

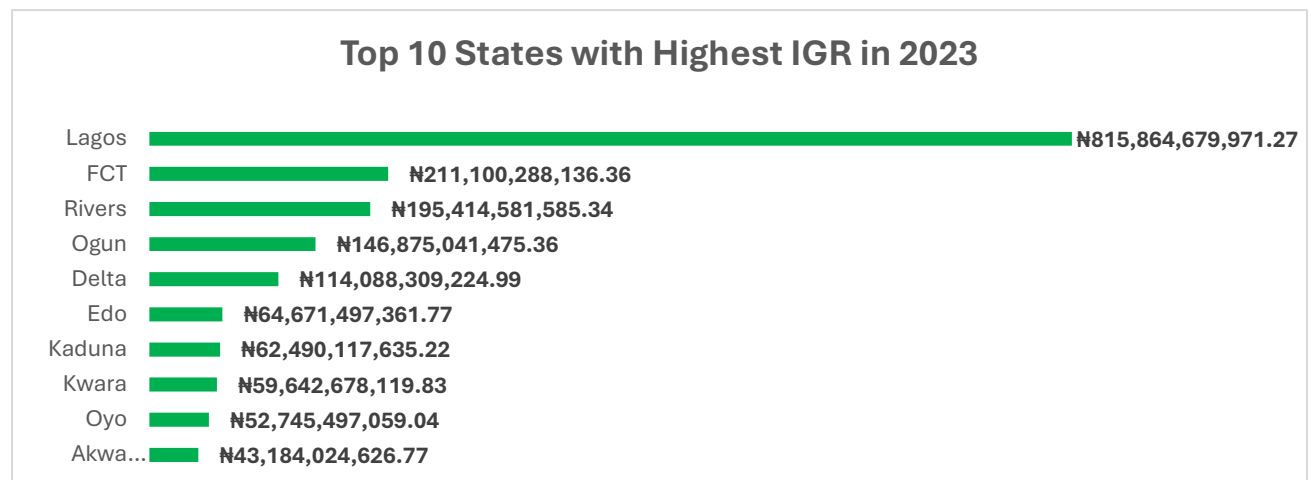
# Comprehensive Analysis of Internally Generated Revenue (IGR) in Nigeria (2022 - 2023)

## 1.0.Introduction

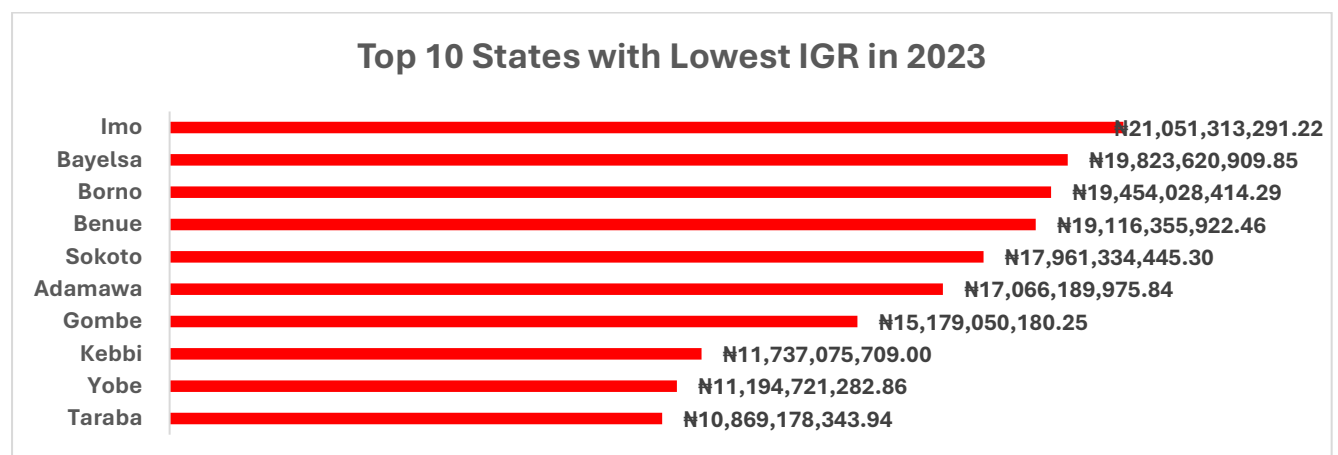
Internally Generated Revenue (IGR) represents funds raised within Nigerian states, independent of federal allocations. This revenue stream is critical to the financial autonomy, infrastructure development, and service delivery capacity of subnational governments. This report presents a comprehensive comparative analysis of IGR across various categories, regions, and states for 2022 and 2023.

