CEDTECH International Journal of Management Studies & Entrepreneurial Development
Volume 4, Number 4, December 2023
http://www.cedtechjournals.org
ISSN: 2756-4576

TAX EXEMPTS AND PERSONAL INCOME TAX COMPLIANCE IN NIGERIA

[1]Felix Ogheneochuko Alade and [2]Prof. Ofiafoh Eiya
Accountancy Department, Delta State Polytechnics, Otefe-Oghara
Accounting Department UNIBEN
Email: felixaladeo@gmail.com, ofiafoheiya@yahoo.com

ABSTRACT

This study was carried out to examine the relationship between tax exempts and personal income tax Compliance in Nigeria. The study employed the use of time series data for period of seven years from 2011 to 2017 to examine the impact of these variables in Nigeria. From the analysis carried our it was observed that Pencom which is given as total annual individuals' pension contributions was found to have a negative impact on Personal Income compliance which is the actual PIT Revenue divide by budgeted PIT revenue, multiply by 100 (PIT Gap). National health insurance scheme contribution was found to have a positive relationship with PIT Gap. National housing found contributions was found to have a positive relationship with personal income tax revenue. Total annual individual gratuities contributions were found to have a negative relationship with PIT Gap. It was therefore recommended that Joint Tax Board (JTB) should issue circulars to discourage abuse of PIT exempts, as most taxpayers exploit it to avoid PIT, by mandating Pension fund administrators to deduct and remit PIT on any deductions on AVC withdrawer after five years of contributions. Also the current state of the NHIS which favors only employees of the Federal and State Governments has limited coverage and should be discouraged, by domiciling the scheme in all the States of the federation as a micro NHIS to accommodate the informal sector, hereby attracting the informal sector into the PIT net. Prudent management and productive use of tax revenue to better the lots of the citizens should be encouraged and public waste of funds should be drastically reduced or cut-off.

INTRODUCTION

In the world over, governments are saddled with the responsibility of providing some basic needs for their citizens. How government effectively achieves this responsibility, more often than not depends on the revenue at its disposal. Some of these basic responsibilities include: income redistribution, fiscal responsibility and accountability, stimulating investment and saving as well as provision of public goods and services. Globally, taxation is adjudged as a veritable and sustainable source of revenue for government to meet their various obligations (Eze, Iorwuese, & Abba, 2016). Effiok, Tapang, and Eton (2013), opine that though taxation is designed to support government in the discharge of its obligations to the citizens, however, circumstance arise that

require taxes to be waived or selectively applied in the form of tax exempts (TE) to facilitate investment, savings and promote economic activities.
However tax exempt could also be likened to tax avoidance scheme due to the fact that some of the items that are characterized as being exempted from tax, are actually capitalized on by most individual tax payers as loopholes to take advantage of, hence avoid taxes or reduce their tax burden. Furthermore, there has not been a universally accepted definition of tax avoidance. Most literatures have attempted to give definitions or descriptions that will to a large extent explain the term. Tax avoidance in its simple form is the exploitation of loopholes in tax laws to reduce the amount of tax payable. This in every sense is legal, but is not the original intention of the tax authorities. Following Hanlon and Heitzman (2010), tax avoidance was defined broadly as the reduction of explicit taxes.

More often than not, tax laws provide specific exempts for persons, items or transactions which would otherwise be taxed. According to Black's law dictionary, tax exempts (TE) are immunity from obligation to pay taxes in whole or in parts. It is an amount allowable by law as a deduction from income or profit that would otherwise be taxed. In Nigeria, Personal Income tax exempts as enshrined in the Sixth schedule of the Personal income tax (Amendment) Act 2011 include: National Health Insurance Scheme (NHIS), National Pension fund contribution (NPF), Life Assurance premium (LAP), National Housing Fund (NHF) contribution and Gratuities. In line with measures taken to reduce personal income tax (PIT) non-compliance; encourage savings; and promote investments by individual taxpayers, Nigeria amended the PIT exempts in 2011 (Joint Tax board (JTB), 2013). These exempts allow individual taxpayers (Direct Assessment and employers under Pay-As-You-Earn (PAYE)) to make deductions where applicable when computing the tax liability of the employee. According to Akhidime and Abusonwa (2013), taxpayers have taken advantage of these allowable deductions as there is no limit to the amount an income earner can contribute to these statutory deductions. Thus resulting in tax exempts abuse for the advantage of the taxpayers and denying government the much needed revenue for developments. From the above assertions, we define Personal Income Tax exempts as statutory deductions not subject to tax, from the income of individuals in self-employment and paid employment to encourage tax compliance, savings and promote investments. In retrospect, the history of TE can be traced to the Holy Bible, in first Samuel 17 (25) with respect to the promise of king Saul that whoever was capable of killing Goliath the terrorist of Israel would not only be given the king's daughter to marry but his family would also be exempted from taxes. According to Pajuodiene (1996), the size of tax exempts should be set to ensure minimum consumption, thus reduce necessity of cross-flows of PIT payment and social benefits.

A non-biblical account provides that the then United States (U.S) congress has passed income tax laws since 1894 which provided for exemptions for certain income and institutions. Tax exempts in modern times are granted to individuals that the government wish to promote economically (Pajuodiene, 1996).

STATEMENT OF THE RESEARCH PROBLEM

Tax non-compliance is as old as taxes themselves. The discourse in extant literature on tax compliance suggests that the problem of non-compliance by taxpayers is far from being settled (Kiabel&Nwokah, 2009). Thus, PIT is not an exception. However, Ayua (1999) argues that the only group of persons who fulfil tax obligations in Nigeria are civil servants and salaried workers, though among this group many still hide under the cover of statutory deduction (tax exempts) and relief as a fertile ground to evade tax. In other words, most self-employed income earners who pay tax under direct assessment hardly pay tax.
In Nigeria, PIT compliance has been labelled as unsatisfactory, problematic and disappointing than all other Nigerian taxes (Kiabel&Nwokah, 2009; Osemeke 2010; Salami, 2011). Similarly, Nzota (2007) asserts that despite the measures put in place by the tax audit and investigation department in Nigeria against non-compliance, the problem still persist and worst hit is PIT. PIT non-compliance manifest itself in the form of abuse of tax exempts, delayed payment and false declaration of income (Akhidime &Abusonwa, 2013). Over the years, government's focus on taxation of individuals has been on personal income tax (PIT) through the pay-as-you-earn (PAYE) system. This is due to ease of monitoring, by relying on employers as unpaid collection agents offering gratuitous service to the various Revenue Boards. Several "brief-case" professionals well accomplished sole proprietors and very important personalities all go around, earning millions of Naira in income but they do not pay tax. This concentration on PAYE has left a huge tax gap ranging from non-payment of PIT on other sources of income to non-payment of PIT by individuals not covered by the PAYE system. In the same vein, JTB (2013) agreed that despite the objective of TEs to encourage voluntary tax compliance via minimal tax, however the continued abuse of these TEs by taxpayers have resulted to decline in revenue to the government. Similarly, according to Adeosun (2018), the total number of tax payers in Nigeria is just 19 Million out of the 70 Million economically active people that are not tax compliant. Of this number, 96% have their taxes deducted at source from their salaries under the P.A.Y.E system while just less than 6% (760,000) persons comply under Direct Assessment. So the vast majority of Nigerians do not pay taxes.

Furthermore, Central Bank of Nigeria (CBN), (2016) reveals that the ratio of PIT to GDP between 2008 and 2016 has not risen above 2.5%. This trend shows the abysmal performance of PIT in Nigeria. Also, according to Adeosun

(2018), Nigeria's tax to GDP ratio is currently 6% which is one of the lowest in the world.

Most researchers in Nigeria (Anyaduba, Eragbhe, &Modugu, 2012; Badara 2012; Modugu &Anyaduba, 2014; Eiya, Ilaboya, &Okoye, 2016; Alade, Eiya, &Adu, 2016) focus attention on either tax compliance generally or companies income tax compliance. Against the above backdrop, variables such as tax knowledge, tax audit, tax ratio, attitude, norms, fairness, tax complexity, religiosity, culture, age, and gender have been identified as factors that affect tax compliance (Palil, 2010; Modugu &Anyaduba, 2014; Eiya et al., 2016; Alade et. al., 2016). These variables which are more volatile are in turn affected by contextualized factors such as economical, individual, social, institutional and demographical factors. However, a change in assessment, tax legislations (rates, tax base, exemption threshold) tax assessment and determination of tax liability are most likely to affect the factors which influence tax Voluntary compliance especially PIT. Therefore, the fundamental question is how does tax exempts impact on PIT compliance. To the best of our knowledge, this study breaks with tradition being the first to investigate the relationship between tax exempts and PIT compliance in Nigeria.

Against this background, this study provides answers to the following research questions:

1. What is the relationship between National Health Insurance Scheme Contributions and PIT compliance in Nigeria?
2. What is the relationship between National Pension contribution and PIT compliance in Nigeria?
3. What is the relationship between life Assurance premium exemption and PIT compliance in Nigeria?
4. What is the relationship between National Housing Fund contribution exemption and PIT compliance in Nigeria?
5. What is the relationship between Gratuities exemption and PIT compliance in Nigeria?

Objectives of the Study

The broad objective of this study was to investigate the impact of tax exempts on PIT compliance in Nigeria. However, the specific objectives of this study are to:

1. examine the relationship between National Health Insurance Scheme (NHIS) contributions exemptions and PIT compliance in Nigeria ;
2. evaluate the relationship between National Pension scheme exemption and PIT compliance in Nigeria;

3 ascertain the relationship between life Assurance premium (LAP) contributions exemptions on PIT compliance in Nigeria;
4 investigate the relationship between National Housing Fund (NHF) contribution exemption and PIT compliance in Nigeria; and
5 determine the relationship between gratuities and PIT compliance in Nigeria.

Research Hypotheses
The following null hypotheses were formulated as a guide to bring direction and focus to the study.
Ho_1: National Health Insurance Scheme contribution has no significant relationship with PIT compliance in Nigeria.
Ho_2: National Pension Scheme exemption has no significant relationship with PIT compliance in Nigeria.
Ho_3: Life Assurance Premium exemption has no significant relationship with PIT compliance in Nigeria.
Ho_4: National Housing Fund contribution exemption has no significant relationship with PIT compliance in Nigeria.
Ho_5: Gratuities exemption has no significant relationship with PIT compliance in Nigeria.

Scope of the Study
Nigeria is the focal point of this study. PIT has legally existed in Nigeria since the enactment of the Income tax management Act 1961, which metamorphosed into PIT Act 1993, however this study covers a period of seven years from 2011 to 2017. This period is important because it captures the recent amendment and introduction of tax exempts into the PIT Act.

Significance of the Study
This research is significant in several ways. To the best of our knowledge, this is the only study that examined the impact of tax exempts on PIT compliance especially in Nigeria. Tax non-compliance generates costs for the economy, creates bad models for individuals and business. However, how tax exempts helps to encourage compliance and reduce cost of PIT non-compliance in Nigeria, has not been subjected to hard core empirical research. The research findings would be importance to policy makers as they designed policies aimed at enhancing economic and development through a better tax compliance system. Policy makers, especially Federal Inland Revenue Service will use the outcome of the study to gauge it's performance and determine the level of input it would have to make to impact positively to the Nigerians. Thus, this study served as a watershed for tax authorities to re-examine the various PIT exempts on the potency to encourage PIT compliance, as well as circumscribed the

abuse of the PIT exempts. And the arguments that tax authorities are inefficient and are therefore not proactive in the collecting taxes are thought of sound reasoning, however, the culture of Nigerian not to pay tax or even hear the word "tax" is so rooted in the Nigerians from the colonial days to the present day Nigeria. In addition, the study will serve as a starting point for upcoming researches in the subject matter by subsequent researchers.

LITERATURE REVIEW

We begin this section by discussing tax compliance as defined in extant literature and further review PIT compliance. Also, we discussed PIT exempts in Nigeria, such as NHIS, NPC, Gratuities, Life Assurance premium and NHF contributions which are of great concerns in this study

Personal Income Tax Compliance

A taxpayer can either be compliant or non-compliant. A compliant taxpayer is one who fulfills every aspect of his obligations. Non-compliant taxpayer on the other hand, is one who fails to meet one or more of the aspect of his obligations. Thus, tax compliance requires a taxpayer's willingness to comply with tax laws which are determined by either legal, environmental, or other structural factors at a particular time and place (Songs &Youbrugh T, 1978). A taxpayer maybe non-compliant to tax laws because of mistake in filling his tax liability. In both cases, non-compliance is adjudged the same however, intention is different. Furthermore, tax compliance has been divided into: administrative and compliance in terms of completion (accuracy) of the tax returns (Chow, 2004; Haris, 1989). Compliance in pure administrational terms, involves registration with tax authority as a tax payer, submitting tax returns regularly and making payment for due within the time frame. On the other hand, a more robust perspective of tax compliance entails level of honesty, sufficient tax knowledge, accuracy and timeliness in completing tax returns and other tax documentation. Tax noncompliance involves both tax avoidance and evasion. Tax avoidance is when taxpayers take advantage of the loopholes in tax laws to reduce tax liability while tax evasion is where taxpayers file incomplete tax returns or refuse to file tax returns (Anyaduba, 1999).

