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IMPACT OF TAXATION AND FOREIGN DIRECT INVESTMENT ON ECONOMIC DEVELOPMENT IN NIGERIA

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Abstract: Taxation is a vital tool that enables infrastructural development, which paves the way for FDI that enhances economic development. The objective of this study is to examine the impact of taxation and foreign direct investment on economic development in Nigeria while accounting for the country's poverty rate. The World Bank Development Indicator provided the secondary data for this study, which covered the years 1991 to 2023. The unit root test illustrated that the unit root that could cause the wrong conclusion has been eliminated. The VAR and VECM illustrated both the short- and long-term links of economic development with taxation and FDI while adjusting for the poverty rate. The FMOLS indicates a long-run impact of taxation on economic growth, while the OLS regression establishes that while poverty reveals a negative influence, taxation and FDI have a positive impact on economic development .Thus, the Nigerian government should implement adequate fiscal policy measures to combat the high poverty rate that contributes to tax evasion, and the appropriate tax authority should sensitise the entire citizenry about the importance of paying taxes as well as implementing a new tax reform bill that will improve infrastructural growth, attract FDI, and enhance economic development.

Keywords: Taxation, FDI, Economic development, VECM, FMOLS, OLS Regression

Introduction

A fundamental part of a nation's budgetary plan, taxation proxied by tax revenue is important for the stability and economic growth of every country (Adefolake & Omodero, 2022). There is currently ongoing discussion of a new tax reform bill to foster economic growth and development in Nigeria (Oluwadele, 2024). It is mostly the source of money for government expenditure on infrastructure and public services such as health, education, and transportation, as well as infrastructure. Mostly, one can categorise tax revenue as either direct or indirect taxes. Personal income tax and corporate tax are two examples of direct taxes, those levied directly on individuals and companies based on their income or profitability. At numerous points of manufacturing and distribution, goods and services pay indirect taxes, including value-added tax (VAT) and excise taxes. Both types of taxes are necessary for a balanced tax system since they serve to diversify income sources and lower the risks related to depending too much on one tax type (Bird & Zolt, 2021). Recent trends suggest that broadening the tax base and raising tax compliance will be increasingly important to boost income and create an enabling environment for foreign investment. Among the numerous strategies governments are applying to address the challenges with tax

revenue collection are improving administrative efficiency, leveraging technology, and implementing comprehensive tax modifications. For example, digital tax administration solutions have drastically improved the tax collection process efficiency and lowered tax evasion opportunities (OECD, 2022). The economic policy of a nation is primarily dependent on taxation, which influences not only the overall economic climate but also the provision of public goods and services, affecting government spending capacity, impacting stability, enabling foreign direct investment, and subsequently enhancing economic development.

There are various ways in which taxation shapes economic development. First, adequate tax revenue enables governments to finance significant infrastructure improvements, including public transit systems, bridges, and highways, thereby increasing economic activity and employment prospects. On the other hand, tax collections support social services, including education and healthcare, which are basic for long-term economic growth and help to build human capital (IMF, 2021). Economic growth typically correlates with effective tax collection. A well-organised tax system that provides an equitable distribution of tax burdens and promotes compliance helps strengthen the overall economic stability of a country. Higher tax revenue as a percentage of GDP in countries, for instance, seems to have stronger infrastructure and public services, which in turn serve to support sustainable economic development (Piketty, 2020). Still, various factors influence the effectiveness of tax revenue collection: taxpayer compliance degree, tax policy design, and tax institution quality. Inadequate resources in tax administration or outdated systems might lead to inefficiencies that compromise efforts at income collection and create appreciable tax losses. Furthermore, influencing revenue generation is the discouragement of businesses and people from following tax laws arising from complex tax rules and costly compliance expenses (Slemrod, 2019).