## 2. State-Level IGR Analysis (2022 - 2023)

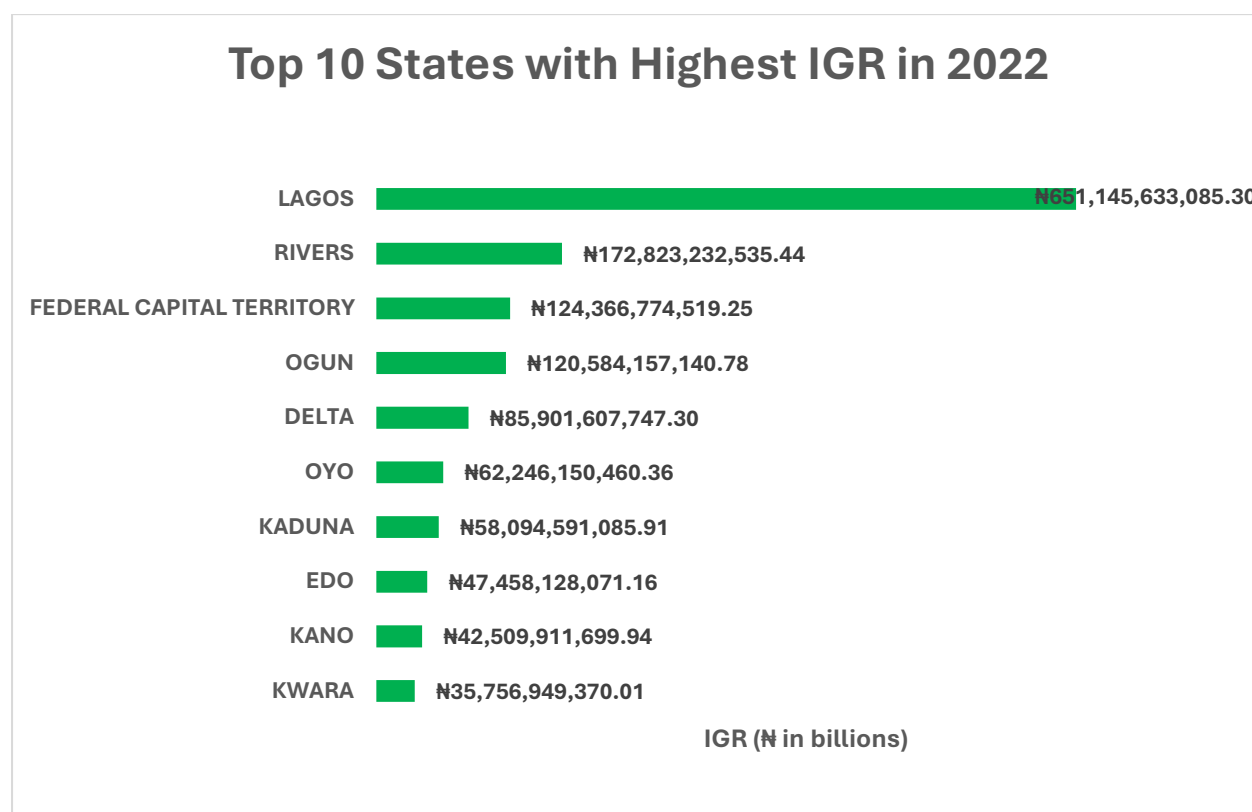
### 2.1 Top 10 States with Highest IGR in 2023 in Ascending Order



