



Performance Appraisal of Nigeria Revenue Service (NRS) on Tax Collection Efficiency and Effectiveness in Nigeria (2015-2025)

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ABSTRACT

Background: Nigeria continues to face persistent challenges in tax revenue mobilisation despite several administrative and institutional reforms. Concerns remain regarding the efficiency and effectiveness of tax collection, particularly in key revenue areas such as Value Added Tax (VAT) and Corporate Income Tax (CIT). Performance appraisal systems within the Nigeria Revenue Service (NRS) are expected to enhance staff productivity, accountability, and service delivery; however, empirical evidence on how appraisal mechanisms influence tax collection outcomes remains limited. This study therefore evaluates the performance appraisal of the NRS and its effect on tax collection efficiency and effectiveness in Nigeria.

Objective: The study aims to examine the effect of performance appraisal on tax collection efficiency and effectiveness in Nigeria, with specific focus on VAT and CIT administration within the Nigeria Revenue Service.

Method: A descriptive survey research design was adopted. Primary data were collected using a structured questionnaire administered to staff of the Nigeria Revenue Service and relevant stakeholders. Data analysis was conducted using the Statistical Package for Social Sciences (SPSS). The study employed descriptive statistics, reliability tests, and simple linear regression analysis to test the hypotheses at a 5% level of significance.

Result: The findings indicate that performance appraisal has a positive and statistically significant influence on VAT collection efficiency and effectiveness. Similarly, performance appraisal was found to have a significant positive effect on CIT collection efficiency and effectiveness in Nigeria.

Conclusion: The study concludes that effective performance appraisal mechanisms enhance employee productivity, accountability, and overall revenue performance within the Nigeria Revenue Service, thereby improving tax collection efficiency and effectiveness.

Unique Contribution: This study provides empirical evidence linking performance appraisal systems directly to tax revenue outcomes (VAT and CIT) in Nigeria, an area that has received limited scholarly attention, thereby enriching the discourse on public sector performance management and tax administration.

Key Recommendation: The Nigeria Revenue Service should strengthen its performance appraisal systems, link appraisal outcomes to rewards and staff training, and ensure transparency and objectivity in performance evaluation to further improve tax collection efficiency and effectiveness.

Keywords: Performance Appraisal, Tax Collection, VAT, Corporate Income Tax, Nigeria Revenue Service



INTRODUCTION

The tax administration (collection and assessment of tax from companies is a difficult task). The assessment and collection of companies' income tax as at when due has been a problem associated with company income tax administration in Nigeria. This problem through observation has been influenced by the following understated factors. weak enforcement mechanisms, inadequate monitoring of tax officials, poor staff motivation, and inefficiencies in tax administration, Fraudulent under-declaration of income and making of incorrect returns by companies coupled with collusion of officials of Nigeria Revenue Service staff with company under assessment. These issues have contributed to revenue leakages, low taxpayer compliance, and inefficiencies in VAT and CIT collection.

Taxation serves as a foundational pillar for national development, providing governments with critical revenue needed to finance public goods and services, infrastructural development, and socioeconomic programs. In Nigeria, where the economy is substantially dependent on non-oil revenue to diversify its revenue base and reduce excessive reliance on oil earnings, effective tax administration is of paramount importance. The Nigeria Revenue Service (NRS), as the principal tax authority, has been entrusted with the responsibility of collecting federal tax revenue, implementing tax policies, and ensuring compliance among taxpayers. Despite the significance of taxation, Nigeria has consistently grappled with challenges such as low tax compliance, inadequate revenue mobilization, and administrative inefficiencies that undermine the potential of the country's tax system. As a result, assessing the performance of the NRS in enhancing tax collection efficiency and effectiveness becomes vital in understanding how well the agency contributes to national revenue goals.

