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RESEARCH ARTICLE

Relationship Between Statutory Payments and Profitability of Deposit Money Banks in Nigeria

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ABSTRACT

Firm stakeholders argue that statutory charges have negative contributions to firm's value. Empirical findings to support positive contributions of taxes and levies are lacking while the few researches on taxes and overall firm's value are still under debate and remained inconclusive. The study examined the relationship between statutory payments and profitability of deposit money banks in Nigeria using data from 2011 to 2020. Corporation tax (CIT), technology tax (TCT), and tertiary education tax (TET) were the independent variables and proxies for statutory payments while earnings per share (EPS) was used as the dependent variable and measure for profitability. A sample of four (4) deposit money banks was selected from the 13 deposit money banks listed on the Nigeria Stock Exchange as at March 31, 2022. Data extracted from the selected banks were analyzed using Spearman's Correlation matrix. Findings from the analysis suggested that CIT positively and weakly related with EPS; while TCT and TET are both positively and strongly associated with EPS. The study recommended that Management of banks in Nigeria should comply with tax regulatory authorities on corporation tax and ensure prompt payment to encourage government continued provisions of enabling environments and other public services that facilitates banking operations and growth in profitability. It further recommended that compliance with the payment of technology tax is imperative to enhance information technological development by government upon which e-transacts of modern banking businesses thrives. It also recommended that prompt payment of tertiary education tax should be encouraged for better educated and that will provide high quality service delivery in bank, reduce costs and enhance profitability. The implications of the findings were that noncompliance by banks will lead to poor provisions of public services and enabling environments for business operations, lack of researches and innovations in information technology and employment of poorly educated graduates by banks and consequent decreases in profitability

Keywords: Statutory Payments; Firm Stakeholders; Firm's Value and Money Deposit Banks

Introduction

Statutory payments are legal impositions on individuals and businesses with the main objective of generating revenue to provide for the welfare of the citizens, for economic growth and development as well as for the general administration of government. Stumbles (2011) assert that statutory payments are legal charges by government regulatory authorities. It is a compulsory payment imposed on the payer by regulatory authorities of the government in terms of applicable laws. Taxes and levies that represent the two major sources of revenue through which governments fund its expenditures came under this definition. Statutory payments enable governments to mobilize funds from corporate bodies and citizens for infrastructural development, maintenance of police and armed forces, general administration and alleviation of poverty (Akwe, 2014). Thus, without statutory payments, government may fail in its responsibilities of providing social and infrastructural facilities which are necessary for the survival and progress of the citizens, organizations and the economy at large (Olanrewaju and Olayiwola, 2019). Every economic sector has one or more consequences of statutory payments, sometimes unpredicted, which could be favourable or adverse of which the Nigeria banking sector is not an exception. Under the existing legislation and practice in Nigeria, the potential impact of various taxes and levies imposed on the banking sector may lead to significant tax cost, which affect the profitability of the banks and may lead to value destruction to shareholders (Adler, 2013). It is on this note that this study examined the relationship between statutory payments and profitability of deposit money banks in Nigeria.

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Garner (2019) sees taxes as charges, usually monetary, imposed by the government on persons, entities, transactions, or property to yield public revenue. The term embraces all governmental impositions on persons, property, privileges, occupation, and enjoyment of the people, and includes duties, imposts, and excises. On the other hand, a levy in this context is defined by the Webster Dictionary as an amount of money that must be paid and collected by a government or other authority. If the above broad definitions are anything to go by, then one can conclude that a levy is a tax and a tax is a levy. However, International Financial Reporting Interpretation Committee (2013) in its' interpretation 21 issued by IASB defined levy is an outflow of resources embodying economic benefits that is imposed by governments (its agencies and similar bodies) in accordance with laws and/or regulations. It states further that it does not include income taxes (covered by International Accounting Standard 12 Income Taxes), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. Therefore, it specifically means that while taxes are based strictly on taxable profit, levies are payable without regard to taxable profit.

