



FINANCIAL IMPACTS OF TREASURY SINGLE ACCOUNT ON NIGERIA'S ECONOMIC GROWTH

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KEYWORDS

Tax Reform, Economic Stability, Value Added Tax, Company Income Tax and Petroleum Profit Tax, Gross Domestic Products

ABSTRACT

The Treasury Single Account (TSA) policy's financial effects on Nigeria's economic growth are assessed in this study, with particular attention paid to Value Added Tax (VAT), Company Income Tax (CIT), and Petroleum Profit Tax (PPT). The study used ordinary least square (OLS) regression techniques with ex-post facto data from the Federal Inland Revenue Service. Empirical results revealed that although the TSA policy has effectively prevented public fund leaks and has a positive and significant impact on non-oil collections including VAT and CIT, its influence on PPT is still substantial because of the historical complexity of the oil industry. The study further demonstrates that centralized and transparent cash management improves fiscal accountability and domestic tax mobilization. In the end, the study demonstrates that centralized, transparent cash management improves fiscal accountability and domestic tax mobilization. In order to promote strong, healthy economic growth, it also identifies unwanted side effects, such as decreased commercial banking liquidity, which prompts recommendations for tighter tax compliance and ongoing TSA framework examination. The government must expedite the bureaucratic procedures of fund authorization and cash backing in order to reduce delays in public expenditures that impede economic activity.

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1.0 Introduction

In the past, the public sector operated a decentralized banking system with numerous accounts in various commercial banks without adequate monitoring and control. In the past, the public sector had a decentralized banking system with numerous accounts in a number of commercial banks without any monitoring. This divided method led to poor financial efficiencies. Government funds were often fragmented and hidden, making it difficult to see the big picture of cash position and making it difficult to implement budgets and make extreme revenue leakages (Zainal et al. 2022). In addition, the system allowed for the existence of bureaucratic corruption and granted MDAs the freedom to use internally generated revenues (IGRs) with little legislative oversight or accountability.

Nigeria's Treasury Single Account (TSA), a unified banking system designed to pool government funds, has greatly increased financial openness, decreased monetary leaks, and made effective cash management possible. Economic growth is based on the management of public funds as it offers the needed liquidity to implement fiscal policies and infrastructure projects. Until 2015, the Federal Government of Nigeria had a fragmented banking system that had more than 10,000 bank accounts of the numerous Ministries, Departments, and Agencies (MDAs) of the various commercial banks (Okwueze, Ekine & Ugwu 2018). The result of this structure was high revenue leakages, idle funds, high interests charged on government borrowing, and poor financial management.

The Federal Government responded to these inefficiencies by adopting the TSA policy in September 2015, with the objective of consolidating all government revenues into a single account domiciled at the central

Bank of Nigeria. The Federal Government responded to these inefficiencies by adopting the TSA policy in September 2015, geared towards bringing all government revenues together in one account based in the Central Bank of Nigeria (CBN) (Ikechukwu & Ajayi 2025). TSA is a consolidated system of government bank accounts which provides a consolidated picture of government cash resources and helps to manage, be transparent and accountable better (Allison & Ndukwe 2021). By pooling idle funds, it improves the government's capacity to track revenue, lower borrowing costs, and, in theory, promote economic growth.

The TSA has been very effective in preventing revenue leakage and strengthening retained revenue for the government but has created liquidity issues for the banking industry (Ehilegbu & Ifeosame 2025). The periodic withdrawal of substantial government deposits from Deposit Money Banks has reduced the volume of funds available for lending and other banking operations. Periodic withdrawal of significant government funds from Deposit Money

The objective of this study is to examine the cause-and-effect relationship between the adoption and implementation of TSA and the macroeconomic development in Nigeria. It will review the impact of the process on essential economic indicators including Gross Domestic Product (GDP) generation, revenue generation and fiscal accountability. This study examines the positive macroeconomic effects of the TSA as well as the likely restrictions on financial intermediation it may impose, in order to offer empirical findings on the best avenue for maximizing the role of the TSA in contributing to sustainable economic growth in Nigeria.

1.1. Statement of the Problem

Although the TSA theoretically has a number of positive effects, including better financial discipline and greater revenue mobilization, the Nigerian economy has been experiencing stifled growth since its introduction in 2015, casting doubt on its practical effects. The switch to a TSA has been characterized as a "restrictive" process that, despite increasing openness, has not yet produced the anticipated economic growth, despite being designed to enhance the handling of cash.