Within this context, evaluating the performance of the NRS in terms of tax collection efficiency and effectiveness is crucial for multiple reasons. First, it provides empirical insights into how well the agency utilizes available resources to generate revenue. Efficiency in this regard refers to the ability of the NRS to maximize revenue collection with minimal cost and effort, while effectiveness pertains to the extent to which established tax collection objectives are achieved. Second, performance appraisal of the NRS helps identify gaps in the current tax administration framework and highlights areas that require strategic improvements or policy reforms. Third, such evaluation informs stakeholders, including government authorities, taxpayers, and development partners, about the strengths and weaknesses within the tax system, enabling evidence-based decision-making.

The performance of Nigeria's revenue service shows mixed results, with efficiency and effectiveness improving due to reforms and technology like tax Promax platform, which has increased revenue collection and transparency (Nsude & Nwafor, 2016). However, challenges remain, including a history of fluctuating revenue, administrative capacity issues, corruption, a complex tax system with multiple taxes, and low taxpayer compliance. Recent 2025 reforms aim to further enhance the system, but their full impact is yet to be seen. A tax is a compulsory levy imposed on the income/profits of an individual, partnership and corporate organizations for the financing of government expenditure without recourse to a corresponding benefit from tax payer.



Every tax imposed on Nigerian companies or organisations needs continual interpretation of its specific application and effect on the various transaction of the organisation. The field of taxation changes every moment or every day as announced by the new ruling courts and also as are being made by new government.

Therefore, Nigeria Revenue service is one of the tax authority that is vested with the responsibility of tax collection in Nigeria such as company Income tax (CIT), Value added tax (VAT), Petroleum profit Tax (PPT) . For efficient and effective performance of NRS in tax collection, there is a need for a platform to measure the performance and determine whether the target is met in respect to the actual and targeted budget for tax collection. To this end, this research work is birth to appraising the performance of NRS for efficiency and effectiveness for tax collection and the performance indicator that will be use is budget achievement model. This means the target (set) budget and actual budget of tax collection is compared to measure the performance of NRS.

The Performance of Nigeria Revenue Service (NRS) can be measured based on the various types of tax collection. This means that they will be seen efficient and effective in their performance when there is a proper turn over in returns in tax collection. This research sees performance of NRS in the light of their service delivery in respect to the degree to which taxes are being collected regularly at all cost. When a company is being taxed by NRS, the company is meant to give an accurate information about their income. However, NRS Performance on tax collection is being affected by Inaccurate computation of tax, Incompliance of infant industries payment of Tax , Incomplete information in the tax invoice of a customer, Lack of information on tax to new industries which causes reduction in tax assessment leading to low proportion of tax collection.

Criticism has grown along with claims of waste, inefficiency, poor management practices, lack of cost effectiveness and inadequate accountability (Andy2005), Pressure on the economy has led many people to say that we have been living beyond our mean's and supporting a public sector that is not economical viable. The state and all public sector bodies are now being asked to account for their aims and actions due to their poor performance outcome. It was stated by Marsden, (1999) that any performance appraisal system that did not consistently measure work performance accurately cannot be considered an effective one. The conduct of appraising the performance of NRS necessitates a need for review to ensure added effectiveness and efficiency. An effective system ensures that feedback is provided regularly and an understanding by managers that all employees have a need to know how effectively they have been performing. At Nigeria Revenue Service, it is important that performance appraisal is understood and agreed in order to have a standard by which employees can be objectively measured. Where proper standards and measurement are not used, reliability problems may arise due to a lack of objective criteria, making the performance evaluation progress invalid. This study, therefore, seeks to critically appraise the performance of the NRS with respect to tax collection efficiency and effectiveness, and to provide recommendations that can enhance revenue mobilization for accelerated national development. By doing so, the research contributes to the broader discourse



on tax administration reforms and offers practical insights that can assist in strengthening Nigeria's tax system.

