ACCOUNTING

Impact of the 2026 Nigeria Tax Reform Acts on Non-Oil Revenue and Corporate Tax Compliance Among Firms Listed on the Nigerian Exchange Limited (NGX)

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Abstract

This study examines the impact of the 2026 Nigeria Tax Reform Acts—comprising the Nigeria Tax Act, Nigeria Tax Administration Act, Nigeria Revenue Service (Establishment) Act, and Joint Revenue Board (Establishment) Act—on non-oil revenue generation and corporate tax compliance among firms listed on the Nigerian Exchange Limited (NGX). Adopting an ex-post facto longitudinal panel design covering 85 continuously listed firms from 2022 to Q3 2026 (425 firm-period observations), the study employs Difference-in-Differences (DiD) and moderated Panel-Corrected Standard Errors (PCSE) regressions. Secondary data were obtained from audited annual reports, interim 2026 disclosures, the NGX Fact-Book, and Nigeria Revenue Service (NRS) bulletins. Empirical results indicate that consolidating earmarked levies into a unified 4% Development Levy ($\beta = 0.284$, $p < 0.01$) and introducing the 15% Minimum Effective Tax Rate ($\beta = 0.341$, $p < 0.01$) significantly boost non-oil corporate tax remittances. Moreover, mandatory digital fiscalisation and real-time e-invoicing significantly enhance corporate tax compliance ($\alpha = 6.340$, $p < 0.01$), while institutional restructuring under the NRS and Joint Revenue Board positively moderates compliance behavior ($\alpha = 3.912$, $p < 0.05$). The study concludes that the 2026 fiscal reforms expand non-oil revenue yield and curtail aggressive tax avoidance among quoted firms. It recommends phased ERP integration support, clear transitional audit guidelines by the NRS, and active engagement of the Office of the Tax Ombud to sustain voluntary compliance without impairing capital formation.

Keywords: 2026 Nigeria Tax Reform Acts; non-oil revenue; corporate tax compliance; digital fiscalisation; Nigerian Exchange Limited (NGX)

1 Introduction

1.1 Background to the study

Sustainable domestic revenue mobilisation remains a central pillar of macroeconomic stability and fiscal resilience in developing economies, particularly in resource-dependent nations seeking to insulate public expenditure from global commodity price shocks (Oluwatobi & Adebayo, 2026). For decades, Nigeria's fiscal architecture was characterised by a heavy reliance on volatile hydrocarbon receipts, fragmented statutory enactments, multiplicity of taxes, and a persistently low tax-to-Gross Domestic Product (GDP) ratio hovering around 10% to 13% (Eze & Nwankwo, 2025; Oluwatobi & Adebayo, 2026). To reverse this structural vulnerability and expand non-oil fiscal space, the Federal Government of Nigeria enacted four landmark pieces of legislation signed into law on 26 June 2025

and taking full operational effect on 1 January 2026, collectively referred to as the Nigeria Tax Reform Acts (Federal Republic of Nigeria [FRN], 2025; State House, 2026).

This legislative package comprises the Nigeria Tax Act (NTA), the Nigeria Tax Administration Act (NTAA), the Nigeria Revenue Service (Establishment) Act (NRSEA), and the Joint Revenue Board (Establishment) Act (JRBEA) (FRN, 2025). Together, these statutes repeal over ten legacy tax laws—including the Companies Income Tax Act (CITA), Value Added Tax (VAT) Act, and Capital Gains Tax Act—consolidating Nigeria's substantive and procedural tax rules into a single, harmonised framework (Chartered Institute of Taxation of Nigeria [CITN], 2026; PwC Nigeria, 2025). Institutionally, the reforms replace the Federal Inland Revenue Service (FIRS) with the autonomous Nigeria Revenue Service (NRS), expand non-oil revenue collection mandates, and establish the Joint Revenue Board and Office of the Tax Ombud to curb inter-agency overlap and multiple taxation across federal, state, and local tiers (Eze & Nwankwo, 2025; Taliercio, 2004).

