



Effects of Qualified Domestic Minimum Top-up Tax (QDMTT) ON Revenue Generation in Nigeria

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Received: 07.07.2026 | Accepted: 01.10.2026 | Published: 06.10.2026

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DOI: [10.5281/zenodo.23181204](https://doi.org/10.5281/zenodo.23181204)

Abstract

Original Research Article

Nigeria continues to face challenges in domestic revenue mobilisation due to heavy dependence on petroleum revenue, tax compliance limitations, profit shifting by multinational enterprises, and weaknesses in tax administration. The introduction of the Qualified Domestic Minimum Top-up Tax (QDMTT) under the OECD/G20 Pillar Two framework provides an opportunity for countries to protect their corporate tax base and improve revenue generation. This study examined the effect of QDMTT implementation on revenue generation in Nigeria. Specifically, the study assessed whether QDMTT strengthens corporate tax collection and enhances Nigeria's capacity to mobilise additional revenue from multinational enterprises. A quantitative research design using a survey approach was adopted. The population consisted of 123 tax officers of the Nigeria Revenue Service (NRS), Abuja Headquarters, and a census sampling technique was employed. Data were collected through a structured questionnaire and analysed using descriptive statistics, Pearson Product Moment Correlation, and regression analysis at a 5% level of significance. The findings revealed that QDMTT implementation has a positive and significant effect on revenue generation in Nigeria. The regression result showed that QDMTT explained 58.4% of the variation in revenue generation ($R^2 = 0.584$), with a significant positive coefficient ($\beta = 0.764$, $p < 0.05$). The study concludes that effective implementation of QDMTT can strengthen Nigeria's corporate tax base, reduce revenue losses associated with multinational profit shifting, and improve domestic revenue mobilisation. It recommends that Nigerian tax authorities develop clear implementation guidelines, strengthen digital tax administration, improve access to multinational financial information, and build technical capacity among tax officials to ensure effective enforcement of QDMTT provisions.

Keywords: Qualified Domestic Minimum Top-up Tax, QDMTT, Revenue Generation.

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1. Introduction

Tax revenue is acknowledged as a key element of sustainable public finance, as it is a source of funding for governments to invest in infrastructure and social services and to support economic development.

Gaspar, et al (2016) identified how, in developing economies, strengthening of domestic revenue collection is a key priority of government as countries with weak tax systems are often faced with limits on financing their development agendas and reducing external dependence. Likewise, Acho et al



(2026) maintained that good taxing and good government go hand-in-hand since governments need dependable taxing systems to provide public goods and to support economic stability. The mobilization of domestic revenue continues to be a major challenge in Nigeria, with reliance on petroleum revenues, oil price volatility, and shortcomings in tax administration and compliance as some of the challenges that have been identified (Musa et al 2023). Ibrahim et al (2025) has reported that the tax reform policy of the country has been on the horizon, with the aim of expanding tax revenue, enhancing tax compliance, minimising tax evasion, and harmonising the Nigerian tax framework with international trends.

Base Erosion and Profit Shifting (BEPS) Pillar Two has revolutionized the international tax landscape since its launch by the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two (Chamba et al 2026). Musa et al (2022) explained that Pillar Two creates a coordinated international minimum tax framework, which will ensure that large multinationals (MNEs) will be taxed at an effective minimum rate, no matter where their profits are generated. The framework introduces a minimum tax rate of 15% for multinationals with EUR 750 million of consolidated revenues in a year (Success et al, 2021). In this context, the Qualified Domestic Minimum Tax (QDMTT) enables a jurisdiction to tax low-tax profits earned in its territory, and to assert its taxing rights over profits that are taxed at lower rates in other jurisdictions (Acho, 2026).

The advent of QDMTT coincides with an endemic issue concerning multinational tax evasion, profit shifting and loss of national corporate tax bases. Clausing (2020) showed that multinational businesses (MNE) could minimize tax payments across the world by shifting their profits to other countries with lower tax rates than the countries where their economic activities are significant. Likewise, Cobham and Janský (2018) reported that international corporate tax avoidance in developing countries causes substantial revenue losses, as these countries typically do not have the administrative capacity to oversee complicated multi-national

transactions. On this basis Johannesen (2022) noted that the global minimum tax could lead to lower incentives for profit shifting by creating a tax floor and taxing profits that would otherwise be taxed at a very low effective rate.

