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Research Article

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EFFECT OF PUBLIC REVENUE ON THE NIGERIA ECONOMIC GROWTH

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ABSTRACT

The problems with the Nigerian economy have been traced to the failure of successive governments to use public revenue effectively in developing sectors of the economy. The study examined the effect of public revenue on Nigeria's economic growth. The study employed a time series of data spanning thirty-two (32) years, 1990-2021. The independent variables under consideration for this study were petroleum profit tax and non-oil tax, while the dependent variable was measured using Gross Domestic Product (GDP). The study adopted the ex-post-facto research design. Secondary data used in the study was sourced from the CBN annual statistical bulletin for relevant years. Descriptive statistics, the Augmented Dickey-Fuller Test (ADF) and the autoregressive distributed lag (ARDL) regression techniques were the main statistical methods used to analyse the data with the help of the E-view 12 statistical package. The finding of this study revealed that petroleum profit tax has no significant effect on Nigeria's economic growth, and non-oil tax also has no significant effect on Nigeria's economic growth. It is therefore concluded that public revenue positively influences Nigeria's economic growth. Therefore, the study recommended that the federal government of Nigeria create an enabling environment that will enhance the effective collection of the total tax revenue accruable from the oil industry. Such measures include a speedy passage and implementation of the Petroleum Industrial Bill and curbing corruption inherent in the petroleum industry.

Keywords: Economic growth, Public revenue, Petroleum Profit Tax, Non-oil Tax, Gross Domestic Product.

INTRODUCTION

Public revenue is a component of the government budget's fiscal policy. Public revenue is money a government receives from taxes and non-tax sources to enable it to undertake public expenditure (Mawejji, 2018). According to Cornelius (2016), Nigeria's main public revenues are oil and non-oil. The sources of oil revenue to the Nigerian government include royalties and Petroleum Profit Tax. Petroleum profit tax occupies a special position in Nigeria's economy. Igbasan (2017) explained that petroleum profit tax is an important source of revenue for the government.

Regarding contribution to government revenue, petroleum profit tax is essential. Non-oil revenue is also a category of revenue to the federation account. The study refers to revenue not derived from or associated with oil. They include the company's income tax (CIT), customs and excise duties (CED), value-added tax (VAT), and Levies. Consequently, revenue is a fiscal tool that aids government growth and development. The macro-economic indexes, which include Gross Domestic Product (GDP), amongst others, depend largely on the country's fiscal tool that is in place (Awa, 2020). Thus, Gross Domestic Product can be used as a measure of economic growth.

Dwivedi (2004) defines economic growth as a sustained increased per capita national output or net national product (NNP) in an economy over a long period (Ofishe, 2015). The problems with the Nigerian economy have been traced to the failure of successive governments to use oil and non-oil revenue effectively in the development of other sectors of the economy. National institutions such as power, energy, roads, transportation, politics, financial systems, and investment environments, which have been deteriorating and inefficient, need to perform better. Petroleum profit tax, which is supposed to be a source of economic development finance, has turned out to be a bone of contention between many interest groups: the government, the oil and gas companies and various researchers (Uket, 2020). The year 2021 was a critical one for the non-oil tax administration in Nigeria, and in line with the law, 2021 corporate income tax revenue was based on business profits of 2020. Due to the recession, many businesses struggled to survive, with very few reporting profits. The base for non-oil tax was grossly eroded due to losses and business failures. These have added to several economic failures that exist in Nigeria.

Related studies in this field were carried out before the latest recession, which started in 2020. Also, several studies have yet to combine the relative effect of Petroleum Profit Tax and non-oil tax on economic growth in the same period. These have constituted some knowledge gaps to be filled in the study. Policymakers and academics would find this study very relevant and important because it will assist them in their deliberations and discussions on the effect of Petroleum Profit Tax (PPT) and non-oil tax on Nigerian economic growth and in proffering possible policy recommendations that will help both the government and the administrators of policies. Thus, the study examined the effect of public revenue from Petroleum Profit Tax and Non-oil Tax on Nigeria's economic growth. So that the study objectives can be appropriately clarified, the under-listed hypotheses were formulated.

