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RE -ENGINEERING VAT ADMINISTRATION IN NIGERIA FOR ECONOMIC DEVELOPMENT

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ABSTRACT: *The study examined the possibility of "Re-engineering VAT Administration in Nigeria for Economic Development (1994-2014)". The study used across sectional survey design involving the survey of existing data (secondary sources). The research instruments used in collection of data for this study were mainly secondary data from the FIRS Website, CBN & NBS Annual Statistical Bulletins. This study used the econometric technique of Ordinary Least Square (OLS) in form of Multiple Linear Regressions. The regression model was estimated through the use of Statistical Package for Social Sciences (SPSS). The study found that VAT is of immense benefit to government. Through taxation, government ensures that resources are channeled towards important projects in the society. However, VAT is being mismanaged in Nigeria as the study has conclusively revealed that: There is no significant relationship between value added tax and revenue growth in Nigeria, there is significant relationship between value added tax and the consumption pattern in Nigeria and there is no significant relationship between value –added tax and the economic development in Nigeria from 1994-2014. Therefore, the study recommends that: Efforts should be made by the government to fight corruption and if possible, introduce capital punishment depending on the degree of mismanagement of public funds or embezzlement of public funds to deter those who steal VAT funds. Also value added tax (VAT) Act should be amended further to impose VAT based on destination principle. This will enable VAT to be imposed on imported services rendered by a non-resident company outside Nigeria.*

KEYWORDS: Value Added Tax, Re-engineering, Administration, Economic Development, Government Revenue, Consumption Patterns

INTRODUCTION

The purpose to improve the revenue generation of a nation would make the country to think strategically for a concept that would enable it to best realize its plan with due regards to its peculiar socio-economic development. One of these ways is by embarking on taxation. A tax can therefore, be defined as a means by which, a Government appropriate part of the private sector's income. The accumulated revenue is used in meeting recurrent expenditure. Tax occupies a unique position, because it is an important part of government policies. The ability of a government to generate revenue from this sector affects services offered by such a government. A mean of improving internally generated revenue is through value added tax.

In 1954 France introduced Value added tax for the first time in history. It is now being practiced by as many as seventy countries all over the world. These include the entire organization for Economic Co-operation and Development of countries, Japan, Canada, the state of Michigan in the USA and many African Countries.

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In Nigeria, the programmes concerning the VAT system started with acceptance of the recommendation of a study group on indirect taxation in November, 1991. The decision to accept the recommendation was made public in the 1992 budget speech of the Head of State. This resulted in setting up the Modified Value-Added Tax (MVAT) committee on 1st June, 1992 as recommended by the study group. The recommendation of the committee that VAT should be administered by an independent commission was rejected by the government. Tax administration was how ever given to federal Inland Revenue Services, which was already charged with the responsibility of administering most other taxes in Nigeria.

The introduction of VAT in Nigeria through Decree 102 of 1993 marks the phasing out for the Sales Tax Decree No. 7 of 1986. The Decree took effect from 1st December, 1993, but by administrative arrangement, invoicing for tax purpose did not commence until 1st January, 1994.

Value-Added Tax is tax on the supply of goods and services which is eventually born by the final consumer but all collected at each stage of production and distribution chain. With VAT, government reasoned, it will be virtually impossible to evade tax.

The instrument that introduced VAT spells out goods and services that attract the tax. It shows, for instance that food items do not attract VAT resides, sellers of goods on which VAT is paid must first of all registered with the Federal Inland Revenue Services, the aim is to ensure that the 5% VAT paid on goods and services. But, this is not exactly, what is happening now. Market women are charging VAT on food items, with the obvious that this tax. Simply increases their profit margin, landlords are charging VAT on house rent, hotels are also charging VAT. All these are contrary to the regulation governing this system. The fear is that very soon Nigerians will pay VAT on everything. It is this fear of the already pauperized Nigerians. Sinking more into an abyss that informed the researcher’s decision to look into VAT implementation and input on government revenue.

Objectives of the Study

The main purpose of this study is to explore the re-engineering of Value Added Tax for economic development in Nigeria.

Specifically, the study attempts:

1. To determine the impact of value - Added tax on the economic development of Nigeria.
2. To assess the impact of value added tax on the revenue of Nigeria.
3. To examine the effect of value added tax on the consumption pattern in Nigeria

Research Questions

The study has examined the following research questions:

a. To what extent has value added tax impacted on the revenue of Nigeria?
b. What is to examine the effect of value added tax on the consumption pattern in Nigeria?
c. What is the nature of the impact of value - Added tax on the economic development of Nigeria?