Appah and Oyandonghan (2011) defined tax as a statutory payment imposed on a subject or upon property by the government to provide security, social amenities and create conditions for the economic well-being of the society. Nigeria National Tax Policy (2013) also defines tax as a monetary charge imposed by the government on persons, entities, transactions or properties to yield revenue. Azubike (2009) opined that tax is a major source of government revenue all over the world and that government use tax proceeds to render their traditional functions, such as the provision of public goods, maintenance of law and order, defence against external aggression, regulation of trade and business to ensure social and economic maintenance. Ihendinihu et al (2014) equally note that taxes are major source of revenue to many governments, a fiscal instrument for regulating and resolving economic and social policies and a mechanism for enhancing economic growth. It is a fiscal tool for reducing private consumption and transferring resources to the government for economic development. Nigeria government uses many types of tax to generate revenue for government expenditure. These types of taxes include, corporation tax also known as company income tax, petroleum profit tax, value added tax, customs and exercise duties, tertiary education tax, personal income tax, technology tax, stamp among others. However, this study adopted corporation tax, technology tax and tertiary education tax to examine their relationship with profitability of deposit money banks in Nigeria.

Albertazzi and Gambacorta (2006) described corporation tax as taxes levied against the income earned by limited liability companies during the course of doing business in a given tax period. Corporation taxes are majorly applied to firms making earnings after expenses are deducted from sales. Aluko and Oyebode (2019) assert that National information development tax is an income tax payable by certain categories of companies, (such banks and insurances inclusive) that have an annual turnover of at least one hundred million naira (NGN100m). It comes under the administration of National Information Technology Development Agency Act (NITDA) 2007, and mandates the Federal Inland Revenue Service (FIRS) to administer it at the rate of 1% on profit before tax of companies with an annual turnover of N100,000,000 and above. Oraka et al (2021) defined tertiary education tax as a levy imposed on all assessable profits of all companies registered in Nigeria which is used to fund tertiary education in Nigeria. The tertiary education tax in Nigeria is levied at the rate of 2% on all chargeable profits of companies registered in Nigeria. Kent (2022) defined earnings per share as a profitability ratio that measures how profitable a firm is on a per share basis and which is calculated as a firm's annualized net profit divided by the number of ordinary shares it has outstanding.

Previous studies have tested for the impact of taxation on firm value to a great extent. However, the findings of the different scholars differed significantly. All empirical findings, whether positive or negative, agree that, to some degree, taxation affects most of the decisions made by taxable corporations. Companies' stakeholders argue that taxes have negative contribution to the firm's value and empirical findings to support positive contributions of taxes and levies are lacking; while the few researches on taxes and overall firm's value are still under debate and remained inconclusive.

Tax revenue accounts for over 80% of the total revenue in Nigeria, without which, government may fail in its responsibilities of providing enabling environments for organizations. The compulsory nature of taxes and levies by government (state and federal) on tax payers connotes forced charges and taxpayers employ all sorts of techniques (legal and illegal) to reduce tax liabilities. The government on the other hand is concerned about raising more revenue to finance its expenditure responsibilities while investors are interested in conducive business environment with a reduced tax burden.

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Deposit money banks in Nigeria are in the category of organizations paying additional layers of taxes (technology tax, police fund levy etc) which other firms are exempted from. Given the current economic situation and the need to advise taxpayers and the government with empirical statistics, on proper and effective tax planning to assist deposit money banks achieve its goals and objective to shareholders, the researchers of this study examined the relationship between statutory payments and profitability of deposit money banks in Nigeria.

Review of Related Literature
Concept of Statutory payments

Statutory payments are obligatory payments to employees by employers or payments by the individuals, businesses or companies to government. The United Kingdom Act (2004) explained statutory payments as mandatory payments by employers to employee or mandatory payments by individual and business to a regulatory authority. Taxes and levies that represent the two major sources of revenue through which governments fund its expenditures came under this definition. Kegan and Uradu (2021) assert that statutory payments are legal charges levied on individuals and corporations by a government entity whether local, regional, or national. Taxes and levies on individuals and businesses finances government activities, including public works and services such as roads and schools, or programs such as social security and Medicare. Thus, to help fund public works and services and to build and maintain infrastructures in a country; a government usually taxes its individual and corporate residents.

Payment of taxes at rates levied by the government is compulsory and deliberate failure to pay one's full tax liabilities is punishable by law (tax evasion). On the other hand, actions taken to lessen tax liability and maximize after-tax income are perfectly legal (tax avoidance). The taxes levied at the corporate level in Nigeria of which banks is inclusive are: corporate income tax, education tax, national information technology development levy also known as technology tax among others. This study examined the relationship between statutory payments and profitability of deposit money banks in Nigeria.

