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TAX DESIGN AND DOMESTIC REVENUE MOBILIZATION IN NIGERIA

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ABSTRACT

This study examines tax design and domestic revenue mobilization in Nigeria: a comparative study. A regressions analysis was used for the analysis of the data and pre-estimation tests were carried out. Variables having connection with tax design and domestic revenue mobilization as well as economic growth and development were used to represent their interests. Data were obtained from the yearly financial reports of the Central Bank of Nigeria (CBN) bulletin on the Real Gross Domestic Product (RGDP), Internally Generated Revenue (IGR) and Value Added Tax (VAT) covering a period of 24 year, from 1997-2020 to test for effects of tax design and domestic revenue mobilization on sustainable economic growth and development in Nigeria, and comparing the effects of tax design and domestic revenue mobilization on economic growth and development in Nigeria between pre and during recent tax design and domestic revenue mobilization awareness periods. The findings of this study showed that all the explanatory variables (IGR and VAT) in both pre and during periods have significant positive effects on dependent variable (RGDP) but the effects of tax design and domestic revenue mobilization on economic growth and development in Nigeria between 2009 and 2020 are more than the effects before 1997 and 2008 periods. The study concludes that effects of tax design and domestic revenue mobilization in Nigeria are invaluable and no amount of money spent on its full institution and execution is in vain. The study therefore recommends that every level of government should consider its full implementation as well as comply with tax design standards in order to improve quality of tax policies and promote sustainable economic growth and development in Nigeria.

KEY WORDS: *Tax design; domestic revenue mobilization; sustainable economic development*

1.0 INTRODUCTION

The inordinate sorting for external funds outside the country, usually known as external debts or grants, and its negative effects on the sustainable funding of economic growth in developing countries has made it imperative that these countries now seek inward to domestic revenues as one of consistent and sustainable means of funding economic growth and development as well as attaining sustainable economic growth. Nigeria as a developing country considered this design option and has introduced diverse policies and strategies towards promoting her domestic revenue mobilization via enhanced taxation and non-taxation revenues (Obi & Ifelunini, 2019).

Issue of domestic revenue mobilization has been discussed in several international conferences over the years. The call for raising domestic revenue via resourceful and efficient tax systems was one of the basic goals of "the 2002 Monterrey Consensus on Financing for Development" follow up to 2008 forum in Doha which harassed the necessity for openness of public finance management and further proficient tax collection, a broader tax. In 2012, Rio+20 conferences were organized together with the Addis Ababa forum in 2015 also stressed the need for domestic revenue mobilization as a pinnacle precedence in the perspective of the post-2015 development agenda (European Union, 2017; Organization for Economic Cooperation and Development (OECD), 2008).

Increases in domestic revenue mobilization reduce dependence on foreign aid as well as national debts and lead to development in public control, because taxpayers are likely to hold the governments responsible. The entire government revenue as proportion of GDP serves as one of the key performance indicators (KPI) for tracking domestic revenue mobilization attempts. Therefore, domestic revenue mobilization can be considered as a tool used by government to generate revenue and expense expenditure to control economic growth and development (International Monetary Fund World Bank Group, 2016). It is the tool that hubs on revenues from taxation, identifying that there are various other non-tax government revenues, such as dividends as well as profits received from the quoted firms, interest receipts received from loans provided by the government and tariffs.

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However, from extant literature not many studies have been carried out in this area in Nigeria. Although, the few studies conducted were done outside the country yet there still need for more studies. According to International Monetary Fund World Bank Group (IMFWBG) (2016), domestic revenues are the biggest untapped supply of financing to finance national growth and development plans; without efficient mobilization of domestic revenues, the sustainable national development cannot be attained. According to World Bank (2021), rendering the financing condition of attaining the ambitious sustainable development goals adopted in 2016, the global community has recognized domestic revenue mobilization as a strategic precedence. The absence of significant advancement on domestic revenue mobilization in the previous decade indicated the need for renewed attention to the issue. Therefore, this study is motivated to examine effects of tax design and domestic revenue mobilization on sustainable economic growth and development.