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Research Hypotheses

The following generated hypotheses have been examined and tested in this study:

Ho_1: There is no significant relationship between value added tax and revenue growth in Nigeria.

Ho_2: There is no significant relationship between value added tax and the consumption pattern in Nigeria.

Ho_3: There is no significant relationship between value –added tax and the economic development in Nigeria.

REVIEW OF RELEVANT LITERATURE

Conceptual Framework

Taxation is the life wire of every nation and the level of development of any nation most times depends on the amount of revenue generated through taxation. Taxation is therefore, one among other means of revenue generation of any government to meet the need of the both the government and citizens. According to Ifurueze&Ekezie (2014), tax is "a compulsory levy imposed on a subject or upon his property by the government to generate the needed revenue for the provision of basic amenities and create enabling condition or the economic wellbeing of the society". To them, the enabling environment created by government encourages the establishment of new business, survival of existing business and infrastructures provided is a key determinant of political, economic and social well-structured tax system which provides government the needed fund for capital (infrastructure) and current (administrative) expenditure. A good tax system comprises of the tax law, tax policy and tax administration. The Nigerian tax system is a good portfolio comprising of direct and indirect tax, status which regulate the various types of tax and their administration by both the Federal and Local Governments. Azubuike (2009) believes that the Nigerian system is still far from efficiency as it's lopsided, dominated by oil revenue and pose a formidable challenges to its usage as a macroeconomic regulating tool.

Tax reform became imperative in Nigeria because of the nature of its tax structure, which according to Anyanwu (1997) was complex, inelastic, inefficient, inequitable and unfair. Moreover, the country depended on import and export duties, while there were no opportunities to generate revenue through consumption-based tax such asVAT. The dependency of the country on taxes relating to foreign trade activities had made the revenue base of the country to be very unstable. In addition, the Nigeria's tax base was very narrow while the tax rate was very high. Tax reform is the process of changing the way taxes are collected or managed by the government (en.wikipedia.org/wiki/taxreform). Tax reforms have different goals: some seek to reduce the level of taxation of all people by the government, some seek to make the tax system more progressive or less progressive. Others seek to simplify the tax system and make the system more understandable or more accountable (Wikipedia).

Value added tax (VAT) is a consumption tax payable on the goods and services consumed by any person, business organizations or individuals. VAT can also be defined as a tax on spending/consumption levied at every stage of transaction but eventually borne by the final

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consumer of such goods and services (Ugwa&Embuka, 2012). The concept of VAT in Nigeria can be traced to the Dr. Sylvester Ugoh led study group on indirect taxation in November, 1991. Thereafter, a committee was setup under the chairmanship of Mr. Emmanuel Ijewere to conduct extensive research and make recommendations. VAT was-finally introduced in Nigeria in 1993 by the VAT Act No. 102 of 1993 as a replacement of the sales tax which had been in operation under Federal government Legislated decree No.7 of 1986 but administered by the states and the Federal capital territory (Ugwa&Embuka, 2012).

VAT is a replacement of the sales tax, which was earlier promulgated into existence through decree No.7 of 1986. The rationale behind replacing sales Tax with VAT was informed by a number of factors and considerations (Ogunbesan, 2015 and Soyode&Kajola, 2006). Notable among these are: The base of the sales tax in Nigeria as operated under Decree No. 7 of 1986 was narrow. It covered only nine (9) categories of goods plus sales and services in registered hotels, motels and similar establishments. The narrow base of the tax negates the fundamental principle of consumption tax which by nature is expected to cut across all consumable goods and services expected. VAT base is broader and includes most professional services and banking transactions which are high profit-generating sectors.

Besides, the sales tax decree of 1986 targeted only locally manufactured goods, although this might not have been the intention of the law. In the case of VAT it is neutral in this regard. Under VAT, a considerable part of the tax to be realized is from imported goods. This means that under this new indirect tax, locally manufactured goods will not be placed at a disadvantage relative to imports.

Another reason was that VAT is a consumption tax and is based on the, general consumption behaviour of people; the expected high yield from it is boosting the revenue collected by governments with minimum resistance from the payers of the tax.