Taxation and foreign direct investment greatly contribute to economic development (Alabi, 2019). Funding public services and infrastructure helps establish an environment suited for economic activity and; hence, assists infrastructure growth. The consequence of tax revenue on economic development shows that governments' funding of infrastructure projects required for economic growth comes from sufficient tax revenue. These expenses improve transportation, communication, and utilities, boosting business operations and increasing the standard of living. Taxes cover social programs, including social security, healthcare, and education. Stability, long-term economic growth, and long-term economic development are all based on these projects. They affect human capital development by giving the government a steady flow of money; an effective tax system can help keep the economy stable. This consistency is what helps economic planning and keeps investor confidence (Auerbach et al., 2021). Even if it is somewhat crucial, tax collection presents several challenges. Tax evasion and avoidance undermine efforts at income gathering, which is sometimes due to the high poverty rate in developing nations like Nigeria. Older systems, inadequate resources, and staff training could all impede effective tax collection and compliance (Tanzi & Shome, 1993; Kon-Sapawi et al., 2022). Depending on economic variances, the fairness and efficiency of tax systems could be altered. Maintaining public support and compliance calls for fairness and freedom from unjustly burdening low-income individuals' tax policies (Bird & Zolt, 2021). Looking at tax revenue on a global scale shows that different countries, including Nigeria, handle it in different ways and with different results. The goal of this study is to add to the body of research by examining how taxation and foreign direct investment affect economic growth in Nigeria while accounting for the country's poverty rate.

Literature review and hypothesis development

The theoretical underpinning of this study includes the public choice theory and the endogenous growth theory. The public choice theory posits that the government consistently seeks to augment tax revenue to fund its

expenditures. Simultaneously, the government uses tax funds to make decisions regarding the allocation of resources to manage economic activities. Hence, the allocation of funds by the government can play a substantial role in fostering economic expansion. Consequently, greater government revenue leads to enhanced economic growth. There is evidence from Tosun and Abizadeh (2005) that supports this argument. They studied the relationship between taxation and economic growth in 21 OECD (Organisation for Economic Cooperation and Development) member nations between 1980 and 1999. For their analysis, they employed a random-effects model (REM). The results show that tax revenue—specifically, personal and corporate taxes—and economic growth are strongly and statistically significantly correlated. Similarly, Ocran (2011) used a vector autoregression (VAR) model to investigate how the fiscal policy affected South Africa's economic growth. The findings showed that tax revenue and economic growth were positively correlated. However, the impact on economic growth of solely implementing tax revenue is more delayed. However, according to the endogenous growth theory, taxes stimulate economic growth. This contrasts with the neoclassical growth theory of Solow and Swan, who claimed that taxes have no lasting impact on economic growth (Romer et al., 2010).

Moreover, Canavire-Bacarreza et al. (2013) conducted a study investigating the influence of taxation on economic growth in Latin America. They used vector autoregressive (VAR) models for each nation. Nonetheless, their conclusions were indeterminate. The researchers performed a comprehensive analysis of panel data from three distinct categories of countries: Latin American nations, developing nations, and developed nations. The findings indicate a favourable association among personal income tax, corporate income and economic growth in Latin American countries. However, there is no empirical evidence to support this association in either emerging or developed countries. Babatunde et al. conducted a study in 2017 to investigate the correlation between taxation and economic growth in Africa from 2004 to 2013. Descriptive statistics and unit root tests were employed to assess the normality and stability of the GDP and tax variables before estimation. The study's findings reveal a positive correlation between tax revenue and GDP in Africa, suggesting that tax income contributes to economic growth.

Ujkani and Gara (2023) investigated the correlation between inflation and tax revenue in Latin American countries by employing econometric models. The research revealed a negative correlation between inflation rates and tax revenue, with tax evasion intensifying the situation. The research concluded that inflation control is indispensable for the preservation of tax revenue levels and the encouragement of economic expansion. Ujkani and Gara suggested employing coordinated fiscal and monetary policies to tackle inflation and tax evasion issues. Abd Hakim et al. (2022) implemented regression analysis and cross-country comparisons to examine the relationship between unemployment and tax revenue. The research concluded that the government's finances were further compromised by tax evasion, which led to a decrease in tax revenue due to the high unemployment rate. The conclusion emphasised the importance of policies that proactively address both unemployment and tax evasion to increase economic growth and tax revenue. The authors promoted comprehensive reforms to employment and taxation.

