Corporate Determinants of Aggressive Tax Avoidance: Evidence from Nigeria

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Abstract: *This study has succeeded in examining the issues relating to corporate determinants of aggressive tax avoidance of firms in Nigeria. The aim of this study was to properly examine the concept of aggressiveness tax and the corporate determinants precipitating its occurrence. The variables of Profitability (PROF), Firm Size (FSIZE) and Leverage (LEV) were analyzed to determine their relationship with corporate aggressive tax avoidance (CTA). To achieve the objective of the study, a total of forty (40) companies that are quoted on the Stock Exchange of Nigeria were carefully chosen and analyzed for the period (2013-2017). Due to the cross sectional nature of the study, the OLS multiple regression was employed with the aid of Eview 8.0 econometric packages for the analysis of data. The result indicate that the variable of firm size (FSIZE) has positive relationship with corporate tax aggressive avoidance (CTA) while profitability (PROF) and leverage (LEV) have negative significant relationship with corporate tax aggressive avoidance (CTA). Therefore, due to the significant correlation between profitability, firm size, leverage and corporate tax aggressive avoidance, the need to critically examine the concept cannot be over emphasized. In view of the findings, the study therefore strongly recommends that profitability, firm size and leverage should be given more attention in the course of considering the determinants that affects tax aggressive by various stakeholders, especially in Nigeria. This study therefore is embarked on in order to improve on the literature of corporate aggressive tax avoidance using data from Nigeria companies.*

Keywords: *Aggressive Tax, Firm Size, Leverage, Profitability, Nigeria*

I. Introduction

Taxation is an essential source of income to the government both in developed and undeveloped nation state to provide the basic securities, infrastructural facilities and social amenities. The purpose of taxation is in tandem with the roles of government (Akhor, 2014).Worlu and Emeka (2012)in their view stated that tax is a fee charged or levied by tax authority on a product, income, or activity. In view with this ideology, taxation is a source of revenue to the tax authority by which people and companies are compulsorily needed to pay certain amount of their incomes to the tax authority for the aim of economic growth. Taxes are collected by the government in other to accomplished and gradually expand non-revenue yielding services, such as employment, infrastructure, opportunities, and public services that are needed to maintain laws as well as order, in respective of the prevalent political system of a particular country. In spite of the benefit of taxation to the economy, Modugu, Eragbe and Izedonmi (2012) stated that compliance, evasion and avoidance are phenomenal challenges experienced in less developed economies like Nigeria. The objective of minimizing tax expense is defined by Desai and Dharmapala (2006) as tax avoidance.The avoidance of tax generally lacks definition as it might meandiverse thing to different individuals (Hanlon & Heitzman, 2010).In view of this, there have been numerous definitions of tax aggressivenessto look at by researchers. Rego (2003) describes tax aggressiveness as the present value reduction of tax payments. Tax avoidance in a broad sense is a policy put in place in other to reduce taxes. In general, tax aggressiveness is a terminology that indicated that a company by all means avoids taxes which may or may not entail aggressiveness tax, tax sheltering or tax evasion (Dyreng, Hanlon, & Maydew, 2008). According to Kirchler and Maciejovsky (2001), tax aggressiveness as a concept is simply an effort to cut down tax payments by means of legality, for example by taking advantage of tax-loopholes. The methods of tax aggressiveness by companies in developed economies tend to be well documented, although there is a lack of reliable and consistent data, whereas those for developing economies are less well understood. Research into corporate determinants of tax aggressiveness is increasingly being looked into by accounting

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researchers. For example, Mohamed and Ines (2012) for Tunisian context, Boussadi and Hamed (2015) for Tunisia, Utkir (2012) for Malaysia, Harrington and Smith (2012) for the U.S., Martani, Anwar and Fitriasari (2011) for Indonesia, Jalan, Kale and Meneghetti (2013) for U.S, The studies have provided empirically supported evidence for corporate determinants of tax avoidance using estimations for tax aggressiveness. However, same cannot be said for studies in developing country like Nigeria as a number of the available studies on tax avoidance such as Fatoki (2013), Fagbemi, Olayinka and Abdurafiu (2010) appeared to be very less convincing and this is because the studies were largely exploratory using primary data and less rigorous statistical procedures.

