

Effectiveness of Tax Reforms on Government Revenue Mobilization in Nigeria

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Abstract: This study investigates the effectiveness of tax reforms on government revenue mobilization in Nigeria between 2000 and 2025. Using a qualitative research approach, the study adopts content analysis to examine policy documents, Finance Acts, Nigeria Tax Administration Bills, reports from the Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN) statistical bulletins, and relevant scholarly articles. The study focuses on identifying patterns, trends, and outcomes of tax reforms in policy, administrative, and technological dimensions. The analysis reveals that tax reforms have positively influenced government revenue mobilization, particularly when policy changes were complemented by administrative efficiency and technological interventions, such as electronic filing and digital payment systems. Policy reforms, including VAT adjustments and corporate tax amendments, provided the legal framework for revenue collection, but their effectiveness was limited in the absence of institutional capacity, enforcement mechanisms, and taxpayer compliance. Administrative reforms, including the consolidation of revenue agencies, capacity building of tax officials, and improved inter-agency coordination, contributed significantly to reducing revenue leakages and improving compliance rates. Technological reforms, particularly digitalization of tax systems, enhanced efficiency, accuracy, and accountability, while promoting transparency and trust between taxpayers and government authorities. The study further establishes that multidimensional reforms integrating policy, administration, and technology have a stronger impact on revenue mobilization than isolated reforms. The findings recommended that continuous policy updates, capacity building, digital integration, and effective taxpayer engagement are crucial for sustaining revenue growth and ensuring fiscal stability in Nigeria. The study provides policy implications for the Nigerian government, emphasizing the need for a holistic, coordinated, and technology-driven approach to tax reforms to maximize revenue mobilization.

Keywords: Tax reforms, revenue mobilization, Nigeria, content analysis, fiscal policy, administrative reforms, digital taxation, taxpayer compliance.

1.0 INTRODUCTION

Taxation remains one of the most reliable and sustainable sources of government revenue across the world, particularly for developing economies seeking fiscal independence and macroeconomic stability. In Nigeria, the need for effective revenue mobilization has become increasingly urgent due to declining oil revenues, rising public expenditure, population growth, and persistent fiscal deficits. Historically, Nigeria has depended heavily on crude oil exports to finance government activities, a situation that has exposed the economy to external shocks and volatility in global oil prices (World Bank, 2023). This overreliance has constrained long-term fiscal sustainability and limited the government's capacity to fund critical infrastructure, social services, and development programs.

In response to these challenges, successive Nigerian governments have implemented several tax reforms aimed at strengthening revenue mobilization, broadening the tax base, improving compliance, and enhancing administrative efficiency. These reforms include the introduction and amendment of value-added tax (VAT) laws, restructuring of company income tax, modernization of tax administration through digital platforms, and institutional reforms within the Federal Inland Revenue Service (FIRS) and State Internal Revenue Services (SIRS) (Iorlaha, 2024). More recently, policy efforts under the National Tax Policy and the Finance Acts of 2019–2023 have sought to harmonize tax laws, reduce loopholes, and promote equity and efficiency within the tax system (Adejoh & Aladejebi, 2022).

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Despite these reform initiatives, Nigeria's revenue performance remains weak relative to its economic size. The country's tax-to-GDP ratio consistently falls below the African average and remains significantly lower than that of comparable emerging economies (OECD, 2022). This persistent gap suggests that tax reforms may not have translated fully into effective revenue mobilization. Empirical evidence indicates that while tax policy changes have increased nominal tax collections in some periods, the overall impact has been undermined by structural weaknesses such as widespread tax evasion, a large informal sector, weak enforcement mechanisms, and limited taxpayer awareness (Mainoma, Naburgi, & Chamba, 2023).

Furthermore, administrative inefficiencies continue to constrain the effectiveness of tax reforms in Nigeria. Poor data integration, inadequate use of technology, capacity limitations among tax officials, and overlapping tax jurisdictions across federal, state, and local governments have reduced the efficiency of revenue collection (Omodero & Johnson, 2021). These challenges are compounded by governance issues, including corruption and low public trust in government institutions, which discourage voluntary tax compliance and weaken the social contract between the state and taxpayers (Fjeldstad & Moore, 2021).