Tax reforms are changes that are made in the Nigerian Tax system to increase the revenue base of the company. No matter the angle from which VAT is viewed, the purpose is to generate more revenue to the government. A critical examination of the current formula: Federal Government 15%; State Governments 50% and Local Government 35%, shows clearly that VAT was designed to favour development at the lower-tier level of government. The introduction of VAT in 1993 and its actual implementation in 1994 has recorded a huge success in Nigeria. Details of VAT collected by Federal Inland Revenue Service since its introduction are as follows:

Table 1: Details of VAT collected by Federal Inland R evenue Service (1994-2004)

Y ear	Amount (N billions)	Y ear	Amount (N billions)
94	8.20		
1995	20.23	2005	192.70
1996	32.47	2006	232.70
1997	14.74	2007	312.60
1998	38.28	2008	401.70
1999	47.68	2009	481.40
2000	60.68	2010	564.89
2001	91.75	2011	659.15
2002	108.60	2012	710.50

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2003	131.42	2013	795.60
2004	163.30	2014	616.90

Source: Nwachukwu (2013) and Obadan, (2015).

In any case, the problem is that VAT rate as remained at 5 percent since the introduction despite every attempt to increase it. It is important to note that it is one of the lowest in the world. Obadan (2015) notes that some European Union countries and nonEuropean countries have VAT rates as follows: European countries: Austra 20 percent, Belgium 21 percent, Bulgaria 20 percent, Denmark 25 percent, France 20 percent, Hungary 27 percent, Lativa 21 percent, Finland 24 percent, and United Kingdom 20 percent. For nonEuropean union countries, Albania has 20 percent rate, Australia 10 percent, Argentina 21 percent, Bangladesh 15 percent, Chile 19 percent, People's Republic of China 17 percent, Egypt 10 percent, Ethiopia 15 percent, South Africa 14 percent, Russia 18 percent, Norway 25 percent, and Nigeria 5 percent. Others are Ghana with 15 percent VAT rate, Guyana 16 percent, Indonesia 10 percent, Taiwan 18 percent, Tunisia 18 percent, Israel 18 percent, Japan 8 percent, India 5 percent, Malaysia 6 percent, Mexico 16 percent, Mauritius 15 percent, Nambia 15 percent, and Morocco 20 percent.depended heavily for so long as well as corruption. One basic problem facing Nigeria's economy is the diversification of its revenue base. This diversification has become expedient with the realization that dependency on crude oil proceeds cannot sustain public expenditure. The government must learn to rely on tax revenue from now because it is a most predictable and sustainable source of revenue for other well governed countries such Britain, USA, etc.

Nevertheless, Value added tax (VAT) Act LFN 2004 (as amended) needs to be amended further to impose VAT on imported services rendered by a non-resident company outside Nigeria. This is because a meticulous examination of the Act shows that VAT is not applicable on imported services rendered by a foreign company outside Nigeria. The implication is that, where a non-resident/foreign company who is a provider of services is not carrying on business in Nigeria, such a company has no legal obligation to register for, or charge VAT in Nigeria.

Empirical Literature Review

Globally, government is saddled with the responsibility of providing some basic infrastructures for her citizens. Among these are the provisions of schools, hospitals, construction of roads, bridges, dams, airports, seaports, railways, etc. More so is the security of the life and properties of the citizens in the country against foreign as well as local aggression. In the view of Abiola and Asiweh (2012), the stabilization of the economy, the redistribution of income and the provision of services in the form of public goods are among other functions or obligations government may owe her citizens. Miller and Oats (2009) note that due to the inefficiency of the private market, the provision of public goods such as security of life and property which the public is not prepared to pay for directly, are left in the hands of the government rather than the private market.

Okafor (2012) who empirically investigated the impact of tax reforms inNigeria's economic growth found that all the income taxes have positive coefficients showing that tax reform can stimulate economic growth. Myles (2000) empirically ascertained that direct tax policy is a stimulant to economic growth. Barry & Jules (2008) found that direct taxation is harmful to growth in endogenous models. Ogbonna and Ebimobowei (2012) in

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their study of the impact of tax reforms on economic growth found that tax reforms is positively and significantly related to economic growth and that tax reforms granger cause economic growth. Jibrin, Blessing and Ifurueze (2012) in their study of the impact of petroleum profits tax on economic development of Nigeria found that petroleum profits tax impact positively on gross domestic product and was statistically significantly.

