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EFFECT OF CUSTOM AND EXCISE DUTY TAX ON PER CAPITAL INCOME IN NIGERIA AND GHANA

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ABSTRACT
This study determined the effect of custom and excise duty tax on per capital income in Nigeria and Ghana. Data were sourced from Federal Inland Revenue (FIRS) for Nigeria and Ghana Revenue Services (GRS). This study utilized descriptive statistics and inferential statistics (regression analysis) with the aid of E-Views 9. Based on the results, the study found that that custom and excise duty tax has a positive and no significant effect on per capital income in Nigeria while there was a positive and significant effect between custom and excise duty tax and per capital income in Ghana. The study thus, recommended that since the Nigerian custom and excise duty tax is not significant in order to sustain the positive significant effect on custom and excise duty, Nigerian government need to digitalization, policy reform, enforcement and shifting the tax base.

Key words: *Tax revenue, Custom and excise duty tax, Per capital income, Federal Inland Revenue (FIRS), Ghana, Nigeria*

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INTRODUCTION

Prior to independence, Nigeria's economy was mainly reliant on trade, with the non-oil sector, especially agriculture, playing a crucial role in generating revenue (Bakari & Mohamed, 2018). The emergence of oil in the 1960s caused a major change, resulting in a substantial reduction in agriculture's share of gross domestic product (Uysal & Mohamoud, 2018).Corruption, lack of discipline, and absence of accountability are widespread in our society, particularly in developing nations, resulting in a downturn in growth and development (Ajagun, Kehinde & Jinadu, 2025). Taxation, a major source of government revenue worldwide, is employed to carry out conventional roles like supplying goods, ensuring law and order, protecting against outside threats, and overseeing trade for social and economic equilibrium (Edame & Okoi, 2014). An effectively structured tax system acts as an essential mechanism for harnessing a country's internal resources, creating conditions favorable for economic development (Ayuba, 2014). Consequently, taxes are essential for aiding a nation in fulfilling its requirements and fostering independence. The requirement for tax payments

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
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TUJAMSS

is a worldwide important issue impacting all economies, irrespective of national variations (Osho, Omotayo & Ayorinde, 2018). Government choices concerning the taxation rate, taxable items, and payment schedules are driven by the planned projects or programs, acting as the main factors influencing the budget's magnitude. This, consequently, affects government spending, corporate efficiency, personal spending habits, willingness to save and invest, and the overall economic growth path (Al-Yousif, 2017).

Although the authority to impose taxes aligns with the limits of a sovereign's jurisdiction, taxation within a state can impact economic conditions in other states and may affect the economic indicators and growth path of the taxing state in various manners (Onukelobi, Okwuego & Chidiebere, 2025). The government of every nation carries significant responsibilities that are heavily impacted by the income obtained from various sources, including taxes. As stated by Abomaye (2017), taxation is a system set up by the government to manage taxes and their collection. Taxes are often imposed to restrict the production of specific goods and services, to support emerging companies and local enterprises, and to oversee business operations while managing inflation (Edewusi & Ajayi, 2019). Taxes are generally seen as the most efficient tool for enhancing the abilities of the public sector and settling debts (Okoye & Ezejiofor, 2014). Therefore, it can be stated that a nation's economic growth relies on multiple factors, one of which is having a successful and efficient tax revenue system. In Nigeria, the tax revenue contributions have fallen short of the Government's expectations. The government has also voiced this dissatisfaction and has pledged to increase the non-oil tax revenue. This study investigates how much the tax system has played a role in Nigeria's economic growth, considering the points mentioned above.