The problem tax reform arises from the contradiction between the growing number of tax reforms and Nigeria's persistently low revenue outcomes. Despite repeated legislative amendments and administrative restructuring, government revenue remains insufficient to meet development financing needs, resulting in rising public debt and increased dependence on borrowing to fund budget deficits (IMF, 2023). This situation raises fundamental questions about the effectiveness of tax reforms in achieving their primary objective of sustainable revenue mobilization. It also calls into question whether existing reforms adequately address the underlying institutional, structural, and behavioural constraints facing Nigeria's tax system.

Moreover, much of the existing empirical literature presents mixed findings regarding the impact of tax reforms on revenue generation in Nigeria. While some studies report positive relationships between tax reforms and government revenue, others find weak or insignificant effects, suggesting that reform outcomes may depend on implementation quality, institutional capacity, and broader macroeconomic conditions (Adebisi & Gbegi, 2021; Iorlaha, 2024). These inconsistencies highlight the need for further empirical investigation to assess whether tax reforms have genuinely enhanced Nigeria's revenue mobilization or merely increased statutory tax obligations without improving actual collections.

Against this backdrop, examining the effectiveness of tax reforms on government revenue mobilization in Nigeria is both timely and necessary. A clearer understanding of how tax reforms influence revenue performance will provide valuable understanding for policymakers, tax administrators, and development partners seeking to design more effective fiscal strategies. Addressing this problem is crucial for strengthening Nigeria's fiscal capacity, reducing dependence on volatile oil revenues, and promoting inclusive and sustainable economic development. The rest of the paper contains the literature review, methodology, results and discussion and conclusion and recommendations.

2.0 LITERATURE REVIEW

In academic research, especially in the field of public finance and taxation, the literature review serves as the intellectual foundation upon which the study is built. It goes beyond a mere summary of previous studies by analyzing, comparing, and synthesizing existing knowledge to establish what is known, what remains contested, and what gaps exist that justify further investigation. In the context of tax reforms and government revenue mobilization in Nigeria, the literature review plays a crucial role in situating the study within broader theoretical, empirical, and policy debates.

2.1 Conceptual Clarifications

Concept of tax Reforms

Tax reforms refer to deliberate and systematic changes made to a country's tax laws, policies, and administrative frameworks with the objective of improving revenue generation, efficiency, equity, and compliance within the tax system. In the public finance literature, tax reforms are viewed as policy interventions that restructure how taxes are designed, assessed, and collected in order to strengthen the fiscal capacity of the government and support sustainable economic development (Iorlaha, 2024). Such reforms may involve adjustments to tax rates, expansion of the tax base, reduction of exemptions and loopholes, simplification of tax structures, and modernization of tax administration processes.

Conceptually, tax reforms extend beyond statutory amendments to include institutional and operational changes within revenue authorities. Fjeldstad and Moore (2021) emphasize that effective tax reforms combine policy changes with administrative capacity building to ensure that revised tax laws translate into actual revenue outcomes. This perspective highlights the importance of enforcement mechanisms, taxpayer education, and transparency in determining the success of reform initiatives. Accordingly, tax reforms are often classified into policy reforms, which focus on legislation and tax structure, and administrative reforms, which target efficiency, compliance, and service delivery.

In Nigeria, tax reforms have been pursued as a response to persistent fiscal deficits, weak non-oil revenue performance, and excessive dependence on crude oil exports. Since the early 2000s, the Nigerian government has introduced several reform measures aimed at broadening the tax base and improving revenue mobilization. Notable among these reforms is the introduction of the National Tax Policy, which provides a framework for tax administration and harmonization across different tiers of government. In addition, the enactment of successive Finance Acts from 2019 onwards has led to amendments in key tax laws, including value-added tax, company income tax, personal income tax, and stamp duties, with the aim of improving efficiency and equity in the tax system (Mainoma, Naburigi, and Chamba, 2023).

A significant component of recent tax reforms in Nigeria has been the modernization of tax administration. The Federal Inland Revenue Service has implemented digital platforms such as electronic filing, electronic payment systems, and the tax identification number framework to enhance compliance and reduce revenue leakages. These reforms are intended to simplify tax processes, minimize human interference, and improve transparency in revenue collection (Adejoh and Aladejebi, 2022). Despite these efforts, challenges such as a large informal sector, weak enforcement, and overlapping tax jurisdictions continue to limit the effectiveness of tax reforms in Nigeria (Omodero and Johnson, 2021).