Determinants of Tax Compliance

Arguments on the determinants of tax compliance over the years have been centred on one of the four schools of thoughts: Economic motives, social, institutional and demographic. Most researches (Brooks, 2001; Devos, 2008; Kirchler, 2007; Palil, 2010) identified variables such as economic, social, psychological, institutional and demographic as determinants of tax compliance. In line with the above studies, this study classified determinants of tax compliance into four (4): Economic, Social, Institutional and Demographic. These motives are explored below:

Economic Motives and Tax Compliance

Economic motives of tax compliance behaviour are centred on the economics of crime theory (Deterrent Model). Earliest studies of tax compliance were mostly based on economic of crime theory. This theory was first used by Becker (1968) in the field of criminology. He asserts that criminals are discouraged from indulging in crime if the probability of being caught in a crime is high. In the context of taxation, Alingham and Sandmo (1972), posit that taxpayers will be discouraged from evading taxes if the probability of being caught in a tax audit is high and there are adequate penalties. The economic or traditional approach to tax compliance behaviour observes that people act rationally and the basic measures for encouraging tax compliance are high penalty rates and probability to get punished (Kerly, 2015). This approach tends to be overbearing, reducing human behaviour to numerical measures and designed probabilities upon which outcome can be determined. Thus, it tends to have a narrow theoretical view. Furthermore, Alm, Jackson, and Mckee (2004), argued that increased probability of audit encourage tax compliance because it has direct deterrent influence on taxpayers audited and indirect deterrent influence on taxpayers not audited. In the same vein, Modugu and Anyaduba (2014), carried out an investigation on the impact of tax audit and other qualitative attributes on the tax compliance level of companies in Nigeria. Their result showed a positive relationship between tax audit and tax compliance. Also, they found that the probability of being audited and perception of government spending have a significant effect on tax compliance in Nigeria. The above results suggest that the economic deterrent models have relevance to compliance behaviour but that there are other influencing factors to be considered.

Social Motives and Tax Compliance

The social motives of taxpayers' behaviour have to do with the psychology of taxpayers. They are centred on the prediction and understanding of human behaviour or how people make decisions. These motives are captured in Reason Action and Equity and Fairness Theories. Reason Action theory as developed by Fishbein and Azjen (1967), tends to explain the relationship between attitudes and behaviours within human action. They assert that individual's decision or action depends largely on social and personal influences. That a person tends to undertake an action when he/she evaluates the consequences of the action to be positive and the group believes he should undertake it. Thus, the behaviour of reference groups like peer group and family members may also influence taxpayers' compliance. According to Sour (2004), Economic motives did not take cognizance of the presence of ethics and moral that have the proclivity of limiting taxpayers from under reporting his income. In addition, Torgler (2007), opines that social motives are determinants of tax compliance behaviour in respect to taxpayers' readiness to

comply with tax laws with reference to others' behaviour and social background. Reason action school of thought asserts that people consider the consequences of their actions before they decide or form an opinion to undertake or not to undertake a given behaviour (Azjen&Fishbeing, 1980).

Furthermore, Spicer and Becker (1980) carried out an experimental study on fiscal inequality and tax evasion. They found among others that tax evasion tends to increase when people are told that their tax burden is higher than the rest members of the group they belong. Similarly, Murphy (2004), investigated the relationship between fairness and tax compliance. He found a positive relationship. In the same vein, Palil (2010) opines that awareness of fairness and equality in the tax system will engender high level of deliberate tax compliance. Conversely, Webley, Robin, Elffers, and Hesing (1991), in their experimental research on tax evasion found among others that there is no relationship between perceived inequalities and tax compliance.

Institutional Motives and Tax Compliance

Institutional motives have different meaning to different authors. Some of the authors are of the opinion that it implicitly refers to principles put in place by government and tax authority to promote tax administration (Mustapha, Zakeree, &Yahaya, 2015). Institution has to do with humanly devised limitations that help to shape human interaction (North, 1990). The components of the institutional motives encompass simplicity of tax administration and returns, robust tax authority and good governance style. Institution could be formal or informal. Formal institution includes constitution, law and regulations, while informal institution includes: norms, etiquette and convention in that particular society. These institutions are individual creation like cartel that benchmarks the behaviour of the members of such institution. In the traditional (Economic of Crime) model, the argument of the individual choices within a social environment is not captured.

Demographic Motives and Tax Compliance

Several motives have been given as the determinants of tax compliance behaviour in the literature. One of the earliest determinants identified by scholars that play an important role in taxpayers' compliance behaviour is demographic motives. Although there are mixed findings on each of the demographic components such as age, gender, education, marital status, occupational status, religiosity and tax compliance. On age, most researches support age as determinants/components of tax compliance (Kaplan &Beckers, 1985; Baldry, 1987). In contrary, Jackson and Miliron (1985), study showed a negative relationship between age and tax compliance. In addition, education was also identified as an important demographic component of tax compliance behaviour. Education denotes taxpayers' knowledge about the tax law. The

argument on education as demographic component of tax compliance is divided along two lines, one argument asserts that better educated taxpayers are knowledgeable on revenue laws, hence in a better position to know the services government provides as well as government drain-pipes (Eiya, 2012). On the other hand, educated taxpayers are less compliance because they know various loopholes for tax evasion and avoidance and as such take advantage of such opportunities to evade or avoid taxes. Flowing from the above discussion on determinants of tax compliance, it is obvious that emphasis are basically on Economic, Social, Institutional and Demographic points of view, thus little or no attention was given to tax exempts dimension of compliance.

Personal Income Tax in Nigeria

Personal income tax predates Nigeria independence. It is the oldest form of tax introduced as a community tax in Nigeria in 1904. Over the years, this community tax metamorphosed to income tax management Act (ITMA) in 1961 when there was the need to pay tax on personal income across the country. In retrospect, the history of PIT law in Nigeria can be traced to the Raisman commission of 1957 whose recommendations were incorporated in section 7024 of the 1960 constitution. In 1993, ITMA was repealed with PITA 1993. PIT is a tax on salaries of those in employment and income of self-employed which has been subjected to several amendments (PITA 2004, PITA 2011). According to Eiya (2012) PIT is a compulsory payment made by individuals in employment (private and public employees inclusive) and self-employed citizens of a state to the government based on taxable income. It should be noted that PIT jurisdiction is shared between federal and state governments. According to Part I of the Taxes and Levies Act 2015, federal government administer PIT in relation to members of the armed forces of federation; members of the NPF; federal capital residents; and staff of Foreign Affairs as well as non- resident individuals. However, with the establishment and enactment of the federal capital territory Internal Revenue service (FCT-IRS) will now administer all non-federal collectible taxes with respect to individual and enterprises resident in the FCT. Thus, it will administer PIT, FCT property tax, Capital Gains tax, stamp duties and all other taxes and levies within its jurisdiction. On the other hand, the states government administers PIT in relation to Pay-As-You-Earn (PAYE) and direct taxation (self-assessment). PITA 2011 is considered to have made a giant stride at bringing the Act in consonance with existing realities in Nigeria economy and the National tax policy of the burden reduction, equitable redistribution of income, promoting tax compliance and drastic shift from direct to indirect taxation (JTB, 2013). One of the radical amendments is the introduction of statutory deductions (tax exempts) in the sixth schedule of the PIT 2011. According to JTB (2013), this amendment may likely bring about decline in PAYE revenue

accruing to tax authorities due to abuse of these statutory deductions such as NPF, NHF, Gratuities, and Life Assurance Premium.

Personal income tax Exempts in Nigeria

Tax exemptions (T.E) have been variously defined as follows: amount allowed by law as reduction of income or profit that would otherwise be taxed;
An amount of taxpayers' income that is not subject to tax; and immunity from the obligation of paying taxes in whole or in part (Teju, 2015). In line with sixth Schedule of PIT 2011 (as amended), tax exempts are statutory deductions made from an employees and self-employed remuneration against their total income. These statutory deductions include NHIS, NPF, NHF, Gratuity and Life assurance premium contributions.

National Pension Fund Contribution

Pension is a regular payment by the government or corporate bodies to their Retirees in form of social security to leverage against uncertainties or old age risks (Chang & Jaeger, 1996). In the same vein, Olaniyan (2004), sees pension as a systematic planning or contribution to give benefits to their employees at retirement or change of job. In some developed climes, such as United States of America (USA), pensions are usually extended to cover other categories of persons such as widows, orphans, disabled people and the elderly (Change & Jaeger, 1996). In countries, such as Netherland, Switzerland, United Kingdom and United States well developed pension system pension fund contributes over 85 percent of GDP (Whitehouse, 1998). Ugwu (2006) outlined the three (3) main categories of pension in operation which he classifield as: compensatory pension; this type of pension benefit is granted to employee whose position is terminated and government is unable to provide him with suitable alternative employment. Retiring pension: This is a type of pension granted to employees after a successful completion of fixed period of service. In Nigeria, retirement age is between 30 to 35yrs.Superannuating pension. This is a type of pension granted to employee who retires at appropriate or prescribed age limit in a condition of service. In Nigeria the limit is upon attaining the age of 60 to 65yrs of public services and 70yrs of age for Professors and judges. Nigerian pension fund had its history attached to colonial era pension ordinance of 1951 (Balogun, 2006). After independence, there was need for indigenous pension fund, hence the establishment of National Provident Fund (NPF) in 1961. In 1975 the NPF was subsumed as a parastatal and public pension fund created with the recommendation of Udoji committee report of 1972 (Odia&Okoye, 2012).Decree No. 73 of 1993 saw the rebirth of the Nigerian Social Insurance Trust Fund (NSITF) with effective date from July, 1994. The NSITF was a defined benefit scheme with limited coverage. It covered the private sector with a minimum of 5 employees. Under the NSITF, monthly contribution of members was initially 7.5 per cent of basic

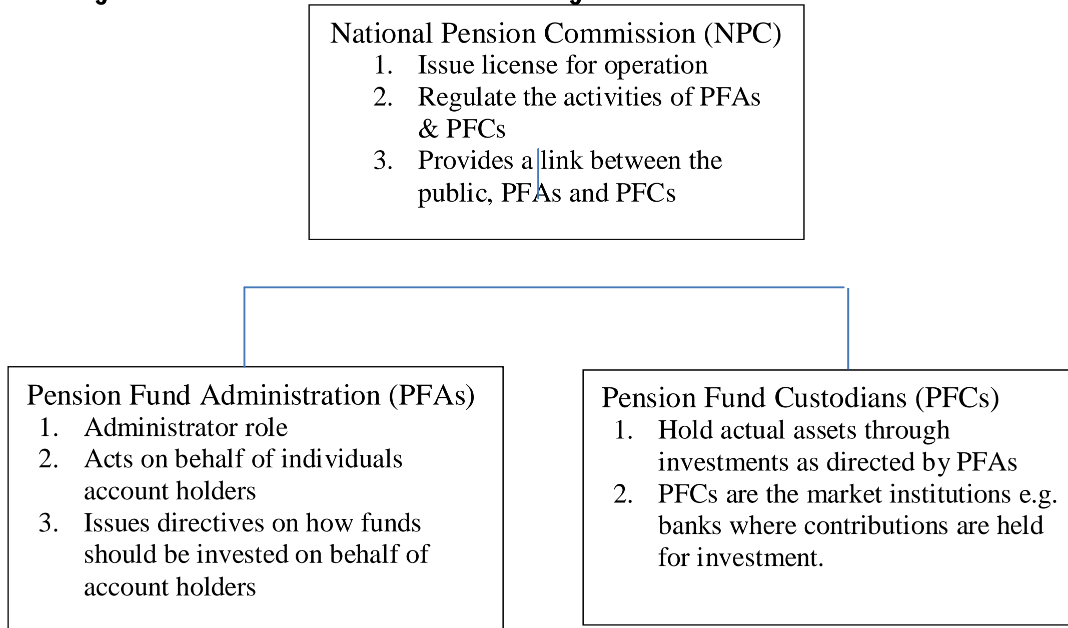
salary shared in proportion of 2.5perc cent and 5 per cent between employee and employer.

Prior to June 2004, the pension scheme was pay-as-you-go (PAYG) or defined benefit (DB) Scheme which was financed via budgetary provision (100%) funded by government for civil servants and contributory or 100% financed by employers. According to Alo (2004), the DB scheme was laced with myriad of problems ranging from dependency on budgetary provision; embezzlement and increased pension debt profile. In the same vein, Gibtse (2006), asserts that the scheme was characterized by inefficiency, weak, and lack of transparency as well as corruption of Pension Funds Administrators (PFAs). These inherent problems made the scheme unsustainable and the need to change the narrative necessitated the 2004 Pension Reform Act (PRA) (Gibtse, 2006). PRA (2004) heralded the contributory pension scheme (CPS) which ceded pension administration and management to private sector: the pension fund custodians (PFCs) and pension fund administrators (PFAs). The Act repealed all existing Acts (1990, 1993) with the CPS. Under the Act No. 20, the employer and employee have a mandatory percentage contribution to the scheme. Specifically, section 9(1) of the PRA 2004, clearly spells out the proportion of the contributions as follows; a minimum of 7.5% each by employees and employers of public service of the federation and others; 12.5% By employers and 2.5% by employees in the military. Also, the Act established the national pension commission (PENCOM) as the apex body responsible for licensing, regulating and monitoring both the PFAs and PFCs in Nigeria.