In order to achieve this goal, this study will respond to question: whether tax design and domestic revenue mobilization has positive effects on sustainable economic growth and development in Nigeria or not? Whether past contributions of tax design and domestic revenue mobilization to economic growth and development were greater than contributions provided when full attention is given to the policies and scheme? The rest of this study covers literature review, methodology, analysis of results obtained and conclusion as well as recommendation.

2.0 LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Domestic Revenue Mobilization

Domestic revenue mobilization is the generation of resources from domestic revenues and their distributions to reasonably and economically viable projects that are key pivots to attaining the desirable sustainable economic growth and development objectives (World Bank, 2016; Soyinka, 2021; Fakile et al., 2014). According to World Bank (2021), the description of domestic revenue mobilization was reasserted by the 2015 Addis Ababa action program that mobilization and efficient employment of domestic revenues, underlined by the standard of national ownership, are fundamental to accomplishing the sustainable growth and development targets (Obi & Ifelunini, 2019). Funding development has been a main focus of discussion at the global dome; by developed and developing economies similar. This is the attempt instituted by government through its spending to accomplish its developmental estimates. It is the procedure of giving to the course of an investment such as project for the interests of its citizens (Soyinka, 2021; Obi & Ifelunini, 2019).

According to International Monetary Fund (IMF) (2011), domestic revenue mobilization strategy involves integrating policy and revenue generation from natural resources into the tax system; Ensuring stability of domestic and global tax laws, which indicates, among other things, that various countries must painstakingly review the interpretations of tax treaties and diverse negotiation plans prior to countries engage in novel treaty agreements or revise present treaties; employing tax design as an instrument to promote or deject particular operations only when strategy principles and local limitations deserve it. IMFWBG (2016) asserts that an instance is the design of investment tax incentives, which ought to give attention to market imperfections, tax administration limitations in policing incentives to check abuse, as well as the usefulness of incentives in reaching their goals. Appropriate monitoring of the charges and efficiency of such tax design should be established, so policymakers can make suitable policy modifies when required; and integrating diverse areas of the estimation of tax policies. Although it is only about revenue, yet also about equity, effectiveness, and other feasible implications that is how policies alter prospects or inducements for tax evasion and avoidance.

European Union (2017) is of the opinion that the improvement of a rational and sustainable revenue mobilization approach should really develop into a sum-of-the-government attempt, assuring consistency of the domestic tax design with broader national targets; incorporating into the national development policy. Revenue mobilization ought to be developed by the government, so that an efficient cooperation of the different government organs can guarantee a coherent and all-inclusive design, and productive alliance with external collaborators and donors. A line of studies from international firms are an excellent starting point for understanding the major encounters that developing countries confront in tax design and administration, as well as constructing potential options for restructuring.

World Bank (2021) discloses that the developed countries are interested on how to help developing countries to accomplish national and global growth and development targets and goals through aids, loans, grants, so on. On the other hand, over the years, developing countries are encountered with huge development tasks and have thus established to build capacity to attain reliable growth in their amenities, fight corruption, and call for foreign direct investment and build up transparent financial mechanisms as a practical means of attaining national economic targets and global development objectives (OECD, 2009). To attain sustainable national economic growth and development, financial strategies and tax policies designed by developing countries should be carried out to be in agreement with local and global plans. Fund plays an important role in accomplishment of these economic targets particularly for developing countries.