Therefore in a bid to find out corporate determinants of aggressiveness tax avoidance in Nigeria is the reason for study. This study is undertaken to add to the literature of corporate aggressive tax avoidance using data from Nigeria companies. To this end, the specific objectives are stated, following by reviewing of relevant literature and development of hypotheses, methodology, data analysis, test of hypotheses, discussion of findings, conclusion and recommendations.

II. Literature Review And Hypotheses Formulation
2.1 The Concept of Tax Aggressiveness
The term tax aggressiveness has been defined by different scholars. For example, it is defined as simple trigger tax management activities that corporate entities utilized for the planning of tax and that tax aggressiveness reduces tax returns (Chen, Chen, Cheng & Shevlin, 2010).They further explained that it is the corporate manipulation entities that engage themselves so as to reduce tax revenue owing to the type of tax planning which could be regarded as the management of tax. Aggressive tax characterizes diverse control activities in other to reduce taxable revenue that could be considered legal or illegal. According to Scholes, Wolfson, Erickson, Maydew and Shevlin, (2009), aggressiveness of tax is an approach of reducing taxes. Effective tax avoidance seeks to reduce taxes but only to the point that such planning takes advantage of after-tax returns. Rego (2003) in his opinion defines tax aggressiveness as a decline of the present value of tax payments. Tax aggressiveness practices alongside with this field establish an interesting and essential agency dilemma (Lietz, 2013). As indicated by researchers, some level of tax aggressiveness avoidance is required. If a company pays less tax through legitimate tax saving policies, shareholders benefit as well as management when incentives are appropriately aligned (Slemrod, 2004). Thus, the terms such as tax management; tax planning; tax sheltering; and tax aggressiveness are interchangeably used with tax avoidance in the literature (Chen et al. 2010). Mughal and Akram (2012) also opined that tax avoidance can be defined as the activity of tax payers in which they attempt to find out diverse ways to reduce or eliminate their tax liability and do not display their legal income without violating law. Tax avoidance take account of any transaction that has any influence on the company's tax burden.This comprises real activities which have tax benefits, lobbying activities aimed at decreasing a company's tax burden, and activities carry out solely for the aim of avoiding taxes. Tax aggressiveness is usually the exploitation of the legal system of tax to one's advantage to try to minimized the amount of tax that is payable by means that are within the law while making a full disclosure of the material information to the tax authorities (Desai & Dharmapala, 2006). Desai and Dharmapala (2009a) also defined tax aggressiveness as value transfer from the government to shareholders. They went further to assert that tax avoidance policies are made to create information asymmetry between government and the companies so as to stop the detection from the government.

Wang (2010) went further to define tax aggressiveness as representing a continuum of tax planning policies, including activities that are perfectly legal and more aggressive transactions that fall into the grey area (e.g., abusive tax shelters). According to Pasternak and Rico (2008), tax aggressiveness is the legal utilization of the tax regime to one's own advantage, to reduce the amount of tax that is payable by means that are within the law. In summary, tax aggressiveness is simply said to take place within the legal framework of the tax system that is individuals or companies take advantage of the tax code or law and exploit loopholes, i.e. involve in activities that are legal but run counter to the objective of the tax law.

2.2 Profitability and Corporate Aggressive Tax Avoidance
An instinctive indicator with ability to impact effective tax rate is companies' profitability. The company profitability happens to be the key factor of its performance (Rego, 2003). He further explained that companies that have higher pre-tax incomes are more probable to reduce taxes than companies which have less pre-tax income. When profitability is measured on the bases of pre-tax income, then it will be expected that more profitable companies have higher revenue and, as a result, pay more taxes. Dunbar, Higgins, Phillips, and Plesko, 2010) Pointed out that more profitable companies have higher incentive to reduce their tax burden as equated to companies that are less profitable. Profitable companies usually pay higher taxes. In another dimension, one could claim that more profitable companies have higher incentives to be involved in tax avoidance owing to the greater potential savings (McGuire, Omer, & Wang, 2012). Lisowsky (2010) revealed