Joseph et al. (2019) examined the relationship between tax revenue and foreign direct investment (FDI) in Nigeria's emerging economies. As determined by the regression analysis, the study found that FDI was discouraged by high levels of tax revenue, which had a detrimental effect on economic development. They concluded that the promotion of economic development and the attraction of foreign investment are contingent on the reduction of tax evasion. The recommendation was to improve anti-evasion measures to create a more favourable investment environment. Ayenew (2016) used a cross-sectional econometric approach to examine the

correlation between tax revenue and economic stability in Ethiopia. The study determined that the expansion of tax revenue contributed to economic stability; however, these benefits were compromised by tax evasion. Harris concluded that the implementation of effective measures to counteract tax evasion is essential for the increase in tax revenue, which is contingent on economic stability.

Wright and Clark (2020) investigated the influence of inflation on tax revenue in Sub-Saharan Africa by employing regression analysis and cross-sectional data. The research demonstrated that high inflation rates had a detrimental impact on tax revenue, which was further intensified by tax evasion. Wright and Clark concluded that inflation control is indispensable for the preservation of tax revenue and the encouragement of economic expansion. Martinez (2020) examined the relationship between economic development and poverty in African countries, including Nigeria. Tax evasion, associated with increased poverty rates and a decrease in GDP, further exacerbated this issue. Martinez concluded that the primary methods of promoting economic development are to address destitution and improve tax compliance. The recommendation was to integrate poverty alleviation initiatives with tax reform initiatives to create a favourable investment environment.

John (2016) examined the impact of direct foreign investment on Nigeria's economic growth from 1981 to 2015 using a multiple regression analysis. According to the study, Nigeria's GDP shows that foreign direct investment has a positive and significant effect on the country's economic growth. According to the study, GDP was positively but marginally impacted by the exchange rate. The effect of foreign direct investment (FDI) on Pakistan's economic growth between 1991 and 2015 was examined by Ali and Hussain (2017). Regression and correlation analyses were used in the study. Their findings demonstrated that FDI aided Pakistan's economic expansion. Alabi (2019) investigated the effect of foreign direct investment on Nigeria's economic growth by using multivariate time-series analysis. According to the study, FDI significantly boosts Nigeria's economic expansion. Davis (2022) implemented regression analysis and a cross-sectional methodology that showed that economic development was negatively impacted by reduced tax compliance, which was linked to elevated poverty levels. Davis concluded that the improvement of economic conditions for the impoverished could promote economic development and enhance tax compliance. Sullivan and Clark (2021) implemented econometric modelling techniques to investigate the influence of tax revenue on economic development in Nigeria. The research concluded that GDP growth was positively influenced by increased tax revenue; however, these benefits were limited by high levels of tax evasion. Sullivan and Clark concluded that the improvement of tax revenue is essential for economic development, with effective tax enforcement being of the utmost importance. The recommendation was to strengthen tax policies and improve revenue collection systems. Additionally, Adebanjo et al. (2024) established that taxation has a significant positive impact on the developed nations' economic performance. The literature review's argument develops the following hypotheses:

H1: Taxation has a positive significant impact on economic development.

H2: FDI has a positive significant impact on economic development.

Data and Methodology

Data description

The secondary data used in this research was collected from the World Bank development indicators from 1991 to 2023 based on their availability to avoid missing values using purposive sampling. The collected dataset includes the gross domestic product (GDP), which is the total monetary value of all the goods and services that a country produces each year and is measured in billions of USD; the foreign direct investment (FDI), which is the return on foreign investments made in a country each year and is also measured in billions of USD; taxation,

which is the amount of money that the government gets from people and businesses to pay for building up infrastructure, which is measured as a percentage of GDP; and poverty, which is the situation where people cannot meet their basic needs for a good quality of life, which is measured as a percentage.

Methodology

This study applied a quantitative research design to analyse the impacts of taxation and FDI on economic development in Nigeria while incorporating the poverty rate. This study used several quantitative methods to analyse the data collected. These included the unit root test, ordinary least square (OLS) regression, fully modified ordinary least square (FMOLS), Johansen cointegration, the vector autoregression (VAR) model, and the vector error correction model (VECM). The choice of this quantitative method was because the dataset is on a continuous scale, and it satisfies the appropriate diagnostic tests, which makes it suitable for this study.

