FUDMA JOURNAL OF ACCOUNTING AND FINANCE RESEARCH [FUJAFR]
VOLUME 1, ISSUE 2; ISSN: 2992-4693 (ONLINE); 2992-2704 (PRINT)

Corporate Taxation, Capital Investment Decisions and Firm Performance of Quoted Non-Financial Firms in Nigeria

Ayokunle O. Odusina

Department of Accountancy, Abraham Adesanya Polytechnic, Ijebu Igbo, Nigeria
Correspondance Email : ayokunle.olumide@gmail.com

https://doi.org/10.33003/fujafr-2023.v1i2.33.61-70

Abstract

The study examined the effect of corporate taxation, capital investment decisions on firm performance. Ex-post facto research design was adopted using secondary source of data, 61 firms were purposively sampled from years 2012 to 2020 and data were obtained from the audited annual reports of selected firms. Panel Regression Analysis with fixed effects was adopted and the result showed that Positive and significant relationship was found to exist between CEP and ROA while GNC was negative and insignificant. Corporate tax was positively insignificant related to ROA. Also, there was insignificant positive influence of corporate taxation on the two-investment metrics. The study further found that corporate taxation and investment decisions jointly have positive and significant relationship with firm performance. It was concluded that corporate taxation and investment decisions jointly had significant influence on firm performance of non-financial firms in Nigeria.

Keywords: Corporate Taxation, Investment Decisions, Firm Performance, Non-Financial Firm, Nigeria.

1.0 Introduction

Corporate taxation is a basic tool of fiscal policy and a payment imposed on the income of firms. In Nigeria, like every other economy, corporate tax is levied on the profits of all firms with the exemption of some, as specified by the Act (Ezugwu & Akubo, 2014a). Raza, Ali and Abassi (2011) simply put that corporate tax is levied on income of firms, public corporations and unincorporated associations at the end of their financial year. Albertazzi and Gambacorta (2006) further add that they are taxed imposed on profits earned by businesses in a financial year which are generally applied to the firm's net operating earnings after deducting expenses from revenues.

Corporate tax comprises of all the taxes paid from income of a firm. Corporate tax, according to this study extended to all the various taxes paid, mostly the direct taxes whose burden the firm bears directly. According to Lazar and Istrate (2018), this will show the entire picture of the whole corporate tax, providing a comprehensive setting of all public finance liabilities charged to companies' accounts irrespective of final economic incidence. Johansson, Heady, Arnold, Brys and Vartia (2009) equally asserted that all OECD countries rely on a mix of taxes on consumption, property, personal income and corporate income which is important because the growth effects of collecting revenue from different sources can be very different. For example, Kneller, Bleaney and Gemmell (1999) found that taxes on income have a negative effect on growth while taxes on consumption have no effect.

The profit margin of a firm determines its level of attraction to investors because they will be of the impression that the firm has higher profitability level and able to provide higher returns for its shareholders. According to Beigi, Rafat and Panah (2013), profit cannot be set aside when making investment decision. It is a guide for dividend payment and determinant factor of the effectiveness and efficiency of managers (Saghafi & Aghaei, 1994). Every firm establishes a motive of maximizing its profit, shareholders' satisfaction, market shares, et cetera, and equally engages in social corporate

responsibilities. Firms are at times faced with operating loss. They are in such instances expected to maximize their long run profit not the short run profit. Therefore, managers need to earn more profit in order to satisfy the shareholders by increasing their wealth in the firm.

Performance of a firm is a yardstick for determining the effectiveness and efficiency of the management. Inquiring into the factors determining firm performance will provide a better understanding into the changes in the performance which may be of great assistance to both the business executives and government policy makers.

Hence, there is need for firm to take strategic decision before embarking on an investment. capital investment decision is the firm's resolution to efficiently utilize its current funds in long term assets with the expectation of future benefits. Investment decisions are essential and influence corporate development (Chen & Ma, 2017). They can serve as a sign for projecting a firm's future profitability and stock returns. Investment decisions cannot be overemphasized as sources of business failure can be solved with the capital investment decision that drives the growth of the firm. Continuous investment is a determinant of the long run survival of firms. Investment in a firm allows the stock price to increase which is a good indication towards the growth and survival of the firm and a strong effect on the value of the firm. Capital investments are essential for firm's growth and economic development, which means that growth, is a function of investment. However, since accumulation capital depends on growth, it means that investment is a function of growth. Hence, there is a lucid interconnection between growth and capital investments (Grozdic, Maric, Radisic, Sebestova & Lis, 2020).