that tax avoidance is correlated positively with performance. Rego (2003) also asserted that companies that have higher pre-tax income likewise have lower effective tax rates, ceteris paribus. Companies that are more Profitable are likely to have more incentive than loss corporations to be involve in tax planning (Rego, 2003) and this is expected to lead to lower rates of effectiveness. Manzon and Plesko (2002) appraise that promising and companies that are making profit do have the propensity to exercise the corporate tax avoidance than the others. Lisowsky (2002) confirm that tax avoidance is positively interrelated to profitability. Dhaliwal et al. (2011) declared that corporate firms with net operating losses do have little incentive to device tax planning policies that reduce effective rates and consequently find a positive affiliation between the existence of an NOL and effective tax rates. This correlation, however, can be intricated by the position of a company with respect to valuation allowances as well as current taxes payable.

To formally test the relationship between profitability and corporate aggressive tax avoidance, we develop the following hypothesis:

$H0_1$: *There is no significant relationship between profitability and corporate aggressive tax avoidance.*

2.3 Firm Size and Corporate Aggressive Tax Avoidance

Larger corporations have greater resources to influence resources directed towards tax avoidance. In general, big companies get involved in more commercial activities and financial transactions than small companies and providing them with significant opportunities to significantly reduce corporate taxes (Rego, 2003). The big companies have the tendency to function between group subsidiaries (leasing and financing transactions). The companies can as well take good advantage of the feasibility of tax arbitrage between different tax jurisdictions. Empirical studies showed different conclusion related to the association between effective tax rate and company size. Kraft (2014) and Vieira (2013) found positive relationship between ETR-based avoidance proxies and company size, which is consistent with the political cost hypothesis, meaning that big companies are described by higher visibility and thus subject to superior regulatory activity. In line with this concept, tax rates that are effective are proxy for political cost for the motive that the payments of taxes are means of transferring wealth from companies to other social groups. Similarly, tax rates that are effective are also proxy for companies' achievement; hence, bigger companies are found to be doing well than smaller companies that will be exposed to be more political scrutiny. As bigger companies are subject to greater inspection from the government, they have unwillingness to cut down the rate of effectiveness. Accordingly, bigger companies are likely to have a higher tax liability when likened with companies which have a smaller dimension since taxes paid represent political costs which shall be borne by companies. A different competing theory claims that since bigger companies have more power and more resources to manage taxes it is likely that they have lower ETRs (Siegfried, 1972). Using a non-ETR measure of tax avoidance, Wilson (2009) finds that a positive association exists between tax shelter participation (as a proxy for particularly aggressive tax planning) and company size. Rego (2003) similarly finds that bigger companies have higher effective tax rates. Meanwhile, several studies conclude that ETR has negative relation with company size (Richardson & Lanis, 2007).Research in Indonesia on the relation between ETR and company size by Richardson and Lanis (2007) also tested the relationship between company size and ETRs in an Australian setting. For a sample of publicly-listed companies over the period from 1997-2003, the authors find results in line with the political power theory and posit a significant negative association between companies size, measured as the natural logarithm of total assets (at book value), and ETRs. Lastly, the study of Conover and Nichols (2000) likewise found that big companies are most likely to influence transfer pricing in order to optimize their tax results.