The root of the problem is the inefficiency, leakages in revenue and lack of transparency in public fund management that has bedeviled Nigeria over the years. Although the government has introduced the TSA, and tax administration has been reformed, there is a gap between the government's tax revenue and tangible GDP growth. The economic consequences of the introduction of the TSA on Nigeria's economy including the VAT, PPT, and CIT are a critical macroeconomic problem.

Also, the policy has been hindered by the slow pace of adoption by certain government agencies and technical limitations of real-time monitoring of transactions. The correlation between centralization of government funds and sustainable economic growth in Nigeria, therefore, is still an issue of empirical discussion and this study will, therefore, explore the real financial implications. More important growth drivers than the simple centralization of power are the effectiveness and distribution of resources. The current consensus is that strengthening accountability mechanisms, expanding capital distributions over recurring ones, and improving public spending efficiency are the best ways to achieve sustainable growth.

The TSA has been accused of the little it has done to curb corruption and leakages in

government revenues and thus its potential to drive economic growth (Transparency International, 2017). The centralization of government revenues and expenditures by TSA into one account has not helped much in enhancing fiscal discipline and as a result, the fiscal recklessness continues to affect economic growth (CBN, 2018). The revenue collection and revenue management by the TSA have not been properly optimized which makes the funding of the key sectors and infrastructures insufficient hence limiting economic growth (FIRS, 2019).

1.2. Objectives of the Study

The primary aim of the study is to investigate the financial implications of the Treasury Single Account on the Nigerian economy. The primary aim of the study is to investigate the financial implications of the Treasury Single Account on the economy of Nigeria. The specific objectives are:

- i. To assess how the Company Income Tax (CIT) remitted through the TSA impacts economic growth in Nigeria.
- ii. To examine how Value Added Tax (VAT) remitted through TSA impacts economic growth in Nigeria.
- iii. To investigate how Petroleum Profit Tax (PPT) remitted through TSA impacts the economic growth in Nigeria.

1.3. Hypotheses

The following null hypotheses have been formulated to suit this article:

- i. **H₀₁**: The remittance of CIT through TSA has no significant impact on the Nigerian economic growth.
- ii. **H₀₂**: The remittance of VAT through TSA has no significant impact on the Nigerian economic growth.
- iii. **H₀₃**: The remittance of PPT through TSA has no significant impact on the Nigerian economic growth.

2.0 Literature Review

The literature review is a review of the TSA as a public financial management reform with a particular focus on its financial effects on the economic growth of Nigeria. The overall objective of this review is to bring together the available theoretical frameworks, empirical studies, and the existing academic discussion on the impact of cash consolidation on revenue generation, macroeconomic stability and fiscal transparency.

2.1. Theoretical Framework

TSA in Nigeria, a single system of accounting has greatly enhanced fiscal management as it consolidates government revenue in one account, minimizes financial leakage and enhances accountability (Ikeagwu, Ibanichuka & Oshi 2025). This policy has minimized corruption in the public sector, streamlined cash management, and increased government funds and hence affected economic growth positively in spite of initial challenges in implementation (Ibrahim, 2022). The theories of the Theoretical Framework of TSA in Nigeria are pegged on the following theories;

2.1.1. Public Financial Management (PFM) Theory

It is stressed that the centralization of the cash resources of the governments in one system (the TSA) enhances accountability, transparency, and efficiency in government spending. The adoption of the TSA in Nigeria, which is based on the Public Financial Management (PFM) theory, has had positive impacts on transparency, accountability and cash management by centralizing government revenues, thereby lessening corruption and bifurcated accounts (Buba & Mohammed 2025).

2.1.2. Fiscal Discipline/Control Theory

The theory posits that with limited access to funds and all revenues flowing into the

central account (usually the Central Bank of Nigeria), the government could reduce misappropriation and more easily manage the budget implementation (Akpanowo & Mbobo 2025). The TSA in Nigeria is a fiscal discipline that is based on the theory of Public Finance Management (PFM) and enhances economic growth by minimizing financial leakages and centralizing the control of revenues (Umo-Udo & Washington 2021). The implications of this theory are based on the fact that institutional constraints are necessary to guarantee the long-term fiscal sustainability, economic growth, and price stability. The adoption of TSA in Nigeria based on the Fiscal Discipline/Control Theory (Public Financial Management Theory and Agency Theory) has shown a profound positive effect on enhancing financial control, transparency, and corruption in the government. The TSA facilitates monitoring of cash flows in real time by centralizing government revenues and this restricts the discretionary powers of Ministries, Departments and Agencies (MDAs) and makes them compliant with the provisions of the budgetary provisions (Afolabi & Rahman 2024).