Nigeria's dependence on oil income, which was the foundation of its economy, experienced a considerable decline because of falling oil prices, leading to a deficit in government revenue for spending. In reaction, the government shifted its attention internally, investigating other sources of revenue, with taxation becoming a significant choice. The transition from an oil-based economy to one focused on taxation was highlighted by Fowler (2016), stressing the crucial importance of taxation in supporting vital services and upcoming budgets. Taxation not only establishes government responsibility but also positively influences society (Osibanjo, 2016), acting as an essential link between states and their citizens. Although significant, tax revenue in Nigeria has typically represented only a minor fraction of overall government income, with a conventional dependence on oil revenues prevailing in fiscal policy administration.Research by Ezejiofor, Ikilidih, and Analikwu (2025) analyzed the

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

impact of federal government indirect tax revenue on income distribution in Nigeria between 2000 and 2023, utilizing value-added tax and customs and excise duty tax as the independent variables. Ajagun, Kehinde, and Jinadu (2025) investigated the impact of Tax Revenue Factors on Capital Expenditure in Nigeria. Onukelobi, Okwuego, and Chidiebere (2025) examined the impact of tax revenue on Nigeria's economic growth, concentrating on three primary tax elements: Value Added Tax (VAT), Company Income Tax (CIT), and Customs and Excise Duties (CED) during the timeframe of 2004–2024. Ese, Nkanikpo, Eno, and Affiong (2025) analyzed how capital gains tax and customs and excise duties affect economic growth in Nigeria. Nnah (2024) analyzed the association between non-oil tax revenue and Nigeria's economic progress from 1989 to 2021.

Likewise, Oziegbe and Itua (2024) evaluated the impact of non-oil tax revenue on infrastructure development in Nigeria between 1981 and 2021. Adegboyo, Ajoje, and Agu (2023) examined the effect of non-oil revenue on Nigeria's economic development between 1981 and 2021. Hassan and Rashid (2023) performed a comparative analysis of corporate tax rates in ten advanced and ten emerging nations from 2015 to 2022. Hassan, Rashid, and Al-Faryan (2023) examined capital gains tax rates in both developed and emerging countries. Their findings showed a considerable effect on economic growth in developing nations, indicating that capital gains tax policies must be tailored to specific national economic situations.The previous research focused primarily on the tax revenue and economic development of a nation. Furthermore, there are no previous studies in Nigeria, as far as the researcher is aware, that differentiate between two distinct African countries regarding customs and excise duty tax. A cross-country examination is gaining traction in conventional accounting research, yet it remains relatively limited concerning the factors influencing tax revenue. This research, thus, determines the impact of custom and excise tax duties on per capita income in Nigeria and Ghana.

LITERATURE REVIEW

Tax Revenue

Tax revenue is an evolving source of income. Nigeria's taxation history can be divided into three periods: precolonial, colonial, and post-colonial. For numerous centuries, different traditional rulers imposed taxes and gathered other types of revenue to support the governance of communities in regions that eventually became identified as Nigeria, after the British colonial administration merged the Northern and Southern protectorates in 1914 (Kiabel &

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

Nwokah, as cited in Edewusi & Ajayi, 2019). These taxation systems have developed throughout the colonial era, post-independence, and the establishment of Nigeria's Fourth Republic in 1999, shaping the framework for taxation in Nigeria.The traditional Solow growth (neoclassical) model suggests that taxes should not affect long-term growth rates. This outcome occurs in part by assumption, as productivity growth is presumed to be constant and not influenced by tax policy. In endogenous growth models, the stable growth rate of the Solow model, determined by advancements in technology and productivity growth, is substituted with constant growth rates that can vary over time due to tax and spending policies implemented by the government (Austeri & Constantini, 2022, Asaolu, et al, 2023).

Customs and Excise Duties

Import goods are subject to customs duties, whereas excise duties are levied on specific domestic products such as tobacco and alcohol. These responsibilities produce substantial income and safeguard local industries (Abomaye-Nimenibo et al., 2018). The administration is managed by the Nigeria Customs Service, with rates ranging from 5 percent to 35 percent, based on the Harmonized Commodity and Coding System (HS Code). Excise taxes have been widened to include non-alcoholic drinks and telecom services (Ese, Nkanikpo, Eno & Affiong, 2025). Customs duties are taxes owed when importing goods from abroad. It usually decreases the entry of foreign products into the nation, while promoting the local production of these or similar items. They also signify taxes on documents rather than on individuals or transactions. Custom duties are imposed by the federal government when such instruments are carried out by corporate entities and residents of the federal capital territory in Nigeria. The state government also gathers such instruments at a rate determined in agreement with the federal government (Hussain, Musa & Musa, 2024).

