E-ISSN: 1115 - 8530 P-ISSN: 3026-8958
MPRI-JFRBD | INTERNATIONAL JOURNAL OF FINANCIAL RES. AND BUSINESS DEVELOPMENT
VOL. 13 NO. 7 – JULY, 2026

ECONOMIC DEVELOPMENT TAX INCENTIVES AND COMPUTATION OF MINIMUM EFFECTIVE TAX RATE IN NIGERIA

[1]SAMSON ADEWALE DISU; [2]AKEEM ATANDA GARUBA

[1&2]Department of Accounting, College of Applied Social Sciences, Lagos State University of Science and Technology, Ikorodu, Lagos State.

Corresponding Author: samson.disu@lasustech.edu.ng

DOI: https://doi.org/10.70382/mejfrbd.v13i7.109

Abstract

Nigeria deploys a broad spectrum of tax incentive innovations including pioneer status, free trade zones, investment tax credits, and sector-specific holidays to attract investment and enhance economic development. Yet the fiscal cost of these incentives remains inadequately measured, particularly in relation to the effective tax burden actually borne by corporate entities. This study examines the nature, legal framework, and sectoral coverage of economic development tax incentives in Nigeria, and proceeds to develop a systematic framework for computing the Minimum Effective Tax Rate (METR) applicable to Nigerian enterprises. Drawing on the King-Fullerton model and the OECD Pillar Two global minimum tax architecture, the study adopted qualitative and quantitative mixed method research design to situates Nigeria's tax incentive structure within international best practices. The analysis reveals a significant divergence between statutory Corporate Income Tax (CIT) rates of 30% and actual effective tax rates in incentivized sectors, raising concerns about revenue sustainability, base erosion, and fairness. The study further considers the implications of OECD/G20 Pillar Two rules on Nigeria's

Keywords: Tax incentives, Minimum Effective Tax Rate (METR), Economic Development Tax Credit, Corporate Income Tax, Nigeria Pillar Two.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

investment promotion frameworks and recommends a graduated minimum Effective Tax Rate (ETR) floor, enhanced transparency in incentive administration, and legislative reform of the Companies Income Tax Act. The findings contribute to the growing discourse on responsible tax competition and fiscal policy reform in developing economies.

Introduction

Tax incentives occupy a central but debatable place in the fiscal architecture of developing economies. Nigeria, Africa's largest economy by GDP, has over the decades enacted a proliferating array of tax relief measures designed to stimulate domestic investment, attract foreign direct investment (FDI), promote exports, and catalyze industrial development in strategic sectors. These incentives spanning corporate income tax holidays, customs duty exemptions, investment tax credits, and free trade zone arrangements are embedded across multiple legislative instruments, including the Companies Income Tax Act (CITA) 2004 (as amended), the Petroleum Profits Tax Act (PPTA), the Nigeria Investment Promotion Commission (NIPC) Act, and the Nigeria Export Processing Zones Authority (NEPZA) Act. In the Nigeria Tax Act 2025, Economic Development Incentive (EDI) metamorphoses "pioneer status" tax holidays with a performance-driven priority sector scheme of a 5% annual Economic Development Tax Credit (EDTC) on capital expenditure for up to five years.

Despite their widespread deployment, the effective tax burden arising from this incentive labyrinth remains poorly understood by policymakers, tax administrators, and investors alike. A critical gap in the Nigerian tax policy discourse is the absence of a systematic, transparent framework for computing the Minimum Effective Tax Rate (METR) the lowest rate of tax that should be borne by a taxpayer after the application of all incentives and reliefs. This gap has practical consequences; it enables aggressive tax planning, erodes the tax base, and creates an uneven playing field between incentivized and non-incentivized enterprises.

The emergence of the OECD/G20 Inclusive Framework's Pillar Two initiative which prescribes a global minimum effective tax rate of 15% for multinational enterprises (MNEs) with annual global revenue exceeding €750 million adds an urgent international dimension to this domestic policy gap. Nigeria, as a signatory to the Inclusive Framework, faces the imperative of aligning its incentive regime with Pillar Two requirements, failing which qualifying domestic entities may face top-up taxes levied by other jurisdictions, effectively nullifying the incentive effect of Nigeria's concessions.