2.1.3. Optimal Cash Management Theory

According to this theory, a centralized system helps the central government better manage liquidity and lowers the costs associated with holding idle cash in numerous commercial bank accounts (Alli, 2019). The TSA in Nigeria which is based on the Optimal Cash Management Theory improves economic growth through the consolidation of government funds in order to eradicate idle cash in the commercial banks (Mubweka, 2024). The TSA also maximizes cash liquidity, minimizes the cost of borrowing, enhances fiscal responsibility and maximizes government revenue by minimizing fragmented accounts. According to the theory, it is inefficient to keep idle cash (Faque, 2021). The TSA also mandates that

all MDA funds should be transferred into a consolidated account at the CBN so that cash is utilized in government consumption instead of languishing in idle reserve (Dorcas, Olanike & Omilegan, 2021). Government ensures that it minimizes the use of costly borrowings to finance budget deficits by ensuring that it can see its cash at any one time since it has a clearer picture of the amount of cash available. The TSA prevents commercial banks in their utilization of public funds on personal gain, lowers leakages and improves accountability in the hands of the public revenue. Better cash management in real time enables better and predictable performance of budget and economic planning. The policy has led to deterioration in the deposit base of the Nigerian DMBs which has affected its liquidity, profitability and lending capacity (Nsofor, Agu & Obani 2024).

2.2. Empirical Review

Kumar, Tunio and Kumari (2026) investigated the potential effects of the TSA on corruption, transparency and accountability, financial discipline, performance of the banking sector and economic development. Its research method is descriptive because it uses cross-sectional data on 100 respondents who were mainly treasury officers and managers in different banks through a convenience sampling process. Primary data has been gathered using structured questionnaires. The results show that TSA has a great impact in reducing corruption, enhancing openness and accountability, increasing financial discipline, reducing the bank's deposits and profits, and strengthening economic growth. The results of the study have significant implications to the governments and policymakers to understand the benefits that TSA can bring to the Pakistani economy and how they affect various other factors.

Ikechukwu and Ajayi (2026) examined the TSA as an institutional mediating variable in the association between the accretion of fiscal revenue and the gross domestic product (GDP) trend in Nigeria. The study, based on ex post facto longitudinal design, uses annual and quarterly data on federally collected oil and non oil revenues and GDP based on publications by Central Bank of Nigeria, FIRS and NBS data, during pre TSA and post TSA periods. It is expected that results will indicate that, although the performance of aggregate revenues is ambivalent, TSA reinforces the positive relationship between non oil revenues and GDP and stabilizes growth patterns by increasing transparency and cash flow. The paper concluded that TSA is an essential fiscal governance apparatus, which preconditions the conversion of revenue increase into macroeconomic results.

In the study by Omoregbee, Adebisi, and Ajasa-Adeoye (2025), the authors examined how TSA affected tax revenue in Nigeria; in particular, the oil tax revenue (OTR) and non-oil tax revenue (NTR) during the pre- and post-implementation periods. The study uses both non-parametric and parametric statistical analysis using quarterly data of 2008 to 2022. The t-test is used to analyze the changes of OTR by the student, whereas the Mann-Whitney U test is used to assess the changes of NTR. Results indicate that OTR has decreased significantly by 29.49 percent after TSA indicating that the policy has negative implications on oil income. In contrast, NTR rose by 119.38 percent after TSA, which indicates the diversification of revenues and the making of non-oil collection of taxes better. Such findings are in line with the Public Finance Management Theory, which focuses on transparency and fiscal restraint, and the Modern Monetary Theory, which focuses on the effective government management of resources. The difference in the effects of OTR and NTR implies that, although the TSA will enhance

diversification and financial management, it might be necessary to adjust the policy sector-specifically to reduce the adverse effects of the oil revenue.