Ho_1: Petroleum profit tax (PPT) has no significant effect on Gross Domestic Products (GDP) of Nigeria

Ho_2: Non-oil tax has no significant effect on Gross Domestic Products (GDP) of Nigeria

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LITERATURE REVIEW

Conceptual Framework

The conceptual background covered all relevant variables adopted in the study, particularly public revenue, petroleum profit tax, Non-oil tax, economic growth and Gross Domestic Product.

Public Revenue

Public revenue implies the inflow of financial resources or monies into the government sector from other economic units/sectors (Cornelius *et al.,* 2016). In other words, public revenue consists of revenue receipts and capital receipts. Revenue receipts include routine and earned. Capital receipts cover a non-repetitive and non-routine variety of items and change government financial assets and liabilities (Edewusi and Ajayi, 2019). In Nigeria, public revenues are oil, non-oil, and federal government independent revenue in their aggregates. The federal government has used these revenues and their functional equivalents throughout history to carry out many government functions. Such functions include economic infrastructures, social services, debt services, providing the Army, the police, the court system, and the operation of government itself–all these play a crucial role in economic activities. The effect of Public revenues on economic growth covers all economic activities resulting from the imposition of a tax system for oil extraction and exportation. According to Cornelius (2016), the main public revenues in Nigeria are categorised into oil revenue, non-oil revenue and federal government independent revenue. Oil revenue is the most important source of revenue for the federation account. It is made up of Crude oil and Gas sales and Oil Taxes. The Oil Taxes include Royalties, Petroleum profit taxes, Rent and others. The Non-Oil Revenue is the second category of revenue to the federation account. This category refers to revenue not derived from or associated with oil. They include the company's income tax (CIT), customs and excise duties (CED), value-added tax (VAT), Levies, and others.

Petroleum Profit Tax (PPT)

According to Onoja and Ibrahim (2020), the Petroleum Profit Tax is an indirect tax system levied by the government on the activities of companies operating in the petroleum industry's upstream subsector. The study is specifically associated with the rents, royalties, margins and profit-sharing elements related to oil mining, prospecting and exploration contract agreements. Similarly, the Petroleum Profit Tax (PPT) can be viewed as a tax applicable to upstream operations in the oil industry (Odusola, 2006). However, Petroleum operation, as defined in the Petroleum Profit Tax Act of 1959, involves petroleum exploration, development, and production activities. Concisely, PPT is one of the essential taxes in Nigeria in terms of its share of contribution to the total government revenue and foreign exchange earnings, which is 70 and 95 per cent, respectively (Onaolapo *et al.,* 2013). Petroleum taxation is the instrument of choice for sharing wealth between host governments and international oil companies. It is a direct tax levied annually on the net profit of a petroleum taxpayer who is carrying on the business of petroleum exploration and production (Amadi and Alolote, 2019). Petroleum taxation has some particular features as a result of the oil industry's unique characteristics: the huge central contribution of revenue to the economy, the volatility of oil prices, the large operating and development costs, the high uncertainty associated with petroleum geology, the specific characteristics of individual oilfields, and the possibility of re-investment.

Non-Oil Tax

Non-oil tax revenue is revenues from direct and indirect taxes paid by other sectors of the economy other than the oil sector. The direct taxes are personal income tax (PIT), company income tax (CIT), capital gain tax, withholding tax and education tax. In contrast, indirect taxes are valued added tax (VAT), customs, and excise duties. Non-oil revenue is the second category of revenue to the federation account. The revenue refers to revenue that is not derived from or associated with oil. These include the company's income tax, customs and excise duties, value-added tax, and levies.