Ajakaiye (1999) found that value added tax (VAT) has a negative effect on economic growth in Nigeria. In a more broad study, Romer and Romer (2000) resolved that progressive taxation affords policy makers the opportunity to pursue counter-cyclical fiscal policies which drives economic growth. Specifically, they are of the view that VAT can only increase growth when enforcement and implementation procedures are effective. This position was strengthened by McCarton (2005). The study of Arisoy and Unlukaplan, (2010) on the effect of direct-indirect tax on economic growth of K urkish within the period of 19682006. Their result shows that real output is positively related to indirect tax revenue while direct tax has no significant effect. Aniechebe (2013) study of the impact of tax on economic growth in Nigeria between 1986 and 2011, applied econometric model found a significant relationship between tax composition and economic growth. Decomposing the impact into direct and indirecttax and total tax revenue components found a significant positive relationship between direct, indirect tax and economic growth and a negative relationship between total tax revenue and economic growth. Efurueze and Ekezie (2014) in their study of the Nigerian tax system and economic growth: A times analysis found that indirect tax (VAT and CED) contribution to total revenue and economic growth glucoses more than direct tax. This implies that indirect tax shows future growth prospect rate than direct tax.

Theoretical Framework

Bhatia (2009) enumerated the following as the theories of taxation: social political theory, the expediency theory, benefit received theory, cost of service theory and ability-topay theory. The theoretical foundation of tax reform is gotten from the Supply-siders. These are sets of economists who had their hay days between 1970 and early 1980s. The Supplysiders believed in the use of economic incentives to encourage production. They positioned that higher marginal tax rate will not only create disincentive to work, investment and saving but encourages tax avoidance and evasion,that reduces public generated revenue (Oriakhi&Ahuru, 2014). The leader of the group Arthur. Laffer, using what is today as the Laffer curve showed that there is an optimum tax rate that both encourages savings, investment and labour supply, and at the same time motivate tax payment obligation. Thus, tax rate in excess of the optimum rate will be harmful to economic activities.

Another dimension to theory of tax reforms is the optimal tax reform theory. Under this theory, it is required that the best way to raise revenue is through taxing goods or factors with inelastic demand or supply, and that taxation relating to distribution and externalists or market failures should concentrate on identifying the source or origin of the problem. Thus, for distribution, we should look for the sources of inequality (for example, land endowments or earned incomes) and taxation should be concentrated there (Oriakhi&Ahuru, 2014). Regarding externalities, an attempt should be made to tax or subsidize directly the good or activity that produces the externality (Stern, 1988). Employing the optimal tax reform theory, Newbery and Stern (1987) applied a normative framework to analyze the impact of tax reform and evaluate both its administrative costs and its effects on social welfare.

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RESEARCH METHODOLOGY

In this study, a cross sectional survey design involving the survey of existing data (secondary sources) was adopted.

Time Series Annual data was employed ranging from 1994 - 2014 with a sample size of 21years. The research instruments used in collection of data for this study were mainly secondary data from the FIRS Website, CBN & NBS Annual Statistical Bulletins respectively.

Descriptive and inferential statistics were used to analyze the data for this study. Also ratios, frequency distribution, multiple regression, t-test statistical tools were used to test the hypothesis formulated in this study.

Model Specification: This study used the econometric technique of Ordinary Least Square (OLS) in form of Multiple Linear Regressions to the relative regression coefficients. The regression model was estimated through the use of Statistical Package for Social Sciences (SPSS).

The mathematical model for the study is as follows:

VAT = f (TGR, CPI, RGDP)

Where;

VAT = V alue Added Tax

TGR = Total Government Revenue

CPI = Consumer Price Index

RGDP = Real Gross Domestic Products in Nigeria

The Econometric Model used for estimate in a L inear Form is:

$VAT = \beta_o + \beta_1 TGR + \beta_2 CPI + \beta_3 RGDP + \mu t$

Where; β_o = The parameter which represents the intercept β_1 - β_5 = Coefficient or the regression parameters used in determining the significance of the effect of each of the independent variables β_1 - β_3 on the dependent variable V AT,

VAT = Impact (VAT re-engineering in Nigeria)

$\beta 1$ = Total Government Revenue

β_2 = Consumer Price Index representing consumption pattern in Nigeria β_3 = Real Gross Domestic Products in Nigeria μt = Error or Random disturbance term.

Priori Expectation of the Model: The expected signs of the coefficients of the explanatory variables are: $\beta 1>0$, $\beta 2>0$, $\beta 3>0$. VAT is used as a measure of predictive variable. The model above was used to estimate the OL S Regression.

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RESULTS AND DISCUSSIONS

The summary of Re-engineering VAT Administration in Nigeria for Economic

Development (1994-2014) regression results from the Two - Stage Least Squares Analysis are as shown in the model summary below. The summary presents the results of the empirical regression estimates for the specified equation in the model.