Corporation Tax

Adegbite (2015) defined corporation tax also known as company income tax as a tax imposed on the taxable profits of public limited liability companies and some organisations including clubs, societies, associations, co-operatives, charities and other unincorporated bodies. Jugu et al (2012) stated that corporation tax was introduced in 1939 as a source of revenue for the Federal Government of Nigeria. First, tax on companies was imposed under the companies' income tax of 1939. This was to cover the aspect of income tax that was not covered by the native revenue ordinance of 1917 with all its subsequent amendments. In 1940, the income tax ordinance of 1940 was promulgated to consolidate the companies' income tax ordinance of 1939. Omodero et al (2016) stated that companies' income tax act, 2007 (as amended) empowers the Federal Inland Revenue Service Board to assess and collect taxes from all limited liability companies that operate from or within Nigeria. The Board operates through the Federal Inland Revenue Service. Companies are required by the Act to pay 30% of their chargeable profit as tax to the government effective from 1996 year of assessment till date. The Federal Inland Revenue Services (FIRS) is the body charged with the responsibility to administer this tax on behalf of the government.

Mughal and Akram (2012) noted that the high rate of company income tax has created the problem of tax evasion and avoidance by firms in Nigeria. Tax avoidance is the wilful and different lawful ways a taxpayer tries to reduce or eliminate his/her tax liabilities while tax evasion is the unlawful act to prevent payment of tax.

Technology Tax

Aluko and Oyebode (2019) assert that National information development tax is an income tax payable by certain categories of companies that have an annual turnover of at least one hundred million naira (NGN100m). it comes under the administration of National Information Technology Development Agency Act (NITDA) 2007, and applies at the rate of 1% on profit before tax of companies with an annual turnover of N100,000,000 and above in GSM Service providers and all Telecommunication companies; Cyber companies and Internet providers; Pensions Managers and Pension related companies; Banks and other Financial Institutions; and Insurance companies. The levy is filled the same time a tax payer is filling companies' income tax (CIT) returns. The Federal Inland Revenue Services (FIRS) is authorized to assess, collect and remit to the fund established by the NITDA.

Tertiary Education Tax

Olakunri (2006) stated that the main source of income available to Tertiary Education Trust Fund is the 2% percent education tax paid from the profit before tax of companies registered in Nigeria. The Federal Inland Revenue Services assesses and collects the tax on behalf of the Tertiary Education Fund. The funds are disbursed for the general improvement of education in federal and state tertiary educations, specifically for the provision or maintenance of: essential physical infrastructure for teaching and learning, institutional material and equipment, research and publications, academic staff training and development and any other need which, in the opinion of the Board of Trustees of the fund, is critical and essential for the improvement and maintenance of standards in the higher educational institutions. Tertiary education Trust Fund is managed by an eleven-member Board of Trustees with members drawn from the six geo-political zones of Nigeria as well as representative of the Federal Ministry of Education, Federal Ministry of Finance and the Federal Inland Revenue Services. The duties of the Board among others are to ensure the collection of the tertiary education tax by the Federal Inland Revenue Services and ensure transfer to the Fund, manage and disburse the tax, liaise with appropriate ministries and bodies responsible for collection or safe keeping of the tertiary education tax.

Firm Profitability

Umobong (2015) described profitability as the business's ability to generate earnings as compared to its expenses and other relevant costs incurred during a specific period of time. The ability of a firm to continue to exist as a going concern depends on its ability to generate profit or attract equity capital and additional investors. Vijayakumar and Devi (2011) stated that profitability is influenced by a number of factors such as firm size, exports of the firm, reliance on debt, age, fixed asset growth and sales growth. Profitability is the most important and reliable indicator as it gives a broad indicator of the ability of a company to raise its income level. In practice, executives define profits as the difference between total earnings from all earning assets and total expenditure on managing entire asset-liabilities portfolio.

