# EFFECT OF CORPORATE TAX AGGRESSIVENESS STRATEGIES ON FIRM GROWTH IN NIGERIA

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## Abstract
This research study critically assessed the effect of Corporate Tax Aggressiveness Strategies on Firm Growth in Nigeria. The study adopted an ex-facto research design, which is proxy by tax aggressiveness which has four dependent variables and four hypotheses, which were formulated in line with the four objectives of the study. The study sampled Deposit Money Banks in Nigeria from 2013-2023 as to select a representative of the Sample, the data were obtained from annual report/account of the Deposit money banks under study, as was listed in the Nigeria Exchange Group (NGX). Data obtained from Secondary sources were analyzed by the use of financial ratio using descriptive and inferential statistical analyses. E-View was used as a statistical test tool. The results of the study showed that effective tax rate strategy had positive and significant effect, firm size tax strategy had negative and insignificant effect, book value tax strategy had positive and significant effect and market value tax strategy had positive and significant effect on the growth of Deposit Money Banks in Nigeria. The study concluded that book tax difference, effective tax rate, and market value had positive and significant effect on the growth of Deposit Money Banks in Nigeria. The study therefore, recommended that Deposit Money Banks in Nigeria should at all time adopt measures that would increase the market value of their shares as this measure will help to enhance the growth of their banks. In conclusion, Deposit Money Banks in Nigeria should avoid the use /adoption of firm size as a strategy to enhance firm growth, since it was found to have negative impact to the growth of Deposit Money Banks studied.
**Keywords:** Corporate Tax, Aggressiveness, Strategies, Firm Growth, Book value, Market value.

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## Introduction
The taxation as a phrase is as old as mankind. Taxation is a legal means of getting money by government from its people, business individuals, financial and non-financial institutions as to effectively run a society and to better the life its citizenry. Government uses taxation as a yardstick to take value away from individual. Edun and Parlos (2015) asserted that tax aggressiveness is a process whereby tax risks were created due to its exposure to business world and also on its capacity to create incentive for managerial opportunity. Taxation is made up of direct and indirect taxes and can be paid in money or its equivalent in labour market. Tax administration can be seen as the process of assessing and collecting taxes from individuals and companies by relevant tax authorities in a way that the actual amount is collected efficiently, effectively and effortlessly with no or less tax avoidance. Since taxation indicate a significant loss in businesses, so actions should be geared towards reducing the tax burden are desirable.

Desai and Hanlon (2014) stated that there are potential costs associated to strategies to minimize taxes, such as implementation and transaction costs, and there also possible penalties imposed by the tax authorities and reputation risks, that need to be considered. Chen, Cheng and Shevlin (2010) asserted that tax aggressiveness is the “downward management of taxable income through tax planning activities” These activities comprises of both activities considered legal and illegal. Crocker and Slemrod (2006) in their earlier on tax aggressiveness established the bases for the relationship between tax aggressiveness and tax agency in question, since managers have privileged information on the extent of legally permissible reductions of income taxes, they can also increase the size of tax deductions through illegal tax evasion measures. The incentives for managers to stretch the elastic limit of tax rules depend on the nature of their remuneration mechanisms and potential personal penalties for getting caught in the action.

Richardson and Taylor (2015) asserted that tax is the reduction of tax liability through firm's tax policies, which includes using financial instruments as a vehicle for tax advantage. In summary, it becomes legitimate when operating within the content of the law and unethical, when it undermines integrity of the tax law/system. Tax aggressiveness arises in a situation where the tax payer arranges his financial affairs in a firm that would make him pay the least possible amount of tax without breaking any of the tax laws while tax avoidance is an act whereby a tax payer either refuses to pay tax or acts in such a way as to minimize tax liability, through crooked means.

Hanlod (2011) affirmed that tax aggressiveness is an important aspect of using tax policy in achieving the goal of efficient resources utilization and promotion of adequate advantages that debt inclusion can play on the capital structure of a company. The degree of tax aggressiveness will depend solely on the characteristics of the owners the family firm and the managers of non-family firms with respect to the costs and benefits of corporate tax planning policies.

Margaret and Chris (2014) asserted that the reporting quality alone cannot provide sufficient support that will help reduce tax aggressiveness of companies. Broad intention to manage taxes aggressively is bored by some underlying motives such as window dressing of financial reports prior to public offerings, to meet bonus targets in order to increase management compensation and to avoid violating debt contracts as to reduce regulatory cost or increase regulatory benefits.