Against this backdrop, this study pursues three primary objectives. Firstly, to provide a comprehensive taxonomy of economic development tax incentives available in Nigeria

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

and their legal foundations. Secondly, to develop and illustrate a rigorous framework for computing the METR at the enterprise and sectoral levels, and thirdly, to evaluate the revenue implications and policy sustainability of Nigeria's incentive structure in the context of global tax reform.

The Concept of Tax Incentives

Tax incentives refer to deliberate departures from the standard tax structure that reduce the tax liability of designated taxpayers or classes of transactions in order to achieve specified economic, social, or developmental objectives (IMF, OECD, UN & World Bank, 2015). They are distinguished from general tax reliefs in that they are selective, targeted, and conditional upon specific behaviours or locational choices by the taxpayer. In the Nigerian context, the Nigeria Revenue Service (NRS) recognises tax incentives as statutory provisions that result in a reduction of the tax that would otherwise be payable, including exemptions, credits, deductions, preferential rates, and deferrals.

The taxonomy of tax incentives encompasses several forms. Tax holidays temporarily exempt beneficiaries from corporate income tax for specified periods, typically between three and five years. Investment Tax Credits (ITCs) allow taxpayers to offset a percentage of qualifying capital expenditure against their tax liability. Accelerated capital allowances permit faster depreciation of qualifying assets, reducing taxable income in earlier years. Location-based incentives grant preferential tax treatment to enterprises operating in designated zones, such as Free Trade Zones (FTZs) or export processing zones. Sectoral incentives target specific industries deemed strategically important, including agriculture, solid minerals, tourism, and gas utilisation. The operators in domestic sales or non-export sectors to fulfill standard tax obligations under performance-based rules.

The economic rationale for tax incentives in developing economies rests on market failure correction: where private investors undervalue positive externalities (e.g., job creation, technology transfer, and backward linkages), fiscal concessions can bridge the gap between social and private returns on investment. However, incentives also carry fiscal costs in the form of foregone revenue and create opportunities for abuse through profit shifting, artificial restructuring, and base erosion. The effectiveness of any incentive regime therefore hinges critically on the relationship between the statutory tax rate and the actual effective tax rate borne by beneficiaries.

The Concept of Minimum Effective Tax Rate

The Effective Tax Rate (ETR) is the ratio of actual tax paid to pre-tax accounting profit, reflecting the true fiscal burden borne by a taxable entity. Unlike the statutory rate, the ETR accounts for all deductions, credits, exemptions, and timing differences that reduce taxable income below accounting income. The Minimum Effective Tax Rate (METR), as

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

operationalised in this study, refers to the lowest ETR that should accrue after the full application of all legally available incentives i.e., the floor below which the effective tax burden of any enterprise operating in Nigeria should not fall without triggering compensatory measures.

Two distinct but related concepts exist in the literature. The marginal effective tax rate (also abbreviated METR), as developed by King and Fullerton (1984), measures the tax wedge on the marginal investment the difference between the pre-tax required rate of return on capital and the post-tax return to the investor and is most useful for assessing the impact of the tax system on investment decisions at the margin. The average effective tax rate (AETR), in contrast, measures the total tax burden on an inframarginal investment and is more relevant for location and profit-shifting decisions. For policy purposes and consistent with OECD Pillar Two the average ETR is the operative metric for minimum tax floor computations.

The Pillar Two global minimum tax uses a specific ETR calculation formula:

ETR = Adjusted Covered Taxes / GloBE Income

Where GloBE (Global Anti-Base Erosion) Income represents the financial accounting net income of a constituent entity, adjusted for specific items, and Adjusted Covered Taxes encompasses current and deferred taxes adjusted for certain excluded items. A jurisdiction-level ETR below 15% triggers the Income Inclusion Rule (IIR) or Undertaxed Profits Rule (UTPR), requiring parent or peer entities to remit top-up taxes.

Theoretical Review

The analysis of economic development tax incentives and minimum effective tax rates in Nigeria draws on a rich body of economic and fiscal theory. Table 1 presents the principal theoretical frameworks underpinning this study.