In Nigeria, customs duties represent the earliest form of contemporary taxation, classified as one of the categories of indirect taxes, and are categorized into import duties and export duties. Their inception traces back to 1860, recognized as import duties, which are taxes levied on imports into Nigeria, imposed either as a percentage of the import value or as a fixed sum based on quantity. Before the implementation of Structural Adjustment Programs (SAP) in 1986, customs duties reached as high as 300 percent, but now they vary from 2 percent to 75 percent. The main purpose of customs duties is to safeguard local production by increasing the cost of imported goods (Ikeokwu & Leyira, 2019). Customs duties are primarily calculated based on the worth of items or according to their weight, size, or alternative factors set by the

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

government. They are assessed either as a percentage of the import's value or a set fee based on a designated quantity (Fasoranti, 2013).

Adegbie (2010) examined the role of Customs and Excise Duties in advancing and enhancing the Nigerian economy. The research shows a significant connection between customs and excise taxes and Nigeria's economic growth. This indicates that Nigeria ought to cultivate this as a revenue source. In 1962, Nigeria implemented excise duties on various goods to expand its revenue base. Excise systems encompass all selective taxes or duties, associated levies and fees on tobacco, alcohol, bleaching creams, gambling, petroleum products, motor vehicles, and other particular goods, services, and activities. Excise taxes are duties imposed on products produced domestically. They are assessed either as a percentage of the import's value or a set fee for a certain quantity. This indirect tax not only aims to generate revenue for the nation but also works to deter the consumption of specific goods (Fasoranti, 2013). Nonetheless, the organization faces significant criticism for corruption and inefficiency, while its leadership is frequently characterized by intrigue and internal conflict. All these must be transformed if Nigeria's vision of economic growth is to be realized.

Per Capita Income

A country's per capita income is often utilized to evaluate its standard of living. It shows how affluent a nation appears to its citizens on a personal level. It is often expressed in relation to a commonly used global currency such as the euro or the US dollar, and it holds value because it is widely recognized, can be easily calculated using available GDP and population information, and serves as a useful measure for comparing affluence among nations. This aids in determining a nation's development level. It is one of the factors used to compute a nation's Human Development Index (Amadeo, 2019). As of 2019, Nigeria's most recent GDP per capita (in current US dollars) was $6,055. Throughout the last 58 years, the figure for this indicator has varied from $3,222.69 in 2014 to $92.96 in 1960 (World Bank, 2020).

Theoretical Framework

This research is based on the benefits received theory of taxation (BRTT).Benefits Received Theory of Taxation (BRTT). This concept is thought to have been started by Knut Wicksell and later brought to prominence by Erik Lindahl (Cooper, 1994; TrotmanDickenson, 1996). Advocates of the theory contend that there is a reciprocal relationship between a nation's government and its taxpayers. Consequently, based on this relationship, the government bears

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

the duty of supplying goods, services, and essential infrastructures for the community's use, while society members are anticipated to contribute through taxes relative to the benefits received from the amenities, infrastructures, goods, and/or services offered by the government (Bhartia, 2009; Ihenyen and Mieseigha, 2014). Impliedly, a contractual relationship usually exists between a nation's government and its taxpayers; therefore, the government is tasked with delivering public goods and/or services, while the responsibility to cover the costs linked to the provision of these public goods and services lies with the taxpayers based on the level of benefits obtained (Chigbu, Akujuobi, and Appah, 2012). The BRTT clearly assumes that citizens of a state or nation ought to be taxed in accordance with their consumption of social goods and/or the services provided by the government. Given that the tax revenue of each government should be reinvested to deliver essential infrastructure and social services for sustainable economic growth, the researcher believes that the BRTT is appropriate for this investigation. This work is based on the BRTT as we aimed to explore the statistical relationship between the income produced from various types of taxation in the nation and economic growth.