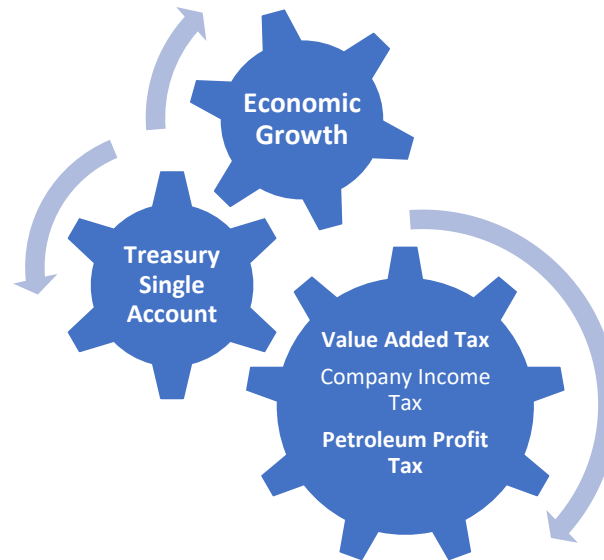
Kuyebi and Omodero (2025) examined the effect of VAT on Economic Development and Human Capital Development between 1994 and 2022. The study adopts the longitudinal design in which data specific to Nigeria and collected from the Federal Inland Revenue Service (FIRS), Statistical Bulletin of the Central Bank of Nigeria (CBN) and World Bank are used. After collecting the data, Johansen Co-integration, Vector Error Correction Model and Vector Autoregressive analysis technique are applied to analyze the collected data. The study shows how VAT is related to the Exchange rate and also how it affects Economic Development and Human capital development in Nigeria. Verdicts indicate that both VAT and Exchange Rate have a negative effect on both Economic Development and Human Capital Development. But these results are not intended to dampen the spirits, but to be used as a catalyst to make change happen.

Igbekoyi (2022) conducts research on how the treasury single account system impacts the financial stability in Nigeria. In particular, we wanted to know whether speculation of government about government debt and stock market performances is fulfilled or not. The analysis involved the use of data published by the Central Bank of Nigeria statistical bulletin in a span of 2011-2020. Descriptive and inferential statistics were used to analyze the time series data obtained. The results indicated that TSA system influenced negatively the

performance of government debt, and this influence was strong on commercial banks developments and external debt finance costs. However, it had an insignificant negative impact on overdraft from Central bank of Nigeria (CBN). In the situation with stock market performance, it was found that TSA system affected the liquidity of the stock market and stock market size negatively to a considerable degree.

Effiong and Obun (2020) tested the asymptomatic relationship between TSA and economic growth. To be more precise, the paper has reviewed the post TSA period and the degree to which the adoption of TSA influences the revenue generation, job creation, and the increase in living standards. The research design applied was expo-facto and the data used to conduct the study were found in the Federal Inland Revenue tax statistics report and UN data site. The data obtained were examined under the ordinary least square regression technique, and descriptive statistical technique. The findings of the research show that the application of the treasury single account has important scientific impact on the development of the economy in terms of real GDP, whereas the revenue produced by the government and per capita income were impacted by the functioning of TSA negatively. The descriptive outcome indicates that, the non-oil revenue exceeded the revenue of custom and excise duty, and other revenue that were based on ministerial. According to the results of the research, the conclusion was made that TSA has positive and negative impacts on economic growth.

2.3. Conceptual Framework



Source: Author's Computation 2026

The TSA policy in Nigeria reduces leakage of government funds and increases transparency of public funds (Ivungu et al. 2020). It is an integrated financial management structure that strengthens economic growth by ensuring the timely collection and allocation of Tax revenues, including Value Added Tax (VAT), Company Income Tax (CIT) and Petroleum Profit Tax (PPT), for macroeconomic development. The TSA provides a seamless electronic remittances system which means that VAT collected is immediately available to the government for infrastructure spending (Mohamud, 2025). This is an integrated structure which strengthens the growth of the economy by guaranteeing the timely collection and allocation of all the taxes (VAT, CIT and PPT) to the macro-economic development. The TSA provides for seamless electronic remittance, which means that the VAT collected is immediately available for the government for infrastructure spending (Mohamud, 2025). CIT is a direct tax on the profits made by companies. The centralized

TSA framework provides better tracking of compliance thereby facilitating the remittances of CIT revenues to the consolidated Revenue Fund. The centralized TSA framework provides better tracking of compliance, thereby directly providing CIT to the Consolidated Revenue Fund. PPT is a direct tax on the operation of petroleum (Mohammed et al. 2023). The TSA is helpful in ensuring that oil and gas revenues are tracked and there is reduced under-remittance and unrecorded deduction of revenues.