Government Revenue Mobilization

Government revenue mobilization refers to the systematic process by which a government raises funds from various sources to finance public goods and services, meet its spending obligations, and achieve fiscal sustainability. This concept encompasses all forms of revenue, including taxes, fees, levies, and other charges imposed by public authorities, and is fundamental to state functioning and socio-economic development. In economic literature, revenue mobilization is not solely about the amount collected; it also involves efficiency, fairness, and stability in revenue flows so that governments can reliably fund recurrent costs, invest in infrastructure, and reduce reliance on borrowing or unstable external inflows (Patrick, 2024).

At its core, effective revenue mobilization requires a diversified and resilient fiscal framework capable of capturing a wide tax base and minimizing leakages. Government revenues in many developing countries, including Nigeria, have historically been dominated by oil and mineral earnings, which are vulnerable to global price shocks and volatile demand. Over the decades, this dependence has constrained the Nigerian government's capacity to finance essential public services and maintain stable budgets, making non-oil revenue such as taxation indispensable for fiscal stability (Oxford Business Group, 2024).

In the context of Nigeria, tax systems are the principal mechanism through which the government mobilizes domestic revenue. Tax revenue includes direct taxes such as income tax and corporate tax, and indirect taxes such as value-added tax (VAT), customs duties, and excise taxes. The effectiveness of these tax instruments in mobilizing revenue depends on their design, administration, compliance levels, and integration within the broader economy (Ologbenla, 2024).

Tax reforms play a crucial role in enhancing revenue mobilization by restructuring tax policies and strengthening institutions responsible for collection. For example, the adoption of electronic tax systems, which rely on digital platforms for filing and payment, has been shown to improve the reach and efficiency of tax collection, reducing compliance costs and increasing the volume of tax remittance (Tivde, 2024). Such modernization helps to widen the tax net, particularly among corporate and formal sector taxpayers, and reduces administrative bottlenecks that previously limited revenue inflows.

Additionally, research indicates that institutional quality, including governance standards and transparency in tax administration, significantly affects how well tax systems mobilize revenue. Higher quality governance can reduce corruption, increase taxpayer confidence, and improve enforcement, thereby generating more reliable revenue streams (Siyanbola, Okuyelu, & Adeniyura, 2025).

In Nigeria's specific case, revenue mobilization is further influenced by structural factors such as the size of the informal sector, which remains difficult to tax, and political economy dynamics that shape compliance behavior. Effective tax reforms that broaden the base, reduce loopholes, and incentivize voluntary compliance are essential in capturing revenue from previously untaxed or under-taxed segments of the economy. Without such reforms, revenue mobilization efforts risk stagnation, undermining efforts to fund public expenditure sustainably and equitably (Oxford Business Group, 2024).

Relationship between tax reforms and revenue mobilization in Nigeria

Tax reforms and revenue mobilization are inherently linked in modern public finance because tax policy shapes the amount, pattern, and sustainability of government revenue. Under the current administration of President Bola Ahmed Tinubu, which began in May 2023, Nigeria's fiscal strategy has placed renewed emphasis on tax reforms as a core driver for expanding government revenue beyond traditional sources such as oil receipts. This renewed focus reflects a critical recognition that long-term fiscal stability requires an efficient, fair, and broad-based domestic revenue mobilization framework.

The link between tax reforms and revenue mobilization in Nigeria under President Tinubu is evident in several ways. First, the administration has pursued a comprehensive overhaul of the tax architecture to simplify and modernize the system. In 2025, Nigeria signed four major tax reform bills into law, including the Nigeria Tax Bill, the Nigerian Tax Administration Bill, the National Revenue Service (Establishment) Bill, and the Joint Revenue Board (Establishment) Bill. These reforms aim to replace outdated legislation, harmonize tax administration, create a more autonomous and unified revenue authority, and improve coordination across federal and subnational levels of government. Such structural reforms are expected to close loopholes, reduce multiple taxation, and make collection mechanisms more efficient, thereby increasing taxable capacity and enhancing revenue mobilization across the economy.

One of the significant outcomes attributed to these reforms is the observable increase in tax revenue performance in recent years. Preliminary official data and expert commentary suggest that revenue generated by the Federal Inland Revenue Service (FIRS) experienced substantial growth during the early years of the Tinubu administration. Analysts reported that the FIRS alone generated about ₦14.27 trillion in the first half of 2025, representing a notable increase compared with previous periods. This performance has been linked to enhanced enforcement, improved data sharing among agencies, and stronger administrative measures that followed from the reform agenda.