Applying tax aggressiveness measure under competitive business environment were firm's survival depends richly on the volume of turnover (sales) which in turn leads to trade debit accumulation. Based on this premise, tax evasion cannot be completely avoided, as a measure to curb tax evasion; therefore management should always initiate policies concerning credit sales so that they will survive in the business environment they find themselves. Meanwhile, the study is to investigate the effect of corporate tax aggressiveness strategies on the growth of Deposit Money Banks in Nigeria.

**Objectives of the study**

The main objective of this study is to ascertain the effect of corporate tax aggressiveness strategies on firm growth in Nigeria. While the specific objectives were to:

1. determine the effect of effective tax rate on tax aggressiveness strategy on Deposit Money Banks in Nigeria.
2. investigate the effect of firm size on tax aggressiveness strategy on Deposit Money Banks in Nigeria.
3. assess the effect of book value tax aggressiveness strategy on Deposit Money Banks in Nigeria.
4. ascertain the effect of market value tax aggressiveness strategy on Deposit Money Banks in Nigeria.

**Research hypotheses**

The following hypotheses were raised in line with research objectives stated earlier.

1. Effective tax rate aggressiveness strategy has no significant effect on the growth of Deposit Money Banks in Nigeria.
2. Firm size tax aggressiveness strategy has no significant effect on the growth of Deposit Money Banks in Nigeria.
3. Book value tax aggressiveness strategy has no significant effect on the growth of Deposit Money Banks in Nigeria.
4. Market value tax aggressiveness strategy has no significant effect on the growth of Deposit Money Banks in Nigeria.

## Review of Related Literature

### Conceptual framework

#### Tax Aggressiveness:

Antonio and Giliard (2014) defined tax aggressiveness as an instrument for determining firm's ability to manage its taxable income effectively, through viable tax planning activities. It can be seen as abusive tax avoidance, it can also be referred to as aggressive tax planning activities. Chen (2010) examined tax aggressiveness as "downward management of taxable income through tax planning activities."

Heitzman (2010) studied the intention to manage taxes effectively and efficiently as driven by some underlying motives such as window dressing of financial reports prior to public offerings, as to meet bonus targets in order to increase management compensation, to avoid violating debt contract, as to reduce regulatory cost or increase regulatory benefits.

Healy and Wahlen (2012) defined tax aggressiveness strategy as any 'reduction in explicit taxes"
Orleans (2017) investigated that tax aggressiveness strategy is the behavior of trying to avoid or minimize the explicit tax burden for the corporation. Tax aggressiveness strategy is generally seen as beneficial to the company and its shareholders as long as the tax planning costs implies higher cash flow and lower tax rate for the firm.
Mills and Newsberry (2014) suggested that managers have a more direct access to financial reporting rather than to tax reporting, influencing accounting income rather than tax income. Again, deferred taxation can be increased or decreased based on management earnings targets and how aggressive they choose to go about it. Aggressive tax planning is part of overall business planning, aimed at reducing explicit and implicit taxes.

**Firm Growth**
Gula and Krishnaswami (2013) asserted that firm growth is the growth processes of an enterprise, which may vary from company to company, individual to individual and country to country. The growth process/pattern of an enterprise/firm is influenced by the internal and external environmental factors, which are limited. The internal factors can be controllable, such as human resources, its strategy, functional, operational, marketing and technical capabilities. Then external factors can be seen as beyond human control such as, economic, socio-cultural, legal, political, trade, financial, demographical, technological and geographical factors. Firm growth is an important factor of thriving economy.

Shun (2015) affirmed that firm growth is an evolutional process, which is based on the accumulation of growth which can be defined as an increase in size and other quantifiable measures and also as a process of change and improvement. Firm size is a product of firm growth over a period of time. In summary, firm growth is a process while firm size is a state, firm's expansion is an instrument of firm growth which can be through organic or through acquisitions. Organic expansion is expanding the firm's operations by broadening its horizon. Zhou and Gerrit (2010) affirmed that firm growth is an organizational outcome resulting from combination of firm-specific resources, capabilities and routine. A firm growth opportunity is highly related to its current organizational production activities. Firm growth is uncertain and unpredictable because environmental conditions such as competition and market dynamics play important role. Determinant of firm growth are environmental, organizational and individual.