Economic studies are always carried out with the focus on the impact on the GDP if these tax revenues are concentrated via the TSA. The TSA makes sure that the VAT is timely remitted to the Consolidated Revenue Fund (Chibuzo, 2024). As a broad-based consumption tax, efficiency in collection goes hand in hand with GDP growth and research has shown that an increase in tax revenues of 1% (mainly due to improvements in VAT) can have a positive effect on growth in GDP. However, centralizing tax collection

through the TSA has a variety of complex economic implications that go well beyond an easy increase in GDP.

GDP is an index of Nigeria's economic development as a whole (Makinde, Adepotun & Oseni 2020). Increased collections of total revenue via VAT, CIT and PPT have a significant effect on GDP growth as the generated revenue is put into capital expenditure, social services and economic stimulation (Adefolake & Omodero 2022). The TSA has significantly helped to strengthen government revenue concentration and minimize financial leakages and bureaucratic misappropriation. It provides the Federal Inland Revenue Service (FIRS) and the Central Bank of Nigeria (CBN) with real-time visibility into tax collections. Furthermore, improved liquidity management enables the government to finance development. It provides the Federal Inland Revenue Service (FIRS) and the Central Bank of Nigeria (CBN) with real-time visibility into tax collections. Furthermore, improved liquidity management enables the government to finance developmental projects more effectively, thereby promoting economic stability. It gives the Federal Inland Revenue Service (FIRS) and the Central Bank of Nigeria (CBN) real-time visibility of tax collection. Liquidity Management enhanced liquidity by providing the Government money for developmental budgets and thereby ensuring economic stability.

3. Research Method

The study employed an ex-post facto and comparative approach. The advantage of this design is that the researcher can explore the effect of TSA implementation without changing the variables, and can compare the macro indicators before and after the implementation of TSA policy. The study. The study population comprises data relating to the Nigerian economy obtained from

Federal inland Revenue service (FIRS) tax databases and the National Bureau of statistics (NBS) national accounts. The study population is made up of the Nigerian economy in the Federal Inland Revenue Service (FIRS) tax databases and the National Bureau of Statistics (NBS) national accounts. Only official public records will be used to obtain quantitative time-series data. The statement made by Nwaorgu, et al. (2016) that "theoretical underpinnings concerning taxation ought to be grounded on the background of two major considerations" perfectly captures the beginning point for comprehending the function and modeling equipment of taxation. The first is the widespread agreement that all levels of government must raise a substantial amount of money from many different kinds of sources in order to pay for public sector spending. The money is required to support sustainable development objectives, which are mainly environmental preservation, social development, and economic growth. The second consideration relates to the two fundamental principles of taxation: the benefit principle and the ability-to-pay principle. Therefore these principles should form the basis of any tax reform initiative. Second, the two guiding concepts of taxation are expected benefit and ability to pay. Therefore, these two principles must serve as the foundation for any tax reforms.

3.1 Model Specifications

This article examines Tax Reforms (Value Added Tax, Petroleum Profit Tax, and Company Income Tax) and Nigeria's economic stability (GDP). The model adopted. The particular model employed in this investigation is as follows:

$$GDP = f(VAT) \quad (1)$$

$$GDP = f(PPT) \quad (2)$$

$$GDP = f(CIT) \quad (3)$$

GDP is the dependent variable, and VAT, PPT, and CIT, are the independent variables. Consequently, the model is stated as:

$$GDP = f(VAT, PPT, CIT) \quad (4)$$

This model can be expressed mathematically as follows:

$$GDP = \beta_0 + \beta_1 VAT + \beta_2 PPT + \beta_3 CIT + \mu \quad (5)$$

To place the variables on a common scale and reduce potential heteroscedasticity. Equation (5) is transformed into a logarithmic form as follows: In order to bring the variables to the same base, equation (5) undergoes a logarithmic transformation, which results in the following model:

$$\text{Log}(GDP) = \beta_0 + \beta_1 \text{Log}(VAT) + \beta_2$$

$$\text{Log}(PPT) + \beta_3 \text{Log}(CIT) + \mu \quad (6)$$

Where;

GDP - Gross Domestic Products

VAT- Value Added Tax

PPT - Petroleum Profit Tax

CIT - Company Income Tax

β_0 = Constant (intercept) term

β_1, β_2 and β_3 = The independent variables' coefficient parameters

μ = Stochastic error term

A priori: $\beta_0 > 0, \beta_1 > 0, \beta_2 > 0, \beta_3 > 0$.