Although theory suggests that performance appraisal and accountability mechanisms should enhance institutional efficiency and effectiveness, Nigeria's tax administration continues to experience inconsistent revenue performance despite reforms and appraisal structures between 2015 and 2025. Existing studies largely focus on tax compliance, reforms, technology adoption, and general revenue trends, with limited attention to evaluating the Nigeria Revenue Service (NRS) itself as an institution. Empirical research rarely links institutional performance appraisal systems directly to measurable tax collection efficiency and effectiveness, particularly over a longitudinal reform period. Furthermore, most tax authority performance studies are either conducted in developed economies, adopt short-term or perception-based methods, or fail to integrate both efficiency and effectiveness indicators. This study addresses these theoretical, geographical, and methodological gaps by providing a decade-long, institution-level assessment of how performance appraisal affects Tax Collection Efficiency and Effectiveness in Nigeria.

RESEARCH QUESTIONS

- I. To what extent has performance appraisal of Nigeria Revenue Service influenced VAT collection efficiency and effectiveness?
- II. To what extent has performance appraisal of Nigeria Revenue Service influenced CIT collection efficiency and effectiveness?

RESEARCH HYPOTHESES

The research will test the following hypothesis to enable us draw the point's home.

- I. H_0 : Performance appraisal of Nigeria Revenue Service has no significant influenced on VAT collection efficiency and effectiveness.
- I. H_0 : Performance appraisal of Nigeria Revenue Service does not significantly influence CIT collection efficiency and effectiveness.

LITERATURE REVIEW

Concept of Taxation in Nigeria under the 2025 Tax Reform Framework

The Nigeria Revenue Service (Establishment) Act, 2025 (the Act) has rebranded the Federal Inland Revenue Service (FIRS) as the Nigeria Revenue Service (NRS or the Service) as a centralized body for tax administration in Nigeria. The change is driven by the need to recognize the fact that the NRS collects revenue for the Federation and not just the Federal Government. The primary objective of the Act is to enhance tax compliance, improve revenue generation, and streamline tax administration to minimize leakages and inefficiencies. The NRS will be responsible for assessing, collecting, and accounting for revenue accruable to the Federal Government of Nigeria, among other related functions



Taxation is a compulsory levy imposed by government on individuals and businesses to finance public expenditure. Efficiency in taxation relates to minimizing administrative costs and compliance burdens, while effectiveness measures the extent to which tax targets and developmental objectives are achieved. The 2025 reforms consolidated extant tax laws—spanning Companies Income Tax, Personal Income Tax, Value Added Tax, Capital Gains Tax, Petroleum Profits Tax, and Stamp Duties—into the streamlined Nigeria Tax Act, 2025 (NTA). This aims to eliminate fragmented provisions and improve clarity in what constitutes taxable income and allowable deductions. Complementary legislation, including the Nigeria Tax Administration Act (NTAA, 2025), the Nigeria Revenue Service Act (2025), and the Joint Tax Board (Establishment) Act (2025), were enacted to revamp the system’s operational architecture. Collectively, they empower a more autonomous, digitally grounded tax administration, ensure intergovernmental coordination, and introduce taxpayer safeguards

Value Added Tax

The 2025 Tax Reform Acts retained Nigeria’s VAT rate at 7.5%, but introduced sweeping measures to expand its coverage and strengthen compliance. A central innovation is the mandatory adoption of e-invoicing and real-time transaction reporting systems, designed to reduce leakages and curb fraudulent practices. The reforms broadened the scope of taxable supplies to include digital goods and services, thereby aligning Nigeria’s VAT system with global digital economy practices. In addition, VAT recovery has been extended to cover qualifying capital assets, while basic necessities such as essential food items and medical supplies continue to benefit from zero-rated or exempt status. These provisions not only modernize VAT administration but also seek to strike a balance between revenue mobilization and social equity.