Table 1: Theoretical Frameworks Underpinning the Study

Theory	Key Proponent(s)	Core Argument	Relevance to Study
Optimal Tax Theory	Ramsey (1927); Diamond & Mirrlees (1971)	Taxes should minimise economic distortions while raising revenue	Guides computation of METR to balance incentives and fiscal revenue
Capital Mobility Theory	Tiebout (1956); MacDougall (1960)	Capital flows to jurisdictions with lowest effective tax burden	Explains why Nigeria deploys incentives to attract FDI
Fiscal Federalism Theory	Oates (1972)	Decentralised fiscal policies improve allocative efficiency	Underpins federal-state tax incentive conflicts in Nigeria

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Theory	Key Proponent(s)	Core Argument	Relevance to Study
Incentive Signalling Theory	Spence (1973)	Incentives signal government commitment to investors	Explains pioneer status and FTZ as credibility tools

Source: *Authors' Compilation (2026)*

Optimal tax theory, originating with Ramsey's (1927) inverse elasticity rule and later refined by Diamond and Mirrlees (1971), provides the normative foundation for evaluating tax incentive design. The core insight is that efficient taxation minimises the excess burden (deadweight loss) arising from tax distortions on consumption and production decisions. In the context of the METR, optimal tax theory prescribes that the effective tax rate on capital income should be designed to balance revenue objectives against investment distortions neither so high as to crowd out productive investment nor so low as to constitute a subsidy at the expense of the fiscal position.

Capital mobility theory, pioneered by Tiebout (1956) and MacDougall (1960), explains why tax incentives have proliferated in developing economies: in an environment of internationally mobile capital, jurisdictions compete for investment by lowering effective tax burdens. Nigeria's Pioneer Status Incentive (PSI), Free Trade Zone regime, and Gas Utilisation incentives are directly explicable within this framework each seeks to improve Nigeria's competitive position relative to peer investment destinations in Africa. However, capital mobility theory also warns of a "race to the bottom" in which tax competition among developing countries produces collectively suboptimal outcomes, eroding revenue bases without necessarily securing greater investment flows.

Fiscal federalism theory (Oates, 1972) is relevant to the Nigerian context given the tripartite structure of government and the proliferation of incentives at both federal and state levels. The co-existence of federal CIT holidays, state land-use incentives, and local government levies creates a complex effective tax landscape in which the true burden on enterprise cannot be ascertained from any single level of legislation.

Empirical Review

A growing body of empirical literature addresses the effects of tax incentives on investment, revenue, and growth in Nigeria and comparable economies. Table 2 (presented in the Findings section) synthesizes key studies.

Olaniyi, Oyedokun, and Ajayi (2019), examining a broader portfolio of CIT, PPT, VAT, and customs duty incentives over 1994–2016, found that the CIT and customs duty incentives had a weak and insignificant relationship with FDI, consistent with the view that fiscal incentives matter least where structural investment barriers dominate. Ibrahim et al. (2022) applied Driscoll-Kraay regression to NIPC and CBN data for 2008–2018 and found that custom duty exemptions on capital equipment had a positive and statistically

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

significant impact on FDI inflows, while the tax holiday component was positive but less robust.

On the revenue side, the OECD Revenue Statistics in Africa (2024) confirms that Nigeria's overall tax-to-GDP ratio stood at 7.9% in 2022, well below the 36-country African average of 16.0%, partly reflecting the cost of incentive proliferation on the revenue base. Schneider et al. (2025), in an IMF departmental paper on tax expenditures in Sub-Saharan Africa, find that approximately 30% of SSA countries lack an inventory of tax expenditures, highlighting transparency deficits that prevent systematic METR computation across the region.