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According to Soyinka (2021) there are diverse sources of development funds such as debt (domestic and foreign), taxation, revenue from export sales, savings by individuals, firms and government, aids and grants within and outside the countries (ICAN, 2020; Adams, 2018). Conversely, of the entire sources of domestic revenue, taxation has been acknowledged as fundamental to attaining the desirable interconnected or incorporated development targets as predetermined by developing countries. This may be because taxation offers governments with the capitals required to fund development and in the long run, provides a remedy to assist reliance on the poorest nations and expected fiscal environment to encourage growth. Furthermore, apart from creating an enabling environment for economic growth and development, taxation is vital to the sound governance system. This exists through the stimulus of procedure of conciliation and bargaining between the levels of government and their citizens so playing pivotal role to further successful and accountable government (OECD, 2009; Soyinka, 2021)

According to Kuada (2013), many countries in Africa particularly Sub-Saharan countries depend majorly on external sources of funds than domestic sources of funds to the desert of developing national revenue means. Gutman et al. (2015) argue that every country in Sub-Saharan Africa needs to generate domestic revenues to supplement the development attained in fiscal proceeds. It thus implies that government of these nations should examine inward for other sources of funds to finance various projects as there are different means of raising capital for developmental targets. Other avenues of mobilizing revenue should be found out by governments and not depending on foreign means. Nigeria's experience is not far from this situation. According to Obi and Ifelunini (2019), Nigeria over depends on external sources, revenue from oil exploration among other means to fund its developmental investments and strategies. In recent periods, Nigeria has encountered a line of challenges in funding its estimates given the revenue shock occasioned by fall in global oil price in 2016 and recent periods. This has bought a fall in government development spending. This has raised government shortage in funding with external debt report. To overturn this negative effect trend, Nigeria government has introduced some guidelines and mechanisms geared towards promoting domestic revenue mobilization. According to Junquera,-Varela *et al.* (2017), the only consistent and sustained avenues of government revenue are taxes and some non-tax revenue tools like royalties as well as resource rents from extractive industries.

2.1.2 Tax Design in Nigeria

The Nigerian tax design has passed through several revolutions geared in the direction of improving tax collection and supervision with minimum administrative costs, the main task encountered by the Nigerian economy is the tax design currently in activities. This also contributed to the non-voluntary conformity of the taxpayers which leads to a wide involvement in tax evasion and avoidance. It has been a key setback to economic growth and development, which makes tax evasion as well as avoidance are now common practices (Ezeoha & Ogamba, 2010). Nigerian government has not been at rest, recently diverse policies and tax design have been established by her to address these identified impediments of tax administration. These include: the institution of Taxpayer Identification Number (TIN), Automated Tax System (ATS) that enhances tracking of tax positions as well as individual taxpayer, E- payment system (EPS) which facilitates sound payment process and minimizes the occurrence of tax touts, Implementation of scheme (Odusola, 2016). All these are established to raise enough domestic revenue to meet up with national demands and for improving the total welfare of every Nigerian as well encourage economic growth and development; therefore, it is imperative to estimate the level of economic growth and development in Nigeria.

According to World Bank (2021), the role of taxation in generating funds for investments cannot be over emphasized; For instance, taxation can stimulate complete and sustainable growth and development in other means. More gender responsive tax design may assist in achieving sustainable domestic objectives; on gender equality as well as the empowerment of entire women and girls. The study argues that one of tools to influence gender equality via taxation are tax policies connected to small and medium-sized enterprises, because a large number of developing countries women are overrepresented as workers in small and medium-sized firms and at the lowest wage levels. Tax design may have effects on other parts in sustainable growth and development like infrastructure investment national and global tax incentives, environmental sustainability like carbon taxes, and taxes on harmful and unhealthy goods and services. According to Committee of Experts on International Cooperation in Tax Matters (2018), tax design and policies are helpful in sustaining healthy economic growth and development if they assist appreciate one or more sustainable growth and development without jeopardizing each other. For instance, although tax incentives for significant investments by multinational firms may increase their projects into domestic infrastructure yet will bring about foregone tax revenues. Those deficits are usually rewarded for by increasing taxes on products.

