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FIRM ATTRIBUTES AND TAX AGGRESSIVENESS OF NON-FINANCIAL QUOTED COMPANIES IN NIGERIA

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Abstract

This study examined firm attributes and tax aggressiveness of non-financial quoted companies in Nigeria. The variables of firm attributes (Firm Profitability (FPROF), Firm Size (FSIZE) as well as Firm Liquidity (FLIQ)) were analysed to determine their relationship with Tax Aggressiveness (TAG). Tax aggressiveness is interchangeably used as tax avoidance, tax minimization, tax shelters and tax planning in terms that they meet the ethical and legal provisions recognized by the government. For the objective of the study to be achieved, eighty five (85) companies that are quoted on the Nigerian Exchange Group (NGX GROUP) PLC from the non-financial sector were selected and analyzed for the period (2016-2020). The Panel Least Squares (PLS) regression was used with the help of econometric packages (E-view-9.0) for data analysis. The result shows that Firm Profitability (FPROF) was found to be positive and significant with Tax Aggressiveness (TA) while Firm Size (FSIZE) and Firm Liquidity (FLIQ) were found to be insignificant and negatively interrelated with Tax Aggressiveness (TAG). The study therefore recommends that Firm Profitability (FPROF) should be given considerable attention when considering firm attributes as it relates to tax aggressiveness of companies in Nigeria.

Keywords: Firm Profitability, Firm size, Firm liquidity, Nigeria, Tax aggressiveness
JEL CODE 07-SJ

Introduction

The practice of tax aggressiveness has attracted the attention of several academic researchers all over the world and it has been an issue of interest to both the tax authorities and corporate organizations. It is the expectation of the government to make provision for basic amenities to the citizens by using the proceeds of revenue generated through taxation and other sources. In Nigeria, with the volatility of revenue from crude oil export, governments at all levels are beginning to depend more and more on revenue generated through taxation (Bingilar & Preye, 2020). Tax has been seen as a compulsory payment made by all concerned to the government of a country or state from which essential services are rendered, without necessarily offering an explanation on how the money generated was spent or equating the services with the money collected. Tax is an obligatory payment that is charged by government on the profits of individuals and businesses (Odoemela et al., 2016). Because of the relevance of corporate tax to the government, the management of various companies is expected to prepare income statement and statement of financial position of how taxable income of previous year was derived. The computation and payment of appropriate tax liability is highly essential to government source of revenue for expenditure towards national development (Oyeleke et al., 2016). In preparing financial reports, companies management comes up with diverse means to minimize the payment of correct tax by way of tax aggressiveness.

Tax aggressiveness simply means an arrangement or a plan that is set up for the sole aim of avoiding tax (Braithwaite, 2005). It can be seen as the effort of the firm to reduce the payments of tax by employing the activities of tax avoidance and aggressive tax planning (Lanis et al., 2015). Tax aggressiveness can be achieved by considering different attributes of the firm, but the manner each specific firm attribute relate to tax aggressiveness remains a crucial issue to be discussed.

Firm attributes play vital role in strategies employed in implementation of tax aggressiveness by listed companies and allowable items or expenses are subject to deductions as indicated in tax laws (Ogbeide & Obaretin, 2018). Firm attributes refer to those specific financial and operational qualities which firm possesses (Uniamikogbo et al., 2018). Some of the attributes of firms found to be examined in existing literature include firm size, leverage, industry type, firm age, profitability, audit firm size and several others. These varying characteristics of firm interact to influence expense reduction, including firm's tax liability (Ogbeide, 2017). The attributes of firms are very crucial to the optimal operation and company's performance.

Studies on firm attributes in relation to tax aggressiveness have been conducted in most developed countries because of its significant nature. Majority of the studies on tax aggressiveness were done in developed countries (Khaoula, 2013) while the few studies conducted in Nigeria focused on the financial sector of the economy (Bebeji, Mohammed, & Tanko, 2015). Uniamikogbo, et al., (2018) investigated firm attributes and tax aggressiveness in the Nigerian banking sector and found that firm size, liquidity and leverage were statistically significant, while profitability was statistically insignificant. Outcomes of extant studies from Nigeria were mixed and inconclusive, thereby giving room for further validation of studies.