In July 2014, a new Pension Reform Act was signed into law by the then President Goodluck Jonathan. The new PRA repealed the PRA of 2004. Like the repealed Act, the PRA 2014 governs and regulates the administration of the CPS for both private and public sectors in Nigeria. According to Price Water House Cooper (PWC) (2014), the new Act is to encourage more participation in the CPS by increasing the mandatory minimum contribution from total 15 per cent to 18 per cent (8% employees and 10% employers); and impose stiffer penalties and fines on PFAs and PFCs. The new PRA makes provision for employees in both private and public sectors Organizations with 15 or more employees. While in the case of Private Organization with less than 3 employees participation would be at the instances of the guidelines issued by the regulator (PENCOM). In addition, the new PRA allows the employer to take full responsibility for the full contribution. However, when the employer takes full responsibility for the contribution, the contribution shall not be less than 20% of the employee's monthly emoluments. The new PRA was designed to ameliorate the tensions and erroneous beliefs that characterized the old scheme. However, scholars have argued that the new PRA was not better off as irregularities in the payment of pensions; mismanagement by PFAs; and lack of

awareness in the pension process makes it a new wine in an old bottle (Kojusola, 2015).

Diagrammatical Structure Of NPF In Nigeria



Source: Kpessa (2011).

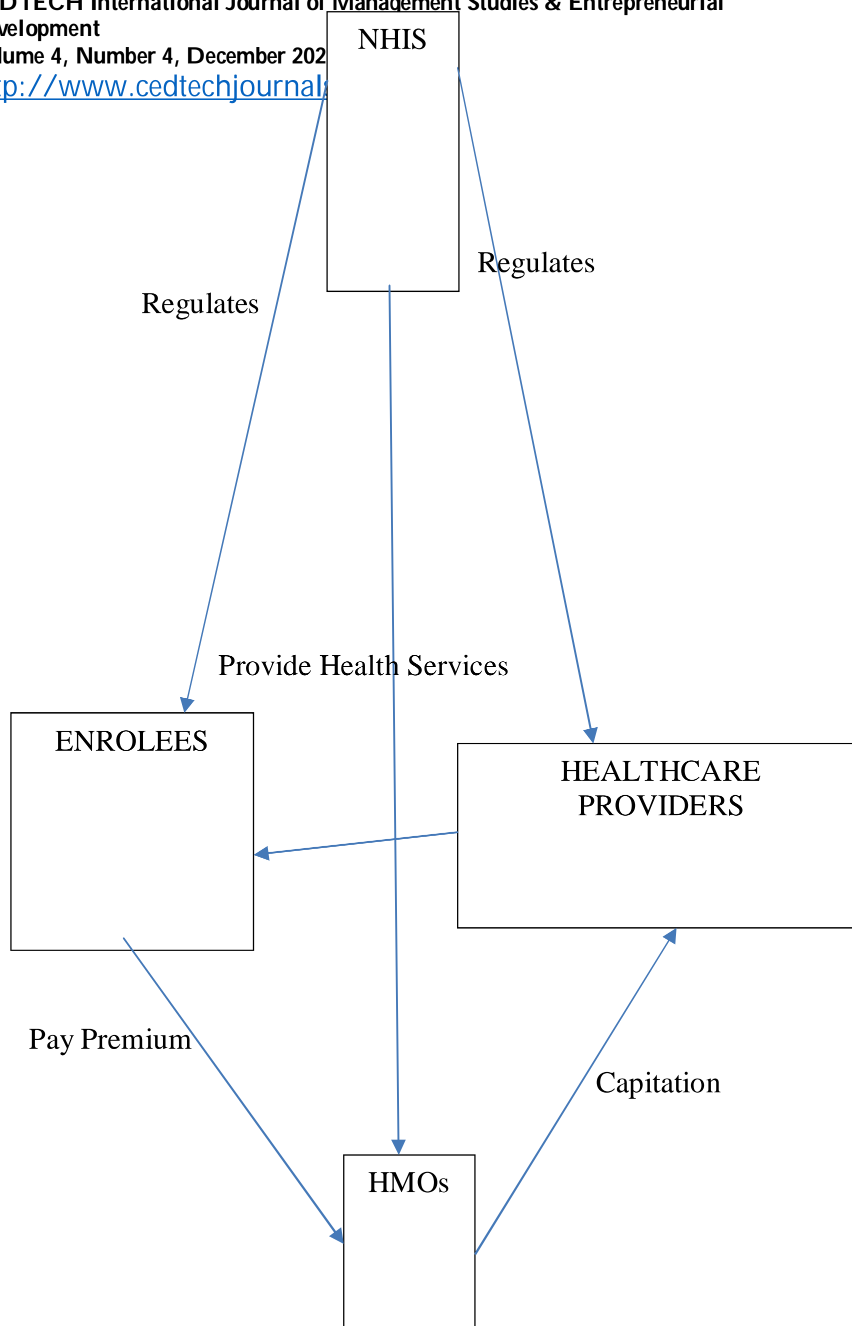
Section 9 (4) of Pension Reform Act 2014 allows employer to contribute additional sum from their emoluments to their Retirement Savings Accounts (RSA) maintained with a Pension Fund Administrator (PFA). The PRA explicitly exempts all contribution to RSA from PIT in the hand of employee and employer. Withdrawals from additional Voluntary Contributions (AVC) by an employee prior to five (5) years of making such contributions is liable to PIT. Since the enactment of the PRA in 2014 however, most PFAs appear to have been promoting the use of the AVC as a tax-saving plan for employees, by encouraging employees to channel longer proportion of their incomes to the RSA as AVC with assurance of easy withdrawal within the shortest period of time. This practice has greatly resulted to a significant loss of PIT revenue to state tax authorities (JTB, 2013). Furthermore, JTB (2014), in their publication, insist that withdrawals from AVC, as being practice by the PFAs does not meet the requirements set out in section 16 of PRA 2014, which restrict withdrawals to the latter of retirement and attainment of 50 years or upon permanent disability or death of an employee. Similarly, JTB also argues that the labour Act limit an employer from allowing employee to deduct 33[1/3rd] of employee's income from the payroll in a month, thus, any deduction of AVC which lead to violation of the this provision is adjudge artificial transactions in

line with section 17 PITA (as amended) 2011. The above assertion brings to fore the argument of JTB against PFC. the critical questions therefore, are: what extent can this arrangement deny the tax authorities of PIT revenues? Should contribution be disallowed for PIT purpose? Does pension fund contribution deduction for tax purposes encourage PIT compliance?

National Health Insurance Scheme (NHIS)

NHIS is a health insurance scheme that insures or indemnifies health care services for citizens under a contractual agreement. In Nigeria, the NHIS was established under the National Health Insurance Scheme Act, Cap 42 2004 to improve health care services; easy access to good health care services for all Nigerians at affordable cost and protect indigent families from the financial hardship of rising medical bills (NHIS, 2004). Despite these lofty objectives of the scheme, NHIS seems not have garnered the needed support among Nigerians as less than 1.5% of the Nigerian population has been covered over 13years of introduction (Popoola, 2017).Membership of NHIS in Nigeria is voluntary; hence the scheme is lopsided in favour of federal and state staff (Osinelu, 2017). In addition, the federal civil servants in Nigeria operate a customized health care scheme where enrolees contribute 5% and government 10% of the annual basic salary of the enrollees. However, the private sector has a different package with their chosen Health management organizations (HMOs).

The Diagrammatical Structure of NHIS in Nigeria



Source: Author's Design

In Nigeria, NHIS is a regulatory body that supervises the operation of health insurance. Other major stakeholders are: health management organizations (HMOs); Health care service providers (HCSPs) and the enrolees.

Health Management Organization (HMO)
HMOs are private or public incorporated companies licensed by NHIS solely to manage the provision of health care through health care facilities (Hospitals and related service providers) accredited by the scheme, enrollees' pay

premium or their employer pay on behalf of the enrollee to the HMOs for the insurance cover. The HMOs in turn, makes capitation payments to the health care services to the enrollees any time the need arises. The dominance of the HMOs with private companies while health care services to the scheme left in the hand of dominant public facilities creates a gap in the effectiveness of quality health care services (Popoola, 2017).Health Care Service Provider (HCSPs), HCSPs are facilities such as hospitals (both private and public) licensed by NHIS and monitored HMOs to provide quality health care services to enrollee's. Enrollees under the NHIS scheme are employees who insured themselves or employers with regular payment of premium determined by NHIS to the HMO. In the case of Ghana, the scheme is known as Ghana National Health Insurance Authority (NHIA) established in 2003. The introduction of the scheme had recorded over 11 million enrollees, about 40 per cent of the 26.9 million population of Ghana (Wang, Otoo, &Dsame-Sebby, 2017). NHIA is voluntary, similar to NHIS; however, its major funding is Value Added Tax (VAT) revenue.

Gratuities

Gratuities are payments made to a certain category of person(s) on retirement or resignation from employment based on agreement between the employee and the employer. Gratuities and pension are post-employment benefits to retiree. According to Ebosele (2001), Gratuity is the lump sum paid to a worker after retirement or the withdrawal from active service. This lump sum aids the retiree's finance on a major post retirement endeavour (Babasola, 2010). Similarly, Ozor (1999), defined gratuity as a payment made by the employer to the employee in appreciation of the past services rendered. Prior to the rebirth of the new PRA 2004, under the defunct NSITF, employers in Nigeria had always paid gratuity with their contribution to the NSITF. However, the coming into existence of the new PRA, payment of gratuity in the private sector has become a thorny issue between Labour and Nigerian employer's consultative association (NECA) (Kpessa, 2011). He further argued that the disagreement harped on the fact that: gratuity subsist because there is nowhere in the new PRA the issue of gratuity is addressed; The CPS draws contributions from both employers and employees hence focuses on pension of workers not gratuity; And gratuity is a sole responsibility of the employers. On the contrary, Pencom argued that gratuity is a product of collective bargain and pension reform was not put in place to abolish that which has been achieved via collective bargain (Kpessa, 2011).Sixth schedule of the personal income tax act, 2011(as amended) specifically exempts any contributions by employees to gratuity under a scheme approved by Pencom or under the PRA to encourage savings and tax compliance (JTB, 2013)

Life Assurance Premium Contribution

Life Assurance or insurance is a risk pooling plan or economic devices through which the risk of premature death is transferred from the individual to the group (Agbadudu&Unugbro, 2009). It is a contractual relationship between the policy owner and the insurance company, whereby the insurance company agrees to pay a sum upon the occurrence of the insured individual death or terminal or critical illness (Gregg, 1962). Also, life assurance is described as a unique way of creating an estate for ones dependents (Agbadudu&Unugbro, 2009). In view of the above definitions, life assurance or insurance could be described as a contractual relationship between the insured (policyholder) and insurer (insurance company) with a regular payment of premium by the insured and the indemnity by the insurer. Insurance premium is the amount of money an individual employee or organization must pay for an insurance policy. Specifically, section 9(5) of the PRA 2004 mandated employees to take a group life assurance for employees which also qualify the employer for tax exempts. Life Assurance policy more often than not contains elements of savings or investment. Such policies often mature during the active lifetime of the policyholder or based on agreed tenure. Section 33(4d) of the PITA, 2011 as amended provides for tax deductibility of premium on life insurance and deferred annuity on individuals life or their spouse. Despite this provision, many taxpayers and insurance companies typically take the view that any policy with elements of life insurance qualify for tax deduction.

In view of this, Lagos State Internal Revenue (LIRS) (2017) clarify its position on what qualifies as life insurance and deferred annuity contracts. It also states the compliance obligations for the premium to qualify for tax exemption. According to LIRS (2017), life insurance policy is a contract where the insurer promises to pay a beneficiary a designated sum of money in exchange of premium, upon the death of an insured person. On the other hand, annuity life contract provides for the annuitant to be paid a fixed monthly amount until death or when benefits are exhausted. Only the insurance premium relating to the life Assurance or deferred annuity on life are tax deductible; any savings scheme element which sometimes form part of the life assurance or contract should be included in deduction and; life assurance policies must include: A cover for the death of the insured or his/her spouse; or it must not include or anticipate a payment to the insured before the age of 50 years, that is for deferred annuity contracts (LIRS, 2017). In the case of United Kingdom (UK), prior to April 2015, LAP was exempted from tax at 12.5 per cent of premium paid. However, as part of simplification of the tax system, reduce abuse and revenue loss, the government removed LAP as tax exempts (Phoenix life, 2015).