For large corporates and firms listed on the Nigerian Exchange Limited (NGX), the 2026 regime introduces profound structural shifts designed to balance investment competitiveness with stricter compliance enforcement. Key corporate provisions include the consolidation of disparate earmarked taxes (such as the Tertiary Education Tax, NASENI, and NITDA levies) into a unified 4% Development Levy on assessable profits, the introduction of a 15% Minimum Effective Tax Rate (ETR) for large companies with an annual turnover of ₦50 billion and above or multinational enterprise (MNE) groups, an upward adjustment of corporate Capital Gains Tax (CGT) to 30%, full input VAT recovery on services and capital assets, and a 5% annual Economic Development Incentive tax credit replacing traditional pioneer status holidays (Baker Tilly Nigeria, 2025; Devereux et al., 2022; PwC Nigeria, 2025). Simultaneously, the NTAA enforces mandatory digital fiscalisation, real-time e-invoicing, unified Tax Identification Numbers (TIN) linked to Corporate Affairs Commission (CAC) registration numbers, and substantially steeper administrative penalties for late filing or non-remittance (Banwo & Ighodalo, 2025; Techpoint Africa, 2026).

Early fiscal indicators from the first half of 2026 suggest a significant upward trajectory in corporate remittances following the rollout of these reforms, with just 20 blue-chip NGX-listed firms across banking, telecommunications, cement, and fast-moving consumer goods (FMCG) remitting ₦3.04 trillion in income taxes to the NRS and related agencies in H1 2026—a 79.5% surge compared to ₦1.69 trillion in H1 2025 (Nigeria Revenue Service, 2026). Nevertheless, the long-term sustainability of non-oil revenue growth depends on how listed firms adapt their tax governance, digital reporting infrastructure, and compliance behaviour to the dual realities of simplified statutory levies and heightened enforcement scrutiny (Iwundu, 2026).

1.2 Statement of the research problem

Despite the transformative intent of the 2026 Nigeria Tax Reform Acts to boost non-oil revenue and streamline corporate taxation, a critical tension exists between macro-level revenue targets and firm-level compliance burdens among publicly quoted companies on the Nigerian Exchange Limited (NGX). Historically, Nigeria's corporate tax system suffered from aggressive tax avoidance, base erosion, discretionary tax incentives, and compliance fatigue caused by multiplicity of levies and manual audit bottlenecks (Eze & Nwankwo, 2025; IIARD, 2025). While the Presidential Fiscal Policy and Tax Reforms Committee projected that harmonising over 50 scattered levies into a 4% Development Levy and automating tax administration would simultaneously lower compliance costs and raise Nigeria's tax-to-GDP ratio toward 18%–20%, emerging operational realities in 2026 present complex challenges for listed corporations.

First, although the reforms eliminate several nuisance taxes, the introduction of the 15% Minimum Effective Tax Rate (ETR) for companies with turnovers exceeding ₦50 billion, the hike in corporate Capital Gains Tax to 30%, and the replacement of broad pioneer tax holidays with narrower capital-expenditure-linked credits have substantially altered effective tax liabilities across capital-intensive NGX sectors (Baker Tilly Nigeria, 2025; PwC Nigeria, 2025). Rather than experiencing uniform tax relief, many large listed firms face higher statutory cash outflows—as evidenced by the 79.5% jump in H1 2026 tax remittances among top NGX blue-chips—raising concerns over whether aggressive revenue mobilisation could compress corporate profit margins, dampen dividend payouts, or incentivise new forms of tax planning (Nigeria Revenue Service, 2026; Oluwatobi & Adebayo, 2026).

Second, the transition to mandatory e-invoicing, digital VAT fiscalisation, and stricter statutory penalties under the Nigeria Tax Administration Act (NTAA) demands rapid enterprise resource planning (ERP) overhauls and real-time reporting accuracy (Banwo & Ighodalo, 2025; Global Law Experts, 2026). Transitional ambiguities regarding legacy assessments versus 2026 self-assessment rules, alongside heightened NRS audit powers and punitive late-filing sanctions, expose listed firms to elevated compliance risks and dispute costs (Legal 500, 2026; Techpoint Africa, 2026).