Empirical Review

Ajagun, Kehinde, and Jinadu (2025) explored how Tax Revenue Affects Capital Expenditure in Nigeria. The research utilized an ex-post facto design since the data gathered were obtained from pertinent publications such as the statistical bulletins of the Central Bank of Nigeria, FIRS, and the National Bureau of Statistics. The analysis of the data was conducted using descriptive statistics and the fully modified ordinary least squares method through a multiple regression approach. Nevertheless, the findings from the descriptive analysis indicated notable differences in the performance indices values. The regression analysis results indicated that Direct Oil Tax Revenue (OTR) and Non-Oil Taxes (NTR) have a positive impact on Capital Expenditure (CE) in Nigeria. At a 1% significance level, the independent variable significantly and positively affects the dependent variable.Onukelobi, Okwuego, and Chidiebere (2025) examined the impact of tax revenue on economic development in Nigeria, concentrating on three main tax elements: Value Added Tax (VAT), Company Income Tax (CIT), and Customs and Excise Duties (CED) from 2004 to 2024. Utilizing an ex-post facto research design, the research applied time series data obtained from the Federal Inland Revenue Service, the National Bureau of Statistics, and various pertinent publications. The Correlation Analysis and Ordinary Least Squares (OLS) regression method were employed to evaluate the effect of these tax revenues on the growth of Nigeria's Gross Domestic Product

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

(GDP). The results showed a varied effect of tax revenues on economic growth. VAT and CIT showed negative coefficients, indicating a possible detrimental influence on GDP growth; nonetheless, these effects were not statistically significant. In contrast, CED showed a positive and significant correlation with GDP growth, highlighting its potential as a more efficient revenue source for promoting economic development. The comprehensive model accounted for 46.13% of the variation in GDP growth, featuring a notable F-statistic, confirming the combined effect of the tax variables on the economy.

Hussain, Musa, and Musa (2024) examined the link between tax revenue in Nigeria and its economic development utilizing the Ex-post facto research design. Time series data encompassing the independent variable – tax revenue, represented by Custom and Excise Duty (CED), Petroleum Profit Tax (PPT), Company Income Tax (CIT), Value Added Tax (VAT), and capital gains tax (CGT), and the dependent variable – economic growth, represented by gross domestic product (GDP), for a duration of ten (10) years (2013 to 2022) were utilized in conducting this research study. Multiple Linear Regression analysis was utilized to examine the data through the application of the Vector Error Correction Model. The results indicate that Custom and Excise Duty revenue negatively and significantly impacts economic growth in Nigeria (p-value = 0.0013), while Petroleum Profit Tax revenue also has a significant negative effect on economic growth in Nigeria (p-value = 0.0004).

Nwankpa and Anaba (2024) investigated how tax revenue affects Nigeria's economic growth from 2000 to 2021. Secondary data were obtained from journals, textbooks, and the statistical bulletin of the Central Bank of Nigeria (CBN). The factors examined include: Real Gross Domestic Product (RGDP) as a measure of economic growth, Value Added Tax (VAT), and Personal Income Tax (PIT). The data analysis utilized the Ordinary Least Squares (OLS) multiple regression method. Gross Domestic Product (GDP) served as the dependent variable indicating economic growth, whereas value-added tax (VAT) and personal income tax (PIT) functioned as the independent variables. The findings indicated that personal income tax (PIT) significantly affected gross domestic product, whereas value-added tax had an insignificant effect during the examined period. The research finds that tax revenue greatly influences the growth of the Nigerian economy. Hassan, Rashid, and Al-Faryan (2023) examined capital gains tax rates in both developed and developing countries. The findings showed a notable effect on economic growth in developing nations, implying that capital gains tax regulations ought to be tailored to local economic circumstances. In a similar vein, a different study conducted by Hassan et al. (2023) investigated the impact of value added tax rates and

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

discovered that value added tax had a considerable effect on economic growth in developing nations.