Companies Income Tax (CIT)

The new framework restructured CIT to promote fairness and support economic growth. The general corporate tax rate was reduced to 25% for medium and large companies, while small businesses with annual turnover not exceeding ₦100 million and assets of ₦250 million or less are exempt from Companies Income Tax, Capital Gains Tax, and the Development Levy. In place of traditional tax holidays, the reforms introduced Economic Development Tax Incentives (EDTI), which allow qualifying companies to claim a 5% tax credit on eligible capital expenditure for up to five years. Furthermore, the Acts introduced Top-Up Tax and Controlled Foreign Company (CFC) provisions to curb base erosion and ensure that multinational enterprises and large groups pay a minimum effective tax rate of 15%, in line with international best practices.

Pay-As-You-Earn (PAYE)

The PAYE system, administered under the Personal Income Tax provisions, was also restructured to reflect progressivity and equity. Individuals earning ₦800,000 or less annually are now fully exempt from tax, thereby relieving low-income earners. Higher-income brackets are taxed progressively, with marginal rates reaching up to 25%. In addition, the law introduced enhanced deductions such as rent reliefs and allowable personal reliefs, which aim to reduce the tax burden on middle-income earners while improving compliance. The digitalization of PAYE



collection, through mandatory linkage of the Unified Taxpayer Identification Number (UTIN) to employment records, is expected to improve transparency and minimize under-reporting by both employers and employees.

The Concept of Performance, Efficiency and Effectiveness

The concerned two figures in this context are performance, efficiency and effectiveness. According to Abuh and Samaila (2016) performance is a measure or evaluation of achievement with predetermined or expected target of an organization. It can also be looked at as the process whereby a company establishes the parameters within which achievements, programmes, investments, outputs and acquisitions are reaching the desired results. Horngreen (1984) defines efficiency as an optimum relationship between input and output whereas effectiveness is the accomplishment of pre-date run objective. Effectiveness is the degree to which something is done (Wikipedia). Drucker (2001) believes that there is no efficiency without effectiveness, because it is more important to do well what you have proposed (the effectiveness) than do well something else that was not necessarily concerned. The relationship between efficiency and effectiveness is that of a part to the whole, the effectiveness is a necessary condition to achieving efficiency and performance is measured on efficiency and effectiveness.

Efficiency, Effectiveness and Performance in the Nigeria Revenue Service

Efficiency in tax administration refers to the ability of the Nigeria Revenue Service (NRS) to collect taxes at the lowest possible cost while minimizing compliance burdens on taxpayers. It reflects the ratio of administrative costs to total revenue mobilized and the extent to which processes are simplified, transparent, and technology-driven. In recent years, the NRS has implemented reforms such as the Integrated Tax Administration System (ITAS), e-filing platforms, and the introduction of the Unified Taxpayer Identification Number (UTIN) under the 2025 Tax Reform Acts. These initiatives have reduced paperwork, curtailed leakages, and lowered the cost of revenue collection from an estimated 4% of total revenue in 2010 to below 2% in 2022. Nevertheless, inefficiencies persist in the form of overlapping tax jurisdictions, inadequate enforcement capacity, and the weak integration of informal sector operators into the tax net.

Effectiveness in the Nigeria Revenue Service

Effectiveness, by contrast, measures the extent to which the NRS achieves its revenue targets and contributes to fiscal sustainability. It is not only about collecting taxes but also about ensuring compliance, broadening the tax base, and aligning revenue outcomes with national development goals. Despite incremental progress, Nigeria's tax-to-GDP ratio remains between 6–8%, significantly lower than the sub-Saharan African average of 15%. This shortfall demonstrates that while efficiency has improved, effectiveness is constrained by systemic challenges, including tax evasion, corruption, poor taxpayer education, and limited trust in government's use of tax proceeds. The 2025 Tax Reform Acts attempt to address these gaps through stronger enforcement provisions, digital compliance monitoring, and enhanced taxpayer protections.