Moreover, to the best of our knowledge, few studies from Nigeria on firm attributes were conducted in the financial sector (banking sector). Studies failed to critically examine the firm attributes in relation to tax aggressiveness in the non-financial sectors where bulk of taxation revenue come from for government expenditure. This necessitated the researcher to carry out a review on the relationship between firm characteristics as well as tax aggressiveness of non-financial companies that are quoted in Nigeria to see if firm characteristics could draw a better conclusion on tax aggressiveness in Nigeria. However, this study introduces variables like firm liquidity, which to the best of our knowledge, studies from Nigeria have not given sufficient attention in relation to tax aggressiveness in Nigeria. There lies a gap in knowledge, which this study desires to fill in this regard. Hence, this study attempts to fill this gap by applying a panel data methodological approach in classifying companies from the non-financial sector that are quoted on the floor Nigerian Exchange Group (NGX GROUP) PLC.

Literature Review

Relevant literature regarding firm attributes and tax aggressiveness is discussed in this very section. The section provides clear relationship, which exists between the studied variables and the theoretical foundations of the research.

Concept of Tax Aggressiveness

Tax aggressiveness is a vital element of business strategies that needs attention from the managers of various functional areas in the company. Tax aggressiveness is interchangeably used as tax avoidance, tax minimization, tax shelters and tax planning in terms that they meet the ethical and legal provisions recognized by the government. Tax aggressiveness is used interchangeably as tax avoidance or tax sheltering or tax planning or tax minimization (Ogbeide & Iyafekhe, 2018). According to Lanis et al., (2015), tax aggressiveness can be substituted with tax planning, tax avoidance and tax sheltering. A number of definitions have been put forward by prevailing studies on tax aggressiveness and the different definitions tend to channel towards the same way. Tax aggressiveness is generally seen as an action aimed at minimizing taxable income by way of tax planning practices (Abdulkadir et al., 2020). Tax aggressiveness, according to Chen et al. (2010), is the attempt by a company to decrease tax payments. Kirchler and Maciejovsky (2001) posit that tax aggressiveness is an effort that is made to cut down the payments of tax by the means of legality, for example by taking advantage of the loopholes in tax. Tax aggressiveness therefore entails strategy employed in reducing tax for the benefit of the company.

Measurements of Tax Aggressiveness

A number of tax aggressiveness measures have been developed and used in the tax research literature.

Effective Tax Rate (ETR)

A widely used measure of tax aggressiveness is Effective Tax Rate (ETR) (Armstrong, Blouin & lacker 2012). It is the often the most widely used measures of tax aggressiveness (Martinez, 2017). It is the average rate of taxation for persons or corporations. The ETR for corporations and persons are the average rates at which earned income and pre-tax profits are taxed respectively. The “Effective Tax Rate is basically the average tax rate a corporation pays on its pre-tax profits and is calculated by dividing a measure of tax liability by a measure of pre-tax income” (Hanlon & Heitzman, 2010,). It is used because it helps in estimating the effectiveness of the firms` tax aggressiveness activities and indicates the actual tax burden. Also, it is an indicator of the firm’s tax management performance. Slemrod (2004) argue that management could be subjected to discipline by shareholders when the ETR is high as it has a detrimental effect on share price. Wilson (2009) measured ETR as the ratio of the current tax expense to pre-tax income.

Firm Attributes

Firm attributes are very crucial to the optimum process as well as the performance of companies. The unique attributes of a company determines its performance relative to the other companies within the same industry. The attributes of company is analyzed often in relation to different aspects of a corporate firm, like firm value, financial performance, assets disclosure which include intangible assets with an of idea of determining their contribution to the wealth of the shareholders. Firm attributes refers to specific financial and operational firm characteristics that determines or influences effective tax rate (Hassan & Farouk, 2014). According to Shehu (2012), firm attributes are indicators that affect the decision of the firm both internal and external. These indicators which are also consequences of managers’ decisions are firm profitability, firm size and firm leverage, firm liquidity they are discussed below as thus:

Firm Profitability and Tax Aggressiveness

The company's performance management can be measured with the level of its profitability. The proficiency of a corporate organisation to make use of its resources to source for revenues in excess of its expenses is referred to as Profitability. Managers, Investors and creditors use the concepts to analyse how well a corporation is doing as well as the future potentials it could have if operations were properly managed. Profitability is one of the four building blocks for examining the performance of a company. According to Rego (2003), the profitability of the company happens to be the key determinant of its performance. Profitability is seen as the intuitive indicator of a company with the capacity to influence effective tax rate. According to Dewi (2016), Profitability is an indicator of the performance of management in managing the wealth of the company which is showed by profit. Profitability ratios, according to Majed et al. (2012), are the indicator for the firm's overall efficiency. In the same vein, Peavier (2012) sees profitability as the performance indicatorof the organizationthat reveals return on sales as well as return on investment. It is generally employed to be used as the measure for earnings that is generated by the corporate firm for a period of particular time based on its level of capital employed, sales, assets, earnings per share as well as net worth. Earnings capacity of the company can be measures by the profitability ratios and it is reflected as indicator for its success, control and growth. Profitability is depended on the company's ability to achieve its revenue generation which is capable of fascinatingthe whole expenses, which include tax and then leave a balance that may possibly be plough back into the expansion of the business. Companies that are profitable have higher incentive to minimise their tax liability as equated to less profitable once (Dunbar et al., 2010). The study conducted by Wahab and Holland (2012) revealed that profitability influences tax avoidance. Minick and Noga (2010) established a positive association between firm's profitability and ETR. Frank et al. (2009) indicates that firm profitability is positively related to tax avoidance.

For the relationship between firm profitability and tax aggressiveness to be tested, the hypothesis below is therefore developed:

$H0_1$: There is no significant relationship between firm profitability and tax aggressiveness.

Firm Size and Tax Aggressiveness

The size of a firm is considered to be one of the attributes expected to have influence on tax aggressiveness of companies and to determine the company's tax aggressiveness, the size of the firm cannot be overruled. Suwito and Herawati (2005, p. 27) declare that "firm size is a scale that can classify the company into big companies and small companies, according to various methods such as total asset company, market value, sales average and total sales". Bigger companies have more resources that can influence resources that are concentrated towards tax aggressiveness. Big firms generally get involved in more financial transactions and commercial activities than firms that are small and they are provided with significant opportunities to significantly minimisefirm taxes (Rego, 2003). Dyreng et al. (2008) in their view find that smaller firms have higher tax rates and they may have a role to play in tax management. Different studies empirically disclosed conclusion in connection to the link between ETR and firm size. Wilson (2009) founds a relationship that is positive, which exists between tax shelter participation and stands as a proxy for specific aggressive tax planning and firm size. In several extant studies, the size of a corporation is measured with total asset of the corporation (Onaolapo & Kajola, 2010). Kraft (2014) ascertain a positive impact on firms' size and effective tax rates while Richardson and Lanis (2007) reported a negative association between firm size and tax aggressiveness, proxy as effective tax rates.

For the relationship between firm size and tax aggressiveness to be tested, the following hypothesis below is therefore developed:

$H0_2$: There is no significant relationship between firm size and tax aggressiveness.

Firm Liquidity and Tax Aggressiveness

The impact of liquidity on the tax aggressiveness level is getting higher. The higher the company's liquidity ratio, the action to reduce profits will be higher with the reason to avoid a higher tax burden. Liquidity is the working capital of the organization. It is used to determine the firm's ability to settle its obligations at their maturity dates. The study of Aswi (2019) states that liquidity refers to a firm's ability to fulfill its day to day financial obligations or debt that must immediately be paid with the current assets. According to Adisarmatha and Noviari (2015), liquidity is seen as ownership of adequate sources of funds to meet the needs and obligations that are due and the ability to buy and sell assets quickly. Liquidity has been argued over the years to be the brain box for the survival of businesses. This is because "businesses that are facing liquidity problems may be heading towards crises and as such a reasonable part of asset is expected to be held in liquid form in order to meet the day to day activities of the business" (Uniamikogbo et al., 2018, p.7). Any liquid organization will be willing to disclose that in their financial reports to attract creditors, increase fund raising ability externally to finance future businesses (Hassan & Farouk, 2014). Liquidity ratio measures the firm's ability to meet her current obligations using the ratio of current assets to current liabilities. The higher the liquidity ratio, the more it will be positively related to the level of aggressiveness (Adisarmatha & Noviari, 2015). Nwaobia and Jayeoba (2016) investigated the effect of tax planning strategies on firm's liquidity. The study employed 154 company-year observations as well as the analysis of regression to test the hypothesis, and the outcome shows that tax planning strategies of Thin Capitalization, Capital Intensity and Lease Option exert negative effects on firm's liquidity while tax planning (tax aggressiveness) strategies of firm size and industry have positive effects on firm's liquidity.