The potential effects of QDMTT on government revenue for Nigeria is due to the presence of multinational companies in the country's sectors of petroleum, telecommunication, financial services, manufacturing etc. Oginin et al (2014) argued that if jurisdictions are able to successfully secure new taxing rights over profits produced within their borders, domestic minimum taxes can boost revenue for those jurisdictions where multinationals enjoy low effective tax rates. The proposed tax regime in Nigeria will mandate Multinational Corporations to pay a minimum effective tax rate of 15%, with an additional tax payable if the actual tax rate is below the 15% threshold (Acho, et al 2026). This mechanism will be provided to ensure that revenues generated from the additional tax levy stay within Nigeria and not with another jurisdiction under alternative Pillar Two provisions.

But the revenue impact of QDMTT is not guaranteed but will rely on the ability to implement it effectively and have the administrative capacity to do so. While global minimum taxation may decrease tax competition and tax avoidance, the revenue consequences vary substantially across countries as a result of variations in their economic structures, investment preferences, and tax authorities' capacity to effectively enforce the tax provisions (Devereux 2023). Likewise, Chen (2024) reported that the impact on revenues of global minimum taxation might differ due to the possibility of multinationals changing investment decisions, tax policy, and the way they run their business in reaction to the new taxation measures. Thus, QDMTT offers Nigeria a window of opportunity to boost corporate tax revenue, however, it will be impacted by several conditions including taxpayer identification, access to financial information, digital tax administration and technical capabilities of tax authorities.

Nigerian government's plan to align with international tax regimes is a step in the task of enhancing domestic revenue mobilisation and

modernising tax administration. IMF (2023) highlighted that better institutional capacity, digitalization and enforcement capabilities will be needed for developing countries to reap the maximum potential revenue benefits from modern tax reform. Also, the recent tax reform of the country is seen to be addressing some new tax challenges in the international arena, PwC Nigeria (2025) and KPMG Nigeria (2025) noted, as well as enhancing transparency and expanding the tax base. However, the effect of QDMTT on the actual revenue generation in Nigeria is still limited, as the policy is fairly new and the impact of its implementation is still emerging.

Thus, empirical research is needed to find out if QDMTT makes any significant contribution to Nigeria's revenue generation capacity. This study, therefore, investigates impact of the Qualified Domestic Minimum Top up Tax (QDMTT) on revenue generation in Nigeria by answering the following questions: Does the Qualified Domestic Minimum Top up Tax (QDMTT) improve the corporate tax collection in Nigeria? Does the Qualifier Domestic Minimum Top up Tax (QDMTT) strengthen domestic revenue mobilization in Nigeria? Does the application of Qualified Domestic Minimum Top up Tax (QDMTT) enhance Nigeria's capacity to tax multinational corporations operating within its jurisdiction? The study on which the data are based is:

To what extent does the implementation of Qualified Domestic Minimum Top-up Tax (QDMTT) affect revenue generation in Nigeria?

2. Literature Review

Qualified Domestic Minimum Top-up Tax (QDMTT)

The Qualified Domestic Minimum Top-up Tax (QDMTT) is a component of the OECD/G20 Inclusive Framework's Global Anti-Base Erosion (GloBE) rules introduced under Pillar Two of the Base Erosion and Profit Shifting (BEPS) framework. According to OECD (2021), QDMTT allows a jurisdiction to impose an additional domestic tax on multinational enterprises whose effective tax rate

within that jurisdiction falls below the global minimum tax rate of 15%. The purpose is to ensure that countries where economic activities occur have the first opportunity to collect additional tax revenue rather than allowing another jurisdiction to impose a secondary top-up tax. Devereux and Vella (2022) explained that QDMTT represents a major transformation in international taxation because it changes the traditional approach where countries competed for multinational investment through lower corporate tax rates. Under the previous system, multinational enterprises could allocate taxable profits among jurisdictions with different tax regimes, thereby reducing their overall tax obligations. The introduction of a minimum tax floor attempts to reduce incentives for such profit allocation strategies and protect national corporate tax bases.