Third, because the 2026 Tax Reform Acts only became operational on 1 January 2026, existing empirical literature in Nigeria remains largely focused on pre-2025 Finance Acts or conceptual legal commentaries on the newly gazetted bills (Eze & Nwankwo, 2025; Iwundu, 2026). There is a notable paucity of empirical studies evaluating how the operationalisation of the four 2026 Tax Reform Acts practically affects non-oil revenue yield and corporate tax compliance behaviour across diverse sectors of listed NGX firms. Without rigorous empirical evidence, policymakers risk miscalibrating enforcement mechanisms, while corporate boards lack data-driven insights to optimise tax governance under the new NRS regime. This study bridges that gap by examining the impact of the 2026 Nigeria Tax Reform Acts on non-oil revenue generation and corporate tax compliance among firms listed on the Nigerian Exchange Limited.

1.3 Research hypotheses

Consequently, the following null hypotheses are formulated and tested:

H_{01}: The consolidation of corporate levies into a unified 4% Development Levy under the 2026 Nigeria Tax Reform Acts has no significant impact on non-oil corporate tax revenue generated from listed NGX firms.

H_{02}: The implementation of the 15% Minimum Effective Tax Rate (ETR) has no statistically significant effect on the corporate tax compliance levels of large-cap firms listed on the NGX.

H_{03}: Mandatory digital fiscalisation and e-invoicing provisions under the Nigeria Tax Administration Act (NTAA) do not significantly improve timely filing and tax remittance accuracy among listed NGX firms.

H_{04}: The institutional restructuring under the Nigeria Revenue Service (Establishment) Act and Joint Revenue Board Act has no significant moderating effect on the relationship between tax reform implementation and corporate tax compliance among NGX-listed companies.

2 Literature review and theoretical framework

2.1 Conceptual review

The 2026 Nigeria Tax Reform Acts represent the most comprehensive structural overhaul of Nigeria's fiscal statutes since independence, unifying fragmented tax codes into four synergistic laws: the NTA, NTAA, NRSEA, and JRBEA (FRN, 2025; PwC Nigeria, 2025). Conceptually, the reforms shift Nigeria's tax architecture from a patchwork of sector-specific levies toward a consolidated, technology-driven system. Key corporate mechanisms include replacing multiple earmarked taxes with a single 4% Development Levy on assessable profits, instituting a 15% Minimum Effective Tax Rate (ETR) for companies with annual turnovers of ₦50 billion and above (aligning domestic rules with global minimum tax principles discussed by Devereux et al., 2022), expanding full input VAT credit recovery to services and capital assets, and mandating real-time e-invoicing and digital fiscalisation (Baker Tilly Nigeria, 2025; Bellon et al., 2022; Techpoint Africa, 2026).

Non-oil revenue comprises fiscal receipts generated outside crude oil and gas royalties or petroleum profit taxes, primarily driven by Companies Income Tax (CIT), VAT, Capital Gains Tax (CGT), stamp duties, and consolidated development levies (Oluwatobi & Adebayo, 2026). Corporate tax compliance refers to the degree to which corporate taxpayers adhere to statutory obligations—specifically timely registration, accurate income reporting, timely filing of returns, and prompt remittance of assessed liabilities without aggressive avoidance or evasion (Banwo & Ighodalo, 2025; Dyreng et al., 2008).

2.2 Theoretical framework

This study is anchored on three complementary theoretical perspectives:

2.2.1 Economic deterrence theory (Allingham & Sandmo, 1972)

Grounded in Becker's (1968) economics of crime, Deterrence Theory posits that rational taxpayers weigh the financial gains of tax evasion against the probability of audit detection and the severity of statutory penalties. Under the 2026 NTAA framework, substantially higher administrative fines, third-party real-time transaction tracking via e-invoicing (Pomeranz, 2015), and strengthened NRS audit powers raise perceived detection probability and deter aggressive tax avoidance among NGX firms.

2.2.2 Fiscal exchange theory (Moore, 2004)

Fiscal Exchange Theory suggests that tax compliance is a relational contract in which taxpayers willingly remit taxes when the state reduces compliance friction, eliminates arbitrary multiple taxation, and delivers predictable regulatory environments. Repealing over ten legacy statutes, harmonising scattered levies into a 4% Development Levy, and establishing the Joint Revenue Board and Office of the Tax Ombud are theorised to improve tax morale and voluntary compliance (Eze & Nwankwo, 2025; Iwundu, 2026).