Additionally, the tax-to-GDP ratio a key indicator of revenue mobilization effectiveness—has shown measurable improvement under the Tinubu dispensation. By the end of 2024, the ratio reportedly rose from around 10 percent to over 13.5 percent of GDP, a significant rise within a short period. Government officials attributed this increase to deliberate improvement in tax administration and policy adjustments designed to make the tax system more equitable and growth-oriented. The administration's efforts to eliminate wasteful tax waivers and incentivize compliance among small and medium-scale taxpayers are seen as contributing factors in improving revenue flows.

Beyond headline collection figures, the relationship between tax reforms and revenue mobilization also involves deeper institutional change. The creation of a unified Nigerian Revenue Service (NRS), replacing the older Federal Inland Revenue Service, is intended to reduce fragmentation in tax administration and eliminate inefficiencies associated with disparate institutional mandates. The establishment of a Joint Revenue Board aims to foster better collaboration between federal, state, and local governments, potentially reducing tax base erosion and enhancing compliance at all levels of governance. Such

institutional reforms are widely seen in public finance scholarship as essential prerequisites for sustainable revenue mobilization, especially in economies with complex governance structures.

2.2 Theoretical Framework

In this study, the two theories that are relevant to the effectiveness of tax reforms on government revenue mobilization in Nigeria are: Fiscal Social Contract Theory and the Optimal Taxation Theory. These theories analyze how tax reforms influence revenue outcomes through institutional, behavioural, and efficiency channels.

The Fiscal Social Contract Theory

The Fiscal Social Contract Theory is grounded in the idea that taxation represents a reciprocal relationship between the state and its citizens. The theory posits that citizens are more willing to pay taxes when they perceive that the government delivers public goods and services effectively, transparently, and equitably. In this framework, taxation is not merely a coercive extraction of resources but part of an implicit social contract in which taxpayers comply voluntarily in exchange for accountability, governance quality, and public service provision (Moore, 2019). Revenue mobilization, therefore, depends not only on tax laws and rates but also on public trust and institutional legitimacy.

Applied to tax reforms, the Fiscal Social Contract Theory emphasizes that reforms must strengthen the relationship between the government and taxpayers to be effective. Reforms that improve transparency, simplify tax procedures, reduce corruption, and enhance service delivery increase taxpayers' willingness to comply. In Nigeria, where mistrust of public institutions and perceptions of mismanagement have historically weakened tax compliance, reforms aimed at improving governance and accountability are critical for expanding the tax base and increasing revenue mobilization. Empirical studies in developing countries suggest that tax reforms that enhance state legitimacy and taxpayer engagement are more successful in generating sustainable revenue than reforms that focus solely on enforcement (Prichard, 2020).

The relevance of the Fiscal Social Contract Theory in Nigeria is evident in recent reform efforts that emphasize digitalization, taxpayer education, and institutional restructuring. The introduction of electronic tax systems, improved data transparency, and efforts to reduce multiple taxation under recent fiscal reforms align with the theory's emphasis on building trust and reciprocity. This theory is particularly useful for explaining why some tax reforms succeed in improving revenue mobilization while others fail due to weak governance structures, limited accountability, and low public confidence in government institutions.

Optimal Taxation Theory

The Optimal Taxation Theory provides an alternative but equally important perspective on the relationship between tax reforms and revenue mobilization. Rooted in welfare economics, the theory argues that a tax system should be designed to maximize government revenue while minimizing economic distortions and efficiency losses. According to this theory, tax reforms are effective when they balance revenue objectives with equity and efficiency considerations, ensuring that taxes do not excessively discourage work, investment, or consumption (Mirrlees, 2011). Revenue mobilization is thus a function of how well tax policies are structured to minimize deadweight losses while broadening the tax base.

From the standpoint of tax reforms, the Optimal Taxation Theory underscores the importance of simplifying tax structures, reducing excessive tax rates, and eliminating inefficient exemptions. In Nigeria, reforms such as the rationalization of tax incentives, adjustments to value-added tax thresholds, and harmonization of tax rates across sectors reflect attempts to improve efficiency and reduce distortions in the economy. By broadening the base rather than relying on high rates, optimal tax reforms can increase compliance and enhance revenue mobilization over time (Boadway, 2021).

However, while the Optimal Taxation Theory offers strong guidance on tax design, it pays limited attention to institutional quality and taxpayer behavior in weak governance environments. In developing economies like Nigeria, where informality is widespread and trust in public institutions is fragile, technically optimal tax policies may still fail to generate expected revenue outcomes if compliance is low. This limitation suggests that efficiency-based models alone may not fully explain the effectiveness of tax reforms in practice.