Unit root test

The Augmented Dickey-Fuller method was employed to perform a unit root test as part of the research. The objective of the test is to determine the stationarity of the series. This is achieved by comparing the alternative hypothesis, which asserts that the series is stationary, with the null hypothesis, which is based on the presence of a unit root. The test is essential for identifying and eliminating any non-stationarity that could result in incorrect conclusions or spurious correlations. The unit root test is essential for identifying the elimination of unit roots that may lead to erroneous outcomes (Adebanjo et al., 2024).

OLS Regression and FMOLS

This study used the functional model technique, employing OLS regression to establish the connection between the variables and FMOLS to examine the long-term influence of the regressors on the dependent variable, which was also adopted in the work of Adebanjo et al. (2024). The functional link between the two models given above can be defined as follows:

$$GDP = f(Taxation, FDI, Poverty) \quad [1]$$

The OLS regression model specification will take the following form:

$$GDP_t = \beta_0 + \beta_1(Taxation)_t + \beta_2(FDI)_t + \beta_3(Poverty)_t + \varepsilon_t \quad [2]$$

GDP is the dependent variable and the main regressors or independent variables include Taxation and FDI, while the control variable is the Poverty rate. The ε_t is the stochastic error term that accounts for other factors not included in the model. The β_0 is the constant term while the β_1 to β_3 are the coefficient estimates of the regressors.

Johansen Cointegration, VAR, and VECM

The Johansen cointegration test can be used to see if the variables that have been combined show cointegration at levels one or two after the first difference, or at most two after the second difference. This test permits several cointegrating relationships. Two variations in the Johansen cointegration test, the trace and max eigenvalue, are considered foundational for inferences or decision-making. There is a long-term link between the variables when there is co-integration. This study suggested the vector error correction model (VECM) and the vector autoregressive model (VAR), with VECM coming first. The VAR helps to examine the short-term connection between the variables, while the VECM is suitable for the long-term link between the variables of interest. This research interest also includes the need to examine both the short-run and long-run link of taxation and foreign direct investment with the economic development of Nigeria; hence, the need to also specify VAR and VECM. Thus, the VAR model can be illustrated as follows:

$$Y_t = \varphi_i + \Phi_1 Y_{t-1} + \cdots + \Phi_p Y_{t-p} + \varepsilon_t \quad [3]$$

Where Y_t represents the vector of the endogenous stationary series of GDP, Taxation, FDI and the poverty rate. Since cointegration exists among the endogenous variables, the vector error correction model (VECM) was also specified as follows:

$$Y_t = \varphi_i + \Pi Y_{t-1} + \sum_{j=1}^{p-1} \Phi_j \, \Delta\left(Y_{t-j}\right) + \varepsilon_t \quad [4]$$

Where ΠY_{t-1} is the error-correction term, φ_i is the constant term, p is the estimated number of lags estimated and Φ_j is the coefficient estimate of the endogenous series.

Diagnostic tests

The diagnostic tests, such as the normality, multicollinearity using the variance inflation factor (VIF), autocorrelation, and heteroscedasticity, were conducted to validate the fitted OLS regression, while the VIF and normality tests were carried out to validate the fitted FMOLS and the normality test, as well as the autocorrelation test, which was also conducted to validate the VAR and VECM. The sole purpose of the diagnostic tests was to establish the validity of the models applied in this study.

Results and Discussion

Results

Table 1: Descriptive Statistics

	GDP	Taxation	FDI	Poverty
Mean	278.8780	18.3339	3.0248	91.5994
Median	278.2608	20.0800	2.0054	92.2500
Std. Dev.	170.2908	8.8527	2.6001	1.1918
Skewness	0.0504	-0.0699	0.8788	-0.1910
Jarque-Bera	3.0396	3.5418	4.4369	2.4720
Probability	0.2188	0.1702	0.1088	0.2905
Observations	33	33	33	33

Source: Author's Computation

Table 1 shows that the average GDP is about 279 billion USD with a variability of about 170 billion USD, the average taxation is about 18% of GDP, the average FDI is about 3.0 billion USD with a variability of about 2.6 billion USD, and the average poverty rate is about 92% with a variability of about 1.2% during the period under review. The normality test of all the datasets used with Jarque-Bera showed that the skewness is close to zero and the probability values are higher than the 5% significance level. This means that the datasets used in this study are normally distributed.