Economic Growth

Economic growth refers to an increase in the value of goods and services produced by a country over a period and can be used to reflect the size of a country. According to Dwivedi (2004), economic growth is a sustained increase in per capita national output or net national product over an extended period. It implies that the increase in total output must be higher than the rate of population growth, thereby resulting in an improvement or increase in the citizens' standard of living. Different proxies are used for measuring economic growth, but the most accepted is Gross Domestic Product (GDP). GDP is the monetary value of goods and services produced in a nation during a particular period by the residents of that nation, irrespective of the nationality of the residents. GDP can be measured at current basic prices (Nominal GDP), constant basic prices (Real GDP), or current market price. The GDP attracts economic researchers in finance and accounting (Peter and Adesina, 2016). GDP can be derived or calculated using the aggregate expenditure approach ag, aggregate income approach, or aggregated output approach.

Gross Domestic Product (GDP) in Nigeria

It is a key concept in the national income. Gross Domestic Product (GDP) is the total market value at current prices of all final goods and services produced within a year by the factors of production located within a country (Uzoka *et al.,* 2009). The labour and capital of a country working on its natural resources produce a certain aggregate of commodities, material and non-material, every year. Thus, gross domestic product is a country's aggregate or total production of goods and services in one year. GDP constitutes the Gross National Product of a country. Let us make a detailed list of all such commodities produced annually or measure the total goods produced annually by weight or volume. It will not give us any clear and concise impression about our total national output. So, the monetary value of all final goods and services produced during a year at current market prices is added up. This total current market value of all final goods and services produced in an economy in one year period is called Gross Domestic Product (GDP).

Empirical Review

Ayoka *et al.,* (2021) examined the effect of federal government revenue and expenditure on Nigeria's economic growth from 1983 to 2018. The investigation embraced an ex-post facto research design to produce test results via the Bounds test, ARDL short/long run estimates, and forecasts. The full-scale economic factors used in the study include the Real Gross domestic product (a proxy for economic growth), the federal government retained revenue, non-oil revenue, capital expenditure and recurrent expenditure. The study chose to be different in this study, with a conscious omission of oil revenue as a variable. The research findings showed that the federal government's retained revenue, non-oil revenue, and recurrent expenditure were

statistically significant in explaining the relationship with economic growth in the short run, and capital expenditure was not at the 5% Alpha level. The federal government's retained revenue was also statistically significant in the long run. Based on these findings, it was concluded that the influential growth variables are federal government retained revenue, non-oil revenue and recurrent expenditure. The study thus recommends that the government be tactful in its efforts to synchronise fiscal policy.

Aminu *et al.,* (2020) studied the impact analysis of petroleum profit tax and economic growth in Nigeria to investigate the potential impacts of the revenues from petroleum profit tax on the growth of the Nigerian economy based on time series data for variables such as economic growth proxy by real Gross Domestic Product, petroleum profit tax, non-oil tax revenue and governance proxy by government accountability specified in the estimated models. Upon verifying the stationarity properties of the series of variables, the study employed Co-integration and fully modified ordinary least squares as the techniques of analysis to reveal the existence of a long-run relationship between petroleum profit tax and economic growth in Nigeria, petroleum profit tax impact positively on economic growth at a statistically significant level; governance impact positively on economic growth in Nigeria; while non-oil tax revenue impact negatively on economic growth in Nigeria. The study, therefore, recommends Reviewing the current administration of PPTA in Nigeria to reflect the international standard on the Petroleum Profit Tax Act, According to priority to the non-oil sector to improve government earnings from other non-oil sectors; Deliberate investment of revenue from PPT to develop other non-oil sectors and; Full entrenchment of good governance in the administration of tax system in Nigeria.