According to Johannesen (2022), the global minimum tax framework addresses a long-standing weakness in international taxation by limiting the ability of multinational enterprises to benefit from extremely low effective tax rates. The author argued that countries, especially developing economies, may benefit from minimum taxation because it creates additional opportunities to tax profits that previously escaped adequate taxation. For developing countries such as Nigeria, the relevance of QDMTT lies in its ability to preserve taxing rights over income generated within the country. Mooij (2024) observed that developing economies often lose significant corporate tax revenue because multinational enterprises use complex structures to reduce taxable income. A domestic minimum top-up tax provides an opportunity for countries to recover part of these lost revenues by applying additional taxation where companies' effective tax payments are below the internationally accepted minimum.

In the Nigerian context, Oyedele (2024) argued that strengthening domestic revenue mobilisation requires reforms that simplify taxation, improve compliance, and ensure that businesses operating within Nigeria contribute appropriately to public finances. The Presidential Committee on Fiscal Policy and Tax Reforms, led by Oyedele, identified low tax mobilisation capacity as a major challenge affecting Nigeria's fiscal sustainability and

recommended reforms aimed at improving revenue collection efficiency. The introduction of global minimum tax provisions into Nigeria's tax reform framework reflects an attempt to align domestic taxation with international standards. According to PwC Nigeria (2025) and KPMG Nigeria (2025), Nigeria's adoption of minimum taxation principles seeks to prevent revenue losses associated with multinational tax planning and ensure that qualifying companies pay a minimum level of tax on profits generated from Nigerian economic activities.

Revenue Generation in Nigeria

Revenue generation refers to the ability of government institutions to mobilise financial resources through taxation, fees, and other statutory sources to finance public expenditure and development programmes. Musgrave and Musgrave (1989) explained that taxation performs three major economic functions: financing government activities, redistributing income, and stabilising the economy. In developing economies, domestic revenue mobilisation is particularly important because excessive dependence on natural resources and external borrowing can create fiscal instability. Moses et al (2019) found that countries with stronger tax systems generally possess greater capacity to finance development objectives and reduce dependence on unstable sources of income.

Recent Nigerian studies have continued to emphasise the importance of tax reforms for improving government revenue. Omesi and Nzor (2021) found that effective tax administration contributes significantly to government revenue generation because improved enforcement mechanisms increase taxpayer compliance. Likewise, Adebisi and Gbegi (2022) reported that weaknesses in tax administration, informal economic activities, and limited compliance remain major obstacles to increasing Nigeria's tax revenue. The current Nigerian tax reform agenda reflects these concerns. Oyedele (2024) argued that Nigeria's low tax-to-GDP ratio is partly associated with fragmented tax administration, multiple taxation challenges, and weak compliance systems. The proposed reforms therefore focus on simplifying tax processes,

expanding the tax base, and improving institutional efficiency.

Theoretical Review

The Ability-to-Pay Theory of taxation is rooted in the works of classical public finance scholars and was systematically developed by Musgrave (1959) and further discussed by Musgrave and Musgrave (1989). The theory remains one of the major principles guiding modern tax policy because it explains how tax burdens should be distributed among taxpayers according to their economic strength. The central assumption of the Ability-to-Pay Theory is that individuals and organisations with greater economic capacity should contribute a higher proportion of their resources towards financing public expenditure. The theory assumes that taxation should be based on the taxpayer's ability to bear the financial burden rather than only on the benefits directly received from government services (Musgrave & Musgrave, 1989). In the context of corporate taxation, the theory suggests that profitable companies, particularly large multinational enterprises with significant economic activities in a country, should make tax contributions that correspond with their capacity to generate income.

The Ability-to-Pay Theory is relevant to this study because QDMTT is designed around the principle that large multinational enterprises should not pay an extremely low effective tax rate compared with their economic activities. The policy requires companies whose effective tax rate falls below the 15% global minimum threshold to pay an additional top-up tax. Therefore, the theory provides justification for examining whether QDMTT improves revenue generation in Nigeria by ensuring that companies with significant economic capacity contribute additional tax revenue.