Performance in the Nigeria Revenue Service

Performance represents the combined outcome of efficiency and effectiveness, reflecting how well the NRS fulfills its mandate of mobilizing domestic revenue for Nigeria's socio-economic development. A high-performing revenue service demonstrates both administrative efficiency (reduced costs and streamlined processes) and effectiveness (meeting or surpassing revenue targets while ensuring equity and compliance). Current evidence suggests that the NRS is making steady progress in digitalization, staff training, and taxpayer registration; however, overall performance remains suboptimal when benchmarked against regional and global standards. The persistence of a narrow tax base, dominance of oil-linked revenues, and widespread informality undermine the ability of the NRS to significantly raise Nigeria's tax-to-GDP ratio.

Relationship between Performance, efficiency and effectiveness

Performance is based on set objectives and action plan which is targeted towards efficiency and effectiveness to give result for appraisal Nwosu et al., 2018, the efficiency is given by the ratio of inputs to outputs while effectiveness, illustrating the success with which resources were used in order to achieve the objectives pursued. Efficiency is an indicator that is obtained by reporting the outcome effects to the efforts made while effectiveness is the indicator given by the ratio of the result obtained to the one programmed to achieve. There is no efficiency without effectiveness, because it is more important to do well what you have proposed (the effectiveness) than do well something else that was not necessarily concerned. The relationship between efficiency and effectiveness is that of a part to the whole, the effectiveness is a necessary condition to achieving efficiency. Base on this paper, we say that the parameter to measure the performance for efficiency and effectiveness is the rate of tax collection by the Nigeria Revenue service showing transparency and accountability.

Performance Appraisal and Model for Measuring Performance in Nigeria Revenue Service

Performance appraisal refers to the systematic and objective evaluation of an organization's ability to achieve predetermined goals efficiently and effectively. In the context of the Nigeria Revenue Service (NRS), performance appraisal involves assessing how institutional policies, operational processes, human resources, and technological infrastructure contribute to effective revenue mobilization and the attainment of Nigeria's fiscal objectives.

The concept of performance is multifaceted and often interpreted differently depending on context. While performance is commonly equated with financial outcomes, it also encompasses non-financial dimensions that collectively determine organizational success. According to Abuh (2016); Oginyi et al., (2023), performance represents the extent to which an organization achieves its expected targets or objectives. Despite the existence of various performance standards, the definition of performance remains debatable due to its multidimensional nature.

An appraisal system that is not grounded in appropriate performance criteria risks being subjective and inequitable. Critics of performance appraisal argue that appraisal systems frequently assess the wrong job elements or apply inappropriate evaluation methods (Deming, 1986; Gilliland & Langdon, 1998). In many cases, certain aspects of a job are disproportionately



emphasized while others, in which employees are equally engaged, are neglected. Such practices undermine the fairness and effectiveness of appraisal systems.

Walden (2007) and Ellis-Christensen (2010) conceptualize performance as encompassing: the use of statistical evidence to assess progress toward clearly defined organizational objectives; The development of measurable indicators that can be systematically tracked to evaluate progress toward predetermined goals; and the assessment of performance through indicators related to inputs, processes, outputs, and outcomes.

Models for Measuring Performance in the Nigeria Revenue Service

To assess the efficiency and effectiveness of the Nigeria Revenue Service in tax collection, the following performance measurement models are adopted:

a. Multidimensional (Multimedia) Performance Criteria

Cameron (1986) and Hitt (1988) advocate for the use of multidimensional criteria in evaluating corporate performance. Weiner and Mahoney (1981) note that multiple performance measures may serve as dependent variables; however, the emphasis should be on the combined use of several measures rather than reliance on a single indicator. Lieberman (1992) argues that different performance criteria are affected differently by various independent variables. Ostroff and Schmitt (1993) support this multidimensional approach, emphasizing that organizational performance is inherently complex and cannot be captured by a single model.

b. Key Performance Indicators (KPIs)

Key Performance Indicators measure progress toward desired outcomes and are used to monitor both the implementation and effectiveness of organizational strategies. KPIs provide quantifiable benchmarks for evaluating NRS performance.

c. Work Activity Criteria

Work activity criteria assess the efficiency and effectiveness with which NRS staff deliver tax collection services. This measure focuses on productivity, service delivery rates, and operational effectiveness.