Inimino *et al.,* (2020) focused on the impact of petroleum profit tax on economic growth in Nigeria between 1980 and 2017. Therefore, the CBN statistical bulletin sourced secondary data on Gross Domestic Product and petroleum profit tax. The econometric methods of the Generalized Method of Moments (GMM) and the Granger Causality test were used. Furthermore, before the GMM and Granger causality tests, the study employed the Augmented Dickey-Fuller (ADF) unit root test to ascertain the stationarity of the variables. Based on the results, the ADF stationarity test for each series showed that all the variables were stationary at order one. The GMM test showed that petroleum profit tax and economic growth have a positive and significant relationship with R2 at 78%. The pairwise Granger causality test showed bidirectional causality between petroleum profit tax and economic growth. The study concluded that the petroleum profit tax has meaningfully impacted economic growth in Nigeria during the study period. Therefore, it was recommended that the government should boost petroleum profit tax revenue. The recommendation can be achieved by establishing an efficient and effective tax administration to reduce tax evasion. At the same time, remove all administrative loopholes and ensure accountability and transparency from government officials on the management of revenue derived from petroleum profit tax. Also, ensure that the needs of the Niger Delta region are met for the conflict-free operation of the oil companies, which in turn will increase oil production, petroleum profit tax revenue and economic growth in Nigeria.

Iorpev *et al.,* (2019) assessed the impact of taxation (measured by petroleum profit tax, company income tax, custom and excise duty and value-added tax) on the economic growth of Nigeria (measured by the Gross Domestic Product). The study adopts the ex-post facto research design in the investigation. Descriptive statistics and regression analysis were used to analyse data collected from 2002 to 2017. The study found an insignificant contribution of Petroleum profit tax (PPT), company income tax (CIT), customs and excise duty (CED) and value-added tax (VAT) to the economic growth (Gross *et al.,* -GDP) of Nigeria. The study recommends, amongst others, the need for the government to create all necessary modalities that will enhance the effective collection of taxable revenue accruable from all sources of revenue, most especially the oil industry, to improve the total tax accruable to the pocket of the federal government of Nigeria.
Yahaya and Yufus (2018) evaluated the effect of petroleum profit and company income tax on Nigerian economic growth. Fully Modified Least Square (FMOLS) Regression Technique was used to estimate the model over 34 years (1981-2014). Augmented Dickey-Fuller Unit Root Test and Single Equation Co-integration Test were carried out. It was found that petroleum profit tax (PPT) and company income tax (CIT) have a positive significant impact on the Gross Domestic Product (GDP) in Nigeria with an Adjusted R^2 of 87.6%, which directly enhanced growth in Nigeria. The study then concluded that PPT and CIT are the major sources of revenue for the Nigerian economy and contribute to its growth. Based on these findings, the study recommends that the government should transparently and judiciously account for the revenue it generates through petroleum profit tax by investing in the provision of infrastructural facilities; FIRS should properly monitor the activities of companies to achieve optimum collection of taxes payable to the government as CIT. Revenue accrues to the government through PPT, and CIT should be judiciously used to develop the economy.

Okoh *et al.,* (2016) evaluated the effect of petroleum profit tax on Nigeria's economic growth. Income from petroleum taxes is the proxy for PPT, while economic growth is measured using gross domestic product (GDP). The research adopted expos-facto research as secondary data were used for the analysis. Data were sourced from the Central Bank of Nigeria Statistical Bulletin and the Federal Statistical Bureau. The study covered twelve years (2004-2015). Time series data were analysed using simple linear regression. The results reveal that PPT positively and significantly affected Nigerian GDP. The study recommends that the government provide the necessary human and material infrastructures needed to support the petroleum business so they can earn more income that will boost taxation.

Theoretical Framework

Many theories discuss public revenue and economic growth, including the benefit received theory and Keyes' growth theory.