To formally test the relationship between firm size and corporate aggressive tax avoidance, we develop the following hypothesis:

$H0_2$: *There is no significant relationship between firm size and Corporate Aggressive Tax Avoidance.*

2.4 Leverage and Corporate Aggressive Tax Avoidance

Research has established that corporate firms with a higher debt ratio are the ones that pay less tax. Leveraged companies that uses debt capital to finance their events suffer interest expenses that are, as opposed to dividend payments, deductible for taxable income. According to Graham and Tucker (2006), those companies having high level of debt may be encountered with less pressure to attract on alternative non-debt tax shields. Badertscher, Katz and Rego (2011)in their view stated that companies that are leveraged can avoid tax either by having a relatively strong incentive so as to reserve cash to service the debt liability, or a relatively weak motivation to be involved in tax avoidance because of the beneficial debt tax shield. Taylor and Richardson (2014) found a negative association with tax avoidance in businesses and its debt level. Boussaidi and Hamed (2015) asserted that the debt can be proved as a stimulant, since it reduces a company's tax liability by deducting interest. This is because the effects of interest payments that can be used as a tax deductible in determining corporate taxable income. Harrington and Smith (2012) opined that the avoidance tax positively have influence on leverage in a overall cross section of companies. Their study maintain the perception that tax

avoiders value leverage as part of an overall tax avoidance strategy and are robust to alternative definitions of leverage, methods of identifying tax avoidance, and definitions of a refinancing events. In addition tax avoidance is positively associates with the likelihood of issuing a debt at a refinancing point. Rego and Wilson (2012) established that companies with leverage ratios that are high are related with lower Effective Tax Rates (ETRs) and this implied higher tax avoidance. Wilson (2009) and Lisowsky (2010) had a contrary view and opined that the usage of company tax shelters give evidence that tax shelter companies are related with leverage ratios that seems to be lower. Based on a sample of companies that were seen to have partaken in tax shelters, Wilson (2009) worked on an outline of a company that is most likely to make do with a tax shelter, based on the information of financial statement. In conclusion, Wilson (2009) explained further that leverage being one of his independent variables in the tax shelter estimation model and documents a negative relationship with tax aggressiveness. Contrary to previous proof, the study finds no significant correlation between leverage and tax shelter usage for its key sample. Likewise, in a small sample of companies with well-known tax shelters taking from court records, Graham and Tucker (2006) discovered that companies utilizing tax shelters have lower leverage as well as lower probability of issuing debt during years in which the shelters are effective.

To properly test the relationship between leverage and corporate aggressive tax avoidance, we therefore develop the hypothesis below:

H0₃: *There is no significant relationship between Leverage and Corporate Aggressive Tax Avoidance.*

2.5 Theoretical Framework
Agency theory

The theory underpinning this study is the agency theory. The agency theory highlights the agency problems ascending from the separation of ownership and control. It laid emphasis on the connection between providers of corporate finances and those entrusted to manage the affairs of the firm. Slemrod (2004) was one of the first papers that focus on the agency problems inherent in the corporate tax avoidance decision. Desai, Dyck and Zingales (2007) along this line built a model that contributed on the rise of upward studies on the cross-sectional variation in corporate tax avoidance. They however went further to state that tax avoidance is a three-party game that involves the shareholders, insiders/manager and the State, so therefore, there is bound to be conflict of interest between these three parties. Conflicts between firm owners and its management may arise because managers who are generally expected to make tax-effective decisions may in fact behave opportunistically and divert corporate wealth for their private benefit (Desai & Dharmapala, 2006). Slemrod (2004) was among the first to view corporate tax avoidance within the agency framework. Tax avoidance is correlated to agency problem, that is, tax avoidance is understood as a tool of the creation a shield for managerial opportunism and diversion of rents. In practicing the agency theory, the owner asks the manager to reduce the amount of profit paid to the tax authority in the form of taxes (Pasca, Syah & Sriwedari, 2018).

The managers will look for ways to use techniques and methods of valuation of assets, liabilities, capital, income, and expenses not inconsistent with government regulations relating to taxation.

Managers in one way or the other try to reduce the amount of tax paid officially so that the amount of tax paid will be small. Tax avoidance possibly reduce the after-tax value of the company, as the collective costs of the company, which comprise costs directly related to tax planning activities, additional compliance costs, and non-tax costs e.g. agency costs may exceed the tax benefits for shareholders (Wang, 2010).