T able 2: Summary of the Results

R	=	0. 992
R^2	=	0. 983
Adj. R	=	0. 980
R^2 Change	=	0.983
Std Error of estimate	=	3.899511
Durbin – Watson	=	0.895
F Value	=	334.066
DF	=	20-3 = 17 i.e. F-tab = 3.20 (Under 5%)
PV (Significant)	=	0.000

Source: Regression Analysis with SPSS 17.0 in Appendix 2

Appendix 2 shows the comprehensive data on Nigeria's VAT, Total Government Revenue, Consumer Price Index and Real GDP covering 1994-2014. All the computations of the regression analysis in this study were based on the secondary data generated from FIRS Annual Statistical Bulletins, National Bureau of Statistics and CBN Statistical Bulletins. With a p-value of zero to three decimal places (revealed from the regression analysis) and f-statistics value of 334.066 compared to the statistical table value of 3.20, the model is statistically significant. The R^2 is 0.983, meaning that approximately 98% of the variability of VAT affect the behaviour of the explanatory variables (i.e total government revenue, consumer price index and real Gross domestic products in the model. In this case, the adjusted R^2 indicates that about 98% of the variability of Value Added Tax (VAT) is accounted for by the model, even after taking into account the number of explanatory variables in the model.

Table 3: Regression Analysis Results Showing the Coefficient Value for the Variables in Re- Engineering V AT Administration in Nigeria

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-85.578	27.566		-3.104	0.006
	TGR	-0.002	0.007	-0.028	-0.278	0.784
	CPI	6.938	0.696	1.027	9.967	0.000
	Real GDP	-8.742	3.616	-0.078	-2.418	0.027

a. Dependent Variable: V AT

Source: Regression Analysis with SPSS 17.0 in Appendix 2

The coefficients for each of the variables indicates the amount of change one could expect in Value Added Tax (VAT) given a one-unit change in the value of that variable under consideration, given that all other variables in the model are held constant. For example, the variable - total government revenue revealed a reduction of 0.002 (based on B coefficient) or 2.80% (beta coefficient) in the Value Added Tax (VAT) score for every one unit decrease in revenue amount, assuming that all other variables in the model are held constant. The 6.938 (positive value) changes in consumer price index really means that one might compare the strength of that coefficient to the coefficient for another variable, say real GDP. To address this problem, the results are revealed in Beta coefficients' column, also known as standardized regression coefficients. The beta coefficients have been used here to compare the relative strength of the various explanatory variables within the model, the detail results reveal as follows: total government revenue -0.028 i.e 2.80% negative impact on VAT re-engineering, consumer price index 1.027 i,e 102.70% positive effect on VAT concerning the consumption pattern of the people, real GDP -0.078 i.e. 7.8% negative impact on VAT in Nigeria. Since the beta coefficients are all measured in standard deviations, instead of the units of the variables, they can be compared to one another. In other words, the beta coefficients are the coefficients that one obtains if the outcome and predictor variables were all transformed to standard scores, also called z-scores, before running the regression. In this study, consumer price index has the largest Beta coefficient of 1.027 and real GDP has the smallest Beta, -0.078 which is an indication of negative impact on VAT Thus, a one standard deviation increase in total oil exports leads to 1.038 standard deviation decreases in predicted Value Added Tax (VAT), with the other variables held constant. Equally, a one standard deviation increase in real GDP, in turn, leads to a 0.081 standard deviation decrease in Value Added Tax (VAT) with the other variables in the model held constant. In interpreting this output, it is important to note that the difference between the regular coefficients and the standardized coefficients is the unit of measurement.

Test of Hypotheses

The study has earlier hypothesized that: There is no significant relationship between Value Added Tax (VAT) and total government revenue, consumer price index and Real GDP (1994-2014). Therefore using the results of the regression analysis the study looked at the coefficient for the explanatory variables to determine if they are statistically significant, the study also tested sets of variables, using t- test**,** to see if the set of variables are significant; the results are as follows: Total government revenue = -0.278 < 3.20 (Negative impact), significant level (p=0.784>0.05) (Not significant); consumer price index = 9.967 > 3.20 (positive impact) significant level (p=0.000<0.05 i.e. Significant); Real GDP = -2.418 < 3.20(negative impact), significant level (p=0.027<0.05 i.e significant). As revealed in the SPSS Output reports (appendix 2) the significance of the overall model with all the 3 explanatory variables based on the F value is 334.066 and that indicates statistical significance of the model. Based on the decision rule the study has accepted the null hypothesis one (1) with variable (namely; total government revenue); rejected the null hypothesis in two (2) with variable - consumer price index) and rejected the null hypothesis in three (3) with variable real GDP. Accordingly: There is no significant relationship between value added tax and revenue growth in Nigeria, there is significant relationship between value added tax and the consumption pattern in Nigeria and there is no significant relationship between value –added tax and the economic development in Nigeria from 1994-2014.