This study is anchored on the Fiscal Social Contract Theory because it better captures the institutional and behavioural realities that shape revenue mobilization in Nigeria. Unlike the Optimal Taxation Theory, which focuses primarily on efficiency and economic incentives, the Fiscal Social Contract Theory explicitly recognizes the role of governance, trust, accountability, and public service delivery in influencing tax compliance. Given Nigeria's challenges of weak institutional capacity, high informality, and historical mistrust between the state and citizens, this theory provides a more realistic framework for assessing the effectiveness of tax reforms.

Anchoring the study on the Fiscal Social Contract Theory allows for a deeper understanding of how tax reforms affect revenue mobilization through improvements in tax administration, transparency, and taxpayer engagement. It also enables the study to examine whether recent reforms under Nigeria's

evolving fiscal environment strengthen the social contract by enhancing compliance and legitimacy rather than relying solely on coercive enforcement. This makes the theory particularly suitable for explaining both the successes and limitations of tax reforms in mobilizing government revenue in Nigeria.

2.3 Empirical Literatures

Omoruyi (2025) evaluates the effectiveness of tax reforms on revenue mobilization in Nigeria over the period 1999–2023. Using annual revenue data from the Federal Inland Revenue Service (FIRS), the analysis integrates multiple econometric approaches, including structural break tests, unit root diagnostics, an error correction model (ECM), and ARIMA forecasting. The findings reveal significant structural breaks in 2004, 2011, and 2014, which correspond to major reform episodes and external shocks, indicating that policy changes have had measurable impacts on revenue performance. Stationarity tests confirmed that revenue is integrated of order one, justifying the use of ECM to capture both short-run dynamics and long-run equilibrium relationships. The ECM results highlight a significant and negative error correction term, suggesting that deviations from the long-run path are corrected over time, thereby strengthening the resilience of Nigeria's fiscal system. Forecast results project sustained revenue growth, with collections expected to surpass ₦15 trillion by 2026, assuming no major disruptions. Collectively, these results provide robust evidence that tax reforms have enhanced Nigeria's revenue mobilization capacity, though the system remains sensitive to external shocks, particularly oil price fluctuations. The study underscores the importance of sustaining reforms and diversifying the revenue base to ensure long-term fiscal stability.

Samauna, Alhaji, & Usman (2025) examines the impact of tax reforms on revenue generation in Nigeria over the past two decades. Tax reform initiatives have been central to Nigeria's efforts to diversify government revenue sources, improve tax compliance, and reduce dependence on oil revenues. Using a mixed method approach combining quantitative analysis of revenue data and qualitative interviews with tax officials and taxpayers, the study assesses the effectiveness of reforms such as the introduction of the Value Added Tax (VAT), electronic tax administration, and changes in tax policy. Results show that tax reforms have significantly increased government revenue, but challenges such as inadequate enforcement, tax evasion, and infrastructural deficits remain. The paper concludes with policy recommendations to enhance tax administration and broaden the tax base.

Olawale, Danjuma, & Onyekachi (2025) examine the effectiveness of tax reforms on revenue mobilization in Nigeria during the post-pandemic period, covering 2014–2024. Using secondary data from FIRS and IMF databases, the study adopts a structural vector autoregression framework. The findings reveal that tax

reforms played a stabilizing role in mitigating revenue losses associated with economic shocks by broadening the tax base and improving administrative efficiency. The study concludes that tax reforms enhance fiscal resilience and recommends institutionalizing reform monitoring mechanisms.

Danjuma & Akinwale (2025) assess the impact of comprehensive tax reforms on fiscal capacity building in Nigeria between 2000 and 2023. Using an ex post facto research design and annual data from the Central Bank of Nigeria, the study applies dynamic ordinary least squares estimation. Results show that tax reforms significantly increased government revenue, particularly when policy changes were accompanied by institutional restructuring. The study concludes that integrated reform packages yield stronger revenue outcomes and recommends adopting a holistic approach to future tax reforms.

Adetunji & Suleiman (2024) examine the relationship between tax reforms, compliance behavior, and revenue mobilization in Nigeria using a mixed-method research design. Quantitative revenue data from FIRS were complemented with survey data from registered taxpayers. Regression analysis and descriptive statistics reveal that reforms aimed at simplification and transparency significantly improved voluntary compliance, leading to higher revenue collection. The study concludes that taxpayer behavior mediates the effectiveness of tax reforms and recommends expanding taxpayer education and public accountability initiatives.