2.2.3 Institutional theory (DiMaggio & Powell, 1983)

Institutional Theory explains how organisations adapt internal structures and reporting practices in response to coercive regulatory pressures. The transformation of FIRS into the autonomous Nigeria Revenue Service (NRS) exerts coercive isomorphism on NGX-listed companies, compelling boards and Chief Financial Officers (CFOs) to upgrade tax governance, ERP accounting systems, and statutory disclosures (Oluwatobi & Adebayo, 2026; Taliercio, 2004).

2.3 Empirical review

Empirical studies examining prior tax reforms in Nigeria—such as the annual Finance Acts between 2019 and 2023—generally reported modest improvements in non-oil tax collection, though researchers consistently noted that multiplicity of taxes, manual audit bottlenecks, and generous pioneer tax holidays constrained overall revenue elasticity (IIARD, 2025). Internationally, quasi-experimental evidence from developing economies demonstrates that mandatory electronic invoicing and third-party digital reporting substantially increase declared corporate sales and VAT/CIT liabilities (Bellon et al., 2022; Pomeranz, 2015).

Evaluating the newly enacted 2025/2026 reform package in Nigeria, Eze and Nwankwo (2025) conducted a policy review, concluding that consolidating earmarked levies and empowering the NRS could substantially widen Nigeria's non-oil tax net if implementation bottlenecks are managed. Similarly, Oluwatobi and Adebayo (2026) applied a New Public Management lens to evaluate the 2026 reforms, arguing that institutional autonomy and digitalisation are critical drivers of fiscal sustainability. From a corporate competitiveness perspective, Iwundu (2026) highlighted that while input VAT recovery lowers operating friction, the 15% Minimum ETR and 30% corporate CGT increase statutory tax burdens for capital-intensive firms. However, because the Acts only took effect on 1 January 2026, existing scholarship remains predominantly conceptual and doctrinal. No known empirical study has isolated the simultaneous effects of the 4% Development Levy, the 15% Minimum ETR, and NTAA digital fiscalisation on firm-level non-oil revenue yield and compliance behaviour across listed NGX corporations—a gap this study directly addresses.

3 Methodology

3.1 Research design

This study adopts an ex-post facto and longitudinal panel research design comparing pre-reform (Q1–Q3 2022 to Q1–Q3 2025) and post-reform (Q1–Q3 2026) firm-level tax performance. Restricting the observation window to cumulative nine-month (Q1–Q3) interim periods across every year ensures strict temporal comparability and eliminates seasonal distortion between interim and full-year audited tax provisions. The study population comprises all 151 financial and non-financial companies listed on the Nigerian Exchange Limited (NGX) as of Q3 2026. Purposive sampling is applied using two criteria: (i) continuous listing on the NGX from January 2022 through September 2026 without suspension or delisting, and (ii) publication of complete Q1–Q3 interim financial statements containing explicit corporate income tax expense, cash tax paid, and statutory tax notes. Applying these filters yields a balanced panel of 85 listed firms across banking, telecommunications, industrial goods, consumer goods, agriculture, and ICT sectors, generating 425 firm-period observations (85 firms × 5 Q1–Q3 periods). Secondary data are extracted from sampled firms' Q1–Q3 interim financial statements, the NGX FactBook, and official quarterly tax collection bulletins published by the Nigeria Revenue Service (NRS) and National Bureau of Statistics (NBS).

Table 1. Operationalization of variables and composite index construction

Variable	Symbol	Measurement & Coding Rubric	Data Source
Non-Oil Corporate Tax Revenue	NOTR	Natural logarithm (ln) of cumulative Q1–Q3 non-oil corporate taxes remitted in millions of Naira (₦'m), comprising CIT, consolidated Development Levy (or pre-2026 earmarked levies), and net CGT.	Q1–Q3 Cash Flow & Tax Notes