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CONCLUSION

The benefits of taxation cannot be over emphasized. Through taxation, government ensures that resources are channeled towards important projects in the society. Thus, the imposition of taxes is essential to economic and social development in any given economy. However, VAT is being mismanaged in Nigeria as the study has conclusively revealed that: There is no significant relationship between value added tax and revenue growth in Nigeria, there is significant relationship between value added tax and the consumption pattern in Nigeria and there is no significant relationship between value –added tax and the economic development in Nigeria from 1994-2014.

RECOMMENDATIONS

Based on the revelations of this study, the following recommendations are made:

1. Tax reform is inevitable in every nation that wants to live up to the expectation of her citizens and wants to be people oriented. It is a strategic option for government to raise revenue to meet up its public expenditure and sustainable development. It is inevitable because taxes introduced some decades ago cannot always achieve macro objectives today except if reformed in line with the current economic realities; hence value added tax needs to be re-engineered and reformed to engender good tax administration outcome.

2. Government should increase the VAT rate to at least 10 percent considering the fact that the Nigerian VAT rate is one of the lowest in the world and secondly, increase in VAT revenue will help to cushion the effect of global drop in the price of oil.

3. Government should intensify effort to devise an effective means of taxing the informal sector through effective and efficient VAT, this strategy will bring more people into the tax net thereby increasing the revenue from taxation.

4. Efforts should be made by the government to fight corruption and if possible, introduce capital punishment depending on the degree of mismanagement of public funds or embezzlement of public funds to deter those who steal VAT funds.

5. Value added tax (VAT) Act should be amended further to impose VAT based on destination principle. This will enable VAT to be imposed on imported services rendered by a non-resident company outside Nigeria.

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Appendix 1: VAT , Total Government Revenue, Consumer Price Index and Real

Domestic Product, 1994-2014.

Y EARS	VAT (N' Billions)	Total Government Revenue	Consumer Price Index (CPI) (%)	Real Gross Domestic Product Annual (RGDP) (%)
1994	8.20	201.91	9.82	3.55
1995	20.32	459.99	16.98	2.24
1996	32.47	523.60	21.95	7.61
1997	14.74	582.81	23.82	5.30
1998	38.28	463.61	26.20	5.15
1999	47.68	949.19	27.93	2.80
2000	60.68	1,906.16	29.87	7.70
2001	91.75	2,231.60	35.51	7.03
2002	108.6	1,731.84	40.08	6.90
2003	131.42	2,575.10	45.70	11.89
2004	163.3	3,920.50	52.56	8.79
2005	192.7	5,547.50	61.95	8.68
2006	232.7	5,965.10	67.05	8.33
2007	312.6	5,727.50	70.66	9.06
2008	401.7	7,866.59	78.84	8.01
2009	481.4	4,844.59	87.94	8.97
2010	564.89	7,303.67	100.00	9.97
2011	659.15	11,116.85	110.84	4.89
2012	710.50	10,654.75	124.38	4.28
2013	795.60	9,759.79	134.92	5.39
2014	802.95	10,068.85	145.80	6.31

Sources: Central Bank Of Nigeria, NSE. FIRS Bulletins, International Monetary Fund, World Economic Outlook Database, International Financial Statistics And Data Files (2015).

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Appendix 2

Regression Out puts of Value Added Tax (VAT), Total Government Revenue, Consumption Pattern and Economic Development in Nigeria from 1994-2014

Descriptive Statistics

	Mean	Std. Deviation	N
VAT	279.6014	278.37155	21
TGR	4400.0714	3836.17194	21
CPI	62.5143	41.19151	21
Real GDP	6.8024	2.48150	21

Correlations

		VAT	TGR	CPI	Real GDP
Pearson Correlation	VAT	1.000	.941	.989	.064
	TGR	.941	1.000	.950	.074
	CPI	.989	.950	1.000	.140
	Real GDP	.064	.074	.140	1.000
Sig. (1-tailed)	VAT	.	.000	.000	.392
	TGR	.000	.	.000	.375
	CPI	.000	.000	.	.273
	Real GDP	.392	.375	.273	.
N	VAT	21	21	21	21
	TGR	21	21	21	21
	CPI	21	21	21	21
	Real GDP	21	21	21	21