Table 2: Unit Root Test

Differenced Series	Test-Statistic	P-value	Order Level
GDP	-4.49	0.0012	Order 1
Taxation	-5.58	0.0001	Order 1
FDI	-7.00	0.0000	Order 1
Poverty rate	-7.29	0.0000	Order 1

Source: Author's Computation

After the first difference, Table 2 demonstrates that the series including the GDP as a stand-in for economic development, taxes, foreign direct investment, and poverty rate are statistically significant at the 5% level,

suggesting that the unit root that could produce inaccurate findings has been removed. This suggests that the series can be subjected to additional econometric studies.

Table 3: OLS Regression Model

Overall Model P-value = 0.0000				
GDP	Coefficients	Test-Statistics	P-value	VIF
Taxation	6.889	2.97	0.006	3.49
FDI	11.431	2.48	0.019	1.18
Poverty rate	-79.231	-4.82	0.000	3.17
Constant	7628.171	5.19	0.000	NA
R-squared = 0.8789 Adj R-squared = 0.8663 **Diagnostic tests:** Normality test with Jarque-Bera: P-value = 0.4160 Autocorrelation Test: P-value = 0.0527 Heteroscedasticity: P-value = 0.2464				

Source: Author's Computation

Table 3 indicates that the overall model P-value is below 0.05, the threshold for significance, suggesting that the OLS regression model is statistically significant at the 5% level. This implies a significant linear relationship between economic development, taxation, and FDI, while controlling for the poverty rate in Nigeria. The coefficient estimates of taxes have a strong positive influence on economic development, suggesting that an increase in taxation will enhance economic development, consistent with the first study hypothesis (H1). The coefficient estimates of FDI exhibit a strong positive effect on economic growth, indicating that an increase in FDI will enhance economic development, hence corroborating the second study hypothesis (H2). The coefficient estimates indicate that the poverty rate negatively and significantly affects economic development, implying that increases in the poverty rate decrease economic development. Furthermore, the Variance Inflation Factor (VIF) for all regressors is below 5, signifying that the Ordinary Least Squares (OLS) regression model is free from multicollinearity concerns. The normality test, autocorrelation, and heteroscedasticity test showed that their respective probability values exceeded the 0.05 significance level, indicating that the model satisfies the normality of the residuals and does not have the problems of autocorrelation and heteroscedasticity, satisfying the OLS assumptions. The R-squared value of 0.8789 indicates that the 87.89% variability in the economic development can be explained by taxation, FDI and the poverty rate.

Table 4: FMOLS

GDP	Coefficients	Test-Statistics	P-value	VIF
Taxation	6.729	2.626	0.0138	3.35
FDI	11.951	2.339	0.0267	1.17
Poverty rate	-81.868	-4.504	0.0001	3.06
Constant	7866.352	4.843	0.0000	NA
R-squared = 0.8720 Adj R-squared = 0.8580 **Diagnostic test:** Normality test with Jarque-Bera: P-value = 0.3995				

Source: Author's Computation

Table 4 indicates that the coefficient estimates for taxation and foreign direct investment (FDI) exert a significant positive influence on economic development in the long run at the 5% level, signifying that an escalation in taxation and FDI fosters economic growth over time. Conversely, the coefficient estimate for the poverty rate demonstrates a significant negative impact on economic development in the long run, implying that an increase in the poverty rate leads to a deterioration in economic development over the same period. The R-squared score of 0.872 signifies that 87.2% of the variation in economic development is attributable to taxation, foreign direct investment, and poverty. The Variance Inflation Factor (VIF) of the Fully Modified Ordinary Least Squares (FMOLS) regressors is below 5, signifying the absence of multicollinearity in the model. Furthermore, the normality test of the FMOLS residuals revealed a p-value greater than 0.05, indicating that the residuals were normally distributed, thereby affirming the appropriateness of the FMOLS methodology.