2.0 Literature Review and Hypotheses Development

Firm Performance

Firms are established with the aim to increase their value through the wealth improvement of the owner or shareholders. The health and survival of firm depend on its financial performance. The effectiveness and efficiency of the management in the firms' operational, investment and financing activities of the firm can only be revealed through the firm's high performance (Naser & Mokhtar, 2004). Hence, the efficiency and effectiveness of the managerial function can be determined by the performance of the firm. This is why according to Ghosh and Subrata (2006), the form of wealth to be held by the organization is a determinant of the firm's performance and the better the performance of a firm, the less the agency problem between management and shareholders. If the financial management of the organization is well planned and implemented, then there will be positive contribution to the firm's value. Firm performance has attracted a lot of significant attention from scholars in areas of finance and strategic management. It is now a focal point of discussion among business practitioners in various forms of organization since is determines the health and the long run survival of the firm. A more effective and efficient use of a firm's resources will result to better firm's performance and more contribution to economic growth of the country (Naser & Mokhtar, 2004).

Capital Investment

Capital Investment is the value that firm has included in its con-current assets and which it expects to use for future benefits (Da-Silva et al, 2013). Investment is an engine of growth that drives an economy. Investment in an economy will come with lots of consequences that include growth of economy and subsequent development of the economy (Adegbite & Shittu, 2017). Investment creates the firm future development and efficient allocation of resources leading to better firm performance (Chen & Ma, 2017). According to Assidi, Aliani and Omri (2016), firm value and economic growth emanated from investment. It is the investment embarked upon by the investors that will determine the firm's value. An

enhanced investment of firms will grow the economy by leading persistent growth in the economy's gross domestic product. This will in turn lead to development when the investment can survive in a stable environment.

Corporate Taxation

Taxation which has been seen by economists as an instrument of fiscal policy employed to regulate economic activities is also important when taking decisions that affect investment of firms. This effect will subsequently have great impact on the performance of firm. Scholars have provided many definitions of taxation. Asaolu, Akinbode and Alebiosu (2018) defined taxation as the idea and way of imposing compulsory levy on taxable income of taxpayers within a specific jurisdiction in order to meet government expenditure. According to Anyafo (1996), taxation is an obligatory levy imposed on individuals and firms by all the three tiers of government. Aguolu (2004) and Nwezeaku (2005) defined tax as a burden that citizens must bear in order for the government to perform some duties and obligations. The National Tax Policy (2017) describes tax as an obligatory payment to government without corresponding benefit in return. Taxation has been described as an obligatory payment made by individuals, partnerships and corporate organizations on their tax base to government with the intention of financing its activities to accomplish macroeconomic goals (Rotimi & Henry, 2017). Ofoegbu, Akwu & Oliver, 2016). Tax is equally viewed as an unavoidable levy imposed on individuals, corporate bodies, trusts and settlements by government on some tax base such as income, profits, properties and expenditures in order to execute its responsibilities and control the economy (ICAN, 2014). It is thus a levy made mandatory by the government on all tax bases of individuals and business organizations including the trustees and executorships so as to improve the economic well-being of the citizens.

Empirical studies on corporate taxation capital investment decisions with respect to firm performance has shown scanty literatures. The existing studies (Schwellnus and Arnold, 2008; Djankov et al., 2009; Gemmell et al., 2010; Vartia, 2008; Galindo and Pombo, 2011) did not consider profitability but focus on other performance measures (productivity and entrepreneurship activities). In addition, these studies focused on developed nations and none was conducted using Nigerian context. It was observed that while corporate tax in every country is always different; studies relating to corporate taxation, capital investment and firm performance in Sub-Saharan countries like Nigeria are scarce and hence, this study in this area. It will add to the body of knowledge on how corporate taxation and capital investment affect firm performance (profitability) as well as using non-financial firms in Nigeria.

Theoretical Review

Benefit Theory: This theory was propounded by Erik Lindahl. It states that the tax paid should depend on benefits derived by individual from facilities. That is, tax should be charged based on the services each individual derived from the state. By this theory, someone without a child cannot pay tax for building a school since there will not be any benefit to him from the project. This theory may not generate enough fund for government because the rich may not be able to pay much if they are not getting much benefits from the expenditure. This theory was criticized because:

i. If the theory is based on payment by benefit derived, then theory has deviated from the taxation principle of compulsory payment.
ii. It is impractical to measure the exact benefit received by each individual per annum.
iii. The theory is not in agreement with the objective of income redistribution because with, in reality, the poor enjoy more of the government expenditure and will thereby pay more taxes than the

rick. It is therefore against the principle of justice and fairness if more taxes are collected from the poor.