Table 1: Summary of Empirical Review

S/N	Names of Author(s) and years	Title	Place	Methodology	Findings
1	Blaufusand Zinowsky (2013).	Investigating the determinants of experts' tax aggressiveness: Experience and personality traits.	Germany	Regressions,	The study finds that the traits of personality do have direct as well as indirect effects on tax aggressiveness. The indirect effects are as a result of selection effect. Personality traits affect the choice to remain in the organizational environment of the Big four accounting firm, and the experience in this firm is significantly related to tax aggressiveness.
2	Fucape and Lessa (2014).	The effect of tax aggressiveness and corporate governance on audit fees evidences from Brazil.	Brazil	Regression	The study finds that tax avoidance practices are positively related to audit fees.
3	Boussaidi and Hamed (2015).	Impact of governance mechanisms on aggressive tax: Empirical evidence from Tunisian context.	Tunisian	Regression	The findings suggested that board diversity and managerial ownership exhibit a positive relation with the effective tax rate while increases in

| 4 | Onyali and Okafor (2018). | Effect of corporate governance mechanisms on tax aggressiveness of quoted manufacturing firms on the Nigerian stock exchange. | Nigeria | Regression | concentration ownership have a tendency to affect it negatively. The outcome shows that board size has no significant effect on tax aggressiveness while board diversity, independent director and proportion of non-executive directors to executive directors have significant impact on tax aggressiveness among quoted manufacturing company in Nigeria. |
| 5 | Salaudeen, and Ejeh(2018). | Equity ownership structure and corporate tax aggressiveness: The Nigerian context. | Nigeria | Regression | The study reveals that ownership concentration has a positive but insignificant effect on tax aggressiveness while the effect of managerial ownership was found to be significantly negative. The outcome further indicates that leverage is negatively related with tax aggressiveness while return on assets is positively related. Size has not significant relation with tax aggressiveness. |

Source: Researchers Compilation, 2018.

III. Methodology

The study adopted a combination of cross sectional data and time series (panel) survey data of divers firms quoted on the Nigerian Stock Exchange. The panel data survey of the firms covers a period of five years, that is, 2013 to 2017. The population of the study entails of all the manufacturing companies quoted on the floor of the Nigerian Stock Exchange (NSE) as at 2017. These manufacturing firms are those categorized as Industrial Goods, Consumer Goods, Conglomerates, and Construction and Real Estates. A sample size of forty (40) companies from the manufacturing sectors was used for the study. To emphatically ascertain corporate determinants of aggressive tax avoidance in Nigeria, the model for this study was adapted from the works of Annuar, Salih and Obid (2014) which is stated below:

$$CTA = â_0 + Y\, â_{it-1} + â_1 govt_{it} + â_2 Fsize_{it} + â_3 profit + â_4 lev + â_5 capint + e.$$

Hence, the model specification for this study is expressed in econometric form as stated below:
$$CTA = β_0 + β_1 PROF + β_2 FSIZE + β_3 LEV + μ.$$
A-priori expectation of the relationship is that $β1, β_2, β_3, < 0$;In other words, the study expects that the parameter $(β)$ of the explanatory variables (PROF, FSIZE, and LEV) will haveno significant relationship on corporate aggressive tax avoidance.

Where:
CTA=CorporateTax Aggressive Avoidance (dependent variable: measured by effective tax rate and is given as Total Tax Expense/Pre-Tax Income (Onyali & Okafor, 2018).

PROF = Profitability (independent variable: measured by the pre-tax result) (Rego, 2003).

FSIZE = Firm Size (independent variable: measured bytotal assets(in logs).

LEV =Leverage(independent variable: measured by short-term liabilities divided by total assets.
μ = Error terms

IV. Data Presentation and Analysis of Result

Table 4.1: Descriptive Statistics

	CTA	PROF	FSIZE	LEV
Mean	1.715508	13875795	6411453	6.569176
Median	1.192711	7480000.	3316300.	6.630773
Maximum	5.210020	48059790	21130785	7.681782
Minimum	0.009921	71598.00	37699.00	5.366722
Std. Dev.	1.301109	15269962	7217318.	0.681444
Skewness	1.098810	0.981637	1.039829	-0.143604
Kurtosis	3.144800	2.458643	2.431363	2.227067
Jarque-Bera	10.10520	8.640658	9.684011	1.416487

Probability	0.006393	0.013296	0.007891	0.492509
Sum	85.77539	6.94E+08	3.21E+08	328.4588
Sum Sq. Dev.	82.95129	1.14E+16	2.55E+15	22.75396
Observation	50	50	50	50

Source: Researchers computation (E-view 8.0).