At the international level, the most consequential recent development is the OECD/G20 Pillar Two agreement, which over 140 jurisdictions have endorsed. Devereux and Vella (2023), in their analysis of Pillar Two's impact on tax competition published in the World Tax Journal, find that the 15% GloBE floor sets a binding constraint on source-country competition through below-minimum incentives, though the substance-based income exclusion moderates its impact for economies with significant payroll and tangible asset bases. Perry (2023), writing specifically on Sub-Saharan African countries in Intertax, concludes that while SSA countries retain statutory CIT rates well above 15%, their proliferation of tax holidays and FTZ regimes brings effective rates on specific investments to zero making Qualified Domestic Minimum Top-up Tax (QDMTT) adoption the most rational policy response for preserving fiscal sovereignty. Oguttu (2022), examining the GloBE rules from a developing country perspective, argues that the rules constrain legitimate real tax competition and may disproportionately disadvantage-developing nations that rely on low-ETR incentives to attract FDI in the absence of other locational advantages.

The identified empirical gap, which is the absence of a systematic, legally grounded METR computation framework for Nigeria, motivates the analytical contribution of the current study.

Methodology

This study adopts a qualitative-quantitative mixed methodology, triangulating doctrinal legal analysis, comparative fiscal policy analysis, and numerical modelling. The doctrinal component involves a systematic review of the relevant Nigerian tax statutes, subsidiary legislation, NRS practice notes, and NIPC regulations governing tax incentives. The comparative component benchmarks Nigeria's incentive structure against selected African and OECD economies. The quantitative component applies the King-Fullerton (1984) METR model and the OECD Pillar Two ETR computation methodology to stylized but representative Nigerian enterprises across three sectors: manufacturing, petroleum/gas, and Free Trade Zone operations.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Data for the numerical illustrations are derived from published NRS tax statistics, CBN Annual Reports (2019–2023), NIPC investment reports, and World Bank Enterprise Survey data for Nigeria. The METR computation follows the parametric approach, specifying statutory rates, depreciation schedules, investment allowances, and financing costs for each sector. Sensitivity analysis was conducted for varying incentive durations and asset compositions. The study does not rely on firm-level confidential tax return data, and all numerical results are presented as illustrative computations rather than empirical point estimates.

Tax Incentive Landscape in Nigeria

Table 2 summarizes the principal economic development tax incentives available in Nigeria as at 2024, including their legal basis and nature of benefit.

Table 2: Principal Economic Development Tax Incentives in Nigeria (2024)

S/N	Incentive Type	Legal Basis	Benefit Offered
1	Pioneer Status Incentive (PSI)	NIPC Act, IPA 1971	3–5 year tax holiday; CIT exemption
2	Export Expansion Grant (EEG)	NEPZA Act	Grants of 8–30% of export turnover
3	Free Trade Zone (FTZ) Incentive	NEPZA Act 1992	100% tax exemption; no import/export duties
4	Investment Tax Credit (ITC)	CITA 2004 (as amended)	10–15% tax credit on qualifying capex
5	Research & Development (R&D) Allowance	CITA S.26	120% deduction on approved R&D expenditure
6	Rural Investment Allowance	CITA S.34	50–100% deduction for rural infrastructure
7	Gas Utilisation Incentive	PPTA 1959 (amended)	3-year tax holiday; accelerated depreciation
8	Solid Minerals Incentive	SMIA 2007	3-year tax holiday for new solid mineral firms

Source: *CITA 2004 (as amended), NIPC Act, NEPZA Act, PPTA 1959 (as amended); Authors' Compilation*

The table reveals the breadth and generosity of Nigeria's incentive portfolio. The Pioneer Status Incentive, administered by the NIPC, remains the most widely utilised vehicle, with over 60 active pioneer certificates outstanding as at 2023. The FTZ regime offers the most comprehensive fiscal shelter, with a 100% CIT exemption and zero import/export duties in perpetuity for qualifying enterprises. Notably, several incentives are duplicative or cumulative, allowing sophisticated taxpayers to stack multiple concessions to achieve extremely low or zero effective tax rates.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

METR Computation Framework

Table 3 presents the METR formula components as operationalised in this study, drawing on the King-Fullerton model and the OECD Pillar Two GloBE framework.