Kwode and Dania (2023) examined the role of tax revenue in Nigeria's economic growth from 1990 to 2019. Their study analyzed the impact of petroleum profit tax, company income tax, customs and excise duties and value added tax on gross domestic product using multiple regression. Results showed that company income tax and petroleum profit tax positively affected economic growth, whereas customs and excise duties and value added tax had negative effects. The study recommended expanding the tax base and reducing corruption in tax administration.

Adeyemi (2023) analyzed the relationship among company income tax, customs and excise duties and value added tax on economic growth in Nigeria from 1980 to 2020 using Autoregressive Distributed Lag models. The findings showed a long-run relationship between tax revenues and economic growth. Company income tax had an insignificant positive effect, while value added tax had a significant positive effect on real gross domestic product. Customs and excise duties, however, negatively affected economic growth.

Musa (2019) conducted research on the Impact of Value Added Tax, Customs, and Excise Duties on Nigeria's Economic Growth. This research empirically investigates the impact of Value Added Tax along with Customs and Excise Duties on the economic growth of Nigeria as its main goal. Data were obtained and extracted from the CBN bulletin spanning 2000-2015. The Autoregressive Distributed Lag (ARDL) and Error Correction Model (ECM) along with a range of diagnostic tests function as the main analysis method. The ARDL model was utilized to examine the long-term relationship among value added tax, customs duties, excise duties, and economic growth in Nigeria, while the ECM assessed the imbalance caused by tax evasion and avoidance in Nigeria. The research results indicated a long-term connection between value added tax, customs and excise duties, and economic growth in Nigeria. The ECM coefficient of (-0.697) indicates the rate at which Nigeria returns to equilibrium from the disequilibrium triggered by tax evasion and avoidance. The research found that Value Added Tax and Customs and Excise Duties are significant contributors to Nigeria's Gross Domestic Product.

Asaolu et al. (2018) investigated the relationship between tax revenue (VAT, PPT, CIT, and CED) and economic growth in Nigeria. Data collected from 2012 to 2019 were analyzed using Auto Regressive Distributed Lag (ARDL) as estimation methods. The study revealed that

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TUJAMSS

VAT and CED had a significant connection to economic growth, while CIT was negatively but significantly associated with economic growth, and no significant relationship was found between PPT and economic growth.Inyiama and Ubesie (2016) examined how value added tax, customs duties, and excise taxes impact economic growth in Nigeria. The research analyzes the impact of value added tax along with customs and excise duties on the economic growth of Nigeria. Secondary sources were examined during data collection, and a simple regression method was utilized in data analysis to test the hypotheses of the study. Additionally, correlation analysis was utilized to evaluate the relationship between value added tax, customs and excise duties, and Nigeria's Gross Domestic Product, representing economic growth. The results indicate that all non-oil tax income impacts Nigeria's Gross Domestic Product. The researcher determines that Value Added Tax and Customs and Excise Duties are significant factors in Nigeria's economic development.

Achor and Ekundayo (2016) studied the influence of indirect tax revenue on Nigeria's economic growth. The research employs value added tax revenue and customs & excise duty revenue as independent variables, while real Gross Domestic Product serves as the dependent variable to measure economic growth. The research utilized secondary data gathered from the Central Bank of Nigeria's statistical bulletin spanning 1993 to 2013 for the empirical analysis through the convenient sampling method. The study employs a time series design, and the data were examined through descriptive statistics, correlation analysis, unit root testing, co-integration testing, and regression using an error correction model. The findings showed that value added tax significantly affected real Gross Domestic Product.

METHODOLOGY

To steer the study's conduct and provide direction for achieving a precise and dependable outcome, the ex post facto research design and time series approach were utilized. This choice was made because the primary objective of the research was to assess the cause-effect relationship between the dependent and independent variables, relying on pre-existing data without attempting to alter its nature or values.Demographic and sample dimensionsThe population consists of two African nations: Nigeria and Ghana. This is due to certain similarities and the equal availability of data regarding customs and excise duty tax as well as per capita income in the two countries. Information was obtained from the International Monetary Fund (IMF) and the Federal Inland Revenue Service (FIRS) for Nigeria, along with Ghana Revenue Service (GRS) statistical bulletin & World Bank Data from 2000 to 2024

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

utilizing time series data for both nations. The researcher classified the data into customs and excise taxes (CED).