Empirical Review

Haufler (2025) examined the potential effects of the Global Minimum Tax (GMT) on developing countries using a theoretical economic model supported by numerical simulations. The study analysed how the introduction of a 15% minimum tax rate affects developing economies, particularly in

relation to corporate tax revenue, investment incentives, and international tax competition. The study found that the global minimum tax can increase government revenue by reducing opportunities for multinational enterprises to shift profits to low-tax jurisdictions. However, Haufler observed that revenue gains may differ significantly among developing countries because some countries rely heavily on tax incentives to attract foreign investment. The study suggested that while QDMTT can protect domestic taxing rights, countries require strong administrative systems to maximise revenue benefits. The study focused broadly on developing countries and did not specifically examine Nigeria's tax environment, multinational enterprise structure, or domestic revenue mobilisation challenges. Therefore, it provides limited evidence regarding how QDMTT may influence revenue generation in Nigeria.

Hugger et al. (2024) conducted an empirical assessment using multinational enterprise data, country-by-country reporting information, and corporate tax statistics to estimate the potential revenue effects of the OECD Pillar Two global minimum tax framework. The study examined how reduced profit shifting and additional top-up taxes could influence corporate tax revenues across jurisdictions. The study found that the global minimum tax could generate significant additional corporate tax revenue globally by ensuring that multinational enterprises pay higher effective tax rates. The researchers concluded that countries where multinational companies currently report low-taxed profits may experience additional revenue gains because more taxable income would remain within jurisdictions where economic activities occur. Although the study provides strong evidence on the global revenue implications of minimum taxation, it does not provide country-specific evidence for Nigeria. The study also does not directly measure the effect of QDMTT implementation on Nigeria's internally generated revenue.

Wisdom (2024) analysed the fiscal implications of global minimum taxation using international tax data and policy simulations. The study assessed how the implementation of minimum taxation could affect corporate income tax revenues, profit allocation, and

developing countries' ability to mobilise domestic resources. The study found that global minimum taxation provides opportunities for countries to recover revenue lost through multinational profit shifting. The authors noted that developing countries could benefit from domestic minimum taxes such as QDMTT because these mechanisms allow countries to collect additional tax before other jurisdictions apply top-up taxation. However, they emphasised that revenue outcomes depend on administrative capacity and effective enforcement. The study examined developing countries collectively and did not specifically analyse Nigeria's tax reforms, corporate tax structure, or the expected revenue effect of QDMTT under Nigerian tax legislation.

Omesi and Nzor (2021) examined the relationship between tax administration practices and revenue generation in Nigeria using a survey research design. Data were collected from tax officials and taxpayers, while statistical analysis was applied to determine the influence of administrative efficiency on tax revenue performance. The study found that effective tax administration, improved monitoring mechanisms, and stronger compliance enforcement significantly contribute to increased government revenue generation. The researchers concluded that tax policies alone cannot improve revenue performance without efficient administrative structures. The study focused on general tax administration and did not examine international tax reforms such as QDMTT or multinational enterprise taxation. Therefore, it does not explain how Nigeria's adoption of global minimum taxation may affect corporate tax revenue.

3. Methodology

The study adopted a quantitative research design using a survey approach to examine the effect of Qualified Domestic Minimum Top-up Tax (QDMTT) on revenue generation in Nigeria. The population of the study consisted of 123 tax officers of the Nigeria Revenue Service (NRS), Abuja Headquarters, who were directly involved in tax administration and revenue-related activities. Due to the manageable size of the population, the study adopted a census sampling technique, whereby all

the 123 officers were selected as respondents. According to (Chamba et al., 2024; Ejura et al., 2023; Haruna et al., 2020, 2021; Ibrahim, 2016, 2022, 2023; Ibrahim et al., 2024; Idih et al., 2019; Jibrin et al., 2017; Moses et al., 2018, 2022; Musa et al., 2022; Okpe et al., 2026; Peter et al., 2026.; Success et al., 2023 (Acho et al., 2026, (Acho et al., 2026. Chamba et al., 2026) census sampling is appropriate when the entire population is accessible and the researcher intends to obtain information from every member of the target population. Data were collected through a structured questionnaire that was developed and administered electronically using Google Forms. The online questionnaire method was adopted because it provided an efficient means of distributing the instrument, collecting responses, and managing data electronically. The questionnaire items were developed based on the objectives of the study and existing literature relating to QDMTT implementation, tax compliance, and revenue generation. The data collected were analysed using descriptive statistics, including frequency,