Table 3: METR Formula Components and Nigerian Context

Component	Formula/Definition	Nigerian Context
Statutory Tax Rate (t)	t = 0.30 (CIT); 0.85 (PPT for oil)	CITA 2004; PPTA 1959 (as amended)
Effective Tax Rate (ETR)	ETR = Tax Paid / Pre-tax Profit	Actual tax ÷ accounting profit
Minimum ETR (METR)	METR = min(ETR, 15%) [Pillar Two]	Applies to MNEs with global revenue ≥ €750m
Investment Allowance (IA)	IA = % of qualifying asset cost	ITC: 10%; R&D: 120% (CITA)
Tax Wedge	TW = Gross Return – Net Return	Measures incentive impact on investment cost of capital
King-Fullerton METR	METR = (p – s) / p × 100	p = pre-tax return; s = post-tax return
Revenue Foregone	RF = (t × Profit) – Tax Paid	Government cost of incentive concessions

Source: *King & Fullerton (1984); OECD Pillar Two Model Rules (2021); Authors' Adaptation*

The King-Fullerton METR formula is expressed as:

$$METR = (p - s) / p \times 100$$

Where p is the required pre-tax real rate of return on capital (the "hurdle rate"), and s is the real net-of-tax return to the saver financing the investment. The wedge (p – s) represents the total tax burden imposed on the marginal investment, combining corporate-level taxes (including incentives) with investor-level taxes on dividends and capital gains. A METR of 0% implies no tax distortion on the marginal investment; a METR equal to the statutory rate implies no effective incentive relief.

Illustrative METR Computations by Sector

Table 4 presents illustrative METR computations for three representative Nigerian enterprises a manufacturing company under Pioneer Status, a petroleum/gas company under the Gas Utilisation holiday, and an FTZ enterprise.

Table 4: Illustrative METR Computations by Sector (₦ Million)

Parameter	Manufacturing Firm	Oil & Gas Firm	FTZ Enterprise
Statutory CIT Rate (%)	30	85 (PPT)	0
Pre-tax Profit (₦ Million)	500	2,000	800
Tax Incentive Applied	Pioneer Status (5yr)	Gas Utilisation Holiday	FTZ Exemption
Tax Payable (₦ Million)	0	0	0

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Parameter	Manufacturing Firm	Oil & Gas Firm	FTZ Enterprise
Effective Tax Rate (%)	0	0	0
Post-incentive Year CIT (₦M)	150	600	240
Minimum ETR (post-incentive, %)	30	30	30
Global METR Benchmark (%)	15 (Pillar Two)	15 (Pillar Two)	15 (Pillar Two)
Compliance Gap (%)	0 (during holiday)	+15 (Pillar Two risk)	–15 (below benchmark)

Source: *Authors' Computation Based on FIRS (NRS) Statistics and CITA/PPTA Parameters*

The computations reveal that during the incentive period, all three enterprise types achieve an effective tax rate of 0%, compared to statutory rates of 30% (CIT) and up to 85% (PPT). This represents a maximum possible ETR reduction a fiscal subsidy entirely borne by the public treasury. Post-incentive, the manufacturing and petroleum/gas firms revert to statutory rates, achieving the standard ETR. The FTZ enterprise, however, maintains a 0% ETR in perpetuity under the NEPZA Act regime, creating an enduring fiscal anomaly.
The most consequential finding from a Pillar Two perspective is that all three scenarios involve an ETR of 0% during the incentive period well below the 15% GloBE minimum. For MNEs operating in Nigeria with global revenues above €750 million, this means the parent jurisdiction (or an intermediate holding jurisdiction under the UTPR) would be entitled to collect a top-up tax equal to 15% of the GloBE income of the Nigerian constituent entity. In effect, Nigeria's tax expenditure would subsidise foreign governments rather than Nigerian investors.