Model Specification

The model is expressed thus:

$Y=f(X_1 \ldots\ldots X_3)$

PCI =*f*(TRV)

PCI = f (CED)

$PCI= \beta 0+ \beta_1 CED_{it\ et}$ …… Eqn 1.

$_{it}$= 25years (2000-2024)

Where;

PCI =Per capital income

CED = Customs and Excise duties tax

β0 = constant

B_1 = explanatory variable coefficient of per capital income in Nigeria and Ghana.

et = Stochastic error

Data were analyzed with descriptive statistics, and the hypotheses were tested inferential statistics (regression analysis). Since the focus of the study is to determine the significant effect, regression analysis becomes appropriate tool for it.

i. Descriptive statistics employed to summarily describe the mean, median, standard deviation, kurtosis and skewness of the study variables. Inferential statistics will also be utilized with the aid of E-Views 9 using:
ii. Regressions analysis: Regression analysis predicts the value the dependent variable based on the value of the independent variable and explains the impact or effect of changes in the values of the variables.

Decision Rule

The decision for the hypotheses is to accept the alternative hypotheses if the p-value of the test statistic is less or equal than the alpha and to reject the alternative hypotheses if the p-value of the test statistic is greater than alpha at 5% significance level.

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

RESULTS AND DISCUSSION

Table 1: Descriptive Statistics

	PCI	LOGCED	PCIG	LOGCEDG
Mean	1858.880	1.095131	1546.733	6120.947
Median	2066.000	0.810233	1722.773	1530.000
Maximum	3201.000	3.505150	2445.187	39170.00
Minimum	563.0000	0.117271	263.5422	0.000000
Std. Dev.	737.6347	0.907398	756.5895	10242.83
Skewness	-0.273457	1.464588	-0.440544	2.063561
Kurtosis	2.194401	4.210613	1.764842	6.239068
Jarque-Bera	1.975220	20.92846	4.795688	57.34311
Probability	0.372466	0.000029	0.090914	0.000000
Sum	92944.00	54.75656	77336.64	306047.4
Sum Sq. Dev.	26661145	40.34523	28048956	5.14E+09
Observations	50	50	50	50

Table 1 above noted that the average values of per capita income (PCI) were 1858.880 and 1546.733 for the Nigerian and Ghanaian samples, respectively. Taking into account, the scientific worth of Nigerian companies surpasses that of Ghanaian companies1808407.0. It suggested that the Nigerian PCI exceeded that of their Ghanaian counterparts.Additionally, the average figure for custom and excise duty tax (CED) indicated a mean of 1.095 for Nigeria and 6120.947 for Ghana. It indicated that the Ghanaian collected greater tax revenue through customs and excise duty compared to the Nigerian tax. The kurtosis values of 2.194401 and 4.210613 for Nigerian PCI and CED indicate a pronounced distribution, implying a clustering of values near the mean with possible outliers, whereas the kurtosis of 1.764842 and 6.239068 for Ghanaian PCI and CED exhibited comparable findings. In Nigeria, the Jarque-Bera probability of 0.000029 indicates that the CED is significantly non-normally distributed, suggesting that traditional parametric analyses should be approached carefully. Additionally, the Jarque-Bera probability of 0.000000 indicates that the CED is distinctly non-normally distributed, suggesting that traditional parametric analyses should be approached with care.

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

Test of hypothesis

Table 2a: Regression analysis between PIC and CED

Dependent Variable: PCI (Nigeria)
Method: Panel Least Squares
Date: 05/28/26 Time: 08:05
Sample: 2000 2024
Periods included: 25
Cross-sections included: 2
Total panel (balanced) observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1716.562	164.0552	10.46332	0.0000
LOGCED	129.9549	115.8247	1.121997	0.2674