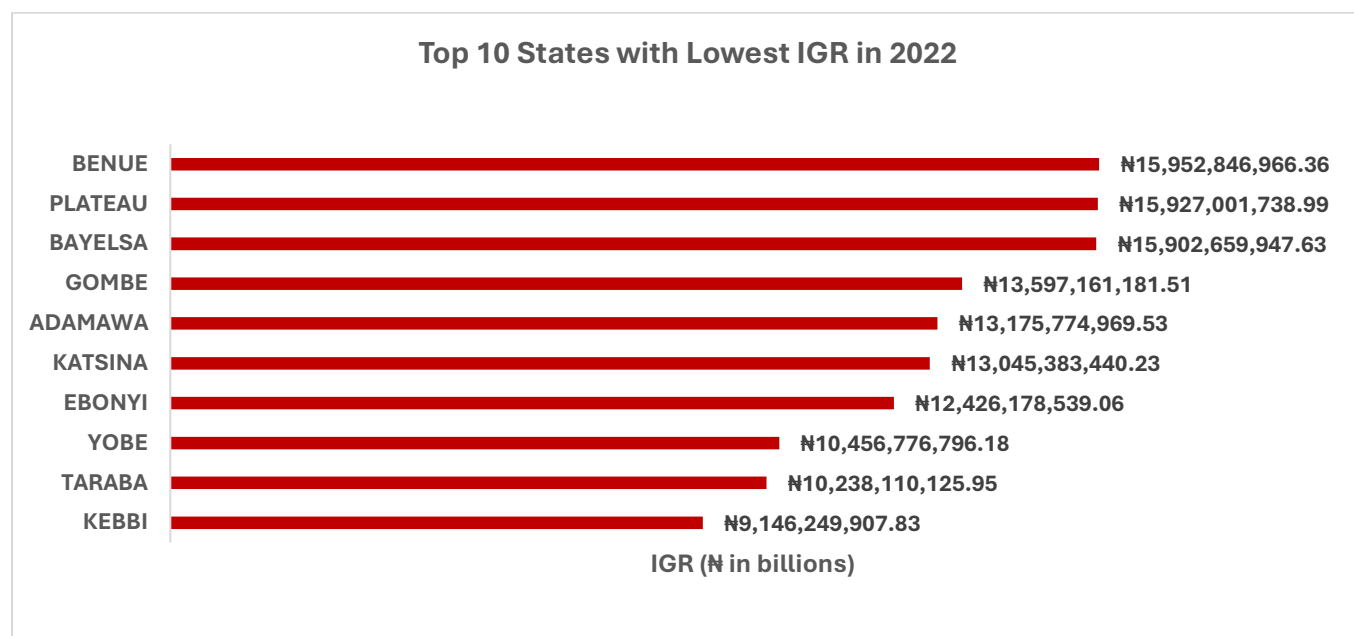
### 2.1.1 Bottom 10 States with Lowest IGR in 2023 in Ascending Order