Ability to Pay Theory: This theory was propounded by Arthur Cecil Pigou due to the deficiency of the benefit theory. This theory has been seen to abide with the principle of equity made it to be the most accepted theory. It is reasonable and just as taxes should be charged on the ability of the taxpayer to pay. A high-income earner is expected to pay more of his income as tax than a lower income earner. In other to determine ability to pay; ownership of property, expenditure and income of individual were examined. Ownership of property may not be used because a person with high income may not use it on property.

Likewise, the expenditure may not be good enough as a poor man with large family size may spend more than a rich man with small family size. But the tax liability can be based on the earning capacity of individuals; someone that earns more income should be liable to a higher income while a lower income earner should pay lower tax. Hence, the income was accepted as the means of determining the ability to pay. This theory therefore states that tax payment is based on the financial capacity of the taxpayer. It can therefore be concluded that those that are financially prosperous should be heavily taxed more than the poor irrespective of the level of benefits derived from expenditure of the government.

Empirical Review

Grazzi, Jacoby and Treibich (2015) investigated the link between investment and firm performance of manufacturing firms in France and Italy. It was found that the inability to show the scaling relationship between investment spikes and firm size can make the analysis subjective. Positive effect of investment on firm performance was revealed and there was weak influence of investment spikes on firm growth while there was no impact of investment spike on productivity growth.

Conversely, in investigation of the relationship between corporate taxation and bank carried out by Gallemore, Mayberry and Wilde (2017) from 1996 to 2013, using cross-sectional research design and multiple regression analysis, it was revealed that the impact of tax rate is significant on some specific banks during the period of economic decline and unpredictability of credit risk. It was also found that bank outcomes like lending and leverage were affected by tax which also affected credit availability to customers. The need for a coordinated corporate tax policy for banks was suggested.

3.0 Methodology

Research Design

Ex-post-facto research design was used for this study. Descriptive and inferential statistics were adopted.

Population, Sampling Technique and Sample Size

To achieve the objectives of the study, all the active non-financial firms listed on the floors of the NSE become the population of the study.

Table 3.1: Non-Financial Sectors in Nigeria

No.	List of Sector	Population of Firms	Sample of Firms
1.	Agriculture	5	4
2.	Conglomerates	5	3
3.	Construction/Real Estate	8	2
4.	Consumer Goods	20	14
5.	Healthcare	10	5
6.	ICT	9	5
7.	Industrial Goods	13	7
8.	Natural Resources	4	2
9.	Oil and Gas	11	6
10.	Services	25	13
	Total Firm	**110**	**61**

Source: Field Survey (2023)

A three-level filter was used to arrive at the sample of the study and using the NSE sectorial classification. A firm to be selected must be quoted before December 31, 2011; have accessible and complete data; and not delisted during the period of study. The sample size after applying the above filter is sixty-one (61) firms (see Table 3.2). These are firms whose stocks are frequently traded on the floor and have available data for the study. The active firms in each component sector of the NSE were selected.

Table 3.2: Sample Size

Item	Total
Quoted firms as at December 31, 2020	161
Less: Quoted financial firms	51
Quoted non-financial firms	110
Less: Non-financial firms listed within the study period (2012 – 2020)	9
Non-financial firms listed before 2012	101
Less: Non-financial firms with inaccessible and/or incomplete data	40
Sampled Firms	**61**

Source: Field Survey (2023)

Model Specification

In formulating the models, the firm performance, being the dependent variable, was measured using Return on Asset. The independent variables are corporate tax, which was measured by the effective tax rates, and capital investment, was measured by the capital expenditure and growth rate of non-current assets. The models were controlled by firm size, leverage, liquidity, growth opportunity, lagged profitability and lagged investment. The study adapted the equation models of Da-Silva, *et al*. (2013) which was developed to examine the existing relationship between investment and profitability of non-financial firms. The models were stated thus:

$$ROA_t = intercept + a_j\ YEAR + \gamma_K SECTOR + \beta_1 SIZE + \beta_2 LEV + \beta_3 GROWTH + B_4 ROA_{t-1} + \beta_5 INVEST_t + \beta_6 INVEST_{t-1} + b_t \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 1$$

The definition and measurement of the variables of the study is presented in Table 3.3.

