT management and suggest that policymakers should focus on improving the administration and utilization of CIT revenues to foster sustainable economic development.

CONCLUSION AND RECOMMENDATIONS
The primary objective of this study is to investigate the effect of company income tax and value added tax on economic growth in Nigeria. The empirical findings supported all the hypotheses developed; thereby answering all the research questions and also supported the key theoretical positions upon which this study has been drawn. More specifically, the study concludes that there is positive and significant effect of company income tax on economic growth, also, value added tax has positive and significant effect on economic growth in Nigeria.

Based on the findings, the following recommendations are made:
i. The government should enhance the efficiency of CIT administration by adopting digital tax platforms to reduce evasion, improve compliance, and streamline the tax collection process, ensuring that businesses contribute equitably to economic growth.
ii. Policymakers should ensure that VAT revenues are transparently allocated to critical sectors such as infrastructure and social services to maximize its positive impact on economic growth and public welfare.

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