National Housing Fund (NHF)

NHF first existed in form of National Housing Policy during the colonial administration in Nigeria. According to Akinwole (1999), the housing policies in this era harped on the provision of quarters for expatriates and other educated or selected staff in specialized organizations such as hospitals, rail ways and police. In addition, the Nigerian Building Society (NBS) was established to provide loan for the public housing in the urban areas. Prior to Nigeria independence in 1960, the joint efforts of NBS and housing corporations were unable to meet the increasing demands for houses due to limited funding and thus, the establishment of National Housing Fund (NHF) program in 1972 (Olaunde, 1999). In 1984, poor planning and lack of capacity to execute the national housing which led to increased housing deficits in urban areas as well as deteriorating housing in rural areas rebirth a new housing policy in 1991 Federal Mortgage Bank of Nigeria (FMBN, 1996).In 1992, the NHF was given a backing of the law by ACT No. 3 of 1992 to enable Nigerians in all sectors of the economy, particularly those within low and medium income levels such as civil servants, traders, artisans and commercial drivers etc, have access to affordable houses (Kolawole, 2017).The Act stipulates that funding of the scheme will come from mandatory contribution of 2.5% monthly income of Nigerians earning N3, 000 and above per annum in both private and public sectors; deposit money banks and merchants banks to invest 10 % of their loans and advances portfolio; insurance companies to invest 20% of non-life and 40 per cent life funds in the housing sector with 50% of these fund directly to NHF and financial contribution of the federal government. The pool of fund becomes available to any contributor or participant after contributing for a minimum of six months. The purpose of NHF in Nigeria includes; mobilization of fund for the provision of affordable houses for all Nigerians; ensures constant supply of loan to Nigerians for the purpose of building, purchasing and improving residential houses; providing incentives for the capital market to invest in property development and encouraging the development of specific programs that would ensure effective financing of housing development, particularly low cost housing for low income earners. The lending limit is generally a percentage of either the market value or the cost of construction of the proposed building. This is to ensure that borrower has a stake in the project to allow repayment commitment and a maximum loan of 15 million naira. Benefits available to contributes as stipulated in the Act includes: Housing loan of up to 90% of the cost of the proposed house; interest on loan remains fixed at 6 % throughout the life cycle of the mortgage; long period of repayment of up to 30 years; contribution serves as additional old age security and refund of 2% interest on retirement. Eligibility for NHF loan is through a registered and duly accredited primary mortgage banks (PMBs) who packages and forwards the application to federal mortgage bank of Nigeria (FMBN). Thus, applicants are required to provide satisfactory evidence

of regular income deducted monthly, which must be remitted promptly to FMBN at least 6 months contributions. Document required for the loan include; Complete application form; photocopy of title documents; current valuation report on the proposed house to buy or bills of quantities (BOQ) for the proposed house and three (3) years of tax clearance certificate (TCC). Others are evidence of NHF participation; copy of pay slips for previous three equity contribution or personal contribution ranging from 30, 20 to 10 per cent depends on loan amount. Furthermore, NHF cannot be used to purchase a piece of land to build a house. Thus, prospective applicant is expected to have a land prior to the application for NHF loan. Similarly, contributor can only as an individual for loan to develop a land or buy directly from government consort estate or private developers. Also, NHF is available to a contributor once in a lifetime without collateral except the property in question.

Review of Empirical Studies

Tax compliance behavior initially, harps on economic perspective followed by psychological and social approach (Kerly, 2015). Therefore, this section reviews and presents in chronological manner empirical studies on PIT exempts and taxation, tax exempts' impact on economic growth.

National Pension Fund Contribution and Taxation

Disney and Johnson (1993), in their study carried out on taxation of occupational and private pension in United Kingdom, measured the tax expenditure of pension incentives and tax receipts. They concluded that tax incentives for pension contribution should not be abolished, because the pension savings accrued during the period outweighed the tax expenditure or revenue forgone, therefore the extra revenue raised from abolishing pension incentives would be small. Also, the study revealed that the U.K tax expenditure relating to pension incentives was just $ 1 Billion when measured, compare with around $7billions reported in their official figures during the time of the study. In contrast, the Organization for Economic Co-operation and Development [OECD] (1994), reported tax expenditure relating to pension and as a percentage of total tax receipts in selected countries of Australia, Canada and U.K. In Australia and Canada, 3 percent of income tax revenue was forgone for granting tax incentives on pension contributions. The reports also, revealed that in the U.K, the tax revenue forgone for granting tax incentives on pension contributions was the second largest tax expenditure, after health insurance. Aside the above contributions, the use of different treatment in computing tax revenue forgone (tax expenditure) in these countries, many of the figures by the OECD may not be strictly dependable and accurate indication of the revenue forgone in those counties. Nor are they accurate indication of revenue that absence of tax incentives on pension would raise, because of other behavioral responses to pension incentives. Similarly,

Samuelson(1987) argues in his book, financial aspect of the U.K states pension system, that offering tax incentives for retirement savings may not ensure that everyone achieves a minimum standard. According to him, some individuals will still fail to provide for retirement fund. That if people have fixed target for retirement fund, a new tax incentives for pension could even induce them to reduce their current savings, hence reduce tax revenue since their level of retirement income remain unchanged. In other word, granting tax exempts to such individuals, may not encourage compliance. In the same vein, Knox (1990), argues that most countries restrict their pension deductibility from personal income tax to reduce tax avoidance. In related studies that tend to look at the impact of Pension on the overall economic growth. Davis and Hu (2008) find a positive effect of pension savings on output for both OECD countries and Emerging Market Economies in the period 1960–2002. For example, for Chile they find that a 1% increase in pension assets can contribute to lead to an increase in output by 0.14% in the long run. In general, for emerging countries stronger effects are found than for the OECD countries. These positive results are not confirmed in the study of Zandberg and Spierdijk (2013). Some other papers focus on the impact of pension reforms on aggregate savings. Samwick (2000),shows that countries with PAYG pensions tend to have lower aggregate saving rates than countries with funded pensions. Altiparmakov and Nedelkovic (2018) analyze the growth consequences of carve-out pension privatization in Latin America and Eastern Europe. Applying different econometric methods on a panel of 36 countries over the period 1990–2013 they find only limited impact on aggregate savings, and no statistically significant effects on growth.

National Health Insurance and Taxation

Bitran (2014) argues that to overcome adverse selection of voluntary health schemes and progress towards Universal Health Coverage, requires two conditions to be met, which he listed as subsidization and compulsion. Subsidization, involves some form of incentives to encourage voluntary participation and not necessary requires individual to make direct contribution. Most low income countries, because of the structure of the economy with most workforces not in salaried employment, granting tax incentives on contribution for health coverage will not generate sizeable revenue, vis-à-vis contribution to compulsory health scheme. According to congressional Budget Office (1985), estimated the tax incentives on health contribution cost the federal Government budget revenue of 6.9 billion dollar in 1975, by 1985 it was 25.7 billion dollar. Similarly, Taylor and Wilensky (1987), evaluate the effect of tax policies on expenditure for private health in the U.S , the analysis revealed that the federal revenue loss to tax subsidy (exempt) on health contributions increased from 3.2 billion dollar or 0.34 percent of Gross national product (GNP) in 1970, to 19.8 billion, or 0.7 percent of GNP in 1987. However, they opined that health

coverage during the period increased, yet did not achieve the universal health coverage(UHC). The study suggested a compulsory UHC insurance scheme financed directly by government without exemption for private contribution. In a related study, Taylor and Lawson (1983), assert that the present favorable tax treatment of employer contribution to employees' health insurance scheme in the U.S costs the federal and state governments a large amount in forgone tax revenue-about 30 billion in 1983. They agreed that tax incentives to purchase health insurance is desirable, however the current way it is been provided in the U.S reinforces the cost increasing incentive and weakens consumer cost consciousness. In addition, they argued that the distribution of tax subsidies to health insurance is regressive, as the system provides substantial benefits for upper income employed people , much less for low income employees, and little or nothing for many self-employed, unemployed and working poor. In contrast, Ginsburg (1985) asserts that the favorable tax treatment of health insurance contribution has had the very beneficial effect of motivating the rapid growth of private (self-employed) insurance coverage. The findings revealed that in 1980 77 million Americans had some form of health insurance coverage, by 1984 the number increased to 189 million or 85 percent of the population as a result of the tax subsidy on health contribution. There are two approaches to estimating the effect of health on economic growth. The first is to take estimates of the effect of health from microeconomic studies and use these to calibrate the size of the effects at the aggregate level. The second is to estimate the aggregate relationship directly using macroeconomic data. Research examining the link between health and economic outcomes, at either the individual or national level, has generally examined two types of health measures: inputs into health and health outcomes. Inputs into health are the physical factors that influence an individual's health. These include nutrition at various points in life (e.g. in childhood, and in adulthood), exposure to pathogens, and the availability of medical care. Health outcomes are characteristics that are determined both by an individual's health inputs and by his genetic endowment. Examples include life expectancy, height, the ability to work hard, and cognitive functioning. There are two critical issues relating to human capital the extent of education and level of health (Weil, 2007). Nevertheless, a good part of the literature on the microeconomics of health and economic outcomes examines the effects of varying health inputs on health outcomes themselves, human capital attributes that are contingent on health outcomes, and wages.. Most of the studies have relied on micro-level data which focus on household and household members. Thomas and Canagarajah(2004) found positive effects of adult nutrition on labor input and wages. Another branch of the literature also attempted to answer the question how much do differences in health contribute to differences in income by focusing on health outcomes rather than health inputs, and conducting a macroeconomic analysis rather than individual level (Bloom, et al, 2000).

Bhargava, et al. (2001) finds positive relationship between adult survival rate and economic growth. Results remains similar when adult survival rate is replaced by life expectancy. However, fertility rate have a negative relationship with economic growth.

National Housing Fund and Taxation

Programs whose aim is to foster the accumulation of housing take various forms , ranging from direct government investment, subsidies and contribution to households or firms, and tax incentives (Jappelli&Panagon, 1994). According to Duebel (2000) one rationale for government intervention in this area is the notion that housing is investment goods, thus tax deductible. In some industrialized countries, such as Australia, Germany and France, housing finance has traditionally relied on contractual savings. In line with this contractual agreement household save an agreed amount over an extended period at a pre-specified term (Lee & Renaud, 1995). In order words, the government plays a role, by providing tax benefits to encourage housing contribution. The French system of contributory housing is more integrated with capital markets and contractual saving for housing works, similar to an account with subsidized return. In contrast, the Germany system contributors can keep their contribution in the housing fund without obtaining the loan if they find the deposit yield attractive (Hills, 1990). Honohan (2000) reviews several studies based on individual time series or cross countries data on the extent of tax incentives on contribution to households housing scheme on overall savings. The findings revealed the propensity of favorable tax treatment for housing contribution promotes savings, however deter government revenue. The study suggestsa compulsory contribution to housing scheme to foster housing accumulation and cure housing deficit.

Contributory Life Assurance and Taxation

Several counties tax system contains provisions of tax incentives for life insurance contribution (Poterbs, 1994). Life insurance is sometime seen as an alternative to long term retirement saving, (i.e.) as financial instrument rather than insurance instrument. Thus, investors or participants gain tax advantage only if they commit to long term contracts (Poterba, 1994). Japelli and Pistaferri (2002) assert that tax deductibility of premium on insurance contract tends to be operative on the financial component of the contract than on the pure insurance component. In Italy, life insurance premium were partly tax deductible between 1987 and 2002, but the tax system did not discriminate between saving and the insurance component. While in developing countries such as Argentina, India, Singapore and Taiwan tax system feature partial tax deductibility of contributions to life insurance policies. Japelli and pistaferri (2002) opined that there is a little responsiveness of contributors' decision to

contribute to the changes in the return of the policy induced by the changes in the tax deductibility of premiums.

Several empirical Works have been carried out to ascertain the link between life assurance and economic development in Nigeria. Ward and Zurbruegg (2000) indicate that in long run, there is a bidirectional causal relationship between real insurance premiums and real GDP for Australia, Canada, Italy, and Japan, whereas a unidirectional causality exist from real GDP to real insurance premiums for France. In interpreting the findings, the authors refer to cultural predispositions towards uncertainty avoidance (Hofstede, 1995; Fukuyama, 1995) and resulting propensity for insurance and the effects of regulation to explain this situation. Kugler and Ofoghi (2005) analyzed also the causality between insurance premiums and economic growth on the period 1966-2003 for United Kingdom. Through the Johansen cointegration test, they highlight a causality running from insurance to economic growth. Then, Webb et al. (2002) also found bidirectional causality between life insurance and economic growth for a sample of 55 developed and emerging countries. By using a vector error correction model (VECM), Vadlamannati (2008) analyzed the short-run causality between life and non-life insurance and economic growth in India and indicated there is a bidirectional causality between life insurance sector and economic growth. In contrast, Adams et al. (2009) provided evidence of unidirectional causality running from insurance to economic growth, but with no reverse effect, in the case of Sweden. Finally, Lee et al. (2013) have used the cointegration technique to examine the relationship between life insurance premiums and growth in 41 countries according to their economic development level during the course of the period 1979-2007.Chen et al. (2012) has showed that life insurance positively influences economic growthin56 countries (both developed and developing). More specifically, he establishes that impact of life insurance on economic growth is driven by high-income countries only. Furthermore, the results indicate that the financial development and insurance sector have complementary effects on economic growth.

Contributory Gratuity and Taxation

Gratuities expenditures are generally classified under transfer expenditure in that when the government makes such expenditures it does not earn any income in return but it carries out such expenditures in order to satisfy its obligations and often times end up offering welfare to the vulnerable segments of the society (Okemini&Uranta, 2008). Other transfer expenditures include government expenditure on public debt servicing, interest payments, government expenditure on subsidies, government expenditures on unemployment allowances and government expenditure on welfare benefits (poverty alleviation programmes) etc.

Palil and Mustapha (2011), investigated factors which affect tax compliance with emphasis on individual taxpayer's knowledge in Malaysia. The study was a meta-analysis of extant literature which comprised of 1073 reactions with two stages of analysis. The first stage focuses on tax knowledge, tax education, income, ethics and gender level of taxpayers. While the second strand focuses on tax knowledge. Tax knowledge was further categorized into: Knowledge about tax exempts (Child relief and personal relief), penalty and fine, knowledge about employment income, dividend and interest, taxpayer right and responsibilities. This study reveals among other things that knowledge which differs among taxpayers has the proclivity to affect tax compliance.