Table 3.3: Variable Measurement

S/N	Variable	Proxy	Measurement	Source
1	Firm Performance	ROA	Profit Before Tax divided by Total Asset	Da-Silva et al (2013), Oladeji et al (2015) Amaniampong et al (2018), Vrzina and Dimitrajevic (2019
2	Corpoarte Tax	Effective Tax Rate	Income tax paid divided by profit before tax	Oladeji et al (2015), Lazar and Istrate (2018), Vrzina and Dimitrajevic (2019
3	Capital Investment Decisions	Capital Expenditure	Capital Expenditure divided by Total Asset	Chen and Ma (2017), Saif Ul-Islam et al (2020)
4	Capital Investment Decisions	Groeth Rate of Non-Current Asset	Ratio of the difference between non-current asset at the end and non-current asset at the beginning	Asimakopoulos et al (2009), Hamza (2017), Grozdic et al (2020), Saif Ul-Islam et al (2020)
5	Firm Size	Log of total Asset (FSZ)	Natural logarithm of total asset at the end of the year	Amaniampong et al (2018), Lazar and Istrate (2018), Akinleye et al (2019)
6	Leverage	Leverage (LEV)	Total liabilities divided by total assets	Oladeji et al (2015), Chen and Ma (2017), Lazar and Istrate (2018)
7	Liquidity	Current Ratio (LIQ)	Ratio of Current Assets to Current Liabilities	Amaniampong et al (2018), Gatsi et al (2013)
8	Growth Opportunity	Market Book Value (MBV)	Market Value divided by book value of shares	Da-Silva et al (2013), Al Gamrh et al (2020)

Source: Field Survey (2023)

ROA = Return on Asset
CEP = Capital Expenditure
GNC = Growth Rate of Non-Current Asset
FSZ = Firm Size
LIQ = Liquidity
MBV = Markey Book Value

4.0 Results and Discussion

Data Presentation and Analysis

Effect of Capital Investment on Firm performance (ROA)

Table 4.1: Regression results showing the effect of capital investment on Return on Assets

Variables	Pooled Ordinary Least Square		
	Coeff.	t-stat	Prob
Constant	-0.1537**	-2.1495	0.0320
CEP	0.5061***	4.0972	0.0000
GNC	-0.0083	-0.7089	0.4787
FSZ	0.0142	1.5503	0.1217
LEV	-0.0320*	-1.7311	0.0840
LIQ	0.0587***	5.1785	0.0000
MBV	0.0001***	3.3579	0.0008
CEP_LAG	-0.1344	-1.1308	0.2586
GNC_LAG	0.0018	0.1578	0.8747
ROA_LAG	0.3743***	9.1235	0.0000
Obs	549		
R square	0.3697		
F-statistic	35.1336***		
(p-value)	(0.0000)		
Breusch-Pagan LM test (p-value)	0.3290		
	(0.5662)		

Source: Field Survey (2023)
***, ** and * denote statistical significance at 1%, 5% and 10% level respectively.

Table 4.1 presents the computation of the effects of investment on performance indicator of return on assets (ROA). Breusch-Pagan LM test was carried out to determine the presence of random effects in the POLS. The Breusch-Pagan LM test of 0.329 (p = 0.556) indicated that POLS is the appropriate model, hence FEM and REM were not necessary. The F-statistic of 35.134 (p = 0.000) is significant at 1 percent level of significance and this shows the goodness of fit, predictability and usefulness of the model. R^2 value of 0.3697 implies that the explanatory variables explain 37 percent of the total variation in ROA while the remaining 63 percent change in ROA were explained by other variables not mentioned in the model.

Effect of Corporate Tax on Firm performance (ROA)

The results in table 4.6 showed that the Breusch-Pagan LM test value of 0.1827 (p = 0.669) indicates that pooled least square method is more appropriate than FEM and REM. Hence, further examinations were not required on them. R^2 value of 0.3498 showed that the exogenous variables explained 35 percent of total variations in ROA while the remaining 65 percent were explained by variables not mentioned in the model. F-statistics of 48.605 (p = 0.000) showed that the model is significant at 1 percent and a proof of goodness of fit of the model.