Khan and Ali (2016) refer to profitability as the revenues earned by firms, against their operations and incurred expenses. Profitability ratios are used to measure the level of firm profitability, as it can clearly indicate where a firm stands in terms of profitability at each point in time. The enhancement of profitability is the ultimate purpose of every firm, and each of them strives to achieve optimum profitability. Kathuri (2014) stated that firms that are more profitable are assumed to grow while firms that are less successful or are less profitable are assumed to lose market share. Profitable firms are in a position to gain competitive advantage either through the discovery of cost reducing innovations or by imitating the best practices of the industry. An above average profitability leads to a firm to a subsequent growth trajectory.

Umobong (2015) also opined that firm profitability can be measured by means of profitability ratios. The ratios according to the study are used to assess the level of profitability of a firm. They are used by investors and other analysts in combination with investment ratios to take investment decisions. Profitability ratios include: earnings per share, return on capital employed, return on assets, return on equity, return on sales, net profit percentage or margin, gross profit margin or percentage, and so on. This study adopted earnings per share as the measure of profitability.

Earnings per Share

Kelley and Hora (2008) stated that earnings per share is a profitability ratio that provide information to firm investors about the value of a unit of share and the amount they have earned from every kobo share invested in the firm. The main difference between earnings per share and return on equity and return on assets is that earnings per share shows nothing about a firm's earnings beyond whether it has been profitable or loss-making during the period whereas both return on equity and return on assets show how well the firm is using investment in equity and assets to generate revenue for the firm. As a result of this difference, cross-company earnings per share comparisons are meaningless. Ekwe and Inyama (2014) opined those earnings per share is a carefully scrutinized metric that is often used as a barometer to gauge a company's profitability per unit of shareholder ownership. As such, earnings per share is a key driver of share prices. It is also used as the denominator in the frequently cited price earnings ratio (P/E ratio). Earnings per share is calculated by dividing the firm's total earnings or income by the number of shares the firm has outstanding.

Kent (2022) defined earnings per share as a profitability ratio that shows how profitable a firm is on a per share basis. It is calculated as a firm's annualized net profit divided by the number of common shares of stock it has outstanding. To calculate earnings per share, preferred dividends, if any, are subtracted from the firm's net income, the balance is divided by the number of shares of common stock outstanding during the period since it's a measure of profitability on a per-share basis. Earnings per share is commonly used by investors to estimate the value of a firm per share. It is a widely watched metric that many investors and analysts use to estimate a firm's value per share.

Theoretical Framework
Tax Planning Theory

Hoffman (1961) theory supports the reduction of tax payment to government thereby increasing the financial position and growth of an organization (Nwaobia & Jayeoba, 2016). The theory stresses the role of tax planning in reducing tax payment without negatively influencing accounting income and also argued that tax planning activities are advantageous and help to minimize tax liability without adjusting accounting income (Akintoye et al 2020).

Tax planning theory asserted that taxation is based on business concepts, thus, an organization can adjust business activities to reduce tax burden. Therefore, the theory proposes direct or positive linkage between tax planning activities and financial performance of a firm. Thus, firms should capitalize on some loopholes in existing tax within legal frameworks to generate tax savings opportunities for a firm thereby enhancing performance. Companies' operations require that firms should properly and effectively plan their taxes for them to their goals and objectives, which include making good returns to shareholders.

Empirical Review
Corporate Tax and Firm Profitability

Saidu (2018) assessed the effect of company income tax on the financial performance of listed consumer goods companies in Nigeria from 2006-2016. Data collected from annual reports and accounts of selected companies were analyzed using regression analytical technique. The study found that insignificant negative relationship exists between corporate tax and return on assets, surrogate for financial performance. The study recommends that to improve the financial performance of listed Nigerian consumer goods, services of tax experts are needed to engage in legal tax planning like transfer pricing or structuring intra-company debt in order to reduce the net tax payment.

Mohammad and Ahmed (2019) examined the effect of corporate income tax rate on investment decisions of listed deposit money banks in Nigeria. Using descriptive research design and panel data generated from annual reports and accounts of the sampled banks covering the periods of 2014 to 2018, the study employed Ordinary Least Square regression to analyse the data of their study. The study observed that corporate tax rate has no effect on investment decisions of listed deposit money banks in Nigeria as the company income tax rate of 30% has been constant over decades.