4.0 Results and Discussion of Findings

Table 4.1: Results of Ordinary Least Square

Dependent Variable: LOGGDP

Method: Least Squares

Date: 06/11/26 Time: 00:33

Sample: 1999 2025

Included observations: 27

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOGVAT	-1.069050	0.275964	-3.873872	0.0008
LOGCIT	1.256198	0.261979	4.795028	0.0001
LOGPPT	0.290867	0.111489	2.608935	0.0160
C	0.984245	0.189554	5.192422	0.0000
R-squared	0.870109	Mean dependent var		2.426840
Adjusted R-squared	0.852396	S.D. dependent var		0.303030
S.E. of regression	0.116422	Akaike info criterion		-1.322553
Sum squared resid	0.298190	Schwarz criterion		-1.128999
Log likelihood	21.19318	Hannan-Quinn criter.		-1.266816
F-statistic	49.12409	Durbin-Watson stat		0.978377
Prob(F-statistic)	0.000000			

Source: Computed using E-view Statistical Package (2026)

4.1 Data Analysis

Time-series data for the study were obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin and publications of the Federal Inland Revenue Service (FIRS). Economic growth was proxied by Gross Domestic Product (GDP), while tax reforms were measured using revenues generated from major tax categories, as adopted by Nwaorgu et al. (2016). These tax categories include Petroleum Profit Tax (PPT), Company Income Tax (CIT), and Value Added Tax (VAT). The Central Bank of Nigeria (CBN) Statistical Bulletin and the Federal Inland Revenue Services (FIRS) publications provided the time series data. Economic stability was proxied with GDP whilst various tax revisions were computed based on the revenue generated from different forms of taxation (Nwaorgu et al. 2016). The income gains were largely due to the tax administration enhancements made under the Petroleum Profit Tax (PPT), Company Income Tax (CIT) and Value-Added Tax (VAT).

4.2 Discussion of Findings

The results presented in Table 4.3 show that, at the 5% level of significance, VAT, CIT, and PPT are statistically significant determinants of GDP. The t-statistics for these variables are significant at the 5% level ($p < 0.05$). This clearly indicates that, during the period under review, VAT, CIT, and PPT had significant effects on Nigeria's economic growth, with values of ($t = -3.873872$, $p = 0.0008 < 0.05$), ($t = 4.795028$, $p = 0.0001 < 0.05$), and ($t = 2.608935$, $p = 0.0160 < 0.05$), respectively. Therefore, during the study period, VAT, CIT, and PPT significantly influenced the Nigerian economy.

The results presented in table 4.3 show that with 5% level of significance, VAT, CIT, and PPT are statistically significant in affecting GDP. The t-statistic is significant at the 5% level based on the data. ($p < 0.05$). This clearly shows that throughout the time under consideration, VAT, CIT, and PPT had a significant impact on Nigeria's economic growth ($t = -3.873872$ $p = 0.0008 < 0.05$), ($t = 4.795028$ $p = 0.0001 < 0.05$), and ($t = 2.608935$ $p = 0.0160 < 0.05$). Hence, the study period, the incidence of VAT, CIT and PPT were a significant influence on the economy of Nigeria.

Much like the R-squared statistic, the adjusted R-squared explains the proportion of variation in the dependent variable accounted for by the independent variables. The adjusted R-squared value of 0.852396 indicates that approximately 85.24% of the variation in GDP was explained by VAT, CIT, and PPT included in the model.

Much like R square, adjusted R explains the data that is accounted for by the independent variables. This means that about 0.852396 or 85% of the variation in the dependent variables was accounted for by the covariates

in the model. This was considered to be the level of significance for the coefficient of determination. The F-statistics indicate that the model is good at estimating and that the value of the F-test is 49.12409, which is significant at 5% ($p < 0.00$). The model's result is further supported by the Durbin-Watson statistics value of 0.978377, which shows that there is no autocorrelation.

The F-statistic of 49.12409 indicates that the overall model is statistically significant and suitable for estimation, as the probability value is less than 5% ($p < 0.05$). The model's result is further supported by the Durbin-Watson statistic of 0.978377. However, this value suggests the possible presence of positive autocorrelation rather than the absence of autocorrelation, since a Durbin-Watson statistic close to 2 indicates no serial correlation.