## 2.2 Top 10 States with Highest IGR in 2022 in Ascending Order



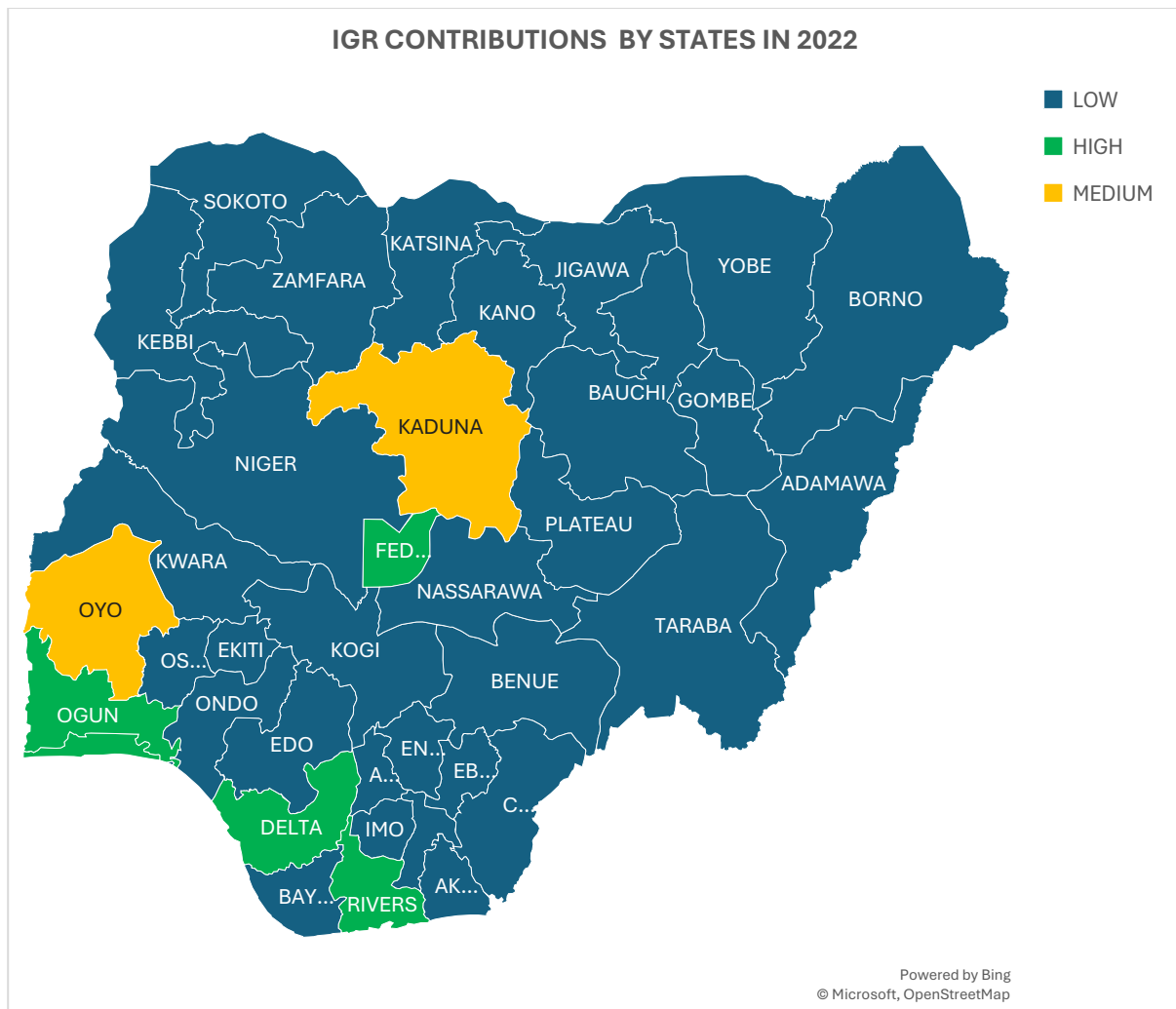
### 2.2.1 Bottom 10 States with Lowest IGR in 2022 in Ascending Order



