# TAX PLANNING: AN INVESTIGATION OF THE RATE OF ITS IMPLEMENTATION FOR GROWTH OF BUSINESSES IN NORTHEASTERN NIGERIA

**BY**

**Sani Ilemona:Department of Accounting, Federal University, Kashere, Gombe State, NigeriaE-mail: saniilemona@gmail.com, ORCID ID URL: https://orcid.org/0000-0001-7007-5268**

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**Nwite Sunday: Department of Business Management, Ebonyi State University, Abakaliki, Nigeria, E-mail: adabunuu05@gmail.com**

**Abstract**

*The aim of this study was to ascertain whether business owners and managers in Nigeria are aware of tax planning schemes and its implementation strategy for the growth of their businesses using a sample of thirty (30) Small and Medium Scale Enterprises (SMEs) across three states in Nigeria namely; Gombe, Bauchi and Adamawa states. Questionnaires were used to gather data for the study and analysed using mean, standard deviation, percentages, ranking and application of Central Limit Theorem (Z) and correlation techniques with the aid of Statistical Package for Social Sciences (SPSS)version 16. Findings indicated that a large proportion approximately 97% of the businesses do not take advantage of tax planning to minimize their burden for reasons ranging from inability to interpret Nigerian laws for tax planning purposes to the insecurity that renders business activities unpredictable hence the inability to plan business income. This study provides new insight into how businesses in Nigeria can successfully undertake and implement tax planning strategies to facilitate growth. It has allowed us to analyze the benefits that can accrue to businesses undertaking and successfully implementing tax planning strategies within the Nigerian context.*

**Keywords: Businesses, Lingering insecurity, Tax education, Tax burden and Tax planning**

## Introduction

Business transactions are increasingly becoming complex in modern-day society. The complexity of transactions has given rise to the growth of complexities relating to tax computations. Rules/laws that guide business operation do change from time to time not only within a particular country but also across nations therefore it behoves businesses to correctly assess the tax implication of the changes (Ogundare & Ayoola, 2017). The assessment of ever-changing tax laws is quite necessary for businesses (Taxpayers) because tax liability (burden) oftentimes can impede growth/expansion and profitability (Hyes & Walter, 2014). A key advantage of the tax implication of assessment of laws relating to business taxation is that it offers a lot of genuine opportunities for leverage whereby a business can arrange its affairs in such a manner as to reduce its tax burden. The objective of the arrangement of the affairs (tax planning) is not to avoid payment of taxes (tax evasion) but, to explore loopholes or opportunities in tax laws, interpret the loopholes correctly and apply them to differ, reduce or outrightly eliminate business tax liability.

Basically, there are two types of tax planning namely: (i) purposive tax planning implemented to attain a particular objective and (ii) permissive tax planning carried out under the provision of a country's taxation laws to attain certain goals. The overall essence of the implementation of any or both types is the reduction of tax burden and it is the right of taxpayers to explore (Daltti & Diallo 2016). It is in support of right that a judge of British court stated that a taxpayer is entitled to be astute to prevent so far as he honestly and lawfully can, the depletion of his/her means by the revenue authority. The prevention is achieved through the tax planning effort of a taxpayer (individual or business concern) with the assistance of tax experts skilled in tax laws operating in a particular jurisdiction (Frednard & Cole, 2014).

In Nigeria, tax planning is legally supported by law. For instance in Akinsete Syndicate V Senior Inspector of Taxes Akure, it was held that a person or taxpayer may use lawful means to avoid tax against unlawful tax evasion. This decision followed that of English court in Duke of West minister VCIR (4) where it was held that every taxpayer is entitled if the payer can order his/her affairs so that the tax attaching under the appropriate Act is less than it otherwise would be. Similarly in JGC corporation VFIRS (2016) 22 TLRN 37, the Federal High Court Lagos Division upheld the right of taxpayers to embark on tax planning implementation/exercise to structure their transactions in such a manner as to lawfully reduce to the barest but permissible minimum tax liability. These judicial decisions are the affirmation of the unanimous legal position that once a tax planning is valid under applicable law, courts would uphold such scheme on the basis that taxpayers are entitled to arrange their affairs in such a manner as to lessen their tax burden.