Ohene (2011) assessed tax compliance by self-employed in New Juaben Municipality in Ghana using 270 questionnaires distributed to various individual self-employed. The study revealed that the level of tax compliance among self-employed in Ghana is low, which is attributed to among other things, inadequate knowledge of tax incentives and relief. Aside the above contribution, the study may not be a reflective of the actual behaviour of tax compliance among self-employed in Ghana because it centred on a particular zone of the country and respondents selected may be biased. Modugu and Omoye (2013) carried out an appraisal of personal income tax evasion in Nigeria. The study adopted survey research design and 204 copies of a questionnaire were distributed to residents in Benin City, Edo state. The findings show that high tax rates; poor relationship between taxpayers and tax authority and weak penalties are disincentive to tax compliance in Nigeria. As a research, it contributes to knowledge on the relationship between taxpayers and tax authority vis-à-vis tax compliance. However, the situation in Benin City, Edo state alone cannot be generalized to the entirety of Nigeria due to peculiarity of the tax authority in Edo State, cultural and other state specific characteristics. Furthermore, the study revealed that tax evasion is one of the major problems of tax administration in a developing country like Nigeria.

Graham and Tucker (2006) analyzed 44 tax sheltering cases involving 43 firms in their study; tax shelters and corporate debt policy. From their findings, tax savings produced by these shelters are larger than tax deductions related to interest for firms involved in tax sheltering activities, compared to firm who do not. Also in relation to debt policy, they found out that firms using tax shelters use less debt on the average than firm who do not involve or use tax shelters.
Although this measure has captured tax avoidance to a large extent, great care has to be taken in analyzing the result derived from its computation. This is because, the sample of firms used contains only firms accused of tax sheltering.

It would therefore not be appropriate to generalize it on the total population of firms (Gebhart, 2017).

Another indigenous study is Aronmwan et al. (2014). The study focused on the determinants of personal income tax in Nigeria. The survey research design was employed and copies of questionnaire were distributed to 400 respondents randomly selected from South-South geopolitical zone of Nigeria. The finding reveals that there is a significant relationship between tax rate and PIT compliance; the perception of taxpayers of the government of the day has a significant positive relationship with his/her compliance attitude of the tax system on PIT ; gender of taxpayers has no significant positive relationship with his/her compliance; deterrent measures and social/psychological strands of taxpayers affect the context of tax compliance; more specifically, the study discovered that psychological strands of taxpayers such as taxpayers perception and attitude have a more fundamental impact on PIT compliance than deterrent measure. However, this study focused on South-South zone of Nigeria to generalize on the attitude of personal income taxpayers in Nigeria. Thus, a replication of this study to cover other zones of the country may reflect more objective conclusion. Saratu (2015) examined the impact of competition on tax avoidance activities among Nigerian Deposit Money Banks. The study used panel regression model to analyze the data obtained from the financial statements of 15 banks operating on the Nigerian Stock Exchange for a period of 10 years. The result of the random effect revealed that competition has a positive and an insignificant impact on tax avoidance.

Review of Theories

The major theories underpinning this work are discussed below:

Theory of Planned Behaviour (TPB)

The theory of planned behaviour is traceable to the field of social psychology which is an improvement of reason action theory, planned to predict and clarify human behaviour. TPB was propounded by Fish being and Ajzen (1985). The theory of planned behaviour explains and forecast human actions. This theory helps in explaining and predicting the factors affecting compliance behaviour. This theory classified compliance tax behaviour into three (3) main determinants; attitude, subjective norms and subjective control (Marandu, Mbekomize&Ifezue, 2014).

Expediency Theory (ET)

This theory according to Ibadin and Oladipupo (2015) is rooted in the principle of economy and it explains the efficiency, effectiveness and economy of the instrument of taxation. The theory is based on the link between the state activities and tax liability reason being that it validates the imposition of tax for

providing a basis for distributing tax burden between the members of the society and also for financing state activities. Every proposed tax must pass the assessment of practicality and this test must be considered by the tax authorities in deciding a tax policy (Ogbonna&Appah, 2012). This theory suitably explains the study that taxation is a system that provides an effective and efficient set of policy instruments to governments and such are designed to strategically remedy fiscal and social ills in the society such as unemployment, consumption, regional disparity and income inequality.

Life Cycle Theory

The life cycle theory or life time income hypothesis was advance by Modigliani and Brumberg in 1954 and later reviewed in (1980). This theory yield implication about consumption, savings and assets accumulation over an individual life cycle. The Duo argued that individual makes rational choices about their spending in every stage of their life cycle to their income. Furthermore, they assert that individuals that are gainfully employed or self-employed make provision for their retirement and more generally, their consumption pattern visa-a-is their needs at different ages not independent of their income. Thus, one of the important motives for saving is to carter for retirement. Individual contribute or save for social security at productive (young) age of their career to carter for basic needs (food, clothing and shelter) at retirement. According to Modigliani and Brumberg (1980), individuals that are gainfully employed and self-employed are more concern about how to maximize their welfare at retirement. Hence, maximize their welfare at retirement. This tendency influences their behaviour also to comply with any incentives that encourage them to do so. In the light of the above submission and the principle of neutrality in taxation, the tendency of the individual to save and accumulate assets for his welfare at retirement, is encourage via tax exempts. Furthermore, the main objective of taxation in developing countries, which Nigeria is not an exception, is not only to generate revenue but also encourage savings and investment (capital formation). Therefore, the tendency to save for retirement harped on PIT exempts will likely encourage individual taxpayers (direct assessment) to comply with their tax obligations.

Optimum Income Taxation Theory

Optimum taxation theory major breakthrough was credited to the seminar paper of Atkinson and Stigliz's in 1976. These theories attempt to design and implement a tax that maximizes a social welfare function which also depends on individuals satisfaction commonly referred to as utilitarian function. Hence, tax system is designed to maximize this sum of individual satisfaction. The theories assumed that tax policy is made for the individual preference and the social preference for equity.

In the area of income taxation neutrality, Mirrlees (1971), asserts that neutrality in direct or tax on income from trade and employment should be neutral not to create disincentive to work and discourage investment in the economy. Therefore, an optimal tax is designed to ensure the combination of effective and efficient income taxes in the economy with preference to social welfare contribution, as well as minimize tax induced social welfare contribution (Larsen, 2008).

METHODOLOGY

This chapter gives an insight of the methods, the procedures, research designs and sequences that was adopted in order to ensure that the findings are reliable, accurate and valid. Thus, the following are the sub-headings: research design, source of data, method of data analysis, model specification operationalization of variables and diagnostic tests.

Research Design

The research design used for this study is longitudinal research design. The research design was adopted in order to determine the behavior of personal income tax (revenue) in response to the application of tax exempts for a period of seven years from 2011-2017.

Source of Data

Secondary data was used for this study. These include personal income tax revenue in Nigeria (Pay-As-You-Earn and Direct Assessment) collectible from each state Internal Revenue of the federation and Federal Inland Revenue services. PIT actual revenue and budgeted revenue was sourced from tax revenue statistics of the FIRS from 2011-2017; pension and gratuity contribution (total annual individual contribution) was sourced from National Pension Commission Annual Reports and Statement of Accounts from 2011 – 2017; Life Assurance Premium income was sourced from the Annual Individual Life Insurance business statistics of National Insurance Commission (NAICOM) from 2011-2017; National Housing fund contribution (individuals) was sourced from Annual reports and statement of Accounts of Federal Mortgage Bank of Nigeria (FMBN) from 2011-2017 and NHIS total individuals contribution was sourced from NHIS statistical bulletin and Annual publications.

Methods of Data Analyses

The econometric technique used to analyse the data is the ordinary least square (OLS) of the time series multiple regression techniques. The OLS is a best Linear Unbiased Estimator (BLUE) whose estimate possesses the desirable properties of unbiasedness, efficiency and consistency (Iyoha, 2004). It is also, less complicated in terms of mathematical computation and interpretation

unlike other methods. In this study, the OLS was used to determine the relationship between personal income tax revenue and tax exempts. The OLS offers the most reliable way of predicting the relationship between dependent variable and independent variables, which is the main thrust of this study.

Model Specification

This study modified the model of Abusonwan et al. (2014). They examined the determinants of PIT compliance in Nigeria using the following model:

$PTC = \beta_0 + \beta_1 TPPt + \beta_2 TPGt + \beta_3 TPAt + \beta_4 TRt + \beta_5 TP1t + Ut$

Where: PTC = Personal Income Tax Compliance

β_0 = intercept

$\beta_1, \beta_2, .., \beta_5$ = unknown Coefficient of the Independent Variables

TPP = Taxpayers Perception of Government

TPG = Taxpayers' Gender

TPA = Taxpayers' Attitude to tax system

TR = Tax Rate

U = Error Term

aprior expectation = $\beta_1, \beta_2, \beta_3, \beta_4 > 0, \beta\ 5 < 0$

Against this background, the model for this study was formulated to incorporate elements of PIT exempts that captures our specific situation and also affect PIT revenue. Consequently, the model was formulated as:

PITR = F (NHIS, NPC, LAP, NHF, GRT)

$PITR = \beta_0 + \beta_1 NHIS_t + \beta_2 NPC_t + \beta_3 LAP_t + \beta_4 NHF_t + \beta_5 GRT_t + U_t.$

Where: PITC = Personal Income Tax Compliance (PIT Gap)

β_0 = intercept

$\beta_1, \beta_2, .., \beta_5$ = unknown Coefficient of the Independent Variables

NHIS = National Health Insurance Scheme

NPC = National Pension Contribution

LAP = Life Assurance Premium

NHF = National Housing Fund Contribution

GRT = Gratuities

U = Error Term

apriori expectation=$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5 > 0$

Operationalization of Variables

Source: Researcher's compilation (2018)

S/N	Variables	Proxy	Type of Variables	Measurement	Apriori expectations	Sources
1	Personal income tax Compliance	PITC	Dependent	Actual PIT revenue/Budgeted *100 = Gap	NIL	Eiya (2012)
2	National Health Insurance Scheme	NHIS	Independent	Total annual individual contributions	Positive	
3	National Pension Commission	NPC	Independent	Total annual individual contributions	Positive	
4	Life Assurance Premium	LAP	Independent	Gross annual individual premium contributions	Positive	
5	National Housing fund	NHF	Independent	Total annual individual contributions	Positive	
6	Gratuity	GRT	Independent	Total annual individual contributions	Negative	

PRESENTATION AND ANALYSIS OF DATA

This chapter focuses on the empirical analysis of tax exempts and personal income tax revenue in Nigeria. This section focused on the presentation, analysis and interpretation of the data collected for this research work. Consequently, it entails the application of both mathematical and statistical techniques to provide the bases for the research hypothesis. Hence, it is a vital part of any research work, since it forms the basis for recommendation and conclusion at the end of the research. A quantitative analysis of the model specified in the chapter three was examined empirically.
The preliminary analysis of the data where first conducted (descriptive and correlation analysis) and next the regression assumption analysis test for variables. Thereafter, the regression analysis test was conducted using the ordinary least square (OLS) estimation technique to evaluate the postulate of the working hypothesis of the study.

Descriptive Analysis

	GAP	Pencom	NHIS	NHF	GRT
Mean	10.84945	2.725523	2.475351	3.523519	4.065170
Median	11.11624	2.724871	2.448697	3.632511	3.942628
Maximum	11.47080	2.785927	2.646110	4.009685	4.578501
Minimum	9.807595	2.664416	2.338058	2.930924	3.902258
Std. Dev.	0.706574	0.047491	0.107985	0.373650	0.264546
Skewness	-0.617965	-0.002235	0.454442	-0.437925	1.454858
Kurtosis	1.670199	1.506501	2.205010	2.268322	3.496363
Jarque-Bera	0.823974	0.557640	0.364519	0.325616	2.178205
Probability	0.662333	0.756676	0.833385	0.849754	0.336518

Source: Researchers Compilation, 2019

The above is the result for the summary statistics of each of the variables which is made up of the measures of central tendency, measure of dispersion and measures of normality. From the result of the summary statistics in the table above, the mean value of Gap which show the average value of a variable stood at 10.8 it was also found to have a minimum value of 9.8 and a maximum value 11.4 respectively. The standard deviation which shows the deviation from the sample mean with respect to each of the variables stood at a value of 0.70. The skewness value for a normal distribution is expected to lie at a value of zero (0). From the result of the descriptive statistics the skeweness value of Gap stood at f 0.6 therefore indicating that this variable mirrors a normal distribution. It was also found to platykurtic as revealed by the Kurtosis value which stood at a value of 1.67. This therefore implies that the variable will have lower values below it sample mean. That is a flat surface. The Jarque-bera statistics measuring the normality of the distribution stood at a value of 0.82 with an associated probability value of 0.66 therefore indicating the acceptance of the Null hypothesis of the Jarque-Bera statistics which states that the variable is normally distributed. The Next variable which is Pencom was found to have a mean value of 2.7 and a high and low mean value of 2.7 and 2.6 respectively. The standard deviation measuring the spread of the distribution stood at a value of 0.04. The variable was found to be negatively skewed judging by the negative skewness value of -0.002, it was also found to have a kurtosis value of 1.5 therefore indicating a flat curve. The jarqueBera statistics measuring the normality of the distribution stood at a value of 0.55 with an associated probability value of 0.755 which is greater than the 5% critical value therefore indicating that the variable is normally distributed and the possibility of an outlier does not exist in the data set. National health insurance scheme was found to have a mean value of 2.4 and a minimum and maximum value of 2.6 and 2.3 respectively. The standard deviation measuring the spread of the distribution stood at a value of 0.10. The skeweness and kurtosis value were 0.45 and 2.3 respectively. The JarqueBera statistics stood at a value of 0.32 and an associated probability value of 0.83 indicating normality of the variable. The second to the last variable which is national housing fund was found to have a mean value of 3.5. The JarqueBera statistics stood at 0.84 also indicating the normality of the variable. The last variable which is gratuity was found to have a mean value of 4.0 minimum and maximum values of 3.9 and 4.5 respectively. The standard deviation value stood at 0.25. The variable had a skewness value of 1.45 this means it would have a long right tale it embodies positive skewness and it clearly mesoptokurtic looking at the kurtosis value of 3.4. The JarqueBera statistics was found to have a value of 2.17 and an associated probability value of 0.33 there for indicating that it is normally distributed.

