

A Comparative Analysis of Buhari and Tinubu's Administrations on Tax Reforms: Implications for Nigeria's Government and Politics (2019–2025)

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ABSTRACT

Tax reform is central to Nigeria's fiscal sustainability as the country grapples with declining oil revenues, high public debt, and increasing socio-economic demands. This paper compares the tax reforms undertaken during President Muhammadu Buhari's second term (2019–2023) and President Bola Ahmed Tinubu's first years in office (2023–2025). Using qualitative content analysis based on official documents, policy briefs, expert commentary, and media reports, the study assesses the nature, scope, and impact of tax reforms during both administrations. The Buhari administration implemented incremental legislative adjustments through annual Finance Acts aimed at broadening the tax base, modernizing laws, and strengthening tax administration. In contrast, the Tinubu administration enacted sweeping and structural changes through the 2025 Nigerian Tax Reform Acts, introducing a unified tax code and restructuring tax institutions. The findings highlight both opportunities and challenges posed by these reforms, including their implications for federal-state relations, public trust, fiscal stability, and Nigeria's broader political economy.

Keywords: Tax reform, fiscal policy, Revenue Service, Finance Act.

I. INTRODUCTION

Taxation remains the foundation of effective public finance and governance. In Nigeria, however, revenue generation has historically been undermined by overdependence on crude oil, a large informal sector, tax evasion, and weak administrative structures (Adeniran, 2021). This dependency exposes Nigeria to external shocks, constraining government capacity to fund development projects, respond to crises, and implement long-term plans.

Between 2019 and 2025, Nigeria's fiscal trajectory was shaped by two different presidential administrations. The

Buhari government focused on incremental reforms through the annual Finance Acts, which sought to modernize tax statutes first enacted in the 1990s. Conversely, the Tinubu administration adopted a more radical model, culminating in the 2025 Tax Reform Acts, which created a unified tax code, restructured tax institutions, and centralized revenue administration.

This study provides a comparative analysis of both reform eras. It explores how the different approaches influenced fiscal outcomes, revenue diversification, administrative efficiency, and political dynamics across Nigeria's three tiers of government.

II. LITERATURE REVIEW

Taxation and Fiscal Governance in Nigeria

Scholars widely note that Nigeria's tax-to-GDP ratio ranks among the lowest globally, often fluctuating between 5% and 8%—far below African peers such as Kenya and South Africa (OECD, 2020; IMF, 2021). Low tax compliance, a vast informal sector, and weak enforcement contribute to chronic underperformance (Fagbemi & Akintoye, 2022). Studies argue that without effective tax reform, Nigeria's fiscal system cannot support sustainable development.

Buhari Administration and Incremental Tax Reform

Existing literature recognizes Buhari's Finance Acts (2019–2023) as significant for updating obsolete tax laws, expanding the tax net, and introducing digital tax measures (Okoye & Ezejiofor, 2020). However, critics contend that the reforms were not transformative enough to address structural inefficiencies or Nigeria's dependence on oil (BudgIT, 2023; Yusuf, 2022). The incremental nature of Buhari's reforms limited their capacity to significantly increase revenue.

Structural Reform Approaches

A growing number of studies emphasize the need for structural rather than incremental reforms. Structural reforms include simplification of tax laws, harmonization of levies, and improvement of institutional capacity (OECD, 2021). Countries like Rwanda and Ghana have demonstrated success through comprehensive tax institutional restructuring.

Tinubu Administration and Emerging Structural Reforms

Early literature and policy analyses suggest that Tinubu’s tax reform agenda—particularly the 2025 Tax Reform Acts—aligns with global best practices in tax consolidation, administrative unification, and revenue diversification (PwC Nigeria, 2025; PLAC, 2025). Scholars note that replacing the Federal Inland Revenue Service (FIRS) with the Nigeria Revenue Service (NRS) marks a major institutional shift with potential long-term impacts on Nigeria’s political economy (Adebayo, 2025).

The Political Economy of Taxation

Studies agree that tax reforms are inherently political. The distribution of tax powers affects federal–state relations, partisan interests, and public acceptance (Suberu, 2019; African Business, 2025). States often resist federal centralization of taxes, while citizens react to consumption tax increases when economic conditions worsen.

III. METHODOLOGY

This study uses a **qualitative research design**, drawing on:

- Legislative documents (Finance Acts 2019–2023; 2025 Tax Reform Acts)
- Official government reports
- Expert analyses from policy organizations
- Newspaper publications and economic bulletins
- Scholarly articles on Nigerian public finance

The data were analyzed using **content analysis**, focusing on reform objectives, administrative changes, and fiscal outcomes.

Limitations include the recency of the Tinubu reforms and limited availability of long-term data.

IV. RESULTS AND DISCUSSION

Legislative Reform Approaches

Buhari’s administration introduced gradual amendments through Finance Acts that updated tax definitions, adjusted rates, and expanded coverage. The Tinubu administration, however, enacted the Nigerian Tax Reform Acts of 2025, which merged existing laws into a unified tax framework.