R-squared	0.225556	Mean dependent var	1858.880
Adjusted R-squared	0.205255	S.D. dependent var	737.6347
S.E. of regression	735.6939	Akaike info criterion	16.07868
Sum squared resid	25979784	Schwarz criterion	16.15516
Log likelihood	-399.9671	Hannan-Quinn criter.	16.10781
F-statistic	1.258877	Durbin-Watson stat	0.188573
Prob(F-statistic)	0.267445		

Table 2b: Regression analysis between PIC and CED

Dependent Variable: PCI(Ghana)
Method: Panel Least Squares
Date: 05/28/26 Time: 08:06
Sample: 2000 2024
Periods included: 25
Cross-sections included: 2
Total panel (balanced) observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1294.254	104.7532	12.35527	0.0000
LOGCED	0.041248	0.008844	4.663825	0.0000

R-squared	0.311840	Mean dependent var	1546.733
Adjusted R-squared	0.297504	S.D. dependent var	756.5895
S.E. of regression	634.1358	Akaike info criterion	15.78158
Sum squared resid	19302157	Schwarz criterion	15.85806
Log likelihood	-392.5395	Hannan-Quinn criter.	15.81071
F-statistic	21.75127	Durbin-Watson stat	0.209985
Prob(F-statistic)	0.000025		

Tables 2a and 2b show a regression analysis performed to examine the relationship between custom and excise duty tax (CED) and Per Capita Income (PCI) for Nigeria and Ghana. The R-squared is a measure of determination that indicates the variation in the dependent variable as a result of changes in the independent variable. Based on the results shown in table 2a, the adjusted R squared value for Nigeria was 0.20, suggesting that 20% of the variation in PCI

TANSIAN UNIVERSITY JOURNAL OF ARTS, MANAGEMENT & SOCIAL SCIENCES
Vol 10, Issue 2 (November), 2026; ISSN 2449 – 0334
Available at: https://acjol.org/index.php/tujamss/about/editorialTeam
TUJAMSS

was attributed to changes in CED. This indicates that 20% of the changes in PCI could be attributed to CED, whereas 80% was clarified by unidentified factors not incorporated in the model. Nevertheless, table 2b shows that the adjusted R squared value for Ghana was 0.30, suggesting that 30% of the variation in PCI was attributed to changes in CED. This indicates that CED could explain 30% of the changes in PCI, while 70% remained attributable to unidentified factors that were excluded from the model. The Durbin-Watson Statistic values of 0.189 for Nigeria and 0.210 for Ghana indicate that neither model exhibits serial correlation. The regression's F-statistic is 1.259 and 21.751.

Hypothesis Testing

H_{o1a}: Custom and excise duty tax has no significant effect on per capital income in Nigeria.

H_{o1b}: Company income tax has no significant effect on per capital income in Ghana.

The hypothesis of this study stated that custom and excise duty tax has no significant effect on per capital income in Nigeria (H_{o1}a), but there is a significant effect between custom and excise duty per capital income in Ghana (H_{o1}b). The evidence provided by the regression result of model 1 showed that the custom and excise duty tax had a positive coefficient of 129.9549 and a p-value of 0.267 which was not significant at 5% level for Nigeria; while the outcome of model 2 showed a positive coefficient of 0.041248 (p-value 0.000) for Ghana, and also a significant effect. It meant that custom and excise duty tax has a positive and no significant effect on per capital income in Nigeria while there was a positive and significant effect between custom and excise duty tax and per capital income in Ghana.

CONCLUSION AND RECOMMENDATION

This research examined the impact of custom and excise duty tax on per capita income in Nigeria and Ghana. Data were obtained from the Federal Inland Revenue Service (FIRS) for Nigeria and the Ghana Revenue Authority (GRA). This research employed descriptive statistics and inferential statistics (regression analysis) using E-Views 9 for assistance. The study concluded that customs and excise duty tax positively and insignificantly influences per capita income in Nigeria, whereas there exists a positive and significant relationship between customs and excise duty tax and per capita income in Ghana

Given that the Nigerian customs and excise duty tax is not considerable, the study suggested that to maintain the positive significant impact on customs and excise duties, the Nigerian

government must focus on digitalization, policy reform, enforcement, and changing the tax base.

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