**Effect Tax Rate (ETR)**
Festus (2019) defined effective tax rate as the maximum tax rate paid by a citizen or an individual.
The effective tax rate for an individual is the required rate at which his/her earned income like wages and unearned income such as dividend etc are paid. Then effective tax rate for a company is the require rate at which their pre-tax profits are taxed. Method of calculation of effective tax rate is as follows:
For an individual:
ETR =Total Tax divide by Taxable Income
For company:
ETR= Total Tax divide by Earning before Taxes
The effective tax rate is applicable to only federal income taxes and does not take into account state and local income taxes like sales, property or other types of taxes an individual might pay. The effective tax rate is more accurate in calculating individual overall tax liability. The effective tax rate is more accurate in calculating individual overall tax liability. Effective tax rate concerns only the income taxes without including other of taxes.

**Firm Size**
Sinker (2014) defined firm size as the business unit that owns the plant ( eg. Factory, the shop, warehouse or transport depot Etc), controls and manages it. The firm owns the land on which the plant (factory) or establishment is situated, the building along with the machines and equipment installed in it and the raw materials, the semi-finished and finished goods of the plant. The owner of a firm also controls the workers employed in the firm, finances the need of the firm, arrange for the marketing of goods produced or purchased and also bear the risks involved. Firm size can be measured by volume of output, amount of raw materials consumed, power used, the number of workers employed, value of the product, capital invested etc.
Abel (2015) affirmed that firm size is the total number of employees working in a firm. Size of a firm can determine the profitability of the firm, the higher the firm size, the higher the profit made by the firm.

**Book Value Tax**
This is the value of asset which reflects in the financial statement of the company. The book value tax formula:
Book value tax =Total Asset-Total liabilities.

Dropper (2017) defined book value tax as the market value of the assets owned by shareholders after all debts have been paid off. In accounting, equity refers to the book value of stock holder's equity on the financial statement which is equal to assets minus liabilities. Company owners have shares that legally represent their ownership in the company.

Johnson (2015) affirmed that book value tax difference is the shareholder's stake in the company as measure by the accounting concepts. It is otherwise, known as the company's book value. It also known as the sum of all capital paid by shareholders plus any other profits earned by the company. Net income appears under book value of equity as retained earnings while net loss decreases equity.

**Market Value Tax**

Hankel (2015) defined market value as the most recently quoted price for a market-traded security. It is also the most possible price of an asset such as a house, landed property etc would fetch in an open market. The market value of an asset is determined by fluctuations in supply and demand. Market value is just what the buyer is willing to pay for and not the value of the asset. The important factor to consider while buying an asset or security is its market value.

Luuke (2017) asserted that market value is the highest price that a willing buyer will pay for goods or services and the lower price at which the seller will sell. The market of goods or services is the prices that would be paid for in a fair market. The market has obligation to meet certain conditions for it to be a fair market.

**Theoretical Framework**

**Tax Planning Theory**

This research work is anchored on tax planning theory which was propounded by William Hoffman in 1961. Tax planning theory is a theory that states that tax payers have the capacity to arrange their financial activities in such a manner as to suffer a minimum expenditure for taxes through effective tax planning, which explains that all tax planning does not reduce the tax liability to the desired minimum level. Tax planning involves the use of foresight and consequently, it is concerned with future matters, tax planning is often the product of a certain amount of hindsight. Tax planning strategies must be time-oriented and proportionate in the logic that "consistency requires that the past limit the present and the future but the present must be further circumscribed in the light of the taxpayer's future requirements".

Tax planning activities are desirable to the extent that they reduce taxable income to the barest minimum, without sacrificing accounting income. The theory is promised on the fact that firms tax liability is based on taxable income rather than accounting income. The idea is to intensify activities that reduce taxable income but has no indirect relationship on accounting profit. The theory therefore recognized a positive association between firm tax aggressiveness activity and firm growth is on a basic assumption that tax benefits from the tax planning exceed tax cost.

**Empirical Review**

Salihu et al (2013) researched on effect of corporate tax aggressiveness on firm earnings using evidence from an emerging economy from Malaysia. They reported that accounting effective tax rate as par the financial statements computed as the total tax expenses divided by the accounting income before tax, reflecting the aggregate proportion of the accounting income payable as taxes. In measuring accounting earning, the make use of accruals. They used regression analysis to determine the effects of tax aggressiveness on earning quality. Their result shows that firms report minimum income as to avoid high tax burden.