Benefit Received Theory

This theory was developed by Knut-Wicksell in 1896 and refined by Erik-Lindahl in 1919, which was subsequently restated by Paul-Samuelson (Richard and Peggy, 1973; Bernd, 2000). The theory maintains that there exists an exchange or contractual relationship between taxpayers (citizenry) and the state (government), such that the government make provision for essential public goods and services like adequate security, essential infrastructure (such as good road networks, stable power supply and portable water supply, among others), health care facilities, construction and rehabilitation of public schools and a host of others for the overall wellbeing of citizenry and economy; In contrast, citizenry, in turn, makes payment of tax on the taxable activities and assets to the government to enable the government meets up with its financially social obligations of providing essential public goods and services to the citizenry (Bernd, 2000). However, the inability of either party (citizen or government) to discharge its obligation to pay tax or provide public goods/services would affect the other party's ability to fulfill its obligation. Therefore, in this quid pro quo setup relationship, tax revenue is a means of earning earnings for the government to pursue its growth and development goals of the economy. Furthermore, this

theory bears the possible use of the tax policy for bringing about desired growth and stabilisation (control of externalities from hampering the natural environment) of an economy.

Keynes' Growth Theory

British economist John Maynard Keyes propounded Keynes theoryKeynes's in (the 1930s). Interest in growth issues has led to various growth theories, each purporting to explain growth mechanics. Keynes thought that an increase in government expenditure leads to higher economic growth. The theory demonstrates long-term full employment, which requires that two fundamental conditions be met: the ratio of investment to income must equal the full employment savings ratio, and the economy's growth rate must equal the natural growth rate. Keynes asserted that a key factor that could account for an economy's stagnation and unemployment was the deficiency of aggregate effective demand. Keynes believed the solution to the economic stagnation problem rested on expanding aggregate demand through massive increases in government expenditure (Alfred, 2005). Government expenditures also depend on the revenue accrued through various sources.

This study is hinged on the principle of Keynes' growth theory. The Keynes' growth theory explains how expansion through an increase in government revenue can bring about growth. Thus, government revenue is a function of economic growth. The theory is based on a mutually reinforcing relationship between growth, government expenditure and government revenue to sustain the anticipated growth of the economy. The theory also states that government expenditures depend on the revenue accrued through various sources.

METHODOLOGY

The research design employed for the study was ex-post facto research design. The use of ex-post facto design is because the study data are time series and the study's event had already occurred. The population of this study was composed of the real sector of Nigeria's economy. The study covered the period from 1990 to 2021, representing a sample size of 32 years. The basis for deciding this period was to evaluate the effect of public revenue on Nigerian economic growth over the last few decades. Secondary data was adopted for the study. The source of data collection was chosen because it is considered the most appropriate method for needed information in the least amount of time. The data were obtained from the Central Bank Nigeria Statistical Bulletin 2021 publication. The methods of data analysis used were descriptive statistics, the Augmented Dickey-Fuller Test (ADF) and the autoregressive distributed lag (ARDL) regression techniques with the help of the E-view 12 statistical package. An econometric model was adopted in the study. The study model was adopted by similar studies in the past, such as William and Andrew (2014), Ezu and Okoh (2016), and Ofoegbu and Akwu (2016). Results were interpreted using probability (P-value,) R^2 (Coefficient of determination) and F-Statistics.

Model Specification

The model is specified as:

$$GDP = \beta_0 + \beta_1 PPT + \beta_2 NOT + ei \ldots\ldots (i)$$

Where;

GDP =Gross Domestic Product

PPT = Petroleum Profit Tax

NOT = Non-Oil Tax Revenue

β_0 represents constant or intercept

β_1 and β_2 represent Parameter estimates or the coefficients of the independent variable

e_i = represents stochastic or error term

RESULT AND DISCUSSION

Descriptive Statistics

The various descriptive statistical characteristics of all the study's dependent and independent variables, Gross Domestic Product (GDP), Petroleum Profit Tax (PPT), and Non-Oil Tax (NOT), are shown in Table 1. The descriptive statistics of the data series give information about simple statistics such as mean, median, minimum value, and maximum value, and the sample distribution is measured by skewness, kurtosis, and the Jaque-Bera statistic. Table 1 reports the descriptive statistics of the data employed in this study. All econometric investigations ranged from 1990 to 2021.