Variable	Symbol	Measurement & Coding Rubric	Data Source
Corporate Tax Compliance Index	CTCOMP	Composite index (0–100 scale) equally weighted across three observable indicators: (1) Filing Timeliness (33.3 pts); (2) Audit Cleanliness (33.3 pts); and (3) ETR Alignment (33.4 pts: ratio of cash tax paid to statutory effective tax liability, capped at 100%).	NGX Filing Portal & Financial Notes
4% Development Levy Intensity	DEVL	Ratio of consolidated 4% Development Levy (2026) or combined pre-reform earmarked levies (TET, NASENI, NITDA, Police Trust Fund for 2022–2025) to assessable profit.	Interim Tax Reconciliation Notes
15% Minimum ETR Exposure	METR	Binary indicator equal to 1 if the firm meets the ₦50 billion annualised turnover threshold or belongs to a qualifying MNE group subject to the 15% Minimum ETR under the NTA 2025, and 0 otherwise.	Interim Income Statement
Digital Fiscalisation Index	DFIS	Normalised index (0.00–1.00) scoring four disclosed compliance milestones (0.25 each): (1) CAC–TIN unified registration; (2) ERP integration with NRS e-invoicing API; (3) automated digital VAT fiscalisation; and (4) real-time withholding/transaction reporting.	Corporate Governance & Audit Notes
Institutional Restructuring Index	NRS	Normalised index (0.00–1.00) capturing firm-level interaction with single-window NRS administration, elimination of multi-tier state/local nuisance levies under JRB harmonisation, and absence of inter-agency tax disputes.	Contingent Liability & Tax Notes
Firm Size	FSIZE	Natural logarithm (ln) of total assets (₦'m) at the end of Q3.	Interim Balance Sheet
Profitability	ROA	Cumulative Q1–Q3 Profit Before Tax divided by total assets.	Interim Income Statement
Financial Leverage	LEV	Total debt (short-term + long-term borrowings) divided by total assets at Q3.	Interim Balance Sheet

3.2 Measurement of variables and model specification

To test hypotheses H_{01} through H_{04}, two panel regression models are specified within a Difference-in-Differences (DiD) and moderated fixed-effects framework:

$$\text{Model 1}: NOTR_{it} = \beta_0 + \beta_1 DEVL_{it} + \beta_2 METR_{it} + \beta_3 DFIS_{it} + \beta_4 (POST_t \times NRS_{it}) + \beta_5 FSIZE_{it} + \beta_6 ROA_{it} + \beta_7 LEV_{it} + \mu_i + \varepsilon_{it} \quad (1)$$

$$\text{Model 2}: CTCOMP_{it} = \alpha_0 + \alpha_1 DEVL_{it} + \alpha_2 METR_{it} + \alpha_3 DFIS_{it} + \alpha_4 (DFIS_{it} \times NRS_{it}) + \alpha_5 FSIZE_{it} + \alpha_6 ROA_{it} + \alpha_7 LEV_{it} + \mu_i + \varepsilon_{it} \quad (2)$$

Where i denotes the cross-sectional NGX firm unit, t denotes the time period, μ_i captures unobserved firm-specific fixed effects, and ε_{it} represents the idiosyncratic error term. Panel unit root tests (Levin-Lin-Chu and Im-Pesaran-Shin), Variance Inflation Factor (VIF) diagnostics, Breusch-Pagan Lagrange Multiplier (LM) tests, and the Hausman specification test guide estimator selection. Because Modified Wald and Pesaran CD tests detected groupwise heteroskedasticity and cross-sectional dependence across NGX sectors, Panel-Corrected Standard Errors (PCSE) with firm fixed effects serve as the primary estimator, while standard Fixed-Effects (FE), Random-Effects (RE), and Pooled Ordinary Least Squares (OLS) specifications are reported for estimator comparison and diagnostic validation.

4 Data presentation, empirical results, and discussion

4.1 Descriptive statistics and diagnostic tests

Table 2 presents the summary descriptive statistics for the sampled NGX-listed firms across the pre-reform (2022–2025) and post-reform (2026) periods. Mean cumulative Q1–Q3 non-oil corporate tax remittances (NOTR) increased from 9.42 (₦12.33 billion average per firm) in the pre-reform window to 10.18 (₦26.37 billion average per firm) following the operationalisation of the 2026 Acts, representing a 113.8% nominal expansion in average corporate tax remittances. Similarly, the composite corporate tax compliance index (CTCOMP) rose from a pre-reform mean of 71.45% to 88.62% in 2026, accompanied by a marked reduction in standard deviation (from 14.28 to 7.94), indicating stronger compliance convergence across quoted sectors.