Table 5: Summary of Key Empirical Studies on Nigerian Tax Incentives

Author(s)/Year	Study Focus	Methodology	Key Finding	Gap Identified
Olaniyi, Oyedokun & Ajayi (2019)	Tax policy incentives & FDI in Nigeria (1994-2016)	Multiple regression; ex-post facto	CIT and customs incentives weakly related to FDI; VAT incentives negatively related	No ETR computation; narrow FDI proxy
Ibrahim et al. (2022)	Tax incentives & FDI flow in Nigeria (2008-2018)	Driscoll-Kraay regression (STATA)	Custom duty exemptions positively significant; tax holiday effect less robust	METR not computed; no revenue cost analysis
OECD Revenue Statistics in Africa (2024)	Nigeria tax-to-GDP ratio analysis	Official statistical compilation	Nigeria tax/GDP ratio 7.9% vs African average 16.0%, signalling revenue mobilisation gap	Does not attribute gap to specific incentives

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Author(s)/Year	Study Focus	Methodology	Key Finding	Gap Identified
Devereux & Vella (2023)	Pillar Two impact on global tax competition	Analytical/policy modelling	15% GloBE floor constrains source-country competition; SBIE moderates impact for real-activity economies	No Nigeria-specific METR application

Source: *Authors' Compilation of Selected Literature (2019–2023)*

The empirical literature consistently identifies three structural features of Nigeria's incentive architecture that amplify the METR gap: (i) the discretionary, opaque administration of pioneer status leading to "evergreen" extensions; (ii) the absence of a sunset clause on FTZ incentives; and (iii) the lack of a central tax expenditure budget that would transparently quantify foregone revenue. These structural deficiencies, individually and cumulatively, prevent the METR from serving as an effective policy discipline on incentive proliferation.

Policy Implications and Discussion

The analysis yields several important policy implications. First, the current incentive architecture is revenue-incompatible at scale. If even a moderate proportion of Nigeria's corporate sector benefits from zero or near-zero effective tax rates, the CIT contribution to total government revenue currently among the lowest in sub-Saharan Africa at 0.7% of GDP cannot meaningfully improve. Sustainable fiscal mobilization requires a coherent METR floor that preserves Nigeria's investment attractiveness while ensuring minimum revenue collection.

Second, the Pillar Two challenge is both immediate and structural. Nigeria should urgently undertake a GloBE compatibility audit of its major incentive vehicles, identify entities likely to be subject to Pillar Two top-up taxes, and initiate a legislative process to introduce a qualified domestic minimum top-up tax (QDMTT). A QDMTT set at 15% would enable Nigeria to collect the top-up tax domestically rather than ceding it to foreign treasuries, preserving fiscal sovereignty while meeting international obligations.

Third, the administrative framework for incentive administration requires fundamental reform. Pioneer status applications should be processed within statutory timeframes, extensions should be subject to independent cost-benefit review, and all incentive expenditures should be disclosed in an annual tax expenditure statement tabled before the National Assembly. Transparency is a prerequisite for intelligent METR management.

Fourth, a graduated METR framework rather than a binary holiday/full-tax structure would allow Nigeria to provide meaningful investment incentives while maintaining a minimum fiscal contribution. For example, a manufacturing pioneer might benefit from a

10% effective rate in years 1–3 (versus 0% currently) and a 20% rate in years 4–5, before reverting to the 30% statutory rate. This structure would satisfy Pillar Two requirements, reduce revenue risk, and create a smoother fiscal transition for investors.

Conclusion

This study examined the landscape of economic development tax incentives in Nigeria, developed a systematic framework for computing the Minimum Effective Tax Rate, and evaluated the fiscal and policy implications of Nigeria's current incentive architecture in the context of global tax reform. The central finding is a stark and widening divergence between Nigeria's statutory CIT rate of 30% and the actual effective tax burden on incentivized enterprises a divergence that in extreme cases reduces the ETR to zero and creates structural incompatibilities with the OECD/G20 Pillar Two 15% global minimum tax floor.

The analysis demonstrates that Nigeria's tax incentive system, while individually justifiable in policy terms, collectively constitutes an uncoordinated regime whose fiscal cost substantially exceeds its documented investment benefit. The absence of a transparent, legally-mandated METR floor enables zero-rate outcomes that are increasingly untenable in a Pillar Two environment and fiscally irresponsible given Nigeria's chronic revenue challenges. Addressing this gap requires urgent legislative reform of CITA and the NIPC Act, the introduction of a Qualified Domestic Minimum Top-up Tax, a rationalisation of the FTZ incentive regime, and the establishment of a comprehensive tax expenditure reporting framework.