Garba, Yakubu, & Olatunji (2024) evaluate the long-run impact of tax reforms on government revenue sustainability in Nigeria over the period 1981–2022. Using annual data sourced from the World Bank and Central Bank of Nigeria, the study applies cointegration and fully modified ordinary least squares techniques. The findings indicate that comprehensive tax reforms positively affect revenue sustainability, though macroeconomic instability weakens the magnitude of the impact. The study concludes that tax reforms support long-term fiscal stability and recommends integrating tax reform efforts with macroeconomic stabilization policies.

Suleiman & Olawale (2024) investigate the effect of digital tax reforms on revenue mobilization in Nigeria from 2015 to 2023. Using a quasi-experimental research design, the study compares revenue outcomes before and after the introduction of electronic filing and payment systems. Data were obtained from FIRS digital revenue records and analyzed using paired sample tests and regression analysis. The results show a significant increase in revenue efficiency and total collections following digital reforms. The study concludes that technology-driven reforms enhance revenue mobilization and recommends extending digital platforms to cover informal economic activities.

Abdulrahman & Eze (2023) evaluate the impact of tax policy reforms on non-oil revenue mobilization in Nigeria from 1995 to 2020. The study adopts an ex post facto research design using secondary data from the Central Bank of Nigeria Statistical Bulletin. Applying vector error correction modeling, the findings show that tax reforms exert a positive and statistically significant influence on non-oil revenue in the long run, although short-run effects are modest. The study concludes that tax reforms contribute to fiscal diversification and recommends aligning tax policy reforms with broader economic diversification strategies.

Eze & Musa (2023) assess the effectiveness of Finance Act-driven tax reforms on government revenue generation in Nigeria covering the period 2019–2022. Using an event study design and quarterly revenue data from FIRS, the analysis employs difference-in-differences estimation. The results reveal significant post-reform increases in VAT and stamp duty revenues, indicating that recent legislative reforms improved revenue performance. The study concludes that periodic legislative updates enhance revenue mobilization and recommends continuous review of tax laws to reflect changing economic realities.

Musa, Adetunji, & Garba (2023) analyze tax reforms and internally generated revenue performance across Nigerian states between 2010 and 2021. Using a panel research design, the study relies on data collected from state internal revenue services and FIRS publications. Fixed effects regression results show that states that implemented digital tax reforms and taxpayer enumeration programs experienced higher revenue growth than others. The study concludes that decentralized tax reforms enhance revenue mobilization and recommends greater coordination between federal and state tax authorities.

Akinwale & Okoye (2022) examine the effectiveness of tax reforms on government revenue mobilization in Nigeria over the period 1990–2020. Using an ex post facto research design, the study relies on annual secondary data obtained from the Federal Inland Revenue Service and the Central Bank of Nigeria. The analysis employs unit root tests, Johansen cointegration techniques, and an error correction model to capture both short-run and long-run dynamics. The findings reveal a stable long-run relationship between tax reforms and government revenue, with reforms in value-added tax and company income tax contributing positively to revenue growth. However, the short-run impact is weakened by compliance gaps and administrative inefficiencies. The study concludes that tax reforms have enhanced Nigeria's revenue mobilization capacity in the long run and recommends strengthening enforcement mechanisms and expanding reforms to the informal sector.

Onyekachi, Abdul, & Salisu (2022) investigate tax administration reforms and revenue performance in Nigeria between 2001 and 2021. Using secondary data sourced from FIRS annual reports and National Bureau of Statistics publications, the study adopts an autoregressive distributed lag approach. Results indicate that reforms focusing on automation, taxpayer registration, and electronic filing significantly improved revenue collection efficiency. However, reforms centered on tax rate adjustments alone produced limited revenue gains. The study concludes that administrative reforms are more effective than rate-based reforms and recommends sustained investment in digital tax infrastructure and human capacity development.

3.0 RESEARCH METHODOLOGY

This study adopts a qualitative research approach, employing content analysis to examine the effectiveness of tax reforms on government revenue mobilization in Nigeria. Content analysis is appropriate because it allows for systematic evaluation of both textual and documentary evidence, including government policies, tax reform bills, reports from revenue authorities, and empirical studies. The method enables the study to interpret the patterns, themes, and outcomes of tax reforms over time, providing insight into their impact on revenue mobilization.

The study utilizes a descriptive research design with a qualitative orientation. Descriptive design is suitable for this research because it focuses on examining the characteristics and effectiveness of tax reforms without manipulating variables. The study seeks to describe and interpret how reforms in tax policy, administration, and enforcement have influenced the mobilization of government revenue in Nigeria.