Correlation Analysis

	GAP	Pencom	NHIS	NHF	GRT
GAP	1.000000	-0.637697	0.481973	-0.354853	-0.437580
	-----	0.1731	0.3330	0.4901	0.3855
	6	6	6	6	6
Pencom	-0.637697	1.000000	0.174746	0.891854	0.403315
	0.1731	-----	0.7405	0.0169	0.4278
	6	6	6	6	6
NHIS	0.481973	0.174746	1.000000	0.242691	-0.361000
	0.3330	0.7405	-----	0.6431	0.4820
	6	6	6	6	6
NHF	-0.354853	0.891854	0.242691	1.000000	0.385717
	0.4901	0.0169	0.6431	-----	0.4501
	6	6	6	6	6
LAP	-0.437580	0.403315	-0.361000	0.385717	1.000000
	0.3855	0.4278	0.4820	0.4501	-----
	6	6	6	6	6

Source: Researchers compilation,2019

From the result of the correlation analysis carried out on the variables it was observed that Pencom was found to have a negative relationship with PIT Gap it was also found to be non-statistically significant when tested at the 5% level of significance. NHIS was found to have a positive relationship with PIT Gap. It was also found to be statistically significant when tested at 5% level of significance. NHF was found to have a negative relationship with PIT Gap. It was however found to non-statistically significant when tested at the 5% level of significance. LAP was found to have a negative relationship with PIT Gap; it was also not statistically significant at 5% level of significance. It is pertinent to note that correlation statistics don't actually show the causal relationship that exists among estimating parameters. In light of the above statement the regression analysis will be carried out to ascertain the causal relationship that exists between estimating parameters.

Regression Result

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
Pencom	-0.020714	0.000944	-21.93376	0.0290
NHIS	0.001238	0.000693	1.786630	0.3248
NHF	0.000274	2.55E-05	10.74402	0.0591
LAP	-7.22E-06	2.04E-06	-3.544330	0.1751
R-squared	0.998178			
Adjusted R-squared	0.990888			
F-statistic	136.9304			
Prob(F-statistic)	0.053996			

Durbin-Watson stat	2.237089			

Source: Researchers compilation

GAP= Actual PIT Revenue divide by Budgeted PIT Revenue * 100
NHIS = total annual individuals contributions
Pencom= Total annual individuals pension contributions
NHF=Total annual individual housing contributions
LAP=Total annual individuals insurance contributions

The table above gives a summary of the analysis carried out on the variables using the ordinary least squares regression technique. From the result of the analysis it was observed that Pencom which is given as total annual individuals' pension contributions was found to have a negative impact on PIT Gap which is the difference between the actual and budgeted personal income contribution. It was also found to be statistically significant when tested at the 5% level of significance. The second variable which is National health insurance scheme contribution was found to have a positive relationship with PIT Gap. It was however not found to be statistically significant when tested at 5% level of significance. This therefore means the contribution of NHIS to the personal income tax compliance is not that significant. This is true because not many individuals in the country are actually members of the plan. National housing found was found to have a positive relationship with personal income tax Gap. It was also found to be statistically significant when tested at the 5% level of significance. This therefore means that on the average national housing fund contribution has the tendency of boosting the personal income tax revenue. It was also found to be statistically significant when tested at the 5% level of significance. A total annual individuals' insurance premium contribution was found to have a negative relationship with Gap. This result meets a-prior expectation because on the average when insurance are claimed by individuals from the tax structure it suffice that the quota of the contribution to the fund scheme will no longer exist.

Furthermore, an examination of the summary statistics showed that on the coefficient of determination depicted as R^2 stood at a value of 0.99 while the adjusted R^2 which is adjusted for degree of freedom form successive inclusion of all other variable in the model was found to have a value of 0.99. this therefore indicates that the model account for 99% of the systematic variation exhibited by the dependent variable Gap while the remaining 1% left on accounted for is been captured by the stochastic error term. The F-statistics which measure the overall significance of the model stood at a value of 136 with an associated probability value of 0.05 therefore indicating that the model is jointly statistically significant when tested at the 5% level of significance. The Durbin Watson statistics which measures the presence of autocorrelation in the

model stood at a value of 2.2 therefore indicating that the presence of fist order serial correlation does not exist in this model. This therefore suggest that the model can be relied upon in making decision

Diagnostic test

The following diagnostics tests are conducted for the regression results in line with the OLS assumptions. Such as the Hausman Test, Breusch-pagan-Godfrey test for heteroscedasticity, the Lagrange Multiplier (LM) test for higher order autocorrelation and the Ramsey RESET test miss-specification

Test for multicollineality

Variance Inflation Factors
Date: 07/18/19 Time: 16:34
Sample: 2011 2017
Included observations: 6

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
Pencom	6.48E-10	23.82633	7.567113
NHIS	1.12E-11	4.658154	1.718576
NHF	4.18E-07	54.83408	2.945601
GRT	1.35E-06	512.3372	5.035525
C	0.402628	531.0345	NA

Source: Eviews 8.0

To further ascertain if the variables are collinear the variance inflation factor test was carried out. The threshold limit for this test is that a variable is expected to exceed the value of 10 otherwise they will be adjudged collinear in nature. From the residual given in the table above the centered VIF revealed that all the variables are within the threshold limit of 10 therefore indicating that the presence of multicollinearlity does not exist in the model.

Test for Model misspecification

Ramsey RESET Test
Equation: UNTITLED
Specification: PITC TOTAL_CONTRB NHF NHIS LUMPSUM C
Omitted Variables: Squares of fitted values

	Value	Df	Probability
t-statistic	0.272152	1	0.8308
F-statistic	0.074066	(1, 1)	0.8308
Likelihood ratio	0.500163	1	0.4794

F-test summary:

Considering Ramsey (1969) and Ramsey and Schmidt (1976) argument that various Specification errors such as omitted variables, incorrect functional form, correlation between independent variables and the error term, give rise to non-zero error term vector (Johnson, and Dinardo, 1997: 121), the performance of the Ramsey RESET test was inevitable. The test was performed to determine whether there were specification errors. The results showed high probability values that were greater than 0.05, meaning that there was no significant evidence of miss-specification.

DISCUSSION OF FINDINGS

Based on the analysis carried out it was observed that Pencom which is given as total annual individuals' pension contributions was found to have a negative impact on PIT Gap which is the difference between the actual and budgeted personal income contribution. It was also found to be statistically significant when tested at the 5% level of significance. This finding is in line with the following findings (Samuelson, 1987; Knox, 1990) but at variance with the findings of Disney and Johnson (1993). The second variable which is National health insurance scheme contribution was found to have a positive relationship with PIT Gap. It was however not found to be statistically significant when tested at 5% level of significance. This therefore means the contribution of NHIS to the personal income tax compliance is not that significant. This is true because not many individuals in the country are actually members of the plan. This findings is in line with the findings of JTB (2013) and Ginsburg (1983), but it at variance with the findings of Tailor and Wilensky (1983). National housing found was found to have a positive relationship with personal income tax Gap. It was also found to be statistically significant when tested at the 5% level of significance. This therefore means that on the average national housing fund contribution has the tendency of boosting the personal income tax revenue. It was also found to be statistically significant when tested at the 5% level of significance. This findings is in line with the findings of Honohan (2000). Total annual individuals' insurance premium contribution was found to have a negative relationship with Gap. This result meets a-prior expectation because on the average when insurance are claimed by individuals from the tax structure it suffice that the quota of the contribution to the fund scheme will no longer exist. This finding is in tandem with Jappelli and Pistaferri (2002).

Test of Hypothesis:

The tentative statements that were stated in the null form in the introductory section of the research where answer below as follows;

Hypothesis one

Ho$_1$: National Health Insurance Scheme contribution has no significant relationship with PIT revenue in Nigeria.
Level of significance: 5%
Decision Rule: if the **t-statistic** is greater than 2 in absolute value, the estimate is statistically significant at the 5 percent level.

Remark: The null hypothesis was rejected due to the fact that the t- calculated value was approximately equal to the threshold value (1.78= 2).This therefore implies that the alternative hypothesis which states that National Health Insurance Scheme contribution has a significant relationship with PIT revenue in Nigeria should be accepted.

Hypothesis two
Ho: National Pension Scheme exemption has no significant relationship with PIT revenue in Nigeria.
Level of significance: 5%
Decision Rule: if the **t-statistic** is greater than 2 in absolute value, the estimate is statistically significant at the 5 percent level.
Remark: The null hypothesis was rejected due to the fact that the t- calculated value was greater than the threshold value (21.9>2). This therefore led to the acceptance of the alternative hypothesis which states that National Pension Scheme exemption has significant relationship with PIT revenue in Nigeria.

Hypothesis three
Ho$_3$: National Housing Fund contribution exemption has no significant relationship with PIT revenue in Nigeria
Level of significance: 5%
Decision Rule: if the **t-statistic** is greater than 2 in absolute value, the estimate is statistically significant at the 5 percent level.
Remark: The null hypothesis was rejected due to the fact that the t- calculated value was greater than the threshold value (10.7>2). This lead to acceptance of the alternative hypothesis which states that there is a relationship between National Housing Fund contribution exemption and PIT revenue in Nigeria

Hypothesis four
Ho4: Gratuities exemption has no significant relationship with PIT revenue in Nigeria.
Level of significance: 5%
Decision Rule: if the **t-statistic** is greater than 2 in absolute value, the estimate is statistically significant at the 5 percent level.
Remark: The null hypothesis was rejected due to the fact that the t- calculated value was greater than the threshold value (3.5>2) therefore indicating that it has a significant relationship with PIT revenue. The alternative hypothesis which

states that Gratuities exemption has significant relationship with PIT revenue in Nigeria was accepted.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

This study undertakes an empirical evaluation of tax exempts and personal income tax Compliance (Gap) in Nigeria. This chapter presents the summary of the study findings, the conclusion and the recommendation.

Summary of findings

From the previous chapter the following constituted the major findings of the study.

1. It was observed that Pencom which is given as total annual individuals' pension contributions was found to have a negative impact on PIT compliance which is the difference between the actual and budgeted personal income revenue (Gap). It was also found to be statistically significant when tested at the 5% level of significance. This finding is in line with the following findings (Samuelson, 1987; Knox, 1990). However, this finding deviate sharply with the finding of Disney and Johnson (1993).
2. The second variable which is national health insurance scheme contribution was found to have a positive relationship with PIT Gap. It was however not found to be statistically significant when tested at 5% level of significance. The findings is in tandem with the assertion of JTB (2013) when it expresses strong concern on the abuse of the PIT exempts by taxpayers and Ginsburg (1983), but it deviates sharply with the objective of tax exempts which among other, was to encourage PIT (compliance) and the findings of Tailor and Wilensky (1983). This finding is in line with the findings of Graham and Tucker (2006)
3. National housing found contributions was found to have a positive relationship with personal income tax compliance .It was also found to be statistically significant when tested at the 5% level of significance. This finding is in tandem with the findings of Honohan (2000).
4. Total annual individual life insurance contributions were found to have a negative relationship with PIT Gap. This finding is in tandem with Jappelli and Pistaferri(2002).

CONCLUSION

In this study, PIT exempts and PIT compliance were exhaustively examined, specifically to determine the extent of voluntary compliance or the role of PIT exempts on PIT compliance in Nigeria. The study revealed that a well-articulated PIT exempts will not only engender increase in PIT compliance in the country but also stimulate capital formation which is the main goal of

taxation in developing countries such as Nigeria, hereby improving on PIT revenue and tax base. The tax system in Nigeria is characterized by unnecessarily complicated, distorting and mainly unfair tax legislation that have restricted implementation and smooth running of tax affairs in the country. The low income yield, disregard for the real principle of federalism, endemic institutional and management issues at sub-national level can be added to the other taxation issues. The significant difficulties facing tax officials include not only building, but also using institutional and human ability, financing and logistics, as well as finding alternatives to tax evasion, fraud and income mismanagement, enhancing voluntary compliance and prompt legal adjudication. The processes for assessing and collecting must be straightforward, transparent and customer friendly. Nigeria must train special tax judges and set up special tax tribunals; guarantee that the cost of tax compliance is minimal; and take' the taxpayer being the king ' stance.

Contribution to Knowledge

1. The study focused on the current trend in literature as regards the importance of tax exempts in relation to personal income tax Compliance in Nigeria
2. The study also introduced and evaluated other vital variables (Pencom, NHIS, LAP, NHF and GRT) that have the tendency of impacting on tax compliance.