Effect of Corporate Tax and Capital Investment on Firm performance (ROA)

Table 4.10 presents the joint effect of corporate tax and capital investment decision on firm performance indicator proxied by ROA. B-P LM statistic was tested to determine the presence of random effects in the POLS. The result revealed a value of 0.2843 (p = 0.5939) showing the acceptance of the null hypothesis that POLS is more suitable than FEM and REM. Hence, POLS was used. The R^2 of 0.37 depicts that only 37 percent of total variation in firm performance, proxied by return on assets, were captured by the independent variables specified in the model while the 63 percent were explained by other variables not

mentioned in the model. F-statistic value of 31.632 (p = 0.000) indicates a good of fit, predictability and usefulness of the model. It shows that the overall equation is statistically significant at 1 percent significant level.

The F-statistic shows that corporate taxation and investment jointly have significant effect on firm performance. The probability value indicated that the variables in the model are jointly statistically significant, reasonable, dependable, suitable and sustainable for assessing the effect of corporate taxation and capital investment decision on firm performance of quoted non-financial firms measured by ROA.

Discussion of Findings

The result implied that Capital Investment Decision had significant positive influence on performance of firms. The positive relationship might be due to the mangers' efficiency as their incentives were based on the profit of the firm. The high profitability of firms may be as a result of the efficiency of investment in non-current assets. According to Vrzina and Dimitrievic (2019, a higher asset turnover ratio is expected to generate an increased ROA. The findings revealed a positive significant effect of investment measured by the ratio of capital expenditure top total assets, on firms' financial performance. This showed than an increased capital expenditure will generate more profits for the firm. The relationship is and could be due to other underlying factors such as the investment initial outlay and the period of time to recoup from the investment. This therefore means that firms with higher growth opportunities amass more funds that can be channeled towards investment projects through stock markets. The study also revealed that past performance of the firms are essential components of firm current performance. The findings of this study opposed that of Al-Gamrh *et al* (2020) and Grozdic *et al* (2020). They revealed that a significant negative relationship exists between investment and firm performance which could have been due to the high investment opportunities that makes firm to spend more on investment which reflects negatively on their performance. Grozdic *et al* (2020) equally found a negative effect of investment on firm performance but a positive effect in the long run.

5.0 Conclusion and Recommendations

This study assessed the relationship that exists amongst corporate taxation, investment decisions, and firm performance of quoted non-financial firms in Nigeria. Four hypotheses were stated, tested and analyzed through correlations and regressions. Extant literature was reviewed. Investment decisions have significant influence on the performance of firms and hence, these metrics of investment can be considered to enhance the performance of firms. The improvement in effective tax rate leads to better profitability of firms. An efficient ETR is expected to enhance the profitability of firms. It was concluded that there are other factors other than taxation rate that have a bearing on investment, and the government should therefore not focus on corporate taxation as a strategy to attract or stimulate investment. Taxation seems not to be a major factor influencing investment and profitability of firm.

The joint effects of the explanatory variables on the firm performance showed that corporate taxation and investment decisions had significant joint effect on the firm performance. The relationship was controlled by firm size, leverage, liquidity, growth opportunities and played a significant role in deciding whether corporate taxation and capital investment decisions are beneficial to firms or not. It has been concluded that taxation in LDCs have positive impact on firm activities and investment has been seen as major factor determining the growth and survival of firms. The outcome of this study is in line Tobin's Q theory of investment and ability to pay theory.

The study recommended granting of tax incentives so as to improve the profitability of firms as this will enable them to invest more and create employment opportunity in the economy. Other non-corporate tax factors are recommended for use to control investment; if these factors are investigated and identified, they will provide a useful insight in their control in a manner to improve investment. Firms should improve on innovation and spend more on new investments in order to enhance profitability. More investment spending should be incurred on sustainable and profitable projects. Government should encourage and support capital investment activities through tax incentives and reduced cost of borrowing to allow economic sustainability. Cost of borrowing should be reduced to encourage firms that rely on external financing when embarking on investment decisions. A high cost of borrowing may hinder the growth of the corporate sector.

References

Abdullah, S. N. (2004). Board composition, CEO Duality and Performance among Malaysian Listed Companies, *Corporate Governance*, 4(4), 47 – 61.

Abiola, O., James, A. and Asiweh (2012). Impact of Tax Administration on Government Revenue in a Developing Economy; A Case Study of Nigeria, *International Journal of Business and Social Science*, 3(8), 99-113.

Adegbie, F. F. and Fakile, A. S. (2011). Company Income Tax and Nigeria Economic Development. *European Journal of Social Sciences*, 22(2); 309-319.