For the relationship betweenfirm liquidity and tax aggressiveness to be tested, the following hypothesis below is therefore developed:

$H0_3$: There is no significant relationship between firm liquidity and tax aggressiveness.

Theoretical Framework

Several theories have been used to explain the relationship between firm attributes and tax aggressiveness of non-financial quoted companies in Nigeria, but this study is anchored on the theory of planned behaviour.

Ability-To-Pay Theory

Adam Smith propounded the Ability-to-pay theory in the year 1776 (Onyeka & Chimeruo, 2021). The establishment of the theory shows that every state subject ought to contribute towards the support of the tax authority as nearly as feasible in proportion to their own abilities. This indicates that tax payment should be on the basis of individual's ability to make payment and the sacrifice should even be for everyone. The idea "underlying ability-to-pay taxation is that everyone should make an equal sacrifice in paying taxes and because people with more money effectively have less use for a given dollar, paying more of them in taxes does not impose a greater burden" (Kagan & Berry-Johnson, 2020). The ability-to-pay theory is significant to this study as the activities of tax aggressiveness are often arrived upon by tax payers when the taxes they pay or the tax rates are high and or when they feel that they do not have the ability to pay the planned tax. Tax aggressiveness likewise take place when the tax payers feel that the sacrifices they are making is more than what other tax authorities are making. The very moment a taxpayer is made to make the payment of his or her tax that is higher than what he can afford, tax aggressiveness will be his next alternative in order to ensure the company's liquidity.

Empirical Review

Odoemela et al., (2016) examined corporate governance mechanism and tax planning in Nigeria. The documentary The Central Bank of Nigeria (CBN) bulletin as well as data from the audited financial statement of quoted banks in Nigerian Stock Exchange (1994-2014) provided relevant records. The data were analyzed using the Econometric View (E-view) st*a*tistical package. The finding shows no significant effect between Board Size and Tax savings of Firms in Nigeria.

Onatuyeh and Ukolobi (2020) empirically investigated tax aggressiveness, corporate governance and audit fees of companies in Nigeria. Data were retrieved from the annual financial statements of the selected quoted companies (2009-2018). The technique of the panel regression, with preference for the random effect model based on the result of the Hausman test, was used to estimate the balanced panel data. The outcome of revealed that audit committee diligence, cash tax rate, as well as board independence were found to have significant and positive effect on audit fees. Also, studies that have investigated the link between tax aggressiveness, external audit fees and corporate governance hardly exist in the literature.

Jaffar et al. (2021) conducted study on determinants of tax aggressiveness of companies in Malaysia. A balanced pooled sample of one hundred and five (105) company's years-observations (2014-2018) particular period was employed. The samples were sourced to offer new insight to the market as well as to discover the behaviour of Malaysia small companies toward ATP. Data were gotten from data Stream as well as down loaded annual reports of companies. The finding revealed that financial distress and profitability are significantly related with ATP while size, inventory intensity, leverage, capital intensity as well as ethnicity were found not to bet determinants of ATP.