Table 4.1 highlight descriptive statistics of different variables that are examined with emphasis on mean, maximum, minimum, standard deviation and the Jarque-Bera test results. The result indicated that mean value of corporate tax aggressive avoidance (CTA) was at 1.715508, profitability (PROF)was at 13875795, firm size (FSIZE) stood at 6411453, while leverage (LEV) indicated 6.569176.However, the normality test based on the outcome of the Jarque-Bera test indicated that variables used are normally distributed (probability of all the variables (p-value)) are less than critical p-value of 5%, except leverage calculated value which stood at 49%.

Table 4.2: Correllation Matrix

	CTA	PROF	FSIZE	LEV
CTA	1.000000			
PROF	0.464237	1.000000		
FSIZE	-0.409721	0.986534	1.000000	
LEV	-0.677080	0.663536	0.656235	1.000000

Source: Researchers Computation (E-view 8.0).

Table 4.2 displays the relationship among the different variables examined. When corporate tax aggressive avoidance (CTA) is at unit value of 1, profitability (PROF=0.464237) was noticed to be positively correlated, while firm size (FSIZE=-0.409721),and leverage (LEV=-0.677080) were negatively correlated at low values. Since it is noticed that none of the values is greater than 0.90 (90%), it therefore implied an absence of multi-colinearity. The variance inflation factor result indicates further that the problem of multi-colinearity did not appear in the various variables of the regression.

Table 4.3: Test of Variance Inflation Factor

Variance Inflation Factors
Date: 09/22/18   Time: 19:53
Sample: 1 50
Included observations: 50

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
PROF	2.70E-15	70.08033	38.03370
FSIZE	1.19E-14	67.49861	37.39000
LEV	0.063746	171.2368	1.786926
C	2.447769	150.7772	NA

Source: Researchers Computation (E-view 8.0).

Table 4.3 highlights outcome of the variance inflation factors. The result displayed quite low centered (VIF) of 38.03370 for profitability, 37.39000 for firm size, while leverage shows 1.786926. Effect of the outcome indicates that the problem of multi-colinearity did not appear in different variables of regression. The outcome of the VIF supported the correlation matrix result which tells that the problem of multi-colinearity did not appear in regression variables.

Table 4.4: Panel Least Squares Regression Results

Dependent Variable: CTA
Method: Least Squares
Date: 09/22/18   Time: 14:24
Sample: 1 50
Included observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.

PROF	-1.57E-07	5.20E-08	-3.021365	0.0041
FSIZE	3.33E-07	1.09E-07	3.050021	0.0038
LEV	-1.269171	0.252480	-5.026816	0.0000
C	10.09981	1.564535	6.455468	0.0000

R-squared	0.549868	Mean dependent var	1.715508
Adjusted R-squared	0.520512	S.D. dependent var	1.301109
S.E. of regression	0.900954	Akaike info criterion	2.705892
Sum squared resid	37.33899	Schwarz criterion	2.858854
Log likelihood	-63.64731	Hannan-Quinn criter.	2.764141
F-statistic	18.73078	Durbin-Watson stat	1.704410
Prob(F-statistic)	0.000000		

Source: Researchers Computation (E-view 8.0).