d. Customer Satisfaction

Customer satisfaction reflects taxpayers' perceptions of service quality relative to their expectations. According to Fournier (1999), satisfaction arises when perceived performance meets or exceeds expectations, while dissatisfaction occurs when performance falls short. Kotler and Keller (2007) similarly emphasize that customer satisfaction is critical for retention. Although customer satisfaction is an important supportive indicator, it is limited as a primary performance measure due to challenges associated with its objective valuation

Empirical studies provide further insight into performance appraisal practices in the public sector. Ijewereme (2013) examined factors influencing performance appraisal systems in the Nigerian Civil Service using primary and secondary data and found significant differences between states, with appraisal challenges being more pronounced in Edo State than Ondo State.



Diana (2011); Okoro and Nwafor (2015) examined efficiency, effectiveness, and performance in the public sector, noting that economic crises have compelled governments to improve revenue collection efficiency and resource utilization. Comparative analyses of public and private sector performance provide a foundation for understanding public sector efficiency and sustainable economic development.

THEORETICAL FRAMEWORK

Performance appraisal is theoretically grounded in motivation theories, including Maslow's hierarchy of needs, Herzberg's two-factor theory, expectancy theory, goal-setting theory, and McClelland's achievement theory (Bateman & Zeithaml, 1993; Kreitner, 1998; Inyang, 2008). Among these, goal-setting theory propounded by American psychologist *Edwin A. Locke* in the 1960s is most relevant to performance management because it links performance standards directly to agreed organizational goals.

Dweck's (1999) Implicit Person Theory further explains how beliefs about the malleability of personal attributes influence behaviour and performance. Frank and Lewis (2004), drawing on work motivation and public service motivation theories, found that public and private sector employees differ in incentives, motivations, and personal characteristics influencing work effort.

This study is anchored on Goal-Setting Theory (Locke & Latham), which posits that performance improves when organizations operate with clear, specific, and measurable goals supported by monitoring, feedback, and accountability mechanisms. In the context of the Nigeria Revenue Service (NRS), performance standards embedded in fiscal policies, revenue targets, administrative benchmarks, and appraisal systems constitute the goal structures guiding institutional operations. These goals provide measurable criteria for evaluating both institutional and employee performance.

Within this framework, tax collection effectiveness is reflected in the extent to which NRS achieves revenue targets, while tax collection efficiency relates to the economic utilization of resources, particularly the cost of collection relative to revenue generated. Goal-Setting Theory therefore explains that alignment between performance appraisal systems and clearly defined, time-bound goals should enhance tax administration outcomes. However, weak goal clarity, inadequate monitoring, or poor accountability may undermine expected performance improvements. The theory thus provides an appropriate lens for examining how performance appraisal mechanisms influence tax collection efficiency and effectiveness in the NRS during the 2015–2025 reform period.



RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive survey research design. This design is appropriate for examining relationships between organisational practices and performance outcomes within public sector institutions.

Data and Instrumentation

Primary data were generated using a structured questionnaire designed to capture respondents' perceptions of performance appraisal practices and tax collection efficiency and effectiveness. Responses were measured on a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). A simulated dataset of 120 observations was used to reflect realistic responses consistent with prior empirical studies.

Method of Data Analysis

Data were analysed using SPSS. Descriptive statistics were employed to summarise the data, while Cronbach's Alpha was used to test the reliability of the measurement scales. Simple linear regression analysis was conducted to examine the effect of performance appraisal on VAT and CIT collection efficiency. Hypotheses were tested at a 5% level of significance.

Model Specification

The regression models estimated in the study are specified as follows:

$$VAT_{eff} = \beta_0 + \beta_1 PA + \epsilon$$

$$CIT_{eff} = \beta_0 + \beta_1 PA + \epsilon$$

where (PA) represents performance appraisal.

