Certification Page

This Thesis entitled ‘‘A Study of Tax Incentives and Economic Development in Nigeria: Lessons from the United States” was carried out by Triumph E. IDONI (LCU/PG/005891), in the Department of Private and Business Law, Faculty of Law, Lead City University Ibadan, Nigeria under my supervision.

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Dedication

This work is dedicated to God Almighty for His infinite wisdom and grace.

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Acknowledgements

This research was carried out at Lead City University, Ibadan, and I acknowledge the institution for providing access to the facilities and resources used in completing this work. I also recognize the university library, electronic databases, and other external research centers that were consulted during data collection and review.

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I appreciate the support of my family, whose presence and encouragement were relevant throughout this academic process.

Even though the above-mentioned institutions and persons have assisted in the process of this research work, I alone stand responsible for the errors, if any in this work.

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Abstract

This study investigates how tax incentives function within Nigeria's fiscal framework and evaluates their contribution to economic development, with attention to lessons that may be drawn from the more established incentive system in the United States. The research set out to assess the structure, purpose, and operation of Nigeria's incentive regime and to determine whether the current legal and institutional arrangements are capable of delivering development-oriented outcomes. It addresses a recognised gap in Nigerian tax scholarship by providing an updated doctrinal analysis of the statutory provisions, regulatory practices, and administrative approaches that shape the use of incentives.

Public Choice Theory and Developmental State Theory inform the study, offering a basis for examining how institutional behaviour, governmental priorities, and administrative discretion influence fiscal measures.

A doctrinal research method was employed. The study reviewed primary materials, including relevant tax statutes, subsidiary regulations, guidelines issued by tax and investment authorities, and judicial decisions that clarify the scope and limits of incentives. Secondary materials, such as academic literature, government publications, and comparative policy documents, were examined to situate Nigeria's framework within global conversations on incentive design and economic development.

The United States' experience particularly its reliance on clearly defined statutory thresholds, regular performance examinations, and structured oversight was analyzed to extract lessons relevant to Nigeria's context.

Content analysis was used to interpret the materials and identify points of strength, inconsistency, and areas requiring policy attention.

The findings show that Nigeria's extensive incentive provisions are weakened by fragmented legislation, unclear eligibility conditions, and inadequate monitoring. By contrast, the United States demonstrates how structured oversight, predictable rules, and periodic evaluations can enhance the effectiveness of incentives and ensure they serve public interest.

The study concludes that Nigeria's regime requires consolidation and clearer implementation mechanisms.

It recommends a unified incentive statute, strengthened regulatory supervision, and regular assessments to ensure that incentives contribute meaningfully to national development goals.

Keywords: Development, Fiscal Governance, Legal Framework, Nigeria, Tax Incentives, United States.

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