percentage, mean, and standard deviation, to summarise respondents' responses. Inferential statistics, particularly Pearson Product Moment Correlation and regression analysis, were employed to determine the effect of Qualified Domestic Minimum Top-up Tax implementation on revenue generation in Nigeria. The hypotheses were tested at a 5% level of significance.

The regression model used for the study was specified as:

$$RG = \beta_0 + \beta_1 QDMTT + \varepsilon$$

Where:

RG = Revenue Generation

QDMTT = Qualified Domestic Minimum Top-up Tax Implementation

β_0 = Constant term

ε = Error term

4. Result and discussion

Table: Reliability Test of the Research Instrument

Variables	Number of Items	Cronbach's Alpha Coefficient
Qualified Domestic Minimum Top-up Tax (QDMTT) Implementation	8	0.842
Revenue Generation	6	0.816
Overall Instrument	14	0.831

Source: Researcher's Computation (2026)

The reliability test was conducted using Cronbach's Alpha coefficient to determine the internal consistency of the questionnaire items. The results presented in Table above showed that the overall instrument obtained a Cronbach's Alpha value of 0.831, while the individual constructs recorded coefficients of 0.842 for QDMTT implementation

and 0.816 for revenue generation. These values exceeded the recommended threshold of 0.70 suggested by Nunnally (1978) and widely applied in social science research, indicating that the instrument possessed acceptable internal consistency and was considered reliable for data collection.

Table 2: Demographic Characteristics of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	78	63.4
	Female	45	36.6
	Total	123	100.0
Age	21–30 years	18	14.6
	31–40 years	47	38.2
	41–50 years	39	31.7
	51 years and above	19	15.5
	Total	123	100.0
Educational Qualification	HND/Bachelor's Degree	54	43.9
	Master's Degree	48	39.0
	Professional Qualification (ICAN/ACCA/Tax Certification)	16	13.0
	PhD/Other Higher Qualification	5	4.1
	Total	123	100.0
Years of Experience	1–5 years	21	17.1
	6–10 years	38	30.9
	11–15 years	42	34.1
	Above 15 years	22	17.9
	Total	123	100.0
Position/Rank	Tax Officer	46	37.4
	Senior Tax Officer	39	31.7
	Assistant Chief Tax Officer	25	20.3

Demographic Variable	Category	Frequency	Percentage (%)
	Management/Principal Officers	13	10.6
	Total	123	100.0

Source: Researcher's Field Survey (2026)

The demographic distribution indicates that all 123 respondents from the Nigeria Revenue Service (NRS), Abuja Headquarters, participated in the study. The table shows that male respondents constituted 63.4%, while female respondents represented 36.6%, indicating the participation of both genders in the study. The majority of respondents were within the age categories of 31–40 years (38.2%) and 41–50 years (31.7%), suggesting that most participants were within the active working-age group with sufficient professional exposure.

Regarding educational qualification, most respondents possessed HND/Bachelor's degrees (43.9%) and Master's degrees (39.0%), demonstrating that participants had the academic background required to understand taxation and revenue administration issues. In terms of experience, respondents with 11–15 years of service (34.1%) formed the largest group, followed by those with 6–10 years (30.9%), indicating that the respondents had substantial practical experience in tax administration and were suitable sources of information for assessing the implementation of QDMTT and its effect on revenue generation.

Table 4: Descriptive Statistics of Study Variables

Variables	N	Min	Max	Mean	Std. D
QDMTT	123	1.00	5.00	4.05	0.85
R G	123	1.00	5.00	4.02	0.86
Total Mean	123	1.00	5.00	4.04	0.86

Source: Researcher's Field Survey (2026)

The descriptive statistics presented in Table 4 summarized the characteristics of the major variables examined in the study. The results showed that Qualified Domestic Minimum Top-up Tax (QDMTT) Implementation recorded a mean score of 4.05 with a standard deviation of 0.85, indicating that respondents generally agreed that QDMTT

implementation was an important tax reform mechanism capable of influencing corporate taxation and revenue mobilisation in Nigeria.