Edwnt (2015) examined long run corporate tax aggressiveness on firm size. The researcher used effective tax rate and measure tax aggressiveness. The result founds a positive but significant effect of accounting effective tax rate on earning quality as investors based on after-tax results to assess firms earning quality.

Klamm (2014) studied on the E-tax aggressiveness, tax management and corporate social responsibility. He reported that accounting effective tax rate has been a widely used measure of tax aggressiveness because it measures tax aggressiveness relative to a accounting earning. He had a positive significant effect of accounting effective tax rate on corporate responsibility indicating higher quality.

Desai and Dharmapala (2017) examined corporate tax aggressiveness on firm value using United State firms. They argued that aggressive tax planning reducing tax may not necessarily be beneficial to stockholders and earnings. They used regression analysis to analyze the effect of effective tax rate on earnings quality. Their result shows positive significant effect of effective tax rate on earning quality. They are of the simple view of corporate tax aggressiveness as a transfer of resources from the state to shareholders is incomplete given the agency problems characterizing shareholder-manager relations as it negatively affects earning quality.

Collins (2013) investigated the measure of corporate tax aggressiveness using evidence from an emerging economy. They use current effective tax rate to measure tax aggressiveness, which is calculated as the current-year tax expense to the total accounting income before tax. It reflects the tax deferral strategies of a firm by using the current income tax as against the total tax expense. The researcher used regression analysis to analyze the effect of current effective tax rate on earning quality, suggesting that the relative information content of taxable income for low earnings-quality firms increased concerns of opportunistic earnings management.

Avonte (2018) examined the effect of tax aggressiveness on earning quality. The Researcher used long-long term cash effective tax rate to measure firm's tax aggressiveness. The study reported that taxable income becomes less informative for high tax aggressiveness firms and more informative for firms with low earnings quality suggesting that investors are able to distinguish sources of book-tax differences, after using regression analysis to analyze the effect. The result founds negative but significant effect of long-term cash effective tax rate on earning quality, meaning that taxation is evidence of low earning quality.

Williams (2014) investigated the concepts of tax avoidance, tax aggressiveness, tax risk and examined those concepts as they relate to overall firm risk. Prior research has argued that aggressive corporate tax avoidance, as measured by low cash effective tax rates or high reserves for unrecognized tax benefits, increases firm risk, thereby requiring firms to provide risk-taking incentives to managers. They found a significantly positive relationship between tax risk and firm risk, but do not find evidence of a significant association between either tax avoidance or tax aggressiveness and firm risk.

Gaertner (2014) examined whether firms with overconfident CEOs pursue more aggressive tax positions and yet assign high expectations of their final reliability, even if these positions were to be audited by a relevant taxing authority. In his empirical tests, they first documented positive associations between proxies for the aggressiveness of firms' tax positions and overconfidence. They equally tested for associations between overconfidence and the financial reporting of uncertain tax benefits under FIN 48. Prior tax aggressiveness research leads to the expectation of a similarly positive association with uncertain tax benefits, instead, the study found that the same group of firms with overconfident CEOs report lower uncertain tax benefits in the financial statements.

Galica (2015) examined the complexities of corporate tax planning, with a focus on tax deferral strategies employed by United States multinational corporations, providing a financial and ethical analysis of corporate tax entities. The focus was on a multinational corporation. It then evaluated trends across industries and contrasted the patterns of unrecognized tax benefits reported by large and small scale public companies. They study included a foundational background on corporate tax havens, the benefits of deferred taxation, and an outsider's perspective on the subject matter i.e the difference in perception of the general public versus that of a shareholder.

Harvey (2016) examined the relationship between corporate tax avoidance, earning management and corporate social responsibility within a context of an emerging economy. The study employed a system of methods of moments and logistic regression to establish whether firms in Ghana manage earnings and avoid tax to finance corporate social responsibility. The results showed that almost all the firms sampled have engaged in some management of their earnings and tax during that period. The study also found evidence that an increase in corporate social responsibility activities is associated with an increase in earning management, suggesting that, sampled firms may use corporate social responsibility as a cover for engaging in opportunistic behavior such as earning management. By extension, these results have important policy implications policy makers in assessing the effectiveness of tax laws.

Ingrid (2018) studied the effect of book-tax gap and corporate tax disclosure on the quality of earnings using accounting conservatism as moderating variables using listed companies on the Indonesia Stock Exchange from 2013-2015. The study used book0tax gap, operating cash flow, firm's growth as independent variables on earnings persistence as proxy for earnings quality, using multiple regression analysis to analyze the dependent and independent variables. The result shows significant effect on book tax gap on earnings quality indicating that firms with large book tax gap have lower earning persistence compared to firms with small book tax gap.