RECOMMENDATIONS

The report on total PIT exempts calls for serious attention and policy challenge, considering the importance of generating revenue and less dependency on oil and foreign borrowing to facilitating economic development and growth. This can however be tackled by adopting sound policies that will reduce or eliminate the abuse of the PIT exempts, couple with the inefficiency and corruption that plaguing the tax system. On the whole, we therefore recommend the following as a proper guide to improving PIT compliance and maximization of the PIT exempts for capital formation:

1. Joint Tax Board (JTB) should issue circulars to discourage abuse of PIT exempts, by mandating Pension fund administrators to deduct and remit PIT on any AVC withdrawer after five years of contributions.
2. The current state of the NHIS which favors only employees of the Federal and State Governments has limited coverage and should be discouraged, by domiciling the scheme in all the States of the federation as a micro NHIS to accommodate the informal sector, hereby attracting the informal sector into the tax net.
3. Prudent management and productive use of tax revenue to better the lots of the citizens should be encouraged and public waste of funds should be drastically reduced or cut-off.

Recommendation for further studies

1. The time frame as well as the sample size should be built upon in order to cover longer time frame and more representative sample size in order to enhance the quality of the results.
2. The non-availability of the required data and reliability of some sectorial data posed some limitation to the accurate assessment of some aspect of the tax exempts and PIT revenue.

Appendices

	GAP	Pencom	NHIS	NHF	GRT
Mean	10.84945	2.725523	2.475351	3.523519	4.065170
Median	11.11624	2.724871	2.448697	3.632511	3.942628
Maximum	11.47080	2.785927	2.646110	4.009685	4.578501
Minimum	9.807595	2.664416	2.338058	2.930924	3.902258
Std. Dev.	0.706574	0.047491	0.107985	0.373650	0.264546
Skewness	-0.617965	-0.002235	0.454442	-0.437925	1.454858
Kurtosis	1.670199	1.506501	2.205010	2.268322	3.496363
Jarque-Bera	0.823974	0.557640	0.364519	0.325616	2.178205
Probability	0.662333	0.756676	0.833385	0.849754	0.336518
Sum	65.09667	16.35314	14.85211	21.14111	24.39102
Sum Sq. Dev.	2.496231	0.011277	0.058303	0.698071	0.349922
Observations	6	6	6	6	6

Covariance Analysis: Ordinary
Date: 07/21/19 Time: 07:38
Sample (adjusted): 2012 2017
Included observations: 6 after adjustments
Balanced sample (listwise missing value deletion)

Correlation
Probability

Observations	LOG_GAP	LNTOTALCON	LNNHIS	LNNHF	LNLUMPSUM
LOG_GAP	1.000000 ----- 6				
LNTOTALCON	-0.637697 0.1731 6	1.000000 ----- 6			

CEDTECH International Journal of Management Studies & Entrepreneurial Development
Volume 4, Number 4, December 2023
http://www.cedtechjournals.org

LNNHIS	0.481973	0.174746	1.000000		
	0.3330	0.7405	-----		
	6	6	6		
LNNHF	-0.354853	0.891854	0.242691	1.000000	
	0.4901	0.0169	0.6431	-----	
	6	6	6	6	
LNLUMPSUM	-0.437580	0.403315	-0.361000	0.385717	1.000000
	0.3855	0.4278	0.4820	0.4501	-----
	6	6	6	6	6

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.532060	Prob. F(4,2)	0.7342
Obs*R-squared	3.608724	Prob. Chi-Square(4)	0.4615
Scaled explained SS	0.242330	Prob. Chi-Square(4)	0.9932

Dependent Variable: GAP
Method: Least Squares
Date: 07/14/19 Time: 07:37
Sample (adjusted): 2012 2017
Included observations: 6 after adjustments
White heteroskedasticity-consistent standard errors & covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Pencom	-0.020714	0.000944	-21.93376	0.0290
NHIS	0.001238	0.000693	1.786630	0.3248
NHF	0.000274	2.55E-05	10.74402	0.0591
GRT	-7.22E-06	2.04E-06	-3.544330	0.1751
C	20.44205	0.619435	33.00112	0.0193

R-squared	0.998178	Mean dependent var	10.84945
Adjusted R-squared	0.990888	S.D. dependent var	0.706574
S.E. of regression	0.067448	Akaike info criterion	-2.680025
Sum squared resid	0.004549	Schwarz criterion	-2.853559
Log likelihood	13.04007	Hannan-Quinn criter.	-3.374695
F-statistic	136.9304	Durbin-Watson stat	2.237089
Prob(F-statistic)	0.053996	Wald F-statistic	6056.456
Prob(Wald F-statistic)	0.009637		

Test for Model misspecification

Ramsey RESET Test
Equation: UNTITLED
Specification: PITC TOTAL_CONTRB NHF NHIS LUMPSUM C
Omitted Variables: Squares of fitted values

	Value	Df	Probability
t-statistic	0.272152	1	0.8308
F-statistic	0.074066	(1, 1)	0.8308
Likelihood ratio	0.500163	1	0.4794

F-test summary:

BIBLIOGRAPHY

Abiola, J, &Asiweh, M. (2012).Impact of tax administration on government revenue in a developing economy –a case of Nigeria. *International journal of business and social science, 3* (8), 99- 113.

Action aid .(2013). Tax Justice: The domestic prospective. Retrieved from www.actionaid.org.uk. 5 July, 2016.

Adeosun, K. (2018, February 20). Label tax malpractice by multinationals as foreign consumption practices. An appeal by Nigeria minister of finance at platform for collaber action of tax (PCT) in Ne3w York, February 20th, 2018.vanguard newspaper. Retrieved for https//: www.varguard.news/2018/82-oecd-world-bark-imf-label-tax.

Adams, M., Andersson, J.,Andersson, L.F.,&Lindmark,M. (2009). Commercial Banking, Insurance and Economic Growth in Sweden between 1830 and 1998.Accounting, Business and Financial History, 19(1), 21-38.

Agbadudu, A. B., &Unugbro, A. O. (2009).*Insurance management and risk analysis*. Benin City, Nigeria: Mindex press.

Akhidime, E. A., &Abusonwan. E. R. (2013). Nigeria Personal Income tax (Amendment) Act 2011: implication for tax Administration and Enforcement. *International Journal of Arts and Humanites Bahir Dar, Ethiopia, 2* (2), 217-232

Akhor, S.O., &Ekundyor, O.U. (2016). Impact of indirect tax revenue on economic growth: The Nigeria experience. *Igbinedion University Journal of Accounting, 2* (7), 62-87

Akinwale, J. A. (1999). Operation of the NHF and procedure for accessing NHF and other mortgage loan facilities. A paper presented at the enlightenment/discussion with leaders, NLC Tuesday, 7th December, 1999.

Alabede, J. O., Ariffin, Z. B., &Idris, K. M. (2011). Public governance quality and tax compliance behaviour in Nigeria: The moderating role of financial condition and risk preference. *Issues in social and environmental Accounting, 5* (12), 67-86.

Alade, F. O., Eiya, O., &Adu, D. O. (2016). Tax audit and tax compliance in Nigeria *CARD International Journal of Management studies, Business and Entrepreneurship Research, 1* (2), 2545-5885.

Alade, F.O, Eiya O. &Adu, D.O. (2016).Tax audit and tax compliance in Nigeria.*CARD International journal of management studies, Business and Entrepreneurship research, 1* (2), 2545-5907

Ali, R.C., & Shah, M. (2012).The caused relationship between government expenditure and revenue in Pakistan. *Interdisciplinary journal of contemporary research in Business, 3* (12), 323-329.

Allingham, M. G., &Samdmo, A. (1972). Income tax evasion: a theoretical analysis. *Journal of public economics, 1*(3-4), 323 – 338.

Alm, J., Jackson, R. B., &Mckee, M. (2004, November). Audit information dissemination, taxpayers communication and Tax compliance: An experimental investigation of indirect audit effects. Paper presented at the 97th annual conference of National tax Association, Minneapolis, MN.

Alo, O. (2004). Correct pension reforms: Implications for development in the public and private sectors. A paper presented at 2nd conference of the Lagos State branch of the chartered institute of personnel management of Nigeria (CIPMN).

Al-Qudair, K.H.A, (2005). The relationship between government expenditure and revenues in the kingdom of Saudi Arabia: Testing co-integration and causality. *JKAW Economics and Administration, 19* (1), 31-43.

Anyaduba, J.O., Eragbhe, E., &Modugu, K.P (2012).Deterrent tax measures and tax compliance in Nigeria. *European Journal of Business and management, 4* (11), 37-44.

Anyaduba; J.O. (1999).*Companies income taxation in Nigeria*. Benin City: united city press

Anyanwu, J.C. (1997). *Nigeria public finance*. Benin City: mindex press.

Aronmwa, E. J., Imobhio, E., &Izedonmi, F. (2014). Determinants of personal income tax compliance perception of Nigeria taxpayers. *Research Journal of Finance and Accounting, 2* (6), 22-34.

Atkinson, A. B., &Stigilite, B. (1976).On the measurement of inequality. *Journal OF Economic Theory, 2* (3), 244-63.

Altiparmakov, N., &Nedelkovic, M. (2018). Does pension privatization increase economic growth? Evidence from Latin America and Eastern Europe. *Journal of Pension Economics and Finance, 17*(1), 46–84.

Ayua, I. A. (1999). *The Nigeria tax law.* Ibadan : Spectrum Law publishing

Babatude, F. (September 16, 2017).Voluntary asset and income declaration scheme (VAIDS) and GDP in Nigeria. Retrieved from https://vanguardnews.com/16/2017-vaids-gdpnigria.

Babsola, S (August 10, 2000). Military Pensions seal off Oyo Governors' office over pension areas retrieved from Vanguard news //http//www.vanguardngr.com/wk108200/sw

Badara, M.S. (2012). The effect of tax audit on tax compliance in Nigeria (a study of Bauchi State Board of Internal Revenue).*Research Journal of finance and Accounting, 3* (4), 74-80.

Balogun, A. (2006). Understanding the new pension reform Act 2004. Paper presented at the certified institute of Nigeria's membership compulsory continues professional education, Chelsea Hotel, Abuja.

Baxter, Marianne, & Robert G.K. (1999).measuring business cycles.*Review of Economics and statistic press,* (4), 575-593.

Becker, P. S. (1968). Crime and punishment: An empirical approach. *Journal of political economy, 76*, 169–217.

Black's law dictionaries online (2011). Retrieved from http://dictionary.blacklaw.org/

Bloom, D. E., Canning, D., &Malaney, P. N. (2000).Demographic change and economic growth in Asia. Population and Development Review, 26(1), 257– 290.

Bhargava, A. D. T., Lau L. J.,Jamison,K.,& Murray, C. J. L (2001). Modelling the effects of health on economic growth. Journal of Health Economics, 20(1),423-40.

Brooks, N. (2001). Key issues in income tax challenges of the tax administration and compliance. Tax conference Asian development bank.

Central Bank of Nigeria (1998).Annual report and statement of Accounts, December.

Central Bank of Nigeria (CBN) (2016).Annual Statiscal Bulletin.

Chang, S.K. &Jaegar, A. (1996).Aging populations and public schemes. Washington DC: international monetary fund: Occasional paper, 147

Chow, C. Y. (2004). Gearing up for the self-assessment tax regime for individuals.Tax National, 2nd quarter, 20-23.

Chen, P.F.,Lee, C.C.,& Lee, C.F. (2012). How Does the Development of the Life Insurance Market Affect Economic Growth? Some International Evidence. Journal of International Development, 24, 865-893.

Davis, E. P., & Hu, Y. W. (2008). Does funding of pensions stimulate economic growth? *Journal of Pension Economics and Finance, 7*(2), 221–249.

Devos, K. (2008). Tax evasion behavioiur and demographic factors: An exploratory study in Australia. *Revenue Law Journal, 18* (1), 1–43.

Disney, R., F. &Johnson, P. G. (1992). The taxation of occupational and private pensions in Europe: Theory and practice, London center for Europe policy studies.

Duebel, A. (2000). *Separating home ownership subsidies from financing,* Washington: World Bank mimeo.

Ebosele, M. (June 20, 2001). Railway pensioners protest nonpayment of arrears. Retrieved from http//www.ngrguardiannews.com/news2/nn816017.html.

Effiok, S. O. ,Tapang, A.T., & Eton, E. O. (2013). The impact of tax policy and incentives on foreign direct investment (FOI) and economic growth: Evidence from export processing zones (EPZs) in Nigeria. *European Journal of commerce and management Research, 2*(9), 191-196

Eita, J.H., &Mbazima, D. (2008).Effect of oil returns and external dept on the government expenditure. Management studies and economics system, 2 (3), 181-188.Rresearch on humanities and social sciences,5(24),146-157.Retrieved from http://www.iitse.org/journal/undex.php/RHSS/article/view/27812/2870

Eiya, O. (2012). Companies income tax administration and tax compliance in Nigeria, Ph.D thesis, University of Benin, Benin City.

Eiya, O., Ilaboya, O.J., &Okoye, A. F. (2016). Religiosity and tax compliance: Empirical evidence from Nigeria. *Igbenidion University Journal of Accounting, 1* (2), 27-41

Emelogu, C.O., &Uche, M.O. (2010). An examination of the relationship between government revenue and government expenditure in Nigeria: Co-integration and causality approach. *Central Bank of Nigeria Economic and financial review, 48* (2), 35-57.

Eze, N.M., Iorwuese, T. E., & Abba, W.B. (2016). The challenges and imperative of tax reform in Nigeria. *International Journal of Economics and Finance,8*(3), 89-97

Fasoranti, M.M (2013). Tax productivity and economic growth. *Lorem journal of business and economic,1*(1),1-10.