Table 1: Descriptive Statistics

	GDP	PPT	NOT01
Mean	57599968	1639.923	1670.554
Median	38735227	1518.738	844.2800
Maximum	1.74E+08	5287.570	6530.600
Minimum	19199060	71.89000	18.33000
Std. Dev.	45037278	1308.057	1768.714
Skewness	1.143475	0.974731	1.037630
Kurtosis	3.145174	3.760174	3.275275
Jarque-Bera	7.001618	5.837688	5.843305
Probability	0.030173	0.053996	0.053845
Sum	1.84E+09	52477.54	53457.73
Sum Sq. Dev.	6.29E+16	53041410	96978870
Observations	32	32	32

Source: Researcher's computation using E-view, version 12

Table 1 shows the descriptive statistics of the study variables. It displays a mean value of ₦57,599,968 billion and a standard deviation of ₦45,037,278 billion concerning GDP. The result implies that the average GDP during the period under study (i.e., 1990- 2021) stood at ₦57,599,968 billion. Inferences from these figures imply that the GDP is appreciably high during the period under study. The maximum and minimum values during the period stood at ₦ 1.74E+08 billion and ₦ 19,199,060 billion. The result shows that all the series display a high level of consistency as their mean and median values are perpetually within the maximum and minimum values of these series.

The table further revealed a mean of ₦1, 639.923 billion with a fluctuation of ₦1, 308.057 billion concerning petroleum profit tax. The result indicates that, on average, the revenue generated from petroleum profit tax stood at ₦1,639.923 billion during the period under study. The result indicates high dispersion from the mean value of PPT recorded within the study period. The highest PPT recorded within the study period is ₦ 5287.570 billion, with a minimum value of ₦ 71.89000 billion.

Also, the table further revealed a mean of ₦ 1,670.554 billion with a fluctuation of ₦ 1,768.714 billion concerning non-oil tax (NOT) tax. The result indicates that, on average, the revenue generated from non-oil tax stood at ₦1,670.554 billion during the period under study.

The result indicates higher dispersion from the mean value of NOT recorded within the study period. The highest non-oil tax recorded within the study period is ₦ 6,530.600 billion, with a minimum value of ₦18.33000 billion.

Unit Root Test

The level of some variables can be so large or small that they do not revert to their mean as expected, hence the need for a stationarity test, also known as the unit root test. The Augmented Dickey-Fuller (ADF) test for unit root was carried out to ascertain the stationary status of the data series. The a priori expectation when using the ADF test is that a variable is stationary when the value of the ADF Prob. The test statistic is less than the significance level of 5%.

Table 2: Summary Result of ADF Test

Variables	ADF Prob. Test	Mackinnon 1% Critical Values	Mackinnon 5% Critical Values	Mackinnon 10 % Critical Values	Order of stationarity	Remark
GDP	1.0000	-3.661661	-2.960411	-2.619160	I(0)	Non Stationary
PPT	0.1881	-3.661661	-2.960411	-2.619160	I(0)	Non-Stationary
NOT	0.3030	-3.661661	-2.960411	-2.619160	I(0)	Non-Stationary

Source: Researcher's Computation Using E-view, Version 12

The result presented in Table 2 above reveals that the GDP, PPT and NOT are non-stationary at level zero I(0). The result means that the assumption of OLS is violated, so it adopts autoregressive distributed lag (ARDL) to estimate that the mode is adequate.

Regression Result of the Estimated Models

An autoregressive distributed lag (ARDL) model is an ordinary least square (OLS) model applicable to non-stationary time series and time series with mixed order of integration. This section of the study presents and interprets the regression result concerning the model of the study.