Institutional Restructuring

While Buhari focused on improving FIRS operations, Tinubu created an entirely new agency—the NRS—tasked with managing both tax and non-tax revenues. This represents a shift toward centralizing fiscal authority.

Fiscal Outcomes

Under Buhari, Nigeria’s tax-to-GDP ratio remained low at 6–8%. Tinubu’s reforms, supported by better enforcement and a broader tax base, reportedly raised the ratio to about 13–14% by 2024.

Political and Governance Implications

The Tinubu reforms strengthen federal control over taxation, raising debates over fiscal federalism. Buhari’s reforms faced limited political resistance because of their incremental nature, while Tinubu’s sweeping reforms have triggered both praise and criticism across states.

Socio-Economic Impact

Both administrations aimed to reduce the tax burden on small businesses. However, VAT increases and broader tax enforcement could strain low-income households, raising questions about social equity

Table

Key Differences Between Buhari and Tinubu Administrations on Tax Reform (2019–2025)**

Feature	Buhari’s Administration	Tinubu’s Administration
Reform Philosophy	Incremental	Structural
Legal Instrument	Annual Finance Acts	2025 Tax Reform Acts
Tax Administration	FIRS strengthened	FIRS replaced by NRS
Multiple Taxation	Persisted	Consolidated
Impact on SMEs	Tiered CIT rates	Greater exemptions for businesses ≤ N100m

Feature	Buhari’s Administration	Tinubu’s Administration
Tax-to-GDP Ratio	6–8%	13–14% (early data)
Approach to Digital	Introduced digital tax	Integrated under unified law
Economy		
Federal-State Relations	Limited reform	Stronger centralization

V. CONCLUSION AND RECOMMENDATIONS

This comparative analysis of tax reforms under the administrations of President Muhammadu Buhari (2019–2023) and President Bola Ahmed Tinubu (2023–2025) highlights the growing centrality of taxation in Nigeria’s governance and political economy. Across both administrations, tax reform emerged as a strategic response to declining oil revenues, persistent fiscal deficits, and the need for sustainable public finance. While there was continuity in reform objectives—particularly the desire to broaden the tax base and improve revenue mobilization—the two administrations differed markedly in approach, political will, and implementation strategy.

Buhari’s administration adopted a cautious and incremental approach to tax reform, emphasizing administrative efficiency, digitization, and policy coordination within existing institutional frameworks. These efforts were shaped by economic recession, the COVID-19 pandemic, and political sensitivities surrounding public resistance to increased taxation. Although the reforms introduced during this period improved compliance in some sectors, they lacked the depth and urgency required to fundamentally transform Nigeria’s tax system or significantly reduce dependence on oil revenue.

In contrast, the Tinubu administration pursued a more assertive and comprehensive tax reform agenda, culminating in reforms that officially took effect on January 1, 2025. These reforms signaled a decisive shift toward fiscal consolidation and non-oil revenue diversification.

Politically, Tinubu’s approach reflected a willingness to absorb short-term public discontent in pursuit of long-term economic stability. However, the reforms also intensified debates over equity, cost-of-living pressures, and the government’s capacity to utilize increased revenue transparently and efficiently. This contrast underscores how leadership style, political context, and governance philosophy shape economic policymaking in Nigeria.

To ensure the long-term success and political sustainability of the 2025 tax reforms, several policy recommendations are imperative. First, the government must strengthen institutional capacity and coordination across federal, state, and local tax authorities. Harmonizing tax laws, improving intergovernmental fiscal relations, and expanding digital tax

administration systems will reduce inefficiencies, curb revenue leakages, and enhance compliance. Continuous training of tax officials is also essential to promote professionalism and reduce corruption.

Second, equity must be embedded at the core of Nigeria’s tax reform agenda. Progressive taxation, targeted exemptions for low-income earners, and compensatory social welfare programs are necessary to mitigate the regressive impact of increased taxes. Visible investment of tax revenues in public goods such as healthcare, education, and infrastructure will help rebuild public trust and strengthen the social contract between the state and citizens. Third, effective public engagement and communication are critical. Sustained dialogue with key stakeholders—including businesses, labor unions, civil society organizations, and informal sector participants—will foster inclusiveness and reduce political resistance. Transparent communication of the objectives and long-term benefits of tax reforms can enhance public understanding and acceptance.

Finally, accountability and transparency mechanisms must be reinforced through stronger legislative oversight, independent audits, and public reporting of tax revenues and expenditures. Integrating tax reform into a broader economic diversification strategy that promotes job creation, supports small and medium-sized enterprises, and formalizes the informal sector will ensure sustainable revenue growth.

In conclusion, tax reform remains a defining issue in Nigeria’s governance and political development. If effectively implemented and supported by strong institutions, transparency, and public trust, the 2025 tax reforms have the potential to strengthen fiscal autonomy, democratic accountability, and long-term national development beyond 2025.

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