Nwaorgu et al (2021) adopted ex-post factor research to examine the effect of corporate tax on the sustainable financial performance of listed manufacturing firms in Nigeria. A sample of ten (10) manufacturing firms listed on the Nigeria Stock Exchange during the period from 2013 to 2017 was selected for the study. Secondary data were obtained from the annual reports and accounts of the selected firms and analyzed using simple linear regression. Results of analysis suggest that corporate tax has no significant effect on the return on equity of firms. Result further reveals that there is a positive and significant effect of corporate tax on the debt-to-equity ratio of the listed firms. It was recommended in view of these findings that investors in the manufacturing sector should use their tax pay-out policy as a tool for financing decision as it greatly affects the firm's debt to equity ratio decision making. Also, they should encourage the prompt payment of tax as it has no significant effect on their returns but in turn, increases the market value of the firms.

Adefunke and Usiomon (2022) examined the impact of company income tax on corporate performance during the period from 2011 to 2020. The sample consists of twelve (12) listed firms on the Nigerian Stock Exchange during the period. Time series data were obtained from the annual reports and financial statement of the companies and analyzed using multiple regression analysis. Findings from the study revealed that Company income tax has a positive and significant effect on profit after tax and returns on equity and shareholders' earnings. Following the results from the research analysis, the study recommended that the fiscal policy adopted in Nigeria should consider

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the circumstances surrounding the activities of companies located in the Country and the special role they play in the pursuit of the economic growth of the nation. Tax incentives and positive tax reforms that could reduce the burden and liability of tax on companies in Nigeria should be incorporated in the fiscal policy to encourage their business activities and going concerns.

Technology Tax and Firm Profitability

Omodero and Ogbonnaya (2018) investigated the impact of corporate tax on profitability of Deposit Money Banks in Nigeria during the period from 2006 to 2016. A sample of twelve (12) banks was selected out of the currently existing twenty-one (21) deposit money banks listed on Nigeria Stock Exchange using judgment sampling technique and data availability. Secondary data were collected from the annual reports and financial statements of the selected banks and analysed using. Panel data regression analysis and t-statistics were used to analyse the data obtained from the sampled banks. The regression result revealed a positive significant impact of corporate tax on profit after tax and existence of a positive relationship between profit after tax and corporate income tax. While the rest of the other 9 banks showed both negative and lack of impact of corporate tax on profit after tax.

Aruna et al (2020) investigated the effect of taxes on net investment of listed communication firms in Nigeria. Eight communication firms were purposively sampled from a population of eleven listed communication firms in Nigeria. The proxies for taxes include information communication tax. Education tax and company income tax, while net investment served as the dependent variable. Pearson Correction Coefficient and Panel least square regression analysis were used to test the hypotheses. The study found that information communication tax, education tax and company income tax have a significant negative effect on net investment at 5% level of significance respectively. The study recommended that federal government should reduce the amount of lax liability at the end of the year to make funds available for further investments.

Gangodawilage et al (2021) used survey research method to analyse the use of technology to manage tax compliance behaviour of entrepreneurs in the digital economy. The semi-structured in-depth interview was conducted with eight (8) micro multinationals selected based on a convenient sampling method. Data collected from interviews after the participants' prior permission was transcribed using the Trint software system and analysed using multiple regression analysis. Findings from the analysis suggest that trust in the technology used by the tax authority and the power of tax authority in implementing the technology-driven tax system influence tax compliance, and, thus, breads confirmatory compliance as a new compliance strategy in the digital economy.

Tertiary Education Tax and Firm Profitability

Olatunji and Oluwatoyin (2019) assessed the effect of corporate taxation on the profitability of some selected firms in Nigeria from 2007 to 2016. Secondary data were collected from the annual reports and financial statements of the selected firm and analyzed using pooled ordinary least square regression analysis. Findings from the study indicate that corporate tax positively and significantly affect profit after tax was of the firms. Result equally disclosed that education tax positively and significantly affected profit after tax. However, the study concludes that among the various taxes examined, corporate tax rate and education tax are the major taxes paid by companies with positive and significant effects on profit after tax. Therefore, the study recommended that the government and relevant tax authorities should improve in the administration of corporate taxes to avoid non-compliance.