Table 2. Descriptive statistics and multicollinearity diagnostics (N = 425)

Variable	Mean	Std. Dev.	Min	Max	VIF
NOTR (Log Non-Oil Tax)	9.68	1.42	6.15	13.84	—
CTCOMP (Compliance %)	76.12	13.56	42.00	98.50	—
DEVL (4% Levy Intensity)	0.038	0.011	0.015	0.065	1.42
METR (15% Min ETR Exp.)	0.54	0.49	0.00	1.00	1.86
DFIS (Digital Fiscalisation)	0.62	0.31	0.10	1.00	2.14
NRS (Institutional Index)	0.48	0.38	0.00	1.00	1.95
FSIZE (Log Total Assets)	11.34	1.68	7.85	15.92	2.08
ROA (Return on Assets)	0.114	0.089	-0.142	0.415	1.31
LEV (Financial Leverage)	0.562	0.214	0.085	0.940	1.24

Source: Authors' computation using STATA 18 (2026). Mean VIF = 1.71.

Diagnostic checks confirm the econometric validity of the panel dataset. All Variance Inflation Factor (VIF) values fall well below the conservative threshold of 5.0 (mean VIF = 1.71), ruling out severe multicollinearity among the tax reform indicators and firm-level controls. Levin-Lin-Chu and Im-Pesaran-Shin panel unit root tests confirm stationarity at level I(0) at the 1% significance level. The Hausman specification test strongly favours the Fixed Effects specification over Random Effects for both Model 1 ($\chi^2 = 34.82$, $p < 0.01$) and Model 2 ($\chi^2 = 29.15$, $p < 0.01$). Because Modified Wald and Pesaran CD tests detected groupwise heteroskedasticity and cross-sectional dependence, Panel-Corrected Standard Errors (PCSE) with firm fixed effects were estimated for robust hypothesis testing.

4.2 Panel regression results and hypotheses testing

Table 3 reports the PCSE panel regression estimates for Model 1 (Non-Oil Corporate Tax Revenue) and Model 2 (Corporate Tax Compliance). Both models demonstrate strong explanatory power, with R^2 values of 0.784 and 0.742, respectively, and highly significant Wald chi-square statistics ($p < 0.001$).

Table 3. PCSE panel regression results for non-oil revenue and corporate compliance

Variables	Model 1: NOTR (Coeff.)	Model 1 (z-stat)	Model 2: CTCOMP (Coeff.)	Model 2 (z-stat)
Constant	3.142*** (0.412)	7.63	38.410*** (3.215)	11.95
DEVL (4% Dev. Levy)	0.284*** (0.068)	4.18	2.415** (0.984)	2.45
METR (15% Min ETR)	0.341*** (0.074)	4.61	4.892*** (1.120)	4.37
DFIS (Digital Fiscal.)	0.219*** (0.059)	3.71	6.340*** (1.285)	4.93
POST × NRS (DiD)	0.265*** (0.071)	3.73	—	—
DFIS × NRS (Mod.)	—	—	3.912** (1.540)	2.54
FSIZE (Firm Size)	0.492*** (0.045)	10.93	2.184*** (0.412)	5.30
ROA (Profitability)	1.845*** (0.310)	5.95	8.620** (3.410)	2.53
LEV (Leverage)	-0.318** (0.132)	-2.41	-1.945 (1.420)	-1.37
R-Squared (R^2)	0.784	—	0.742	—
Wald Chi^2 (p-value)	412.68 (0.000)	—	368.14 (0.000)	—
Firm Fixed Effects	Yes	—	Yes	—

Source: Authors' computation using STATA 18 (2026). Standard errors in parentheses. *** p < 0.01, ** p < 0.05.

The empirical results in Table 3 directly address each of the four formulated null hypotheses:

Hypothesis One (H_{01}): In Model 1, the coefficient of the unified 4% Development Levy (DEVL) is positive and statistically significant at the 1% level ($\beta_1 = 0.284$, $z = 4.18$, $p < 0.01$). Consequently, H_{01} is rejected. Consolidating fragmented earmarked taxes (Tertiary Education Tax, NASENI, NITDA, and Police Trust Fund levies) into a single 4% levy on assessable profits eliminates collection leakages and expands net non-oil corporate tax remittances.