The scheme requires detailed knowledge of tax legislation of a particular jurisdiction where a taxpayer operates and advisory services of tax experts who are in a position to recommend options for effective management of tax affairs without breaching the law especially in a multilayer tax system like that of Nigeria (Tahir & Kulta, 2017; Onmen, 2018).In Nigeria, tax planning is legally permitted and applicable under certain circumstances and the timing of certain transactions. Such circumstances and timing of transactions according to Bonlale and Wasiu (2020) include timing of fixed assets acquisition and disposal, the timing of capital allowances claim and the right amount to claim, the decision to hire assets against an outright purchase, making specific instead of general provisions and consideration of various tax incentives available for investment decisions. Other matters for consideration in tax planning permitted under the Nigerian tax law are critical dates for business transactions. These dates according to Tahir and Kulta (2017) include the date of filing of returns, filing of the notice of objection, monthly remittances of withholding to revenue authority, value Added Tax returns and remittances to the revenue authority.

The benefits of knowing these timing for making returns is better decisions under certain circumstance(s), and exploring the loopholes in the relevant tax legislation is to reduce the amount of taxes payable. The reduction is largely achieved through maximization of deductibles and reinvestment of funds that would otherwise have been can be marked for tax back into the business for growth (Perchels & Harvey 2016). It is in recognition of the potency of tax planning in growing businesses that Fakayode and Dare (2018) stated that without Savvy Tax planning, many businesses in Nigeria would have been losing millions of naira. But with tax planning, taxpayers have been able to consciously and honestly arrange their affairs, maximize deductibles and reinvest income saved for growth.

However, with the gamut of socio-economic challenges faced by businesses particularly in the North-Eastern part of the country in terms of insecurity, the comfort of knowing the intricacies of tax planning and the associated benefit is quite a in doubt (Bolanle & Wasiu, 2018). The starting points for successful tax planning by any business is knowing the benefit of the tool, identification of loopholes in applicable tax laws and engaging in tax planning schemes with the advisory services of tax experts (Gibert & Mordecai, 2018).

**Objectives of the Study**

The general objective of the study is to ascertain the rate of implementation of tax planning as a strategy that could be used to grow businesses with a focus on enterprises in the North-Eastern states of Nigeria. The specific objectives however are:

1. To investigate through the perception of varied business owners and managers particularly those in North Eastern part of Nigeria whether they are aware or not of tax planning schemes as a tool that can be employed in arranging their business affairs and the benefits of such schemes.
2. To ascertain whether they are conversant with relevant provisions of Nigerian tax to apply in preparing their affairs for the purpose of tax planning schemes and reasons if any for implementation or non-implementation of the schemes

**Literature Review**

**Conceptual Review**

It is desirable for taxpayers to engage in schemes legally in order to minimize their tax burden. The schemes otherwise known as Tax Planning (TP) refers to measures by which taxpayers arrange their affairs and operations in a lawful manner to attract the lowest tax burden (Fisher & Donald, 2015). The schemes involve deliberate lawful efforts of taxpayers to utilize all legally permissible allowances, reliefs, deductions, concessions, exemptions, rebates, incentives and so on available under tax laws of jurisdiction to minimize tax liability. Thus, Ken, Patrick, Patrick, Ornell and Dalus (2018) viewed TP as conscious legal efforts of a taxpayer to consider tax burden to be discharged at future date and engage in schemes to minimize it. Tax planning therefore is a legal right of a taxpayer to devise means to avoid tax burden against tax evasion by paying minimum possible tax. Thus (Valmer & Pesch, 2015; Taylor, 2016; Rashfa, 2018) opined that TP is an art of limiting the tax burden of a payer without breaking that law using devices such as the utilization of allowable allowances, deductable expenses, careful of consideration and choice of accounting dates of a business and so on to minimize tax liability. It entails detailed knowledge of tax legislation of a country its application in particular transactions or circumstances, identification of available loopholes and taking advantage of it for tax liability reduction for the purpose of profit maximization and growth.

TP is a deliberate activity and a careful arrangement of affairs and transactions that involves skilled interpretation and application of tax laws by taxpayers to defer, reduce and sometimes outrightly eliminate tax liability to be borne in future (Ronald & Leo, 2017). Identification of loopholes in tax laws and implementation of the applicable laws for TP purpose is a skilled activity that requires the advisory service of experts knowledgeable in tax legislation. The skilled activity mainly demands profit planning, the time that the profit will be earned, the timing of payment of the applicable tax on such profit and taking available incentives that can be of tremendous financial advantage for continuing a business (Ultcher & McDonald, 2014).