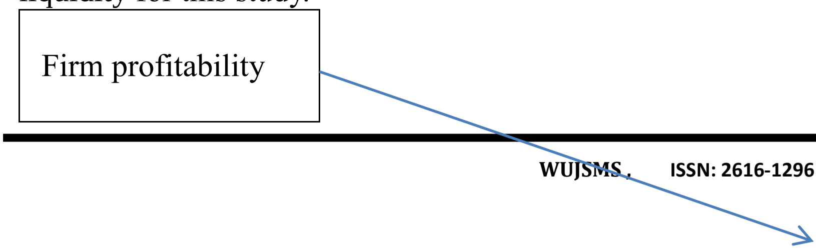
Giovana and Tiago (2021) examined tax aggressiveness and CEO overconfidence in the Brazilian Stock Market quoted companies. The study employed 277 that are listed on the Brazilian Stock Market for the period of 2010 to 2017. Multiple Linear Regression (MLR) was used for the analyses to be carried out. The parameters used combined the methods of the fixed effects to ascertain a relationship between tax aggressiveness as well as overconfidence. The finding of the study shows a significant relationship between overconfidence and fiscal aggressiveness; however, indicate a significant relationship with tax aggressiveness, the return on shares, the company's size and the educational level of the CEO.

Methodology

For the objective of this paper to be achieved, the study predominantly used the panel survey so as to investigate the concept of firm attributes and tax aggressiveness of non-financial quoted companies in Nigeria for the period of 5 years (2016-2020), as it relates to non-financial quoted companies on the Nigeria Exchange Group (NGX GROUP) PLC as at 31st December, 2020. The study population is made up of the one hundred and nine (109) non-financial quoted companieson the Nigeria Exchange Group (NGX GROUP) PLC as at 31st December 2020. The secondary data are obtained from the corporate annual report of the sampled companies on the Nigeria Exchange Group for the period (2016-2020) financial year. The researcher utilizes only corporate annual reports because they are readily available and accessible. The sample of this study is basically made up of eighty five (85) companies from the non-financial sectors of the economy.

Analytical Framework and Model Specification

The analytical framework in figure 1 below shows the schematic diagrammatic representation of the causal relationship with the dependent variable (tax aggressiveness) and independent variables (firm attributes) which consists offirm profitability,firm sizeand firm liquidity for this study.



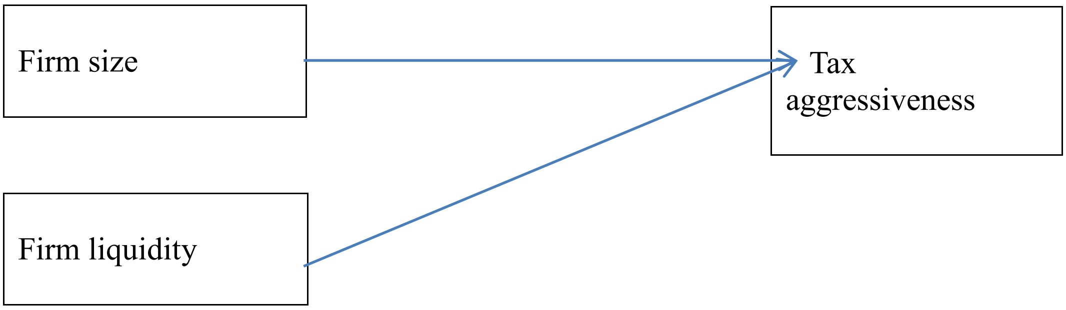


Figure 1: *Analytical Framework (Source: Author's Analytical Framework, 2021).*

The schematic framework also culminates into the required model specifications. The study adapts the model specified by Mahmud et al. (2020) with three variables used in the model specification as below:

The model for this study is adopted from Yahaya and Yusuf (2020) which is specified as:

$ETR_{it} = \beta_0 + \beta_1 ETR_{it-1} + \beta_2 FS_{it} + \beta_3 PE_{it} + \beta_4 LE_{it} + \beta_5 FA_{it} + \beta_6 D\text{-}EARN_{it} + \mu_{it}$ ……………………………1

Given the dynamic nature of panel data showing relationship, hence our model specification for this study is specified in a functional model as:

Tax Aggressiveness = *f* (Firm profitability, Firm size and Firm Liquidity). While the econometric model for the study is expressed as follows;

$TAG_{it} = \beta_0 + \beta_1 FPROF_{it} + \beta_2 FSIZE_{it} + \beta_3 LIQ_{it} + \mu$ ……………………………………………2

Where;

β0 = Constant

β1 - β5 = Coefficient of the Explanatory Variables

TAG = Tax Aggressiveness

FPROF = Firm profitability

FSIZE = Firm Size

FLIQ = Liquidity

μ = Error terms

Our a priori expectation is stated : $\beta_1>0$, $\beta_2>0$, $\beta_3>0$; such that:

$\beta_1>0$; indicates that a unit increase in firm profitability of the company will lead to increase in tax aggressiveness.