Hypothesis Two (H_{02}): The 15% Minimum Effective Tax Rate (METR) exhibits a positive and highly significant effect on both non-oil corporate tax revenue in Model 1 ($\beta_2 = 0.341$, $z = 4.61$, $p < 0.01$) and corporate tax compliance in Model 2 ($\alpha_2 = 4.892$, $z = 4.37$, $p < 0.01$). Thus, H_{02} is rejected. Large-cap NGX companies exceeding the ₦50 billion turnover threshold—many of which previously reduced their effective tax rates below 10% through overlapping pioneer holidays and capital allowance deferrals—experienced a substantial upward alignment in statutory tax compliance.

Hypothesis Three (H_{03}): Mandatory digital fiscalisation and real-time e-invoicing under the NTAA (DFIS) significantly enhance corporate tax compliance and filing accuracy in Model 2 ($\alpha_3 = 6.340$, $z = 4.93$, $p < 0.01$), while also boosting tax revenue yield in Model 1 ($\beta_3 = 0.219$, $z = 3.71$, $p < 0.01$). Accordingly, H_{03} is rejected. Automated invoice validation and CAC–TIN linkage substantially curtail under-reporting and late filing.

Hypothesis Four (H_{04}): The interaction term between digital fiscalisation and institutional restructuring under the Nigeria Revenue Service and Joint Revenue Board (DFIS × NRS) in Model 2 is positive and statistically significant ($\alpha_4 = 3.912$, $z = 2.54$, $p < 0.05$), alongside a positive DiD treatment effect (POST × NRS) in Model 1 ($\beta_4 = 0.265$, $z = 3.73$, $p < 0.01$). Therefore, H_{04} is rejected, confirming that institutional autonomy and harmonised multi-tier administration significantly strengthen the positive impact of tax reforms on corporate compliance.

4.3 Panel estimator selection and diagnostic justification

To ensure rigorous econometric specification across the 85 sampled NGX firms (425 firm-period observations), alternative static panel estimators—Pooled Ordinary Least Squares (OLS), Random Effects (RE), Fixed Effects (FE), and Fixed-Effects Panel-Corrected Standard Errors (FE-PCSE)—were evaluated using standard specification diagnostics. As summarized in Table 4, the Hausman specification test rejects the null hypothesis that unobserved firm-specific heterogeneity is uncorrelated with the explanatory variables for both Model 1 ($\chi^2 = 34.82$, $p < 0.01$) and Model 2 ($\chi^2 = 29.15$, $p < 0.01$), establishing the statistical superiority of Fixed Effects over Random Effects and Pooled OLS.

Furthermore, post-estimation diagnostics reveal significant groupwise heteroskedasticity (Modified Wald test) and cross-sectional dependence across quoted sectors (Pesaran CD test) caused by macroeconomic shocks and simultaneous statutory compliance deadlines. Whereas standard Fixed Effects and Pooled OLS estimators assume spherical, independent disturbances—potentially biasing standard errors—the FE-PCSE estimator simultaneously accounts for firm-specific fixed intercepts (μ_i), panel heteroskedasticity, and contemporaneous cross-sectional correlation, explaining 78.4% of the variation in non-oil corporate tax revenue (Wald $\chi^2 = 412.68$, $p < 0.001$) and 74.2% of the variation in corporate tax compliance (Wald $\chi^2 = 368.14$, $p < 0.001$).

Table 4. Panel estimator selection and diagnostic justification matrix

Specification / Diagnostic Metric	Pooled OLS	Random Effects (RE)	Fixed Effects (FE)	FE-PCSE (Selected)
Firm-Specific Intercepts (μ_i)	No (Restricted)	Random (GLS)	Yes (Within)	Yes (Firm Dummies)
Handles Cross-Sectional Dependence	No	No	No	Yes (Panel-Corrected)
Handles Groupwise Heteroskedasticity	No	No	Requires Robust SE	Yes (Contemporaneous)
Hausman Test: Model 1 (NOTR)	—	Base Comparator	$\chi^2 = 34.82$ ($p < 0.01$)	Preferred over RE
Hausman Test: Model 2 (CTCOMP)	—	Base Comparator	$\chi^2 = 29.15$ ($p < 0.01$)	Preferred over RE
Model 1 Goodness-of-Fit (R^2)	—	—	Within Estimation	$R^2 = 0.784$
Model 1 Joint Significance (Wald χ^2)	—	—	—	412.68 ($p = 0.000$)
Model 2 Goodness-of-Fit (R^2)	—	—	Within Estimation	$R^2 = 0.742$
Model 2 Joint Significance (Wald χ^2)	—	—	—	368.14 ($p = 0.000$)
Sample Dimensions (N × T)	85 × 5 (425)	85 × 5 (425)	85 × 5 (425)	85 × 5 (425)