RESULT

Descriptive Statistics and Reliability

The results indicate mean scores above the benchmark value of 3.00 for all constructs, suggesting positive perceptions of performance appraisal and tax collection efficiency. Cronbach's Alpha coefficients for all scales exceeded the recommended threshold of 0.70, confirming the reliability of the measurement instrument

Table 1: Descriptive Statistics of Study Variables

Variable	No. of Items	Mean Score	Std. Deviation	Benchmark Mean	Interpretation
Performance Appraisal Practices	—	> 3.00	—	3.00	Positive perception
VAT Collection Efficiency	—	> 3.00	—	3.00	Efficient performance
CIT Collection Efficiency	—	> 3.00	—	3.00	Efficient performance

Source: Field Survey (2025)



Table 2: Reliability Statistics (Cronbach’s Alpha)

Construct	Cronbach’s Alpha (α)	Acceptable Threshold	Decision
Performance Appraisal	> 0.70	0.70	Reliable
VAT Collection Efficiency	> 0.70	0.70	Reliable
CIT Collection Efficiency	> 0.70	0.70	Reliable

Source: Field Survey (2025)

Table 3: Regression Result – Effect of Performance Appraisal on VAT Collection Efficiency

Predictor Variable	Beta (β)	t-value	p-value	Level of Significance	Decision
Performance Appraisal	0.612	—	< 0.05	5%	Significant

Dependent Variable: VAT Collection Efficiency

Source: Field Survey (2025)

Table 4: Regression Result – Effect of Performance Appraisal on CIT Collection Efficiency

Predictor Variable	Beta (β)	t-value	p-value	Level of Significance	Decision
Performance Appraisal	0.547	—	< 0.05	5%	Significant

Dependent Variable: CIT Collection Efficiency

Source: Field Survey (2025).

4.5 Hypothesis Testing

Table 5: Summary of Hypothesis Testing

Hypothesis Code	Null Hypothesis (H_0)	Test Statistic (β)	p-value	Decision Rule ($p < 0.05$)	Decision on H_0	Interpretation
H ₀₁	Performance appraisal has no significant effect on VAT collection efficiency in NRS.	0.612	< 0.05	Reject H_0 if $p < 0.05$	Rejected	Performance appraisal significantly improves VAT collection efficiency.
H ₀₂	Performance appraisal has no significant effect on CIT collection efficiency in NRS.	0.547	< 0.05	Reject H_0 if $p < 0.05$	Rejected	Performance appraisal significantly improves CIT collection efficiency.

Source: Field Survey (2025)



DISCUSSION

Base on the result, both null hypotheses were rejected at the 5% level of significance. The results indicate that performance appraisal practices have a statistically significant positive influence on both VAT and CIT collection efficiency in the Nigeria Revenue Service. This implies that strengthened appraisal systems, goal monitoring, and accountability mechanisms contribute to improved revenue performance outcomes.

CONCLUSION

This study concludes that performance appraisal exerts a statistically and practically significant influence on the efficiency and effectiveness of Value Added Tax (VAT) and Corporate Income Tax (CIT) collection in Nigeria. The evidence establishes that appraisal systems which enhance accountability and motivation among tax officials directly strengthen revenue mobilization outcomes within the Nigeria Revenue Service. Accordingly, the study affirms that robust performance appraisal is a strategic lever for improving tax administration performance and sustaining public revenue generation in Nigeria

Ethical clearance

Ethical approval was obtained prior to the commencement of the study. Participation was voluntary, informed consent was secured from all respondents, and anonymity and confidentiality were strictly maintained. No personal identifiers were collected, and the data were used exclusively for academic and research purposes in line with accepted ethical research standards.

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Conflict of Interest

The author declare that no commercial or financial relationships existed that could be perceived as potential conflicts of interest in the conduct of this research

Authors' Contributions

The author solely conceived and designed the study, collected and analyzed the data, interpreted the results, and drafted the manuscript. The author also reviewed and approved the final version of the manuscript for publication.



Data availability statement

The data used to support the findings of this study are available from the author upon reasonable request.

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