Table 5: VAR Model

VAR Equation	Lag Parameters	R-squared	P-value
ΔGDP	9	0.9406	0.0000
ΔTaxation	9	0.9263	0.0000
ΔFDI	9	0.8195	0.0000
ΔPoverty	9	0.8829	0.0000
Normality test with Jarque-Bera: P-value = 0.4885 Autocorrelation test: P-value = 0.1834			

Source: Author's Computation

Table 5 shows that the differenced endogenous series of GDP, taxation, FDI and poverty have 9 estimated lag parameter values with their corresponding P-values less than 0.05 significant level, suggesting that there is a short-run relationship between the economic development, taxation and FDI while controlling for the poverty rate in Nigeria.

Table 6: Johansen Cointegration and VECM

Johansen tests for Cointegration: Trace statistic at the first cointegrating equation: 56.71 Critical value 5% at first cointegrating equation: 47.21			
VECM Equation	Lag Parameters	R-squared	P-value
ΔGDP	6	0.1765	0.0087
ΔTaxation	6	0.2556	0.0083
ΔFDI	6	0.3564	0.0314
ΔPoverty	6	0.3211	0.0060
Normality test with Jarque-Bera: P-value = 0.1917 Autocorrelation test: P-value = 0.3700			

Source: Author's Computation

Table 6 shows that the trace statistics of about 56.71 for the Johansen cointegration exceed the critical value of 47.21 at the 5% level, suggesting that there is an appearance of cointegration among the series, which suggests the fitting of the VECM. The VECM shows that the differenced endogenous series having 6 estimated lag parameters have probability values less than 0.05 significant level, indicating that there is a long-run relationship between the economic development, taxation and FDI while accounting for the poverty rate in Nigeria.

Figure 1 illustrates the combined graph of the upward trend pattern of economic development, declining rate of taxation, constant level of poverty, and low state of the FDI.