The outcome of regression analysis presented in table 4.4 above shows the panel least square (PLS) regression result. From the table, it was observed that profitability (PROF), firm size (FSIZE) as well as leverage (LEV) could give explanation of about 54% of total variation in corporate tax aggressive avoidance (CTA) and after adjustment the variable explained about 52% of the systematic variation in CTA whereas 48% where not explained in the model. The implication of this is that the various independent variables where able to account for a good change in CTA in the sampled corporate firms. The estimation revealed that there are other variables that explain the behaviour of the corporate tax aggressiveness. The overall statistic (F-statistic) is found to be significant, as a result of calculated F-value of 18.7 > critical F-value at 5% level of significance. This is an indication of the model being statistically significant. The value of Durbin Watson statistic which stood at a value of 1.704410 shows that autocorrelation is not present. The result revealed that firm size (FSIZE) had significant positive relationship with corporate tax aggressive avoidance (CTA) since their probability value of 0.0038 is less than the absolute critical t-value at 5% level of significance. The outcome in the same vein shown that profitability (PROF) and leverage (LEV) had significant negative relationship with CTA on the basis of their probability values of 0.0041 and 0.0000 being higher than the absolute t-values at 5% significance level.

The result also shows that PROF, FSIZE and LEV are in agreement with our a priori expectation in our model.

V. Discussion of Findings
Below are the discussions of findings:
To start with, the independent variable of profitability was statistically found to be significant at 5% level but negatively associated. The outcome agreed with our apriori anticipation. The result reported a t-value of -3.0.21365 and a significant probability value of 0.0041. The outcome further implied a significant relationship between profitability and corporate aggressive tax avoidance in Nigeria. The result is in line with Lisowsky (2002) which shows that tax avoidance is positively related to profitability. The implication is that management may want to increase profit after tax as a strategy for earnings management.

Secondly, the explanatory variable of firm size reveals a significant relationship with corporate aggressive tax avoidance with a positive association that formed alliance with our apriori anticipation. The indication of the result is that firm size has a significant relationship with corporate aggressive tax avoidance in Nigeria. The finding is consistent with Wilson (2009) who finds a positive relation between tax shelter participation and company size. Rego (2003) also finds that bigger companies have higher effective tax rates.

Finally, the independent variable of leverage revealed a significant influence and negatively related with corporate aggressive tax avoidance. The outcome likewise agreed with our a priori anticipation. The report of the result shows a t-value of -1.269171 with a probability value of 0.0000 which is significant. The outcome further implied a significant relationship between leverage and corporate aggressive tax avoidance in Nigeria. The findings tries to reconcile with the idea of Jalan, Kale and Meneghetti (2013) who carried out a study to look at the impact of leverage on tax aggressiveness/tax avoidance and find a negative evidence of the relationship between leverage and tax aggressiveness/tax avoidance.

VI. Conclusion and Recommendations
The thrust of this study is on corporate determinants of aggressive tax avoidance: empirical evidence from Nigeria. The issue relating to corporate aggressive tax has continued to attract considerable attention to various countries around the world and Nigeria inclusive. Corporate tax is an important source of revenue to the government; hence, its avoidance is a problem to the Nigeria economy. It is similar to tax evasion except that it is legal. The aim of this study remained to review the literature on the subject of tax aggressiveness and the

corporate determinants precipitating its occurrence. The panel data pertaining to the companies quoted on the Nigeria stock exchange over the period of 2013-2017 was used. The study has chosen Corporate Tax Aggressive Avoidance (CTA) (to represent the dependent variable) while Profitability (PROF), Firm Size (FSIZE) and Leverage (LEV) (represented the independent variables) and they serve as possible determinants of corporate tax aggressive avoidance. The outcomes revealed that the variables of profitability, firm size and leverage are all found to be major determinants of corporate tax aggressive avoidance for all the companies under consideration. Profitability and leverage were established to be negatively interrelated with corporate tax aggressive avoidance. The findings revealed a significant relationship between the independent variables (profitability, firm size, and leverage) and the dependent variable (corporate aggressiveness tax avoidance) in Nigeria. Therefore, owing to the significant correlation between profitability, firm size, leverage and corporate tax aggressive avoidance, the need to critically examine the concept cannot be over emphasized. In view of the findings, the study therefore strongly recommends that: Profitability, firm size and leverage should be given more attention in the course of considering the determinants that affects tax aggressive by various stakeholders, especially in Nigeria.

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