2.1.3 Sustainable Economic Growth and Development

According to Committee of Experts on International Cooperation in Tax Matters (2018), the mobilization and efficient use of domestic revenues are fundamental in the pursuit of sustainable economic growth and development. Sound tax design serves as a powerful instrument to aid finance attainments of the sustainable economic growth and development. Sufficient domestic and international fiscal policies can also play a significant role in minimizing inequalities and encouraging optimistic sustainable economic development guides. The committee argues that government should recognize the significant role to be played by development-oriented tax design, restructured and progressive tax systems as well as further efficient tax collection process. OECD (2011) also asserts that taxation serves as one of the most imperative means in which developing countries can mobilize domestic revenues for investment in sustainable development. World Bank (2021) argues that effective domestic revenue mobilization is an indispensable tool for developing nations' capacities to fund their development targets in a sustainable and equitable conduct (World Bank, 2020). This assessment centers on the World Bank Group's collaboration to its clients to advance essential government domestic revenue mobilization, such as revenue from direct taxes, VAT, excises and customs and non-tax collections like royalties from extractives.

Economic growth is evaluated by changes in revenues realized periodically, productivity recorded, economic diversification and creation of employments. According to Adebowale (2019), economic growth creates 'resources which are potentially available for development in all ramifications. Soyinka (2021) is of the opinion that one of the ways of increasing government' revenue is through tax of recent times. Richards and Ekhator (2019) explain that in Nigeria, taxation for several years was not a key source of the revenue in any tier of government, but since the over dependence on revenue from oil in recent times has landed Nigeria' government into untold hardship and challenges, government at every level has been coerced by these unavoidable challenges to search for non-oil revenue via taxation because the unpredictability of the global oil market. Adversely, the transformed interest in the creation of tax revenue has brought about the proliferation of taxes as well as ill-treatment of taxing authorities. To deal with these challenges, the call for formulating a National Tax Policy was considered to state the aims of taxation together with setting up basic principles for the running of the Nigerian tax system.

2.2 Theoretical Review

2.2.1Theory of Change for Domestic Revenue Mobilization

This study anchored on theory of change for domestic revenue mobilization demonstrated by World Bank (2021) in a study on World Bank group support for domestic revenue mobilization. The study states that the theory consists of four stages which are: inputs or activities, outputs, intermediate outcomes and outcomes. Activities have four branches which are domestic revenue mobilization includes tax revenues, tax efficiency, tax equity and royalties' management. Once tax revenue activities are carried out, the theory argues that the outputs will be improved and modernized tax approach, database and identification; reduction in the cost of compliance which is established by advancement in control as well as audit arrears improvement; improvement in institutional structure and capacity; and increase in communication, information campaigns and survey and tax education. Its intermediate outcome will strengthen revenue system as well as inter-agency coordination.

The next activity is tax efficiency which leads to reduction in tax exemptions, simplifying tax and elimination of distorting taxes, based erosion and profits shifting regulation, reduction in stamp duties as well as nuisance taxes. Its outputs include identification of entities that are taxable; determination of tax liability and educating tax payers. Its associated intermediate outcomes include enhancement of tax bases, tax system efficiency, and tax equity. The third activity is tax equity. The theory believes that tax equity involves introduction of equity in tax schedule and value added tax exemption for those who engage in social transfers. Output of tax equity includes facilitation of voluntary compliance, representation in tax arguments; and novel or revised tax classification and brackets. World Bank (2021) argues that tax equity has intermediate outcome which includes advancement in extractive sector fiscal stance. The fourth input is royalties' management. It involves support to tariff rationalization as well as tariff management, and adoption of tariff and subsidy strategy guidelines. Its output includes better exploit of workers and revenues, effective coordination with the rest of tax division, increase in tax compliance and improvement in taxpayers' data in database. Finally, the theorist asserts that all these activities or inputs produce the following outcomes: increase in taxpayers' compliance, trust and enforcement; broaden the tax base, increase in government revenue realized and advancements in investment climates associated to taxation.