TP is therefore a profit-boosting tool. The tool if properly deployed under the guidance of tax experts, an enterprise can lessen/minimize its tax burden (Onmen, 2018).

**Empirical Review**

Andre and Antonio (2012) conducted a study on efficient tax planning: An analysis of its relationship with market risk. The aim was to ascertain how firms' tax efficiency achieved by successful tax planning can reduce their risk in relation to the capital market. Data for the study were sourced from a sample of 86 companies listed on the B&M Bovespa drawn from eight economic sectors over a five year period. The analysis was done using panel-data regression of the Ordinary Least Square (OLS) method with fixed effect estimators. Findings indicated a negative and significant relationship between market risk and tax planning efficiency index of firms that have good governance practices. Jaron and Ryan (2018) did a study on perspectives on corporate tax planning: Observation from the past decade. The study was a survey of literature on the development of corporate tax planning. It was discovered that a combination of political, economic and technological factors have fueled public awareness of corporate tax planning activity.

Tye and Nor (2018) studied the roles of tax planning in the market valuation of corporate social responsibilities. The study examined tax planning activities for their direct mediating and moderating roles. The study used non-financial Malaysian listed companies for 8 years (2008-2015) as a sample. The results of panel regression models indicated that tax planning moderates companies' markets valuation of corporate social responsibility positively suggesting that shareholders increasingly value TP.John, Michell, Terry and Nemit (2014) investigated incentives for tax planning: Evidence from the field. The result of a survey of 600 corporate executives and managers engaged in tax planning indicated that an increase in earnings per share is an outcome of TP strategy.Carisa (2017) did a study on comparative analysis of tax planning implementation to income tax payment on a company. The aim was to analyze how tax planning can make a company is tax liability less. Data for the study were collected from a company engaged in the trading sector. The analysis was done using paired T-test statistical model. The results showed that TP has reduced the company's tax liability.

Mahfoudh and Kunor (2015) examined corporate tax planning activities: an overview of concepts, theories, restrictions, motivation and approaches. The aim was to review the literature on the concept of tax planning activities of companies. The result of the review revealed that tax planning is a significant tool to reduce the tax burden.Jaewoo, Sean, Steven, and Ryan (2018) did a study on expected economic growth and corporate tax planning. The study investigated whether expected economic growth is associated with corporate TP or not. The results of a series of cross-sectional and supplemental analysis indicated that expected economic growth only influence a firm's investment strategies that directly reduce tax expense.

Ishul, Dorathy and Haruna (2020) conducted a study on the impact of TP and tax incentives on the profitability of companies in the free trade zones. The study employed ex-post facto research where a simple sampling technique was adopted to draw a representative sample for the study. Multiple regression was used to analyze the relationship between TP, tax incentives and profitability of companies. The results of the analysis showed that TP improves corporate profitability. Aza and Oloshu (2016) carried out a study on the need for corporate tax planning and management in the Nigerian economy. The objective was to explain how to plan for taxes in order to minimize tax liability. It was a review of literature that made use of journals, articles, periodicals and documentary evidence on tax planning. The review revealed ways in which taxpayers could legitimately carry out TP and the need for it.

Ishola, Folajimi and Chimeruo (2020) investigated tax planning strategies and profitability of quoted manufacturing companies in Nigeria. The study focused on the effects of tax planning strategies on the profitability of manufacturing enterprises in Nigeria. Data for the study were obtained from audited reports of a sample of 46 manufacturing companies quoted on the Nigerian Stock Exchange (NSE) in December 2018. The result of descriptive and inferential statistical analysis revealed that there is no significant effect of tax planning on the Return on Assets (ROA) of the companies.Odunayo and John (2019) studied corporate tax planning and financial performance in Nigerian non-financial quoted companies. The study aimed at investigating the relationship between corporate tax planning and the financial performances of quoted non-financial companies. Data for the study were obtained from a sample of 47 non-financial companies from 2007 to 2016. A panel vector autoregressive approach with structural analysis was used to analyze the data. The results indicated that tax saving has a direct relationship with financial performance while tax avoidance has an inverse relationship.Dada (2017) did a study on tax planning and firms' performance in Nigeria. The aim was to examine the impact of tax planning on firms' performance of listed companies in Nigeria. The study adopted a survey and ex-post-facto design to collect data from a sample of 15 companies from the manufacturing, banking and insurance sectors. The results of multiple regression analysis of the data revealed that TP exerts an insignificant positive effect on the reported earnings of the companies.