Ordu and Nkwoji (2019) studied the impact of education tax on economic development of Nigeria during the period of 2006-2017. Data were gathered from Federal Inland Revenue Service, Central Bank of Nigeria Annual Statistical Bulletin and United Nations Development Program Annual Reports. The data were subjected to regression analysis. Findings indicate that tertiary education tax has a significant impact on economic development and thus indicates that education tax revenue is crucial aspect of government funding needed for economic developmental purposes. Education tax has a positive and strong relationship with economic development when measured on the gross domestic product as well as human development index. The study advocates for increase in tax revenue generation and judicious use of tax revenue in order to foster economic development.

Ajayi et al (2019) examined the effect of companies' income tax on profitability of deposit money banks with international banking license in Nigeria. The eight (8) deposit money banks with international banking license were targeted for the study. The tax and profit data extracted from the annual reports and financial statements of the selected banks were analysed using ordinary least square regression analysis. Findings from the study shows that

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there exists a strong positive relationship between corporate income tax, education tax and corporate profitability of deposit money banks in Nigeria

Onwuzurike and Ugwu (2020) examined the effect of taxation on the profitability of selected food and beverage companies in Nigeria from 2009 to 2018. The study targeted the fifteen (15) firms listed on Nigeria Stock Exchange, out of which five (5) firms were sampled using judgmentally sampling method. The time series data collected from the sampled firms were analyzed using panel data regression analysis. Results show that corporate income tax positively and significantly affects assets turnover of the firms. Result also indicated that education tax had negative but insignificant effect of on asset turnover of food and beverage firms in Nigeria. The study concludes that tax though necessary for generation of funds needed for economic growth and development, as well as, general administration of government and provision of infrastructure and other social welfare of the citizens, it should be approached with caution as excessive corporate tax and education tax would tax firms out of business thus shortage of fund at long-run.

Methodology

This study adopted *ex-post facto* researcher design. Historical data were collected from the annual reports and financial statements of the selected deposit money banks listed on Nigeria exchange group and were used to conduct the study for 2011 – 2020. Four (4) banks consistent with the study variables were chosen from thirteen (13) that made up the population. Spearman's Correlation matrix was used for the analysis:

Where:
EPS = Earnings Per Share
CIT = Corporate Tax
TCT = Technology Tax
TET = Tertiary Education Tax
β = Beta
ε = Margin of error

Data Analysis

The results of the data analyses, using Spearman's Correlation matrix are presented in table 2 below;

Table 2 – Spearman's Correlation Matrix

Correlations

			EPS	CIT	TCT	TET	FSIZE	FAGE
Spearman's rho	EPS	Correlation Coefficient	1.000	.307*	.832**	.537**	.278*	.291*
		Sig. (1-tailed)	.	.027	.000	.000	.041	.034
		N	40	40	40	35	40	40
	CIT	Correlation Coefficient	.307*	1.000	.408**	.342*	.156	.636**
		Sig. (1-tailed)	.027	.	.005	.022	.168	.000
		N	40	40	40	35	40	40
	TCT	Correlation Coefficient	.832**	.408**	1.000	.495**	.274*	.376**
		Sig. (1-tailed)	.000	.005	.	.001	.044	.008
		N	40	40	40	35	40	40
	TET	Correlation Coefficient	.537**	.342*	.495**	1.000	-.109	-.033
		Sig. (1-tailed)	.000	.022	.001	.	.267	.426
		N	35	35	35	35	35	35
	FSIZE	Correlation Coefficient	.278*	.156	.274*	-.109	1.000	.100
		Sig. (1-tailed)	.041	.168	.044	.267	.	.269
		N	40	40	40	35	40	40

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FAGE	Correlation Coefficient	.291*	.636**	.376**	-.033	.100	1.000
	Sig. (1-tailed)	.034	.000	.008	.426	.269	.
	N	40	40	40	35	40	40

*. Correlation is significant at the 0.05 level (1-tailed).
**. Correlation is significant at the 0.01 level (1-tailed).
(Source: SPSS V. 20 Output, 2022)

Test of Hypotheses

Decision rule: Level of significance (α) = 0.05. Reject the null hypothesis if the significant value of the regression coefficient is less than the level of significance (0.05), otherwise accept the null hypothesis. Based on this decision rule, the results of the hypotheses as tested are presented below.