Data for this study are secondary in nature, collected from reliable and verifiable sources. The main sources include: government publications such as Finance Acts, Nigeria Tax Administration Bills, and Federal Inland Revenue Service (FIRS) annual reports, Central Bank of Nigeria (CBN) statistical bulletin for revenue performance indicators, peer-reviewed journals and working papers focusing on tax reforms and revenue mobilization in Nigeria between 2000 and 2025.

Content analysis is applied to systematically analyze the collected data. The technique involves both quantitative and qualitative elements, including: coding, classification, interpretations and trend analysis. The content analysis approach allows the study to systematically interpret textual and documentary evidence, ensuring credibility, transparency, and replicability. It also enables the identification of patterns and gaps in the implementation and impact of tax reforms in Nigeria.

4.0 RESULTS AND DISCUSSION

This study investigates the effectiveness of tax reforms on government revenue mobilization in Nigeria using content analysis of secondary data from government publications, tax reform bills, FIRS reports, CBN statistical bulletins, and relevant scholarly articles from 2000 to 2025.

4.1 Trends in Tax Reforms and Revenue Mobilization

The content analysis revealed that Nigeria's tax reforms over the past two decades have largely focused on policy changes, administrative restructuring, and technological innovations. Policy reforms, including amendments to the Value Added Tax (VAT) Act, the Finance Acts, and corporate tax regulations, were found to have significant impacts on total government revenue. For instance, the increase in VAT from 5% to 7.5% in 2020, as documented in FIRS reports, led to a noticeable increase in federal revenue. Similarly, reforms targeting the simplification of tax procedures and elimination of redundant exemptions improved compliance and broadened the tax base.

Administrative reforms, such as the consolidation of revenue collection agencies and the establishment of the Joint Tax Board, improved inter-agency coordination and reduced revenue leakages. Content analysis of FIRS reports from 2015–2023 shows that revenue mobilization improved during periods following major administrative reforms. This finding aligns with studies indicating that efficiency in tax administration is critical for successful revenue mobilization in Nigeria (Suleiman & Olawale, 2024).

Technological reforms, particularly the adoption of electronic filing and payment systems, were also significant. Analysis of post-implementation reports indicates that digital tax systems reduced manual errors, minimized delays, and improved taxpayer tracking, resulting in higher collections. Eze and Musa (2023) confirm that electronic filing and e-payment platforms significantly enhanced VAT and income tax revenue.

4.2 Effectiveness of Tax Reforms

The content analysis shows that tax reforms have been effective in enhancing revenue mobilization, particularly when multiple reform strategies were implemented together. For example, combining VAT policy amendments with improved taxpayer education and electronic filing consistently produced higher revenue outcomes than single interventions. This suggests that a multidimensional approach to tax reforms is more impactful.

However, limitations remain that reduce the effectiveness of reforms. These include inadequate enforcement, persistent tax evasion, weak institutional capacity in some states, and resistance from informal sector actors. Reports from the Joint Tax Board and CBN indicate that despite policy and technological reforms,

some states struggled to fully capture internally generated revenue due to compliance challenges. This aligns with findings by Adetunji and Suleiman (2024), which highlight the importance of taxpayer behaviour and institutional trust in determining the success of reforms.

4.3 Long-term Implications

Trend analysis over the 2000–2025 period indicates that structural and legislative reforms have improved the resilience of government revenue in Nigeria. Periods of significant reform correspond with sustained growth in revenue collections, suggesting that reforms contribute to both immediate gains and long-term fiscal stability. Notably, post-2020 reforms, which integrated digital systems with policy changes, show a strong positive effect on revenue trends, emphasizing the importance of modernization and institutional capacity in mobilizing government resources.

4.4 Discussion

The results of this study indicate that the effectiveness of tax reforms on government revenue mobilization in Nigeria is not solely dependent on the enactment of policy changes but is significantly influenced by the interaction between policy, administrative capacity, and technological adoption. Policy reforms, such as adjustments to the Value Added Tax (VAT) rate, amendments in corporate tax legislation, and the implementation of Finance Acts, create the legal framework necessary for revenue collection. However, the findings show that these policy interventions alone are often insufficient to generate the desired revenue outcomes if not accompanied by strong institutional mechanisms and modernized administrative processes. For instance, periods of significant tax policy change were sometimes followed by only modest increases in revenue due to weak enforcement, bureaucratic inefficiencies, and gaps in taxpayer compliance. This suggests that policy reforms must be supported by effective administrative capacity, including well-trained tax officials, improved inter-agency coordination, and robust monitoring mechanisms.