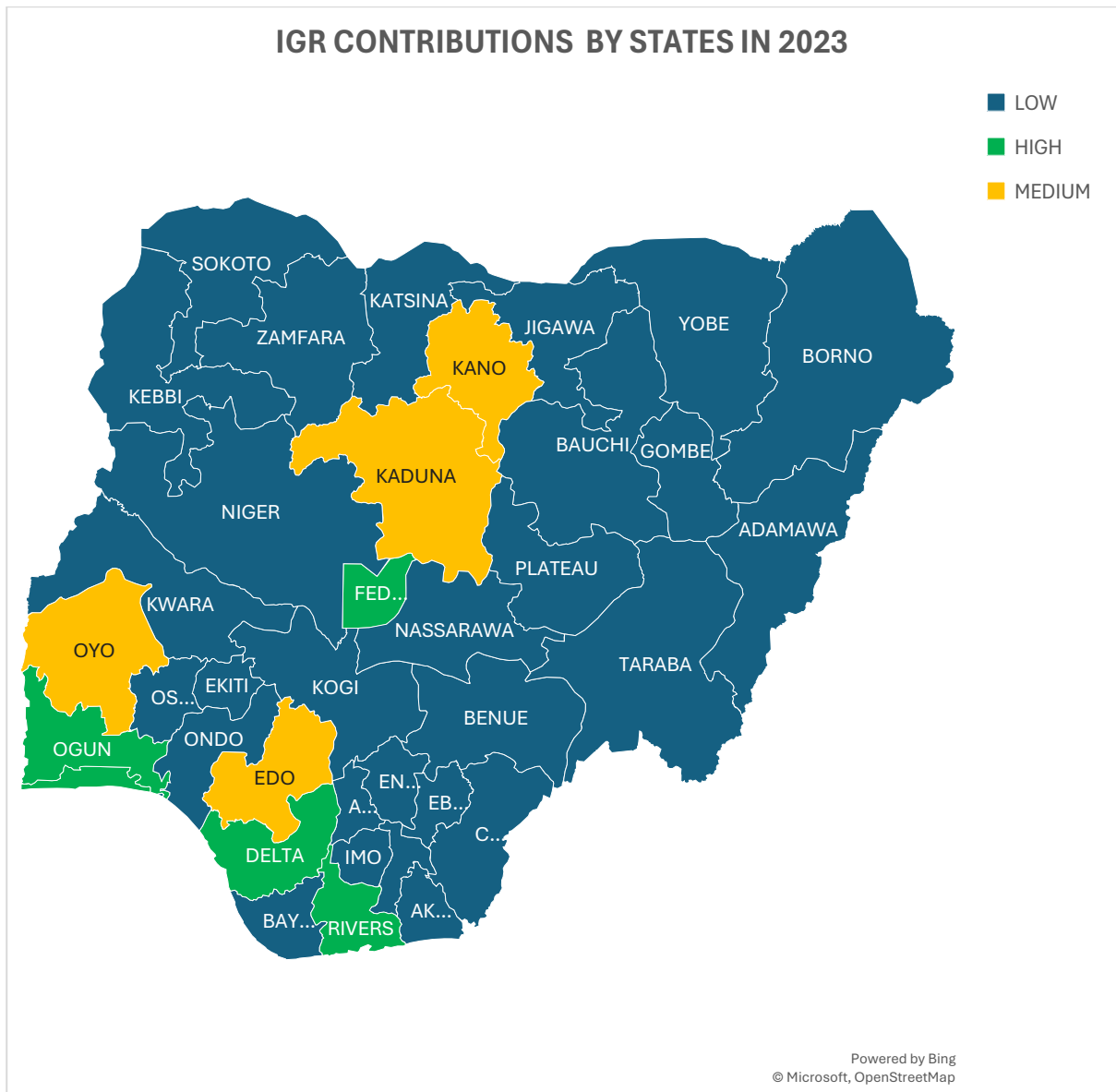
## 2.3 Observations

- Lagos remains a clear outlier with 4x more revenue than the next state.
- Taraba, Yobe and Kebbi are observed to record the lowest IGR in the two years of this report
- River State, FCT, and Ogun Maintained the highest IGR generation in 2022 and 2023