Federal Mortgage Bank of Nigeria (FMBN), (1996).News, 3.

Federal Republic of Nigeria Pension Reform Act (2004).Federal government press, Abuja.

Fishbeing, M., &Ajzen, I. (1975). Belief, attitude intention and behaviour: An introduction to theory and research reading. MA: Addition Wesley.

Fukuyama, F. (1995).The Social Virtuesand the Creation of Prosperity, New York: Free Press.

Gado; N.D., &Obumneke, E. (2014).Error correction modelling of petroleum profit tax and income per capital in Nigeria. *International Journal of economics, commerce and management, 11*, (11), 1-16.

Gibtse, B. (November 22, 2006). Understanding pension fund investment guideline: IBTC wealth management series. Retrieved from www.disdaynewspaper.com/understaning-pension-new-reform-act-2004/paper/certified/institute/2006.

Ginsburg, P. B. (May, 1985). Containing medical care costs market forces. Congressional budget office. Retrieved from www.healtaffairs.org/7/101/1985.

Gylfason, T. (1993).Optimal savings, interest rates and endogenous growth. *Scandavian journal of economics, 95*(4), 517-533.

Gregg, D. (1962). *Group life Insurance*. Homewood Illinois, America: Richard Irwin.

Haris, T. D. (1989). The effect of type of tax knowledge on individuals' perceptions of fairness and compliance with the federal income tax system: An empirical study, Ph.D Thesis, university of south Carolina.

Hirnrichs, H. H. (1966). General theory of tax structure change during economic development Harvard Law School, Cambridge, 12-19.

Hills, J. (1990).*Unraveling housing finance,* Oxford: Clarendon Press.

Hoeffler, A.E. (2002).The Augmented Solow Model and the African Growth Debate.*Oxford Bulletin of Economics and Statistics, 64*(2), 135-158.

Honohan, P. (2000). Financial policies and household saving. *Journal of public economics, 69,* 155-193.

Ibadin, P.O., &Oladipupo, A.O. (2015).Indirect taxes and economic growth in Nigeria.*EKON.MISAD IPRAKSA BDK. GOD, 24* (2), 345-364.

Iyoha, M. A. (2004). Applied econometrics (second edition), Benin City: Mindex publishing.

Iyoha, M.A., &Oriakhi, D.E. (2004).*Macroeconomics: Theory and policy.* Benin City: Mindex press.

Jappelli, T., &Panago, M. (1994).Saving , growth and liquidity constraints. *Quarterly journal of economics, 106* , 83-109.

Jappelli, T., &Pistaferri, L. (2002). Tax incentives and the demand for life insurance: evidence from Italy. *Journal of public economics, 7*(4), 181-219.

JTB-Joint Tax Board (2013).Highlights of the personal income tax (Amendment) Act 2011. Retrieved from: jtb.gov.ng/node/95

Kajusola, S. (2015). Pensioners accused Jonathan of diverting benefits to fund campaign. Retrieval from www.mirronews.com/pensioners/accuse-jonathan-of-diverting-fund-campaign/may/2015.

Kaplan, S., Newberry, K., &Reckers, P. (1997).The effect of moral reasoning and educational communication on tax evasion intention.*JATA,19* (2),27-42.

Kerly, R. (2015). Tax compliance as a system: Mapping the field. *International Journal of Public Administration*. DoI:10.1080/010692.2015.1028636.

Kiabel, B. D., &Nwokah, N. G. (2009).Curbing tax avasion and avoidance in personal Income Tax administration: A study of the South States of Nigeria.*European Journal of Economics finance and administration science, 15, 16-61.*

Kirchler, E. (2015). *The economics psychology of tax behavior*. Cambridge: Cambridge university press.

Knox, D. (1990). Taxation support of occupational pension: A long term view. *Fiscal studies, 11(4), 29-43.*

Kolawole, Y. (November 20, 2017). National housing Fund, benefits and challenges in Nigeria. Retrieved from http//www.vanguardngr.com/2017/Nov.20/NHF-benefit_challenge_Nigeria.

Kpessa, M. w. (2001). A Comparative analysis of pension reforms and challenges in Ghana and Nigeria. *International Social security review*, *64* (39), 94-97.

Kugler, M., &Ofoghi,R. (2005). Does Insurance Promote Economic Growth? Evidence from the UK. University of Southampton Working Paper.

Lagos State Internal Revenue service (2017). Tax Relief on voluntary pension contributions. Retrieved from http://www.Lirs.gov.ng/tax-Relief/voluntary/pension-contributions/

Larsen, C.A. (2008). The institutional Logic of Welfare attitudes: How welfare regimes influence public support. *Comparative political studies, 41*(2), 145-168.

Lee, C.C., Lee, C.C.,& Chiu, Y.B. (2013).The Link between Life Insurance Activities and Economic Growth: Some New Evidence. *Journal of International Money and Finance, 32*(2), 405-427.

Lee, M. J., & Bertrand, R. (1995).*Contract saving for housing: how suitable are they for transitional economics*, Washington: World Bank mimeo.

Marandu, E. E., Mbekomuze, C.J., &Ifezue, A.N. (2014). Determinants of tax compliance: A Review of factors and conceptualization. *International Journal of Economics and finance, 7* (9) 1916-9728.

Mirrleeas, J. A. (1971). An exploration in the theory of income taxation. *The review of economic studies, 38* (2), 175-208

Mithani, D.M., &Khoon, G.S. (1999). Causality between government spending and revenue: In Malay *a case study of Botwana. Fordham Economics discussion-sia*: A seasonal cointegration test. *ASEAN Economic bulletin, 16* (1), 6879

Modugu, P.K., &Omoye, S. A. (2013).An appraisal of personal income tax evasion in Nigeria. *Asian Economic and Financial Review, 4* (1), 33-40.

Murphy, K. (2004). Aggressive tax planning :Differentiating those playing the game from those who don't. *Journal of Economic Psychology, 25* (3), 307-329.

Mustapha, L. O., Zakaree, S., &Yahaya , A. O. (2015). Institution Factors and Personal Income Tax Compliance in Kaduna State-Nigeria.

National Bureau of statistics (NBS) (2016). Annual reports

National tax policy, (NTP), (2016). Retrieved from www.nbs.org

North, D. (1990). Institutions, institutional change and economical preference .Cambridge University Press.

Nwosu, D.C., &Okafor O.H. (2014). Government revenue and expenditure in Nigeria: a disaggregated analysis. *Asian Economic and financial review, 4* (7), 877-892.

Nwaorgu, I. A. (2015). Effect of dominant individual on budget implementation in Nigeria: a content analysis perspective. International Multidisciplinary Journal, 9(1), 23-29.

Nzotta, S. M. (2007). Tax evasion problems in Nigeria. *A critique Nigerian accounting, 12* (1) , 40-43.

OECD (1984). Tax expenditures: A review of the issues and practices. OECD committee on fiscal affairs , Paris.

Ochei, O.O. (2010). Nigerian tax reform: Challenges and prospects. Retrieved from http://woow.org/other/nigeria-tax reforms.12 July, 2016.

Ohene, F. K. (2011). An assessment of tax compliance by the self-employed in New Juaben Municipality, Mscthesis , Kwame Nkruma University of science and technology, Kumasi institute of distance learning.

Odia, J. O., &Okoye, A. E. (2012).Pension Reform in Nigeria: A Comparison between the old and the new scheme. *In Afro Asian Journal of Social Sciences, 3* (3), 1-17.

Ogbonna, G N., &Appah, E. (2012). Tax reforms and Economics growth of Nigeria: Any Causality? *Asian Economic and Finance Review, 5* (3), 439-452

Ogujiuba, K., & Abraham, T.W. (2012).Testing the relationship between government revenue and Expenditure: Evidence from Nigeria. *International journal of Economics and finance, 4 (11), 172-182.*

Okoye, A. E., Isenmila, P.A., &Oseni, A.I. (2018). Good governance and personal income tax compliance in Nigeria. *Accounting and taxation Review, faculty of management sciences, university of Benin, Benin City Nigeria*

Olaniyan, O. (2004). Pension act and the university system in Nigeria.A university of Ibadan workshop on turning the university around in the 21st century.

Olaunde, S. O. (1999). Antecedents benefits and misconception. A paper presented at a workshop organized for the leadership of Nigerian labour congress on Tuesday, December, 7th.

Oriakhi, D.E. &Osemwengie, P.K. (2013). Tax incentives and revenue productivity of the Nigeria tax system. *International journal of development and economic sustainability, 1* (1), 31-49.

Ortega, D., L. Ronconi, P., Sanguinetti. I.(2013). Reciprocity and Willingness to Pay Taxes: Evidence from a Survey Experiment in Latin America. CIAS Working Paper 2. Buenos Aires, Argentina: Centro de Investigación y Acción Social.

Osemeke, M. (2010).*Practical approach to taxation and tax management*. Benin City: Ethiope Publishing Corporation.

Osoro, N.E (1993). Revenue productivity implication of tax reform in Tanzania, AERC research paper 20, September.

Ozor, E. (1999). Impediments to processing retirement benefits in Local Government services in Nigeria. *International Journal of Studies in the Humanities*, *1* (2), 2-7.

Pajuodience, G. M. (1996). GyventojuApmokestimorysys, sujupinignemis. Vilnius: Lietuvos inform a cijos, 60,

Palil, M. R. (2010). Tax knowledge and tax compliance determinants in self-assessment system in Malaysia(Doctoral thesis university of Birmigham, Malaysia). Retrieved from http://ethesis. Bham.ac.uk/1040/1/pal./oph.D. pdf

Palil, M. R., & Mustapha, A. F. (2011).The evolution and concept of tax compliance in Asia and Europe. *Australian Journal of Basic and Applied Science, 5* (11), 557-563

Personal Income Tax (Amendment) Act 2011

Personal Income Tax Act. CAP VI laws of the Federation of Nigeria, 2004, as amended.

Popoola, N. (2017). Pension: Differentiating between the old and the new scheme. Retrieval from www.punch.com/pension/betweenold_new_scheme/may/2012.

Poterba, J. M. (1994). *Public policies and household saving,* Washington: Chicago University printing press.

Poterba, J. M. (2001). How retirement saving program increase saving. *Journal of economics perspective, 10,* 91-112

Price Waterhouse Cooper (PWC, 2014). Tax deductions relief. Monthly tax alert bulletin. Retrieved from https://www.PwC.org.

Salami, A. (2011). Taxation, revenue allocation and fiscal federalism in Nigeria: Issues, challenges and policy options. *Economic Annals.Lvi* (189) 20-21.

Samwick, A. A. (2000). Is pension reform conducive to higher saving? *Review of Economics and Statistics, 82*(2), 264–272.

Saratu, L. J. (2005). Competition and corporate tax avoidance: empirical evidence from Nigerian deposit money banks. Unpublished Ph.D Thesis. University of Jos, Nigeria

Song, Y., & Yarbrough, T. (1978).Tax ethics and Taxpayers attitudes: A survey of public administration review (September/October), 489-496.

Sour, L. (2004). An economic model of tax compliance with individual morality and group conformity, economic , economic Mexicana, prime semistre, ano, 8, (1), centre de investigation docena economica distrito federal, mexilo 43 – 61.

Spicer, M., & Becker, L. (1980). Fiscal inequality and evasion: An experimental approach. *National Tax Journal, 33* (2), 171-175.

Teju, S. (March 16, 2016). Tax exemptions under the Nigeria Tax laws. Retrieved from:www.businessdayonline.com/personal-income-tax-exemps-in-Nigeria/taxlawslines

Thomas, S.,&Canagarajah,S. (2002). Poverty in a wealthy Economy: The case of Nigeria.IMF working paper WP/02/114. Washington DC.

Torgler, B. (2007). Tax compliance and tax morale: A theoretical and empirical analysis. Cheltenham: EE.

Tracy, M., &Kester, G. (2009).The causal relationship between government expenditure and tax revenue in Barbados. Presented at the Annual Review seminar, research department central Bank of Barbados, July 27th.

Taylor, A. K., & Lawson, W. R. (1983).Employer and employee expenditure for private health insurance. *National center for health service research, U.S DHHS publication,7,*1152-1225.

Taylor, A. K., &Wilensky, G. R. (1987). The effect of tax policies expenditure for private health .*US DHHS publication*, 81-97. Retrieved from www.healthaffairs.org/doi/1987

Uzonwanne, M. C. (2015). The indispensable role of taxation for state development in Nigeria *International journal of economic research, 15*, 48-59.

Ward, D., &Zurbruegg, R. (2000a). Economic growth? Does Insurance Evidence from OECD Countries. *Journal of risk and Insurance, 67*(4), 489-506.

Webber, C., &Wildavsky, A. (1986). History of taxation and expenditure in western world: New York.

Webb, I., Grace, M.F.,& Skipper, H.D. (2005).The Effect of Banking and Insurance on the Growth of Capital and Output," Revista de Temas Financieros, 2, 1-32.

Webly, P., Robins, H., Elffers, H., &Hessing, D. (1991).*Tax evasion: an experimental approach*. Cambridge university press.

Vadlamannati, K.C. (2008). Do Insurance Sector Growth and Reforms Affect Economic Development? Empirical Evidence from India. *Journal of Applied Economic Research*, *2*(1), 43-86.

Zandberg, E., &Spierdijk, L. (2013). Funding of pensions and economic growth: Are they really related? *Journal of Pension Economics and Finance, 12*(2), 151–167.