2.2.3 Empirical Review

Qbi and Ifelunini (2019) examine mobilization of domestic resources for economic development financing in Nigeria: Does tax matter? The study investigates the flow of external debts and its negative impact on the sustainable financing of development in developing countries. It uses time series data employing Autoregressive Distributed Lag Model and Error Correction Model to evaluate the level of relationship subsists between the explanatory variables and dependent variable. The study finds that lagged values of tax and total export matter in domestic resource mobilization. It also discovers that particular lagged figures of taxation showed an inverse connection with development which indicates some percentage of frail administrative tax design, tax evasion and bureaucrat corruption.

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Morrissey (2015) studies aid and domestic resource mobilization with a focus on Sub-Saharan Africa. The study's theory reveals that there are diverse means in which aid can have inverse influences on tax revenue while direct impacts arise since aid and tax are substitute avenues of revenue. Political economy factors affect the selections made by government. Study also shows that aid may deject tax attempt if disclosed as a politically low costly means of revenue. It argues that diverse circumstances, the policies as well as reforms connected with aid possibly will raise revenue, via encouraging growth, promoting further proficient tax structures, or sustaining reforms to tax administration. Cross-country proof shows no systematic model, country research works indicate that aid can be related to administrative and competent reforms to raise tax revenue.

Mascagni (2016) studies aid and taxation in Ethiopia using pre-estimation test and a regression to evaluate the relationship between aid and taxation. The finding of study reveals that aid has significant positive relationship aid and tax revenue. Ayoki et al. (2005) investigates tax reforms and domestic revenue mobilization in Uganda employing a statistical tool and the study's finding indicates that domestic revenue mobilization has positive relationship with tax, on the other hand has perceptive coefficients between indirect and direct taxes. Fakile *et al*. (2014) examine mobilizing domestic revenue for sustainable development in Africa, using comparative analysis to appraise the level of domestic revenue mobilization in African countries. The study's finding indicates that tax revenue has positive relationship with domestic revenue mobilization because tax revenue contributes positively to domestic revenue mobilization.

Ohemeng and Owusu (2013) examine implementing a revenue authority model of tax administration in Ghana: An organizational learning perspective, adopting social learning theory as well as revenue authority model. The study's finding shows that the mission of domestic revenue mobilization occasioned initiation of several tax reforms in Ghana. Smith and Wahba (1995) conduct a study on the role of public finance in economic development: an empirical investigation using statistical tool to evaluate the relationship that exists between government tax and economic development. The study focuses on function played by government in financing economic development of many developing nations. The empirical finding shows that tax plays a significant function in the development of these nations.

3.0 METHODOLOGY

This work used a regression analysis to investigate the effect of tax design and domestic revenue mobilization on sustainable economic growth and development. Internally Generated Revenue (IGR) and Value Added Tax (VAT) are used as proxies for tax design and domestic revenue mobilization while Real Gross Domestic Product (RGDP) is used as an index for sustainable economic growth and development. The study used the panel data econometric technique to test the significance of various explanatory variables (IGR and VAT). The study formulated a model for the purpose of the panel data analysis in this study. The model is specified as follows:

RGDP = f (IGR and VAT) ……………………………………………….(3.1)

RGDP = $\beta_0 + \beta_1$IGR+ β_3VAT + ε_t ………………………………...……..… (3.2)

Where:

RGDP = Real Gross Domestic Product; IGR = Internally Generated Revenue; VAT = Value Added Tax; ε_t = Stochastic error term; β_0 = Constant/Intercept; β_1….. β_3 = Regression coefficients

3.2 Measurement of Variables

S/N	Variable	Definitions	Capacity of Variables	Measurements/Proxies	Aprior Expectation
1	RGDP	Real Gross Domestic Product	Dependent	Disclosure	NA
2	IGR	Internally Generated Revenue	Independent	Disclosure	+ve
3	VAT	Value Added Tax	Independent	Disclosure	+ve

Source: Researcher's Compilations (2021)

3.3 Sources of Data

The data employed in this study are from secondary sources. This study used the periodic data of RGDP, IGR and VAT on the Central Bank of Nigeria database and other relevant books spanning a 24-year period (1997 to 2020). From 1997 to 2008 stood for pre- domestic revenue mobilization crusade and 2009 to 2020 stood for during. The choice of variables and periods was based on nature of the subject matter and period domestic revenue mobilization relatively generally accepted among developing countries and data availability in the Central Bank of Nigeria annual statistical bulletin as well as for convenience (OECD, 2019).