Table 3: Summary Result of ARDL Test

Dependent Variable: LNGDP
Method: ARDL
Date: 07/22/22 Time: 13:24
Sample (adjusted): 1994 2021
Included observations: 28 after adjustments
Maximum dependent lags: 4 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (4 lags, automatic): LNPPT NOT01
Fixed regressors: C
Number of models evaluated: 100
Selected Model: ARDL(4, 4, 3)

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
LNGDP(-1)	0.633595	0.241319	2.625553	0.0200
LNGDP(-2)	-0.161557	0.314316	-0.513997	0.6153
LNGDP(-3)	0.252432	0.276384	0.913338	0.3765
LNGDP(-4)	0.308622	0.201575	1.531049	0.1480
LNPPT	-0.006527	0.021259	-0.307043	0.7633
LNPPT(-1)	0.063805	0.028931	2.205403	0.0446
LNPPT(-2)	-0.024696	0.037294	-0.662192	0.5186
LNPPT(-3)	0.055982	0.032717	1.711122	0.1091
LNPPT(-4)	-0.030219	0.025042	-1.206707	0.2475
NOT01	4.50E-06	3.81E-06	1.182196	0.2568
NOT01(-1)	-1.80E-05	3.67E-06	-4.907621	0.0002
NOT01(-2)	5.45E-06	4.93E-06	1.104093	0.2882
NOT01(-3)	1.05E-05	4.58E-06	2.300758	0.0373
C	-0.363940	0.152260	-2.390260	0.0314

R-squared	0.998712	Mean dependent var	7.694491
Adjusted R-squared	0.997516	S.D. dependent var	0.306275
S.E. of regression	0.015265	Akaike info criterion	-5.219716
Sum squared resid	0.003262	Schwarz criterion	-4.553614
Log likelihood	87.07602	Hannan-Quinn criter.	-5.016082
F-statistic	835.0595	Durbin-Watson stat	2.115246
Prob(F-statistic)	0.000000		

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

Source: Researcher's Computation Using E-view, Version 12

The regression line, shown in the result above, reveals an intercept of -0.363940. The result implies that when all the other variables are not considered, GDP will be significantly estimated at -0.36% occasioned by factors not incorporated in this study. However, the estimated model reveals a coefficient of -0.006527 units at an insignificant p-value of 0.7633 concerning petroleum profit tax (PPT), indicating a negative effect on Nigeria's gross domestic product (GDP). The result implies that a one per cent change in the value of petroleum profit tax (PPT) will lead to an insignificant decrease in the gross domestic product by 0.65%.Finally, non-oil tax (NOT) has a beta coefficient of 4,500,000 units at an insignificant p-value of 0.2568, thus indicating an insignificant positive effect on GDP. The result implies that a unit change in non-oil tax (NOT) will lead to an insignificant improvement in the gross domestic product (GDP) by 4,500,000 units.

On the ground of apriori expectation, a positive relationship between the slope coefficients of NOT (β_2) aligns with the study apriori expectation. The PPT (β_1) slope has a negative relationship with the gross domestic product, thus contrary to the study apriori expectation. The implication is that PPT significantly decreases the economic growth of Nigeria's proxy by gross domestic product in the short run while NOT significantly improving Nigeria's economic growth in the short run. The coefficient of determination (R^2) is estimated at 0.9987. The result suggests that 99.87% of the variation in GDP can be explained by the explanatory variables (PPT and NOT). In comparison, the remaining 1.3% can be explained by other variables not included in the model.

The generalizability statistics, which is the adjusted R Square, which is adjusted for the number of variables included in the regression

equation and thus used to estimate the expected shrinkage in R Square that would not generalise to the population (Gujarati and Sangeetha, 2007), is estimated at 0.9975 or 99.75%. Compared to the square value of 99.87%, this value reveals a difference of 0.25 %. This difference is, however, negligible; thus, it is a minimal shrinkage based on this indicator (Gujarati and Sangeetha, 2007). This result indicates that this study's regression equation is over-fitted to the sample and of no limited generalizability as the difference between the adjusted R Square and the R square is negligible.