Bashir and Zachariah (2020) conducted a study on ownership structure and tax planning of listed firms: Evidence from Nigeria. The aim was to ascertain whether ownership structure has an effect on tax planning or not. Data for the study were obtained from annual reports and accounts of companies for ten years (2008-2017). The data were analysed using descriptive statistics and multiple regressions. The results indicated that managerial and institutional ownership has no significant positive effect on TP.

Salawu and Adedeji (2017) studied corporate governance and tax planning among non-financial quoted companies in Nigeria. The aim was to examine the impact of corporate governance on TP of non-financial quoted companies in Nigeria between 2004 and 2014. Using stratified random sampling, a sample of 50 companies from 10 sectors were selected. Data of the study were obtained from audited financial statements of the companies. Generalized Method Moment (GMM) was used to analyze the data. Results showed that there is a positive and significant relationship between Effective Tax Rates (ETRs) and firm value.Muhmud, Sule and Musa (2020) conducted a study on the impact of corporate governance attributes on tax planning of listed Nigerian conglomerate companies. The objective was to determine the relationship between corporate governance attributes TP. The study adopted an ex-post facto research design and utilized panel data from annual reports and accounts of listed companies for five years (2014-2018). The data were analysed using the panel regression technique. The results of random effect estimation indicated that a significant relationship between firm size and effective tax rate exists.

Rafiu, Lawrence and Olufemi (2017) conducted a study on Granger causality between corporate TP and firm value of non-financial quoted companies in Nigeria. A panel data of financial characteristics of 50 non-financial quoted firms from 2004-20014 were collected from audited firms financial reports of the sampled firms. The result of the pairwise VAR Granger causality test conducted between TP and value showed that there is no causality between TP and the value of the firm within the period at a 5% level of significance. This implies that TP did not granger cause firm value and vice versa.Ogugajo and Onakoya (2016) studied TP and the financial performance of Nigerian manufacturing companies. The aim was to examine the influence of corporate TP on the financial performance of manufacturing firms quoted on NSE. Data obtained from the annual reports and accounts of a sample of 10 out of 28 listed manufacturing companies were analyzed. The study employed the Generalized Least Square (GLS) method of regression for analysis. It was found that aggressive TP such as thin capitalization, tax law incentives and other benefits of loopholes in Nigerian tax laws have not been fully utilized by Nigerian firms.

**Theoretical Framework**

This study is anchored on the general theory of tax avoidance propounded by Stiglitz in 1986. The basic assumptions of the theory are that: (i) TP (tax avoidance) is a right of taxpayers should be leveraged to reduce/lessen tax burden with reference to applicable tax regulations (ii) any burden without compliance with applicable tax regulation can only be considered as tax evasion as against tax avoidance. Knowledge of taxpayers about tax laws, identifying loopholes and taking advantage of them to minimize tax burden is the thrust of the assumptions. These, therefore, underscore the relevance of the theory to this study as the research is about ascertaining the rate of utilization of this growth-stimulating tool in North-Eastern Nigeria in face of numerous challenges of growing businesses face in that part of Nigeria.

**Methodology**

Using random sampling technique thirty (30) Small and Medium Scale Enterprises (SMEs) were selected from three states in the North East namely, Gombe, Bauchi and Adamawa with 10 from each state. Data for the study were obtained through questionnaires were designed to reflect Multiple choices to ascertain whether they understand TP schemes for implementation if not give reasons for not implementing the scheme. Out of 600 questionnaires distributed, 363 of them were returned representing a 60.5% response rate.The internal consistency of reliability of the questionnaire construct was checked using Composite Reliability (CR) and Average Variance Extraction (AVE) with each of the constructs having a value of 0.7 and above. CR coefficient value above 0.70 is regarded as satisfactory for an adequate model whereas a value below 0.50 indicates the inadequacy of the model (Adulazeez, Issa & Yusuf, 2019).Responses obtained were analyzed using mean, standard deviation, ranking central limit theorem of Z-score and correlation analysis using Statistical Package for Social Sciences (SPSS) version 16 to show the relationship between reasons of business operators for not implementing TP schemes to grow their enterprises.