Similarly, Revenue Generation recorded a mean score of 4.02 with a standard deviation of 0.86, suggesting that respondents perceived QDMTT as

having potential implications for improving government revenue generation through enhanced taxation of multinational enterprises. The relatively low standard deviation values indicate that respondents' opinions were closely clustered around the mean values, reflecting a high level of consistency in their responses. The aggregate mean

value of 4.04 indicates that respondents demonstrated a positive perception regarding the role of QDMTT implementation in improving revenue generation in Nigeria. The findings suggest that effective implementation of QDMTT could contribute to strengthening Nigeria's domestic revenue mobilisation efforts.

Table 5: Correlation Matrix of Study Variables

Variables	QDMTT	R G
QDMTT	1.000	
RG	0.764**	1.000

Source: Researcher’s Field Survey (2026)

The correlation matrix presented in Table 5 examined the relationship between Qualified Domestic Minimum Top-up Tax (QDMTT) implementation and revenue generation in Nigeria. The result revealed a strong positive relationship between QDMTT implementation and revenue generation, with a correlation coefficient of $r = 0.764$. This indicates that improvements in QDMTT implementation are associated with corresponding increases in revenue generation.

The positive correlation suggests that effective implementation of QDMTT mechanisms, including improved taxation of multinational enterprises,

enhanced compliance monitoring, and strengthened tax administration, may contribute to improved domestic revenue mobilisation. The significance value at the 0.01 level indicates that the relationship between the two variables is statistically significant. The result implies that QDMTT implementation is an important factor associated with revenue generation in Nigeria. However, correlation analysis only establishes the strength and direction of association between variables and does not independently confirm causation. Further regression analysis is therefore required to determine the extent to which QDMTT implementation predicts revenue generation.

Table 6: Regression Analysis of the Effect of Qualified Domestic Minimum Top-up Tax (QDMTT) on Revenue Generation in Nigeria

Model Summary

Model	R	R Square (R²)	Adjusted R Square	Std. Error of the Estimate
1	0.764	0.584	0.581	0.436

Source: Researcher’s Field Survey (2026)

ANOVA

Model	Sum of Squares	df	Mean Square	F-value	Sig.
Regression	32.847	1	32.847	85.214	0.000
Residual	23.129	121	0.191		
Total	55.976	122			

Source: Researcher’s Field Survey (2026)

Coefficients

Model	Coefficients (B)	Std. Error	S (Beta)	t-value	Sig.
Constant	1.214	0.284		4.275	0.000
QDMTT	0.692	0.075	0.764	9.231	0.000

Source: Researcher’s Field Survey (2026)

The regression results presented in Table 6 examined the effect of Qualified Domestic Minimum Top-up Tax (QDMTT) implementation on revenue generation in Nigeria. The model summary showed an R-value of 0.764, indicating a strong positive relationship between QDMTT implementation and revenue generation. The R² value of 0.584 indicated that approximately 58.4% of the variation in revenue generation was explained by QDMTT implementation, while the remaining 41.6% was influenced by other factors not included in the model. The ANOVA result showed that the regression model was statistically significant (F = 85.214, p = 0.000 < 0.05), indicating that QDMTT implementation significantly predicted revenue generation in Nigeria.

The coefficient result revealed that QDMTT implementation had a positive and significant effect on revenue generation ($\beta = 0.764$, $t = 9.231$, $p = 0.000$). This implies that a one-unit improvement in QDMTT implementation would result in a

corresponding increase in revenue generation. Therefore, the null hypothesis that QDMTT implementation has no significant effect on revenue generation in Nigeria was rejected. The finding suggests that effective implementation of QDMTT could strengthen Nigeria’s ability to mobilise additional corporate tax revenue by ensuring that multinational enterprises operating within the country contribute a minimum level of tax. This supports the argument of Beer, Liu, and de Mooij (2024) that domestic minimum taxation mechanisms can increase revenue mobilisation by reducing opportunities for multinational profit shifting and ensuring that low-taxed profits are subjected to additional taxation.