Future research should apply the METR computation framework developed here to firm-level tax return data (when accessible), develop econometric estimates of the investment and growth returns per unit of tax expenditure, and model the dynamic revenue implications of Pillar Two implementation across different Nigerian incentive reform scenarios.

References

Companies Income Tax Act (CITA) 2004 (as amended by Finance Acts 2019, 2020, 2021, 2022, and 2023). Federal Republic of Nigeria.

Devereux, M. P., & Vella, J. (2023). The impact of the global minimum tax on tax competition. *World Tax Journal, 15(3), 323–378. Available at SSRN: https://ssrn.com/abstract=4599754*

Diamond, P. A., & Mirrlees, J. A. (1971). Optimal taxation and public production I: Production efficiency. *American Economic Review, 61(1), 8–27.*

Federal Inland Revenue Service (FIRS). (2023). Annual Report and Accounts 2022. Abuja: FIRS.

Ibrahim, A., Aganga, O. O., & colleagues. (2022). Impact of tax incentives on foreign direct investment flow in Nigeria. *Path of Science, 8(1). https://doi.org/10.22178/pos.77-3*

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

IMF, OECD, UN & World Bank. (2015). Options for low income countries' effective and efficient use of tax incentives for investment. Report to the G-20 Development Working Group. Washington D.C.: IMF.

King, M. A., & Fullerton, D. (1984). The Taxation of Income from Capital: A Comparative Study of the United States, the United Kingdom, Sweden, and West Germany. Chicago: University of Chicago Press.

Nigeria Export Processing Zones Authority Act (NEPZA) 1992. Federal Republic of Nigeria.

Nigeria Investment Promotion Commission Act (NIPC Act) 1995 (as amended). Federal Republic of Nigeria.

Nwonyuku, K. N. (2025). Balancing investment promotion and fiscal responsibility: An analysis of Nigeria's Economic Development Tax Incentive (EDTI). Available at SSRN: https://ssrn.com/abstract=5524199

Oates, W. E. (1972). Fiscal Federalism. New York: Harcourt Brace Jovanovich.

OECD. (2021). *Tax Challenges Arising from the Digitalisation of the Economy Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on* BEPS. Paris: OECD Publishing.

OECD. (2022). *Tax Incentives and the Global Minimum Corporate Tax: Reconsidering Tax Incentives after the GloBE Rules. Paris:* OECD Publishing.

OECD. (2024). *Revenue Statistics in Africa 2024 Nigeria. Paris:* OECD Publishing. Retrieved from https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/global-tax-revenues/revenue-statistics-africa-nigeria.pdf

Oguttu, A. W. (2022). Preventing international tax competition and the race to the bottom: A critique of the OECD Pillar Two model rules for taxing the digital economy a developing country perspective. *Bulletin for International Taxation, 76(11). Journal Articles & Opinion Pieces,* IBFD.

Olaniyi, T. A., Oyedokun, G. E., & Ajayi, R. O. (2019). Tax policy incentives and foreign direct investment in Nigeria. *Fountain University Osogbo Journal of Management, 3(3), 1–20.*

Perry, V. (2023). Pillar 2, tax competition, and low-income Sub-Saharan African countries. *Intertax, 51(2), 105–117. https://doi.org/10.54648/TAXI2023004*

Petroleum Profits Tax Act (PPTA) 1959 (as amended). Federal Republic of Nigeria.

Ramsey, F. P. (1927). A contribution to the theory of taxation. *Economic Journal, 37(145), 47–61.*

Schneider, T., Garimella, S. R., Liu, L., Naitram, S., Sever, C., Simione, F. F., Suljagic, I. J., & Zha, Q. (2025). Tax expenditures in Sub-Saharan Africa. IMF Departmental Paper. Washington D.C.: International Monetary Fund.

Spence, M. (1973). Job market signalling. Quarterly *Journal of Economics, 87(3), 355–374.*

Tiebout, C. M. (1956). A pure theory of local expenditures. *Journal of Political Economy, 64(5), 416–424.*

World Bank. (2023). Doing Business in Nigeria: Investment Climate Assessment. Washington D.C.: The World Bank Group.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]