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4.0 RESULTS

The pre-estimate test of the data is first carried out which are descriptive and correlation analysis, and thereafter the regression panel analysis is employed. The outcomes and findings are presented and interpreted as follows;

Table 1: Descriptive statistics of Pre and during Domestic Revenue Mobilization in Nigeria

During 2009-2020	Mean	Median	Maximum	Minimum	Std. Dev.	Jarque-Bera	Probability	Observations
RGDP	3.617083	3.496144	9.539786	-1.92	3.592002	0.394630	0.000932	12
IGR	30.77742	30.46888	38.21168	24.03051	4.638369	0.780668	0.000031	12
VAT	286.5061	267.0904	479.9616	157.3786	91.33913	0.972241	0.005008	12
Pre 1997 to 2008	**Mean**	**Median**	**Maximum**	**Minimum**	**Std. Dev.**	**Jarque-Bera**	**Probability**	**Observations**
RGDP	6.740792	6.867216	14.60438	0.521844	3.775934	0.206672	0.001824	12
IGR	14.05070	15.29815	24.04250	2.734000	8.954447	1.665834	0.004779	12
VAT	44.80505	29.87555	135.9181	6.826100	41.76008	2.202774	0.002410	12

Source: Researchers Compilation (2021)

From the descriptive statistics of the variables as revealed in table1 above, it was discovered that before acceptance of crusade for domestic revenue mobilization (1997 to 2008) by most of developing countries, the mean of RGDP stood at 3.6171 while minimum and maximum values stood at -1.92 and 9.5398 respectively. The mean for IGR stood at 30.7774 with minimum and maximum values of 24.0305 and 38.2117 respectively. VAT had a mean value stood at 286.5061 with minimum of 157.3786 and maximum value of 479.9616. The matching estimates for pre- crusade for domestic revenue mobilization (1997-2008) showed that the mean RGDP, IGR and VAT values stood at 6.7408, 14.051 and 44.8051 were lesser than those values of the during domestic revenue mobilization except for RGDP because of impact of oil revenue on RGDP as at those periods. This analysis shows that the during domestic revenue mobilization explanatory variables have greater means than pre domestic revenue mobilization crusade. The Jarque-bera statistics indicated that the data were significantly normal in the both sectors.

Table 2: Comparative Correlation Matrix of Pre and during Domestic Revenue Mobilization in Nigeria

2009-2020	RGDP	IGR	VAT
RGDP	1.000000		
IGR	0.537434	1.000000	
VAT	0.602328	0.331962	1.000000
1997- 2008	RGDP	IGR	VAT
RGDP	1.000000		
IGR	0.501681	1.000000	
VAT	0.240030	0.795889	1.000000

Source: Researchers Compilation (2021)

Table 2 above shows the Pearson correlation coefficient outcome for the variables. The table revealed that during Domestic Revenue Mobilization in Nigeria (IGR and VAT) showed to be positively correlated with RGDP as depicted by the correlation coefficient of 0.5374 and 0.6023 respectively. For the Pre-Domestic Revenue Mobilization in Nigeria all explanatory variables showed positive correlations with RGDP as depicted by the correlation coefficient of 0.5017 and 0.2400. It was discovered that the correlation coefficients of the variables with RGDP for during Domestic Revenue Mobilization in Nigeria were higher than those coefficients with RGDP in the Pre-Domestic Revenue Mobilization in Nigeria. On the other hand, this does not inevitably propose causality. The coefficients of correlation also do not stimulate grave notion of multicollinearity between the explanatory variables and dependent variable.