Test of Hypothesis One
H_0: Corporation tax does not significantly relate with earnings per share of deposit money banks in Nigeria.

The Correlation table 3 above revealed that Corporation Tax (CIT) had a P–value 0.027 < 0.05. Therefore, we reject the null hypothesis which states that corporate tax does not significantly relate with earnings per share of deposit money banks in Nigeria.

Test of Hypothesis Two
H_0: Technology tax has no association with earnings per share of deposit money banks in Nigeria.

The result from the test indicates that the p-value of technology tax (TCT) is 0.000 which is less than 0.05 (value of significance). Based on this, we reject the null hypothesis which states that technology tax has no significant association with earnings per share of deposit money banks in Nigeria.

Test of Hypothesis Three
H_0: Tertiary education tax does not significantly relate with earnings per share of deposit money banks in Nigeria.

The result in table 3 above further disclosed that Tertiary education tax had a p-value of 0.000 < 0.05. In view of this, we reject the null hypothesis which states that Tertiary education tax does not significantly relate with earnings per share of deposit money banks in Nigeria.

Discussion of findings

H_o^1: Corporation tax does not significantly relate with earnings per share of deposit money banks in Nigeria.

The calculated value of corporate tax (CIT) in the Spearman's Correlation matrix is positive at 0.307, it implies that corporation tax positively and weakly relates with earnings per share of deposit money banks in Nigeria. The finding of the study was supported by the tax planning theory which the study was anchored on to enable the banks achieve its goals and objectives.

The result is in agreement with the findings of Ebieri et al (2016); Omodero and Ogbonnaya (2018); Olatunji and Oluwatoyi (2019); Ajayi et al (2019); Onwuzurike and Ugwu, (2020) and Adefunke and Usiomon (2020). The result of the study however, was in disagreement with the findings of Saidu (2018), Aruna et al (2020) and Nwaorgu et al (2021) that found statistically insignificant association.

H_o^2: Technology tax has no significant association with earnings per share of deposit money banks in Nigeria.

The result revealed that technology tax (TCT) has a correlation coefficient of 0.832 on earnings per share, it implies that technology tax strongly and positively relates with earnings per share of deposit money banks in Nigeria. The result of the study was consonance with the finding of Gangodawilage et al (2021) and was supported by the tax planning theory (1961) but, differed with the result of Aruna et al (2020).

H_o^3: Tertiary education tax does not significantly relate with earnings per share of deposit money banks in Nigeria.

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Tertiary education tax (TET) from the correlation table above showed that the correlation coefficient value is 0.537. The indicated that tertiary education tax positively and strongly associated with earnings per share of deposit money banks in Nigeria.

The finding differed with the result obtained by Aruna et al (2020) but, agreed with Ordu and Nkwoji (2019); Olatunji and Oluwatoyi (2019), and Ajayi et al (2019). The result of the study was also supported by the theory that under pinned the study.

Conclusion

Based on the results of data analyses, findings and discussions from the study, we summarized as follows;

I. Corporation Tax (CIT) with a correlation coefficient of 0.307 and significant value of 0.27 positively and weakly relates with earnings per share of deposit money banks in Nigeria.
II. Technology tax (TCT) with a correlation coefficient of 0.832 and a significant value of 0.000 strongly and positively associates with earnings per share of deposit money banks in Nigeria.
III. Tertiary Education tax (TET) with a correlation coefficient of 0.537 and significant value of 0.000 positively and strongly relates with earnings per share of deposit money banks in Nigeria.

In line with the findings and conclusion of the study, we suggest the following recommendations for the Nigeria banking sector;

I. The Management of Nigeria deposit money banks should engage the services of Tax Consultants to reduce corporation tax and ensure prompt payment to encourage government continued provisions of enabling environment and other public services that facilitates banking operations and growth of earnings per share.
II. Prompt payment of technology tax is imperative as it improves earnings per share of the banks. Modern banking is driven by information communication technology. Therefore, prompt payment of technology tax will benefit the banks indirectly by way of improved e-banking channels that will lead to effect delivery of banking products and service delivery to customers.
III. Employment of educated and better equipped graduates from our tertiary institutions helps in the provision of better service delivery by bank, reduction of costs thus leading to increases in earnings per share. Therefore, banks are encouraged to pay tertiary education tax and on time too.

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