Therefore this result indicates that there is a positive and significant correlation between PPT, CIT VAT and economic stability. A significant aspect of the results is that they are broadly in line with the economic theory that federally-generated revenues are likely to increase substantially as a result of changes to the value-added tax, company income tax and petroleum profit tax. This will enhance economic growth and stability.

The remittance of CIT into the TSA has significant impact on the Nigerian economic growth. Centralization of government revenue by remitting CIT to TSA will help to stimulate the Nigeria economy, enhance fiscal transparency, close the fiscal leakages and generate more funds for public infrastructure and developmental projects. CIT remittance via TSA has profound and structural influence on the Nigerian economy. This is in line with the study of Odunsi et al. (2025) who investigated the impact of company income tax revenue on economic growth of Nigeria. The outcomes

of the study for the hypothesis showed that CIT and gross domestic product is positively related.

The remittance of VAT into the TSA has significant negative impact on the Nigerian economic growth. The direct remittance of VAT to TSA has a significant effect on the overall economic growth of Nigeria because it helps to reduce revenue leakage, enhance fiscal transparency and makes the funds available for the infrastructural development of the nation and macroeconomic stabilization. The TSA's inclusion of VAT collection promotes economic growth in Nigeria. This is a centralized initiative under the Office of the Accountant General of the Federation that is an integral component of non-oil revenue optimization in Nigeria. The remittance of PPT into the TSA has no significant impact on the Nigerian economic growth. The study is in tandem with the study of Kuyebi and Omodero (2025) that investigated the impact of VAT on Economic Development and Human Capital Development. The study reveals the relationship between VAT and Exchange rate as well as its implications on Economic Development and Human capital development in Nigeria. Verdicts indicate that both VAT and Exchange Rate have a negative effect on both the Economic Development and Human Capital Development.

The Nigerian economy is significantly impacted by PPT remittances into the TSA. Nigeria's economic growth is greatly impacted by the direct remittance of PPT into the TSA, which increases government revenue transparency, removes financial leakages, and reduces corruption. In order to finance infrastructure and maintain economic stability, it gives the government instant access to enormous oil profits. The government closes gaps that previously permitted public cash to be misappropriated

or locked in unapproved commercial bank accounts by requiring PPT collections to flow into a single structure. The study is consistent with that of Akpokhio and Ekperiware (2022), who looked at how CIT, PPT, and VAT affected Nigeria over the study period (1981-2021). According to the report, Nigeria's economic development and growth are significantly impacted by the petroleum profit tax.

5.0 Conclusion and Recommendations

5.1. Conclusion

By reducing revenue leaks, increasing federal income, and strengthening financial transparency, the TSA has a major positive influence on Nigeria's economic growth. However, it poses immediate policy difficulties, such as a decline in commercial bank liquidity and bureaucratic hold-ups in government expenditures. The disorderly spread of government accounts has been effectively eradicated by the integrated banking structure, greatly limiting opportunities for financial corruption and mishandling of funds. The TSA has improved budget execution, increased the effectiveness of monetary policies, and had a positive impact on GDP by offering a uniform, real-time view of cash resources. Although the central treasury benefited, the large-scale withdrawal of public sector funds had a negative effect on commercial bank liquidity and resulted in stricter lending requirements for private companies.

5.2 Recommendations

The following are important recommendations that came from these scholarly assessments:

- i. To guarantee complete adherence throughout all Ministries, Departments, and Agencies (MDAs), the Federal Government must institutionalize the Central Bank of

- Nigeria instructions with official statutory support.
- ii. The government must expedite the bureaucratic procedures of fund authorization and cash backing in order to reduce delays in public expenditures that impede economic activity.
- iii. To ensure smooth operations, policymakers should examine the TSA framework and provide educational and research institutions specific financial autonomy or special exceptions.
- iv. Policymakers must strike a balance between macroeconomic stability and fiscal centralization in order to optimize the economic benefits of the TSA. In order to expedite cash disbursements, simplify budget execution, and motivate commercial banks to shift their emphasis from reliance on public funding to core private-sector financial intermediation, the Federal Ministry of Finance continuously improves these regulations.
- v. Rather than mainly depending on profitable public deposits, commercial banks must diversify their sources of income and enhance loan intermediation for the private sector.

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