**Results**

**Table 1: Breakdown of Sample of Business by State and Response profile on Rate of Implementation of TP**

| State | No of business | No of questionnaire distributed | No returned | Response rate % | TP implementers | % | Non-TP Implementers | % |
|---|---|---|---|---|---|---|---|---|
| Gombe | 10 | 200 | 143 | 71.5 | 1 | 10 | 9 | 90.0 |
| Bauchi | 10 | 200 | 130 | 65.0 | 0 | 0 | 10 | 100.0 |
| Adamawa | 10 | 200 | 90 | 45.0 | 0 | 0 | 10 | 100.0 |
| Total | 30 | 600 | 363 | - | 1 | 0 | 29 | 290.0 |

**Source:** Author's computation.

**Table 2: Analysis of Reasons for non-implementation of TP schemes**

| Items of the construct | No of Responses (X) | Mean (M) | X-M | $(X-M)^2$ |
|---|---|---|---|---|
| Proliferation of taxes | 235 | 211.7 | 23.3 | 542.89 |
| Lack of enlightenment campaign on the schemes | 201 | 211.7 | -10.7 | 114.49 |
| Inability to compute tax | 220 | 211.7 | 8.3 | 68.89 |
| Inability to hire tax experts | 230 | 211.7 | 18.3 | 334.89 |
| Inability to interpret tax laws | 214 | 211.7 | 2.3 | 5.29 |
| Inaccessibility of tax experts | 218 | 211.7 | 6.3 | 39.69 |
| Inability to forecast business profit/loss | 203 | 211.7 | -8.7 | 75.69 |
| Inadequate knowledge of business incentives | 226 | 211.7 | 14.3 | 204.49 |
| Inability to review business activity | 172 | 211.7 | -39.7 | 1576.09 |
| Inability to assess business income | 198 | 211.7 | -13.7 | 187.69 |
| **Total** | **2117** | | | **3150.1** |

Source: Author's computation

Variance = $\frac{\sum(X-M)2}{n-1}$ (1)

$= \frac{3150.1}{10-1} = \frac{3150.1}{9} = 350$

Standard Deviation (SD) = √350 = 18.71

Application of Central Limit Theorem (z) = $Z = \frac{X-M}{SD}$ (2)

Where X=363, M=211.7, SD=18.71 $Z = \frac{363-211.7}{18.71} = \frac{151.3}{18.71} = 8.09$

**Applying cumulative normal distribution;**

Pr (Z = 8.09) → 1 – Pr (Z = 8.09) = 1- (0.9993) = 0.00007 (3)

**Table 3**: **Summary of Measurement Model-CR and AVE using Factor Loading for Ranking**

| Items of the construct | Factor Loading (FL) | Ranking | CR | AVE |
|---|---|---|---|---|
| Proliferation of taxes | 0.679 | 8 | 0.731 | 0.713 |
| Lack of enlightenment campaign on TP schemes | 0.741 | 6 | 0.802 | 0.799 |
| Inability to compute tax | 0.761 | 5 | 0.813 | 0.730 |
| Inability to hire tax experts | 0.834 | 2 | 0.721 | 0.801 |
| Inability to interpret tax laws | 0.893 | 1 | 0.751 | 0.762 |
| Inaccessibility of tax experts | 0.774 | 4 | 0.765 | 0.846 |
| Inability to forecast business profit/loss | 0.635 | 10 | 0.711 | 0.753 |
| Inadequate knowledge of business incentives | 0.703 | 6 | 0.733 | 0.788 |
| Insecurity and inability to review business activities | 0.851 | 3 | 0.864 | 0.741 |
| Inability to assess business income | 0.663 | 9 | 0.792 | 0.703 |

**Source:** Computation using SPSS version

**Table 4**: Correlation Analysis of Reasons for non-implementation of TP Schemes

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| 1.000 | | | | | | | | | |
| 0.173 | 1.000 | | | | | | | | |
| 0.126 | 0.022 | 1.000 | | | | | | | |
| 0.153 | 0.115 | 0.175 | 1.000 | | | | | | |
| 0.164 | 0.096 | 0.023 | 0.261 | 1.000 | | | | | |
| 0.258 | 0.034 | 0.171 | 0.173 | 0.221 | 1.000 | | | | |
| 0.117 | 0.079 | 0.053 | 0.121 | 0.275 | 0.253 | 1.000 | | | |
| 0.128 | 0.113 | 0.044 | 0.294 | 0.101 | 0.067 | 0.322 | 1.000 | | |
| 0.134 | 0.211 | 0.035 | 0.186 | 0.205 | 0.065 | 0.283 | 0.010 | 1.000 | |
| 0.183 | 0.010 | 0.024 | 0.271 | 0.128 | 0.043 | 0.174 | 0.139 | 0.011 | 1.000 |