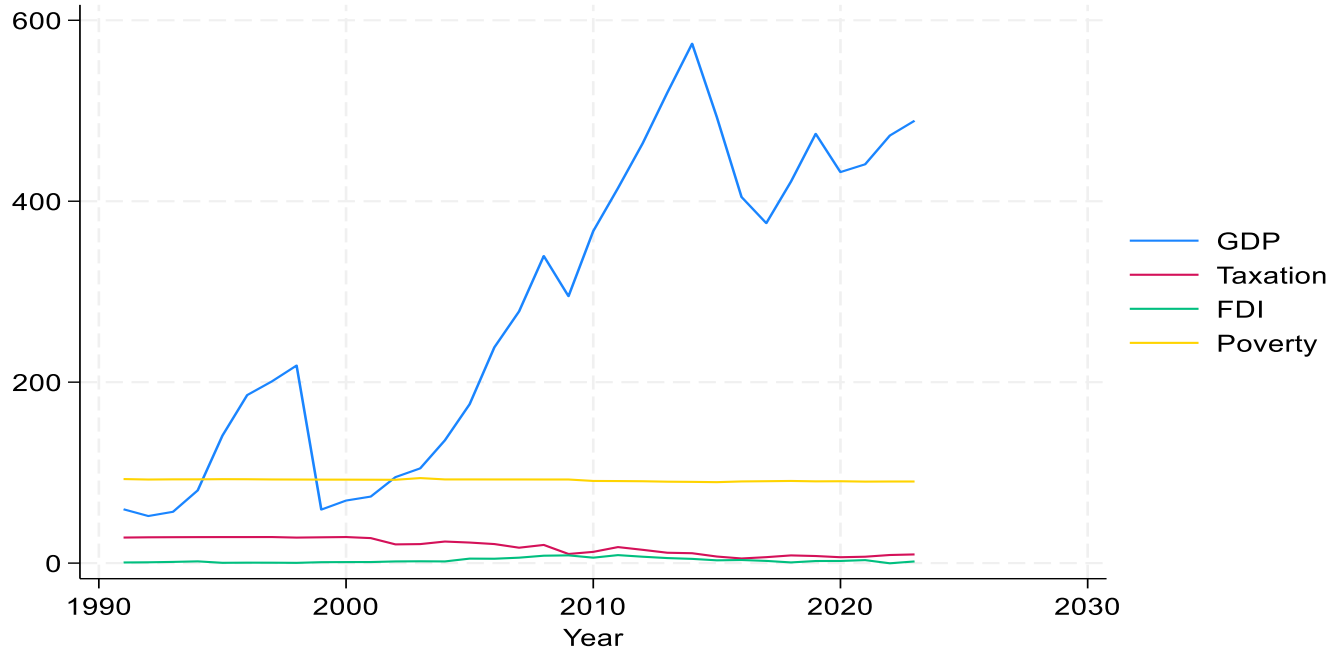

Figure 1: Combined graph of GDP, Taxation, FDI and Poverty against Year

Discussion

The analysis indicates that the average GDP is approximately 279 billion USD, exhibiting a variability of around 170 billion USD. The average taxation stands at about 18% of GDP, while the average FDI is roughly 3.0 billion USD, with a variability of approximately 2.6 billion USD. Additionally, the average poverty rate is about 92%, showing a variability of around 1.2% during the reviewed period. This corresponds with Nigeria's present economic situation, which is characterised by low foreign direct investment and taxation, alongside a rise in the poverty rate.

Furthermore, the unit root test demonstrates that the presence of a unit root, which could yield erroneous results, has been eradicated, indicating that additional study may proceed. The OLS regression model demonstrates statistical significance at the 5% level, signifying a substantial linear association between economic development, taxation, and FDI, while controlling for the poverty rate in Nigeria. The coefficient estimates of taxation exhibit a significant positive effect on economic development, suggesting that an increase in taxation will enhance economic development, corroborating the first research hypothesis (H1) and reinforcing both the public choice theory and the endogenous growth theory. The coefficient estimates of FDI exhibit a strong positive effect on economic growth, indicating that an increase in FDI will enhance economic development, hence corroborating the second study hypothesis (H2). This aligns with the research of Sullivan and Clark (2021), Adebanjo et al. (2024), John (2016), and Alabi (2019). Simultaneously, the coefficient estimates of the poverty rate exhibit a strong negative effect on economic growth, indicating that rises in the poverty rate led to a deterioration in economic development, corroborating the findings of Davis (2022).

The estimated FMOLS indicates that the coefficients for taxation and FDI exert a significant positive influence on economic development in the long run at the 5% level, suggesting that increases in taxation and FDI enhance

economic development over time. Conversely, the coefficient for the poverty rate demonstrates a significant negative impact on economic development in the long run, implying that an increase in the poverty rate leads to a decline in economic development over time. The VAR model indicates a short-term relationship among economic development, taxation, and FDI, while controlling for the poverty rate in Nigeria. The Johansen cointegration test suggests the presence of cointegration, warranting the application of the VECM. The estimated VECM demonstrates a long-term relationship among economic development, taxation, and FDI, while considering the poverty rate in Nigeria.

Conclusion

Taxation is an essential mechanism that facilitates infrastructural development, hence attracting foreign direct investment that promotes economic growth. This study aims to analyse the effects of taxation and foreign direct investment on Nigeria's economic development, considering the nation's poverty rate. The study indicates that taxation and foreign direct investment (FDI) exert a significant positive influence on economic development, suggesting that increases in both taxation and FDI will enhance economic growth. Conversely, the poverty rate has a significant negative effect on economic development, implying that increases in poverty contribute to a decline in economic progress.

The findings indicate that taxation and foreign direct investment (FDI) exert a significant positive influence on economic development in the long term, suggesting that increases in taxation and FDI enhance economic growth over time. Conversely, the poverty rate has a significant negative impact on economic development eventually. Consequently, the Nigerian government should enact effective fiscal policies to address the elevated poverty rate that contributes to tax evasion. Additionally, the relevant tax authority must educate the entire populace on the significance of tax compliance and implement the new tax legislation aimed at fostering infrastructural development, attracting foreign direct investment, and promoting economic growth.

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