Adegbite, T. A. and Shittu, S. A. (2017). The Analysis of the Impact of Corporate Income Tax on Investment in Nigeria, *World Wide Journal of Multidisciplinary Research and Development*, 3(3), 60–64.

Adegbite, T.A. and Usman, O.A. (2017). Empirical Analysis of the Effect of Taxation on Investment in Nigeria. *International Journal in Commerce, IT & Social Sciences*, 4(8), 1–11.

Adegbite, T.A. (2019). Does Taxation have impact on Investment? An empirical response from Co-integration analysis. *Annals of SpiruHaret University, Economic Series*, 19(4), 57-74, doi: https://doi.org/10.26458/1931

Adeniji, Y.A. and Adekoya, O. (2021). Performance Reporting and Corporate Investment Decisions among selected Non-Financial Firms in Nigeria, *European Journal of Accounting, Auditing and Finance Research*, 9(1), 1-22.

Adongo, J.A., Atugeba, I.L.A. and Insah, B. (2020). An Assessment of the Relationship between Capital Investments and Financial Performance of Selected SMEs in the Upper East Region of Ghana. *International Journal of Innovation and Applied Studies,* 29(3), 760-770.

Agbionu, C.U., Amahalu, N.N. and Egolum, U. (2017). Attitudinal change, Power of Thought and Empowerment: The Indisputable Nexus, *Contemporary Issues in Business Management; A Multidisciplinary Approach,* 354-360.

Aghion, P., Akeigit, U., Cage, J. and Kerr, W.R. (2016). Taxation, Corruption and Growth, *European Economic Review,* 86, 24-51.

Allayannis, G. and Weston, J.P. (2001). The Use of Foreign Currency Derivatives and Firm Market Value. *The Review of Financial Studies,* 14(1), 243 – 276.

Amaniampong, M., Kumi, J.A. and Kumi, M.A. (2018). Effect of Corporate Income Tax on the Profitability of Mining Companies, Evidence from Ghana Stock Exchange, *IJRDO-Journal of Business Management*, 4(2), 55 – 64.

Amarudin, Adam, M., Hamdan, U. and Hanafi, A. (2019). Effect of Growth Opportunity, Corporate Tax, and Profitability toward Value of Firm through Capital Structure (Listed Manufacturing Companies of Indonesia), *Finance; Theory and Practice,* 23(5), 18-29.

Anitha, M. and Bhargav, D.P. (2014). Investors' Perception towards investment. *Global Journal of Finance and Management,* 6(2), 185-190.

Anyafo, A.M.O. (1996). Public Finance in Developing Economy; The Nigeria Case; Enugu, B and F Publication.

Arnold, J.M. (2008). Do Tax Structures Affect Aggregate Economic Growth? Empirical Evidence from a Panel of OECD Countries. OECD Economics Department Working Papers, No. 643.

Aruna, F.E., Oshiole, S., Amahalu, N.N. (2020). Effect of Taxes on Net Investment of Listed Communication Firms in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences,* 10(2), 171-183.

Asaolu, T.O., Olabisi, J., Akinbode, S.O. and Alebiosu, O.N. (2018). Tax Revenue and Economic Growth in Nigeria. *Scholedge International Journal and Management and Development*, 5(7), 72-85.

Ugwuanyi, G.O. (2014). Taxation and Tertiary Education Enhancement in Nigeria; An Evaluation of the Education Tax Fund (ETF) between 1999-2010. *Journal of Economics and Sustainable Development,* 5(6), 131-141.

Uwuigbe, O. and Olowe, O. (2013). The Effects of Company Income Tax on Dividend Policy of Firms in Nigeria. *ACTA Universitatis Danubius,* 9(1) 79-90.

Vartia, L. (2008). How Do Taxes Affect Investment and Productivity? An Industry-Level Analysis of OECD Countries. *Economics Department Working Papers No. 656, 1-41.*

Vrzina, S. and Dimitrijevic, M. (2019). Determinants of Profitability of the Agricultural Sector of Vojvodina: The Role of Corporate Income Tax. *European Journal of Applied Economics,* 7(1), 1-19.

World Bank (1991). *Lessons of Tax Reform.* World Bank, Washington DC.

Yazdanfar, D. (2013). Profitability Determinants among Micro Firms: Evidence from Sweden Data. *International Journal of Managerial Finance,* 9(2), 151-160.