## Research Methodology

### Research Design

The study adopts Ex-post facto research design based of its nature as being empirical study. The population of the study has all the deposit money banks quoted in the Nigerian Exchange Group (NGX), with the scope from 2013-2023.

Table 1: List of Deposit Money Banks

| S/N | DEPOSIT MONEY BANKS IN NIGERIA |
|---|---|
| 1 | Access Bank PLC |
| 2 | Eco Bank Transnational incorporation |
| 3 | Fidelity Bank PLC |
| 4 | First Bank Nig. PLC |
| 5 | First City Monument Bank (FCMB) PLC |
| 6 | Guarantee Trust Bank (GTB) PLC |
| 7 | Skye Bank PLC |
| 8 | Stanbic IBTC Holding PLC |
| 9 | Sterling Bank Nig. PLC |
| 10 | United Bank for Africa (UBA) PLC |
| 11 | Union Bank of Nigeria PLC |
| 12 | Unity Bank PLC |
| 13 | Wema Bank PLC |
| 14 | Zenith Bank PLC |

Source: The Nigerian Exchange Group [NGX] (2022)

**Sample Size and Sampling Technique**

The purposive sampling method is selected to take a sample using certain criteria. The sample comprised of thirteen (13) Deposit Money Banks (DMBs) listed in the Nigerian Exchange Group (NGX) with complete data. The study employs the purposive sampling technique premised on the scope with a complete data set to ensure the homogeneity of the sample.

**Sources of Data**

The study employed the use of secondary data drawn from financial report of the deposit money banks in Nigeria from 2013-2023 extracted from Nigerian Exchange Group (NGX), using E-Views as a statistical test tool.

**Methods of Data Analysis**

The data were analyzed using descriptive and inferential statistical analyses. The descriptive statistical analysis was used to describe the variables in the form of mean, minimum, maximum, and standard deviation. The kurtosis, Skewness and Jarque-Bera statistic for normality tests; while, inferential statistical analysis used was the multiple regression analysis to test the proposed hypotheses.

**Analysis of Data:**

**Table 2: Descriptive statistics of the model variables**

| | ETR | FMSIZ | BVTD | MDV |
|---|---|---|---|---|
| Mean | 2.851219 | 4.234989 | 11.46496 | 0.569468 |
| Median | -0.561419 | 3.779764 | 4.532496 | 0.660962 |
| Maximum | 279.9039 | 61.30577 | 422.2682 | 3.602674 |
| Minimum | -44.22827 | -0.975440 | -0.415090 | -4.189441 |
| Std. Dev. | 25.98409 | 5.136670 | 41.33842 | 0.712686 |
| Skewness | 8.879458 | 9.721379 | 8.155300 | -2.935407 |
| Kurtosis | 93.05263 | 108.1988 | 75.28928 | 22.55829 |
| Jarque-Bera | 50198.10 | 68191.95 | 32721.83 | 2484.585 |
| Probability | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Sum | 407.7243 | 605.6035 | 1639.490 | 81.43387 |
| Sum Sq. Dev. | 95874.57 | 3746.723 | 242658.9 | 72.12491 |
| Observations | 143 | 143 | 143 | 143 |

Source: Research computation using E-Views 11version.

Key: ETR-Effective Tax Rate; FMSIZ-Firm size; BVTD-Book Value; MDV-Market Value

The figures used in the empirical analysis are shown in Appendix I. In the case of ETR which is a proxy of Effective Tax Rate, the mean value of the sampled DMBs was 2.851 while its median value was -0.561. The maximum value was 279.903 while the minimum was -44.228. This, therefore, means that companies with a higher or equal to 2.851 paid higher tax rate.

The mean of FMSIZ which is a proxy for Firm size of the sampled DMBs was 4.235 while its median value was 3.780. The value of firm size was 61.306 while the minimum was -0.975. This, therefore, means that companies with a higher or equal to 4.235 pay higher tax rate etc.

***Correlation Matrix***

In examining the association among the variables, we employed the Pearson correlation coefficient (correlation matrix) and the results are presented in the table below.