Table 3: Regression Analysis

Domestic Revenue Mobilization in Nigeria	DURING		PRE	
Variables	Coefficient	Prob.	Coefficient	Prob.
IGR	0.0759	0.0428	0.3574	0.0191
VAT	0.0220	0.0011	0.0392	0.0037
C	14.8750	0.0051	3.4797	0.0100
R-squared	0.90520		0.52081	
Adjusted R-squared	086965		0.5099	
S.E. of regression	1.29684		3.4401	
Sum squared resid	13.4545		106.511	
Log likelihood	-17.7137		-30.127	
F-statistic	25.4631		2.1261	
Prob(F-statistic)	0.0000		0.0017	
Durbin-Watson stat	1.9257		1.8118	

Source: Researchers Compilation (2021).

The table 3 reveals the regression result carried out using Eviews 8.0. The norm in numerous studies in evaluating tax design and domestic revenue mobilization on sustainable economic growth and development has been to investigate the competence of the coefficient of determination or else known as the R^2. The estimation indicates that for the pre domestic revenue mobilization in Nigeria with the R^2 is 0. 52 and reveals that tax design and domestic revenue mobilization i.e. IGR and VAT were able to explain about 52 % of the systematic variations in RGDP which was lesser than the R^2 of 0.90 found for data during periods of domestic revenue mobilization in Nigeria. Furthermore, the F-statistics shows that the null hypothesis of no significant linear relationship between the endogenous and exogenous variables is rejected for during domestic revenue mobilization while the F-statistics shows that null hypothesis of no significant linear relationship between the endogenous and exogenous variables is rejected for pre domestic revenue mobilization in Nigeria but less than the former. Particularly, this study discovers that all the explanatory variables have a statistically significant positive relationship with RGDP for both pre and during domestic revenue mobilization in Nigeria.

4.1 Discussion of Findings

The data analyses carried out in the study reveal that government has more revenue generated through tax design and domestic revenue mobilization after 2008 when the policies were in operations. The findings of this study depict that tax design and domestic revenue mobilization has statistically significant positive relationship with RGDP of both periods. This is constant with OECD (2009) when it observed that there had been improvements in revenue raising attempt of Sub-Saharan African countries; Smith and Wahba (1995); Fakile *et al*. (2014) but not in agreement with work of Qbi and Ifelunini (2019).

The regression analysis among others proposes that all the explanatory variables were considered in this study, to be more relevant, due to the fact that all of them have a significant positive relationship with the RGDP. In addition, this study discovered that the contributions of domestic's revenue mobilization in Nigeria were more within 2009 to 2020 than the revenue collected when more attention was not given to domestic revenue mobilization represented by 1997 to 2008 revenue obtained through VAT and IGR. This implies that more attention should be given to tax design and domestic revenue mobilization.

5.0 CONCLUSION AND RECOMMENDATION

The tax design and domestic revenue mobilization serve as one of the potential avenues for generating revenue. This study examines the effect of tax design and domestic revenue mobilization on Nigerian sustainable economic growth and development. Extant studies evaluated the dependent variable employing R^2 statistics of the regression product; showing that the higher the R^2 statistics the more relevant the tax designs and domestic revenue mobilization are. This study, being a comparative study of tax design and domestic

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revenue mobilization between the period the policies were not given attention and periods relatively attention was given in the Nigerian economy, discovers that the tax design and domestic revenue mobilization in these periods are very vital; although the contributions of tax design and domestic revenue mobilization when attention was given is more relevant and thus can affect the sustainable economic growth and development in Nigeria. This study therefore recommends that more efforts should be put on the tax design and domestic revenue mobilization in Nigeria by those who are charged with responsibilities to regulate and ensure international standards are complied with and maintain its qualitative characteristics. This is one of the avenues through which the tax design and domestic revenue mobilization be improved over the period of time.

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