The study further, explain the critical role of technological innovations in enhancing the efficiency and effectiveness of tax reforms. The adoption of electronic filing systems, online payment platforms, and integrated taxpayer databases has been shown to significantly improve the accuracy of revenue collection, reduce leakages, and increase compliance rates. These technological tools not only simplify the process for taxpayers but also provide government agencies with the ability to track, monitor, and evaluate revenue performance in real time. The findings indicate that when policy reforms are complemented by technological interventions, the combined effect on revenue mobilization is substantially higher compared to isolated policy changes. This underscores the importance of a multidimensional approach to reform, where legal,

administrative, and technological elements work synergistically to achieve fiscal objectives.

The discussion also draws support from the Fiscal Social Contract Theory, which posits that revenue mobilization is enhanced when taxpayers perceive the tax system as transparent, fair, and effectively managed. According to this theory, taxpayer compliance is not merely a legal obligation but a social contract between citizens and the government, which is reinforced when taxpayers trust that their contributions are efficiently utilized and that enforcement mechanisms are fair. In the context of Nigeria, the study's findings suggest that reforms that increase transparency, reduce opportunities for corruption, and promote fairness in tax administration significantly strengthen this social contract. For example, digital platforms that provide taxpayers with clear information about tax obligations, payment confirmations, and accountability reports increase compliance and generate higher revenue.

Furthermore, the study reveals that challenges such as resistance from informal sector operators, delays in the implementation of reforms, and regional disparities in administrative capacity continue to moderate the overall effectiveness of tax reforms. These findings indicate that while tax reforms have contributed positively to revenue mobilization, there is still a need for sustained and targeted efforts to address structural and behavioral impediments. The study emphasizes that effective tax reform in Nigeria requires a holistic strategy that integrates legal, administrative, and technological measures while actively engaging taxpayers to build trust and compliance culture. In summary, the interplay of policy, administration, and technology, underpinned by the principles of transparency and accountability highlighted in the Fiscal Social Contract Theory, is central to achieving meaningful improvements in revenue mobilization in Nigeria.

5.0 CONCLUSION AND RECOMMENDATIONS

The study examined the effectiveness of tax reforms on government revenue mobilization in Nigeria using a qualitative content analysis approach. Analysis of government publications, tax reform bills, FIRS reports, CBN statistical bulletins, and empirical studies from 2000 to 2025 revealed that tax reforms in Nigeria have had a measurable impact on revenue mobilization, but the degree of effectiveness varies depending on the interaction of policy, administrative capacity, and technological support. Policy reforms, such as adjustments to the Value Added Tax, corporate tax legislation, and the introduction of Finance Acts, provided the legal framework necessary for revenue collection. However, without adequate institutional capacity, enforcement mechanisms, and taxpayer education, policy changes alone were insufficient to significantly enhance revenue.

The study found that administrative reforms, including the consolidation of tax collection agencies, improved coordination among revenue authorities, and capacity building for tax officials, played a critical role in improving compliance and reducing revenue leakages. Similarly, technological interventions such as electronic filing and payment platforms significantly improved efficiency, accuracy, and accountability in tax collection. The findings further suggest that when policy, administrative, and technological reforms are implemented together, they have a synergistic effect, leading to higher revenue mobilization.

Based on the findings and conclusions of this study, the following recommendations are proposed to enhance the effectiveness of tax reforms and revenue mobilization in Nigeria:

- i. Government should adopt a holistic reform strategy that integrates legal, administrative, and technological interventions, ensuring that policy changes are fully supported by institutional capacity and digital infrastructure.
- ii. Efforts should be made to strengthen administrative capacity across all levels of government, including training tax officials, improving coordination between federal and state revenue agencies, and implementing robust monitoring and evaluation mechanisms to reduce leakages.
- iii. Digitalization of tax systems should be expanded, particularly to cover informal sector operators, through the deployment of e-filing platforms, mobile tax payment solutions, and integrated taxpayer databases. This will improve compliance, efficiency, and accountability.
- iv. Periodic review of tax laws and policies is recommended to ensure that reforms remain relevant to the economic environment, address emerging challenges, and sustain revenue growth.
- v. Policymakers should establish incentives for compliance, including tax reliefs, recognition programs, and performance-based rewards for compliant taxpayers, which can encourage voluntary participation in the tax system.

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