$\beta_2>0$; shows that a unit increase in firm size of the company, will lead to increase in tax aggressiveness.

$\beta_3>0$ means that a unit increase in firm liquidity of the company will lead to increase in tax aggressiveness.

Table 1: Operationalization of Variables

Variables	Notation and Measurement	Sources	Apriori Sign
TAG	Tax aggressiveness is measured as effective tax rate which is net tax expense (total tax expense) to the company's profit before income tax (pre-tax income) that is obtained from the current year's income statement.	Mustika et al. (2019).	

FPROF	Firm profitability is measure as return on asset which is pre-tax income divided by total asset.	Onyali and okafor, 2018.	+
FSIZE	Firm size is measured as the natural logarithm of total assets of the firm.	Ogbeide and Obaretin (2018).	+
FLIQ	Firm liquidity is measured with current ratio (Current asset divided by current liability).	Onyeka and Chimeruo (2021).	+

Source: Researcher's compilation (2021)

Data Presentation and Result Analysis

Table 2 Descriptive Statistics

	TAG	FPROF	FSIZE	FLIQ
Mean	6.955857	4615066.	0.120735	2.007539
Median	6.8337383	146929.0	0.016119	1.220259
Maximum	9.240886	3.90E+08	7.766679	235.4551
Minimum	4.758056	-4534000	-1353.273	-0.170307
Std. Dev.	0.905871	27644364	0.592653	11.41785
Skewness	0.270438	9.072063	10.64793	413.1223
Kurtosis	2.861695	106.4664	133.4795	3007401.
Jarque-Bera	5.519231	195402.6	195402.6	300.7401
Probability	0.03316	0.000000	0.000000	0.000026
Sum	2956.239	1.96E+09	51.31234	853.2040
Sum Sq. Dev.	347.9350	3.24E+17	148.9247	55275.75
Observations	425	425	425	425

Source: Researcher's Compilation (2021).

Table 2 shows that tax aggressiveness (TAG) declarers a mean value of 6.955857 with standard deviation of 0.905871. Minimum and maximum values of 4.758056 and 9.240886 respectively. Evidence from the table also revealed that firm profitability (PROF) has 4615066 as a mean value with 27644364 as standard deviation and -45384000 and 3.90E+08 as minimum and maximum values respectively. It is also indicated in the table that firm size (FSIZE) has a mean value of 0.120735 with the standard deviation of 0.592653 and respective minimum and maximum values of -1.353272 and 7.766679. In the same vein, it is also shown from the table that average for firm liquidity (FLIQ) of the company is 2.007539 with the standard deviation of 11.41785, minimum and maximum values of -0.170307 and 235.4551 respectively. From the table, it can be ascertained that firm size (FSIZE) has the lowest mean value of 0.120735. The normality test based on the outcome of the Jarque-Bera test, however, shows that variables employed are normally distributed (p-value of the variables are less than 5% critical p-value).

Table 4 Correlation Matrix

	TAG	FPROF	FSIZE	FLIQ
TAG	1.000000			
FPROF	0.347402	1.000000		
FSIZE	-0.048377	-0.026931	1.000000	
FLIQ	-0.055888	-0.010264	0.001096	1.000000

Source: Researcher's Compilation (2021).

Table 4 shows the relationship which exists among the variables that are investigated. When tax aggressiveness (TAG) is at the value of 1 unit, firm profitability (FPROF = 0.347402), firm size (FSIZ = -0.048377) while firm liquidity (FLIQ = -0.055888) and they were found to be positively correlated at low values. Since it is observed from the table that none of the values is greater than 90%, it therefore indicate that multi-colinearity is not present.