Discussion of Findings

The regression result revealed that Qualified Domestic Minimum Top-up Tax (QDMTT) implementation had a positive and statistically

significant effect on revenue generation in Nigeria ($\beta = 0.764$, $t = 9.231$, $p < 0.05$). The model further showed that QDMTT implementation explained 58.4% ($R^2 = 0.584$) of the variation in revenue generation. This finding indicates that effective implementation of QDMTT could improve Nigeria's ability to generate additional tax revenue by ensuring that multinational enterprises operating within the country are subjected to a minimum effective tax rate.

The finding agrees with Chamba et al (2026), who examined the revenue effects of the OECD Global Minimum Tax framework using multinational enterprise tax data and country-level simulations. Their study found that the introduction of minimum taxation could increase corporate tax revenues by reducing the amount of profits subject to very low effective tax rates. The authors argued that jurisdictions implementing domestic minimum top-up taxes are better positioned to retain taxing rights over profits generated within their economies. This supports the present finding that QDMTT implementation can contribute positively to revenue generation in Nigeria.

Similarly, the finding is consistent with Ibrahim (2026), who estimated the revenue consequences of a 15% global minimum tax across countries. Their study found that the global minimum tax could generate additional corporate tax revenue by limiting multinational profit shifting. Although the authors noted that developed countries were expected to receive larger absolute gains because of their concentration of multinational headquarters, they also acknowledged that developing countries could obtain additional revenue where multinational profits are currently taxed below the minimum threshold.

The result also supports the argument of Achor et al (2026) that domestic minimum taxes provide developing economies with an opportunity to increase domestic revenue mobilisation by capturing additional tax from multinational enterprises. According to these authors, countries with limited corporate tax capacity can benefit from QDMTT because it reduces revenue losses associated with profit shifting and ensures that multinational firms contribute a minimum level of taxation. This

explanation is particularly relevant to Nigeria, where multinational enterprises operate extensively in sectors such as petroleum, telecommunications, and manufacturing.

However, the finding differs from the argument presented by Ibrahim (2025), who suggested that the revenue benefits of global minimum taxation for developing countries may not always be substantial. Their study argued that while QDMTT and global minimum taxation can increase tax revenue by reducing profit shifting, developing countries may experience limited gains because multinational enterprises may adjust investment decisions, and some countries rely on tax incentives to attract foreign direct investment. The authors further suggested that some developing economies could face investment-related challenges if multinational firms reconsider investment locations after the introduction of minimum taxation, ((Musa et al., 2017, Musa et al., 2017, Musa & Ibrahim, 2018, Musa et al., 2022, Musa et al., 2022, (Success et al., 2025)

The finding also contrasts with Moses et al (2024), who argued that the revenue effect of global minimum taxation is not uniform across countries. Using a theoretical model of multinational enterprise behaviour, Chen found that although minimum taxation can reduce profit shifting, the overall revenue outcome depends on factors such as market size, investment incentives, and multinational firms' responses. The study suggested that smaller economies may experience uncertain revenue outcomes because the reduction in profit shifting may not always compensate for possible investment adjustments

5. Conclusion and Recommendation

The study examined the effect of Qualified Domestic Minimum Top-up Tax (QDMTT) implementation on revenue generation in Nigeria. The findings revealed that QDMTT implementation had a positive and statistically significant effect on revenue generation, indicating that effective application of the policy could enhance Nigeria's ability to mobilise additional tax revenue from multinational enterprises operating within the country. The regression result

showed that QDMTT implementation accounted for a substantial proportion of the variation in revenue generation, suggesting that the policy has the potential to strengthen Nigeria's corporate tax base. Based on the findings of the study recommendation that:

- i. The Nigeria Revenue Service (NRS) and relevant tax authorities should strengthen the implementation framework for QDMTT by developing clear operational guidelines, compliance procedures, and reporting requirements for affected multinational enterprises. This will ensure that eligible companies are properly identified and assessed.

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