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Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.992[a]	.983	.980	3.899511	.983	334.066	3	17	.000	.895

a. Predictors: (Constant), Real GDP, TGR, CPI
b. Dependent V ariable: VAT

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1523963.881	3	507987.960	334.066	.000[a]
	Residual	25850.563	17	1520.621		
	Total	1549814.444	20			

a. Predictors: (Constant), Real GDP, TGR, CPI
b. Dependent V ariable: VAT

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-85.578	27.566		-3.104	0.006
TGR	-.002	.007	-.028	-0.278	0.784
CPI	6.938	.696	1.027	9.967	0.000
Real GDP	-8.742	3.616	-.078	-2.418	0.027

a. Dependent Variable: V AT

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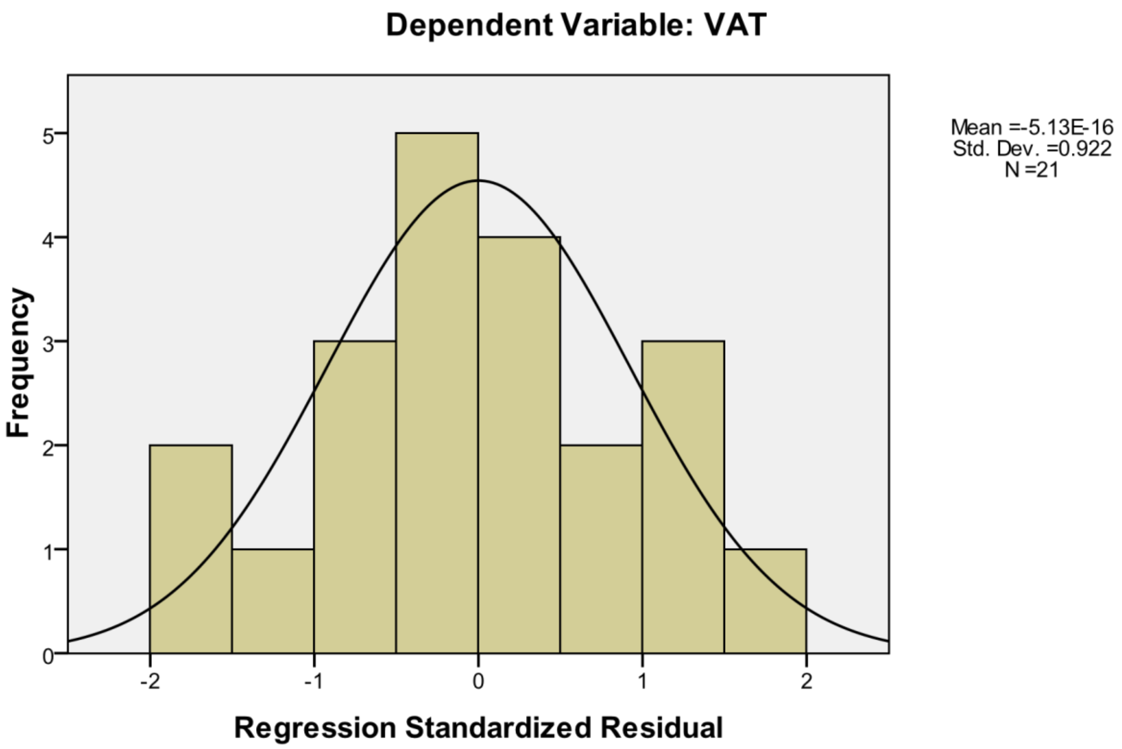
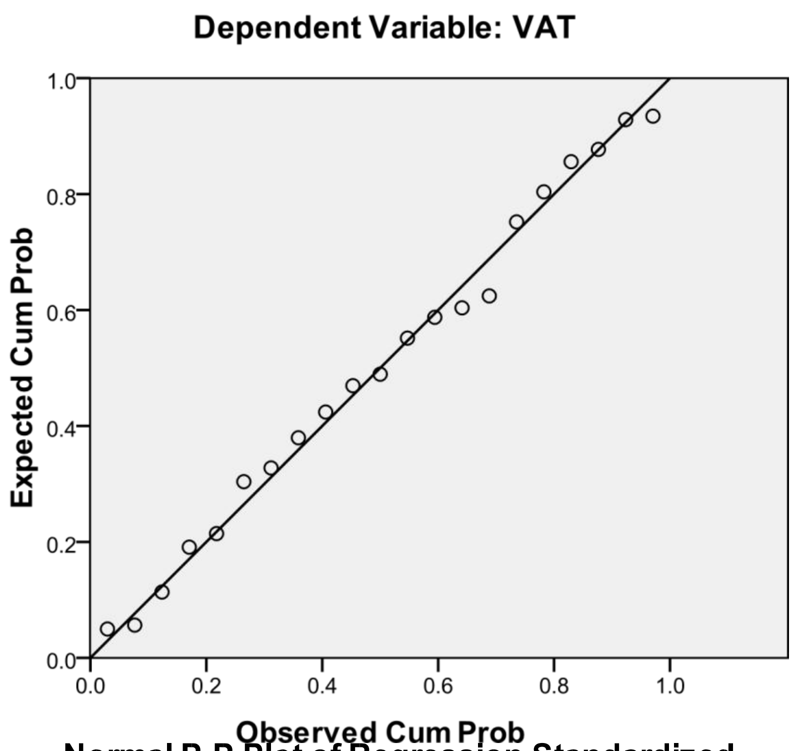
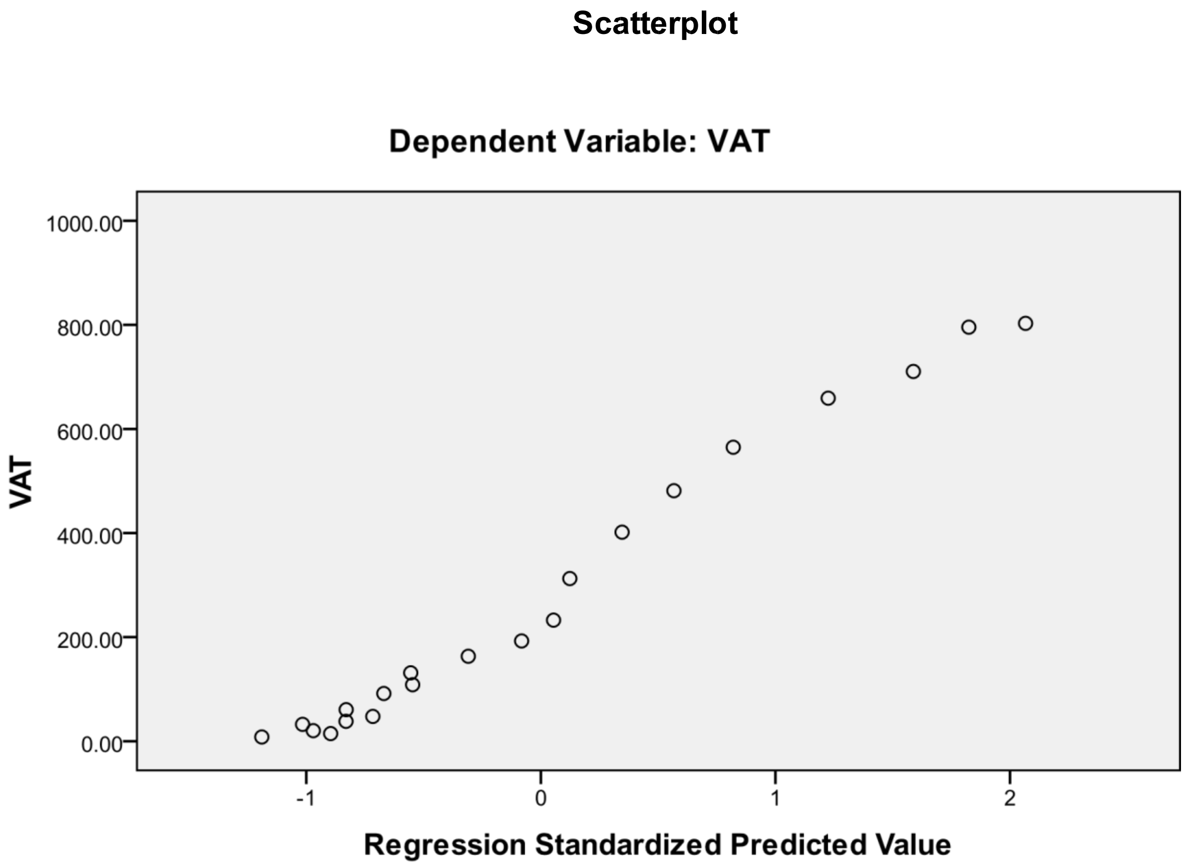
Histogram

Chart





Normal P-P Plot of Regression Standardized Residual


Scatterplot
Dependent Variable: VAT
1000.00
800.00
600.00
400.00
200.00
0.00
VAT
-1
0
1
2
Regression Standardized Predicted Value