Table 4 Panel Least Squares Regression Results

Dependent Variable: TAG
Method: Panel Least Squares
Date: 12/05/21 Time: 11:36
Sample: 2016 2020
Periods included: 5
Cross-sections included: 85
Total panel (balanced) observations: 425

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.919087	0.043322	159.7122	0.0000
FPROF	1.13E-08	1.49E-09	7.582048	0.0000
FSIZE	-0.059622	0.069711	-0.855279	0.3929
FLIQ	-0.004149	0.003617	-1.147018	0.2520

R-squared	0.124946	Mean dependent var	6.955857
Adjusted R-squared	0.118711	S.D. dependent var	0.905871
S.E. of regression	0.850404	Akaike info criterion	2.523157
Sum squared resid	304.4618	Schwarz criterion	2.561294
Log likelihood	-532.1709	Hannan-Quinn criter.	2.538224
F-statistic	20.03778	Durbin-Watson stat	0.090077
Prob(F-statistic)	0.000000		

Source: Researcher's computation, E-view (9.0).

Result of the regression analysis in table 4 above indicates the outcome of the Panel Least Square (PLS) regression. The outcome revealed that firm profitability (FPROF), firm size (FSIZE) and firm liquidity (FLIQ) could explain about 10% of the total variation in tax aggressiveness (TAG). After adjustment, the variable was able to give explanation of about 10% of the systematic variation in aggressiveness (TAG) whereas 90% were not explained in the model. From the estimation, it therefore means that there are other independent variables that also explain tax aggressiveness behavior. The F-statistic (overall statistic) is found to be significant, because the calculated F-value of 20.03778 > critical F-value at 5% significant level. The Durbin Watson statistic value that stood at 0.470464 indicates the present of autocorrelation. It can be ascertained from the result that firm profitability (FPROF) is positive and is significantly related with tax aggressiveness (TAG), since the probability of 0.000 is greater than the absolute critical t-value at 5% significant level. The result also indicates that firm size (FSIZE) and firm liquidity (FLIQ) had an insignificant negative relationship with tax aggressiveness (TAG) on the ground that their probability values of 0.3929 and 0.2520 being greater than the critical value of 5% significant level. The result shows that FPROF is in line with our a priori anticipation in the model.

Discussion of Findings

The explanatory variable of profitability (FPROF) was statistically ascertained to be significant at 5% level and positively related with tax aggressiveness (TAG). The result agreed with Bashir and Zachariah (2020) who found a significant positive relationship between profitability and tax planning in Nigeria, which is synonymous to tax aggressiveness. The result further revealed that firm size (FSIZE) and firm liquidity (FLIQ) had an insignificant relationship with tax aggressiveness of non-financial quoted companies in Nigeria. The outcome did not agree with our a priori expectation, but the findings of the study is in line with the study of Salaudeen and Ejeh (2018) who found that firm size do not have significant relationship with tax aggressiveness. Likewise, the study of Lanis et al. (2015) who showed that liquidity has as a relationship that is not significant with tax aggressiveness.

Conclusion and Recommendations

This study investigated firm attributes and tax aggressiveness of non-financial quoted companies in Nigeria. The practice of tax aggressiveness as attracted the attention of several academic researchers all over the world and it has been an issue of concern to both the government and corporate organisations. The study critically examined the effects of firm attributes (Firm Profitability (FPROF), Firm Size (FSIZE) as well as Firm Liquidity (FLIQ)) on tax aggressiveness. The panel data relating to the non-financial quoted companies on the Nigerian Exchange Group (NGX GROUP) PLC covering the period (2016-2020) was employed. Tax Aggressiveness (TAG) is used as the dependent variable in the study while Firm Profitability (FPROF), Firm Size (FSIZE) as well as Firm Liquidity (FLIQ) represent the explanatory variables and they are the firm attributes that relate with tax aggressiveness of non-financial quoted Nigerian companies. The results shows that Firm Profitability (FPROF) was found to be positive and significantly with Tax Aggressiveness (TAG) and Firm Profitability (FPROF) was found to be a major attributes of the firm that can influence tax aggressiveness of the various companies concerned. Firm Size (FSIZE) as well as Firm Liquidity (FLIQ) were found to be insignificant and negatively interrelated with Tax Aggressiveness (TA). The study therefore recommends that Firm Profitability (FPROF) should be given considerable attention when considering firm attributes as it relates to tax aggressiveness of companies in Nigeria.

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