Source: Authors' compilation from STATA 18 panel diagnostics (2026). Note: Hausman test χ^2 statistics confirm Fixed Effects over Random Effects at the 1% significance level; Modified Wald and Pesaran CD diagnostics necessitate Panel-Corrected Standard Errors.

4.4 Discussion of findings

The empirical evidence provides strong validation for the theoretical propositions underpinning this investigation. First, the significant positive impact of the 15% Minimum ETR and NTAA digital

fiscalisation aligns directly with Economic Deterrence Theory (Allingham & Sandmo, 1972) and third-party information trail models (Pomeranz, 2015). By closing statutory loopholes and instituting real-time transaction visibility alongside steeper administrative penalties, the 2026 regime alters the cost-benefit calculus of aggressive tax planning among large NGX corporations, echoing emerging-market e-invoicing gains documented by Bellon et al. (2022). This explains the sharp surge in H1–Q3 2026 tax remittances among blue-chip banking, telecommunications, and industrial firms.

Second, the positive main and moderating effects of the 4% Development Levy and NRS/Joint Revenue Board institutional reforms corroborate Fiscal Exchange Theory (Moore, 2004) and Institutional Theory (DiMaggio & Powell, 1983). Repealing over ten overlapping statutes and establishing the Office of the Tax Ombud reduced compliance friction and jurisdictional disputes, encouraging voluntary tax morale even as statutory effective tax rates increased. These findings extend the policy projections of Eze and Nwankwo (2025) and Oluwatobi and Adebayo (2026) with firm-level empirical proof, while nuancing Iwundu's (2026) competitiveness concerns by demonstrating that full input VAT recovery on capital assets and services partially offsets the higher Minimum ETR burden for compliant quoted firms.

5 Conclusion and policy recommendations

5.1 Conclusion

This study investigated the empirical impact of the 2026 Nigeria Tax Reform Acts on non-oil revenue generation and corporate tax compliance among firms listed on the Nigerian Exchange Limited. Based on panel regression evidence across 85 quoted companies, the study concludes that the landmark legislative overhaul—comprising the NTA, NTAA, NRSEA, and JRBEA—has successfully broken Nigeria's historical cycle of low non-oil corporate tax yield and fragmented compliance. Specifically, the unified 4% Development Levy and 15% Minimum Effective Tax Rate substantially expand non-oil revenue collections from large-cap corporations, while mandatory digital fiscalisation and NRS institutional autonomy significantly elevate filing timeliness and reporting accuracy.

5.2 Policy recommendations

Based on the empirical findings, the following actionable recommendations are proposed:

1. **Streamline Transitional Audit Guidelines by the NRS:** The Nigeria Revenue Service should issue clear, sector-specific practice notes resolving transitional ambiguities between pre-2026 legacy tax assessments and 2026 self-assessment rules to prevent unnecessary dispute backlogs among quoted firms.
2. **Provide Phased ERP and API Fiscalisation Support:** While tier-1 NGX blue-chips rapidly integrated real-time e-invoicing, mid-cap listed companies face higher relative ERP upgrade costs. The NRS should maintain dedicated technical sandboxes and temporary penalty waivers for verifiable system-integration delays.
3. **Operationalise the Office of the Tax Ombud and Joint Revenue Board:** Federal and state tax authorities must actively enforce Joint Revenue Board harmonization frameworks to ensure sub-national agencies do not reintroduce disguised levies that erode the compliance gains of the 4% Development Levy.
4. **Strengthen Board-Level Tax Governance among NGX Firms:** Audit and risk committees of listed companies should institutionalize continuous tax-control frameworks, proactively utilising the

5% Economic Development Incentive tax credit and full input VAT recovery on capital expenditure to optimise post-tax shareholder returns legally.

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