Source:Computation using SPSS

**Findings and Discussion**

TP has been a veritable managerial strategy implemented to reduce tax burden for growth of enterprises. Empirical studies (Michell, Terry & Nemit, 2014; Mahfoudh & Kunor, 2015; Aza & Olushu, 2016; Carisa, 2017; Jaewoo, Sean, Steven & Ryan, 2018; Tye &Nor, 2018 and Ishul, Dorathy & Haruna, 2020). However, the starting point for successful TP is knowing the benefits of the schemes identification of loopholes to be explored and application of relevant tax laws with the aid of tax experts (Gibert & Mordecai, 2015) Not taking the advantage of the schemes of TP a business could lose millions of the schemes of TP a business could lose millions of Naira (Fakode & Dare, 2018). Unfortunately, however, from the breakdown of the sample of business and states in the North-Eastern zone and the response profile of the rate of implementation of TP, it was found that a large proportion approximately, 97% of the enterprises do not take advantage of the TP schemes to minimize their tax burden. This finding is consistent with that of Ogugajo and Onakoya (2016) that discovered the benefits of loopholes in Nigerian tax laws has not been fully utilized by Nigerian enterprises.

Three top reasons advanced for non-implementation of the schemes found on the base of the FL ranking are (1) Inability to interpret Nigerian Tax laws to identify possible loopholes that could be explored (2) inability to hire tax experts for advisory services on TP matters and (3) Insecurity that render business activity and income unpredictable. Other reasons include the proliferation of taxes (Multiple taxations), lack of enlightenment campaign and sensitization on TP, inadequate knowledge of tax computation for proper returns as they could unknowingly pay more tax, inaccessibility to tax experts, business uncertainty, inadequate knowledge of business incentives. These reasons are not in doubt as to the positive Z value through normal distribution of 0.00007 equal to zero (0) are the indications that there is a hundred per cent probability that all variables mention in favour of reasons for non-implementation of TP in the studied area correct. This finding confirms the view of Bonlale and Wasuii (2018) doubting the efficacy of TP in the North-Eastern part of the country where various difficulties have eroded businesses of the opportunity of implementing TP to reduce their tax liability for growth.

Further, the correlation analysis indicated a positive and significant relationship between the different reasons for the implementation of TP at either 0.05 or 0.01 level of significance -2-tailed test. This, therefore, means that the reasons are moving in tandem – the same direction. The implication of the movement is that the more of these reasons wedging the TP implementation by businesses, the more it will be difficult for enterprises to lessen their tax burden given a multiple tax system (Multiple taxations) in the Nigerian economy (Tahir & Kulta, 2017). Unfortunately, these TP implementation hindrances and other socio-economic factors are still business growth issues to contend with in the North-Eastern part of Nigeria (Bonlale & Wasiu, 2020).

**Conclusion**

TP is one of the potent tools that can be used by businesses for growth via "smart" but the permissible arrangement of affairs to lessen the tax burden. The planning can provide tremendous insight into an enterprise's operation allowing entrepreneurs to assess the business situation to effect change or changes where necessary in view of any prevailing circumstance(s) necessitated by law, get a sense of any potential profit areas untapped/ explored or underexplored and decide how best to restructure operations in a manner that would minimize the tax burden. Implementation of TP is of interest to businesses particularly to those in the northeastern part of Nigeria where entrepreneurs need to internally reposition to maximize the value of their businesses in the face of the prevailing but ugly insecurity situation. Repositioning is an exercise that can be actualized through internal and external efforts. One such internal effort of businesses is TP implementation as savings from the schemes can be invested for growth.

**Recommendations**

Based on the findings and conclusion of the study, the following recommendations were made:

- Enlightenment and tax education for entrepreneurs on tax avoidance schemes by tax authorities. Information on the schemes that businesses can reduce their tax burden without breaking laws, reinvest saving from the scheme into the business for expansion (growth) is an encouragement to entrepreneurs. Reduction of tax burden with full compliance to relevant tax laws (tax avoidance) is beneficial to both entrepreneurs and the government. One of the numerous benefits of tax compliance by taxpayers to the government is improved/increased revenue.

- Government should deploy all its efforts at improving the prolonged security situation in the country particularly in the North-Eastern part of Nigeria. No endogenous policy of entrepreneurs to grow businesses will work in any environment tensed with insecurity.

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