Also, the F-statistics are used to test for stability in the regression parameter estimate when sample size increases, and the overall significance of the estimated regression model is estimated at 835.0595. The result indicates that the predictor variable was, as a whole, contributing to the variation in the dependent variable and that there exists a statistically significant relationship at 0.0000% (see prob. f-stat in table 3) between the dependent variable gross domestic product (GDP) and the predictor variables (PPT and NOT). The result indicates that the overall equation is significant at 0.0%, below the 5% generally acceptable level of significance significance in social sciences. The result further indicates that the econometric model fits at 5%.

Test of Research Hypothesis One

Ho_1: Petroleum Profit Tax (PPT) does not significantly affect Nigeria's gross domestic product. Given that the p-value concerning the beta coefficient of PPT is estimated at 0.7633 (see prob. statistics in table 3), which lies above the 5% level of significance, the study, therefore, accepts the null hypothesis and concludes that petroleum profit tax (PPT) has no significant effect on the gross domestic product of Nigeria in the short run.

Test of Research Hypothesis Two

Ho_2: Non-oil tax revenue does not significantly affect Nigeria's gross domestic product. Given that the p-value concerning the beta coefficient of non-oil tax is estimated at 0.2568 (see prob. statistics in table 3), which lies above the 5% level of significance, the study, therefore, accepts the null hypothesis and concludes that non-oil tax (NOT) has no insignificant effect on the gross domestic product of Nigeria in the short run.

Discussion of Findings

The findings of this study are discussed based on the study's objectives.

Petroleum Profit Tax and Economic Growth

The study's first objective was to examine the extent to which petroleum profit tax (PPT) influences Nigeria's gross domestic product (GDP). A null hypothesis was formulated in line with this objective and was tested using p-values at a 5% significance level. Findings from this test reveal that petroleum profit tax insignificantly contributes negatively to Nigeria's gross domestic product (GDP). This finding is consistent with the findings of Iorpev *et al.,* (2019), who found no significant effect of petroleum profit tax on the economic growth of Nigeria. In contrast, the finding is inconsistent with the findings of Aminu *et al.,* (2020) and Inimino *et al.,* (2020), who found a significant positive effect of petroleum profit tax (PPT) on the gross domestic product (GDP). The differences in the findings could be attributed to the varying scope of the two studies regarding time coverage.

Non-oil Tax and Economic Growth

The study's second objective was to examine how much non-oil tax (NOT) contributes to Nigeria's gross domestic product (GDP). Consequently, a null hypothesis was formulated in line with this objective and was tested using p-values at a 5% significance level. Findings from the test reveal that non-oil tax (NOT) insignificantly enhances the GDP of Nigeria. This finding is consistent with the findings of Aminu *et al.,* (2020). The findings could be more consistent with the findings of Yahaya and Yufus (2018), who found a significant effect of non-oil tax, like company income tax, on GDP in Nigeria.

CONCLUSION AND RECOMMENDATIONS

In line with the above findings, it is concluded that public revenue has positively influenced Nigeria's economic growth. However, concerning variables used for the study, petroleum profit tax (PPT) negatively and insignificantly improves Nigeria's economic growth. In contrast, non-oil tax positively and insignificantly accelerates the growth of the Nigerian economy during the period under study (1990-2021).

In conformance with the study's findings, the following recommendations become necessary and unavoidable:

i. The federal government of Nigeria should create an enabling environment that will enhance the effective collection of the total tax revenue accruable from the oil industry. Such measures include a speedy passage and implementation of the Petroleum Industrial Bill and curbing corruption inherent in the petroleum industry.
ii. The federal Inland Revenue should continue to improve its duties of assessing and collecting taxes from non-oil tax sources like companies operating in the country. These duties could help the government to derive more revenues.

SUGGESTION FOR FURTHER STUDY

There is enormous scope as regards more research that can inform an understanding of public revenue and economic growth of Nigeria, which could include studying the effect of tax administration on the total revenue of the federal government and studying the effect of personal income tax and education profit tax on Nigerian economic growth.

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