**Table 3: Correlation analysis of the model variables**

| | FMGRWTH | ETR | FMSIZ | BVTD | MDV |
|---|---|---|---|---|---|
| FMGRWTH | 1.0000 | 0.4165 | 0.0706 | 0.4771 | 0.1475 |
| ETR | 0.4165 | 1.0000 | -0.0225 | -0.0039 | 0.0498 |
| FMSIZ | 0.0706 | -0.0225 | 1.0000 | -0.0261 | -0.5010 |
| BVTD | 0.4771 | -0.0039 | -0.0261 | 1.0000 | 0.1099 |
| MDV | 0.1475 | 0.0498 | -0.5010 | 0.1099 | 1.0000 |

Source: Research computation using E-Views 11 version.

Key: FMGRWTH-Firm Growth; ETR-Effective Tax Rate; FMSIZ-Firm size; BVTD-Book value; MDV-Market value.

The table above showed that FMGRWTH positively correlated with ETR (0.417), FMSIZ (0.071), BVTD (0.477), MDV (0.148). As expected, ETR negatively correlated with FMSIZ (-0.023) and BVTD (-0.004); however, ETR positively associated with FMSIZ (0.050) and BVTD (0.035).

***Diagnostic Tests***

**Variance Inflation Factor (VIF) Test**

The VIF of an explanatory variable indicates the strength of the linear relationship between the variable and the remaining explanatory variables.

**VIF test for model explanatory variables**

Variance Inflation Factors
Date: 11/4/24 Time: 01:40
Sample: 2013- 2023
Included observations: 143

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|---|---|---|---|
| C | 0.458828 | 3.833878 | NA |
| ETR | 0.000179 | 1.015768 | 1.003599 |
| FMSIZ | 0.006110 | 2.253478 | 1.337753 |
| BVTD | 7.18E-05 | 1.096316 | 1.017499 |
| MDV | 0.323158 | 2.237593 | 1.361922 |

Source: Research computation using E-Views 11 version

Key: FMGRWTH- Firm growth; ETR-Effective tax rate; FMSIZ-Firm Size; BVTD-Book value MDV-Market Value.

The VIF and tolerance values in Table 3 above confirmed that all the study variables have relative scores that are less than 5% indicating a satisfactory correlation.

**Discussion of Findings**

1. **Effective tax rate** was found to impact positively on the dependent variable (Firm Growth). Sequel to our findings, though the impact was not statistically significant. This finding supports the assertion of Attonio and Giliard (2014) and negates the finding of Chen (2010).
2. **Firm Size** based on the findings was found to impact negatively on Firm growth which is our dependent variable, though the impact was not statistically significant. The finding negates the posits of Orleans (2017) and support that of Richardson and Taylor (2015).
3. **Book Tax Difference** was found to impact positively on firm growth which is our control variable but the impact was not statistically significant which support the work of Galica (2015) and negates the findings of Harvey (2016).
4. **Market Value Tax** Difference based on the findings was found to have impact positively on the dependent variable which firm growth but found not to be statistically significant. This finding supports the claims of Margaret and Chris (2014) and rejects the assertion of Shun (2015).

## Conclusion and Recommendation

### Conclusion

The study concludes that Deposit money banks in Nigeria make judicious use of legally approved tax aggressiveness strategies in their tax avoidance mechanism. They used the strategy to either, avoid paying tax completely or to pay lesser amount of tax. The Commercial banks in Nigeria may hinged on the fact that they were over taxed and used this as an excuse as not to pay tax at all, since they were not effectively taxed.
Based on the fact that Firm size impacts positively on our control variable (Firm growth), still found to have negative tax aggressiveness strategy level on firm growth and in profit maximization. Since growth of the company does not found to depend largely on the size of the firm.

### Recommendations

1. In a bid to use effective tax rate (ETR) strategy to accelerate firm growth, effective tax rate should interact with market value tax strategy (ETR*MDV) for maximum result, as their interaction was found to drive firm growth significantly and positively too.
2. Deposit money banks in Nigeria that want to use tax aggressiveness strategies to drive firm growth should concentrate more on the activities that will lead to the appreciation of market value of their shares as well as expand their firm size as the two variables significantly affect firm growth.
3. Commercial banks in Nigeria should concentrate more on how to raise their Book value of their goods, to make it viable, since it is found to impact positively on firm growth.
4. Managers of Deposit money banks in Nigeria who are considering using firm size tax aggressiveness strategy to drive firm growth should not do so considering the fact that firm size has negative influence on firm growth, since this strategy was found instead of growing the firm may lead to dwindling or retardation of the firm.

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