## 2.4 IGR Distributions by States



## 2.5 IGR Distributions by States

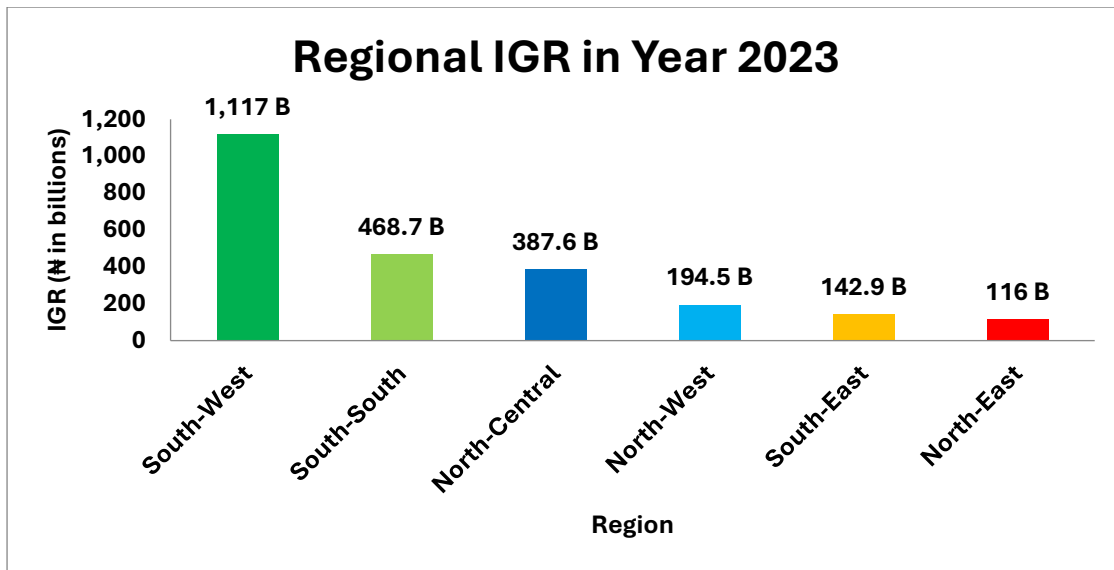


States with high IGR generation are indicated with Red why States with medium IGR are indicated by Green, Blue indicator represent States with low IGR

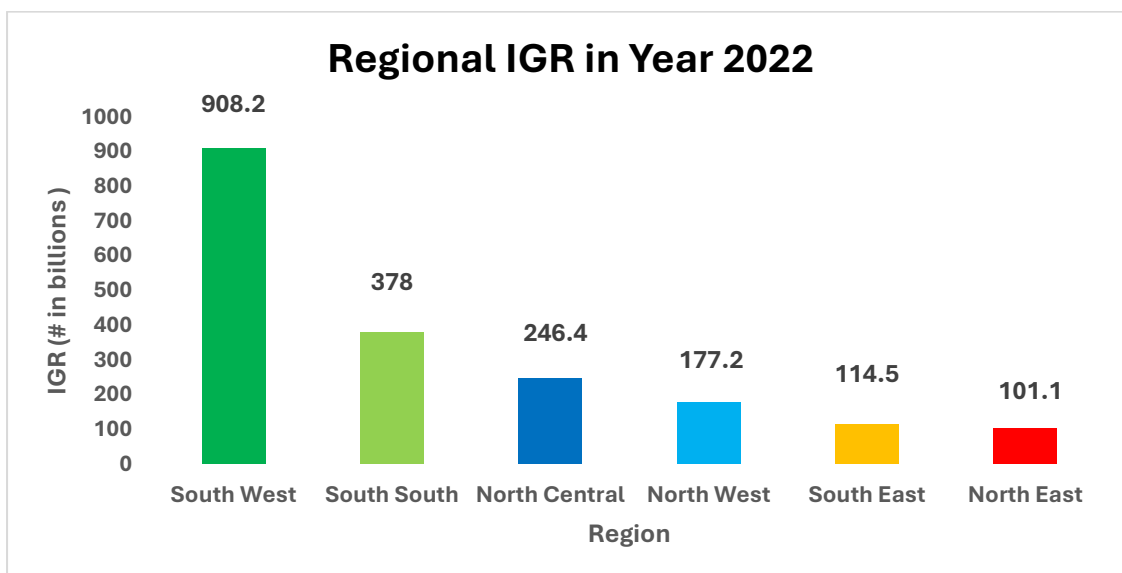
### 3. Regional IGR Analysis (2022 & 2023)

REGION	2023 IGR	2022 IGR	2023 Regional IGR Contributed %	2022 Regional IGR Contributed %
North East	₦ 116,085,169,656.79	₦ 101,147,138,579.41	5%	5%
South East	₦ 142,949,943,100.04	₦ 114,534,783,263.09	6%	6%
South West	₦ 1,117,007,857,364.30	₦ 908,251,668,245.71	46%	47%
North Central	₦ 387,647,550,331.56	₦ 246,425,874,368.74	16%	13%
North West	₦ 194,486,464,188.88	₦ 177,256,205,036.39	8%	9%
South South	₦ 468,742,613,466.27	₦ 377,996,957,157.42	19%	20%
	<b>₦ 2,426,919,598,107.84</b>	<b>₦ 1,925,612,626,650.76</b>		

#### 3.1 Regional IGR Analysis (2022 & 2023)



### 3.2 Regional IGR Analysis (2022 & 2023)



#### Insights:

- South-West dominates largely due to Lagos State.
- South-East and North-East collectively contribute just 11% of the Total IGR
- North-Central was observed to experience the highest positive shift in IGR generation, with growth from 13% in 2022 to 16% in 2023
- While North-East and South-East were observed to be static in percentage of total generation in their IGR over the two years of this report

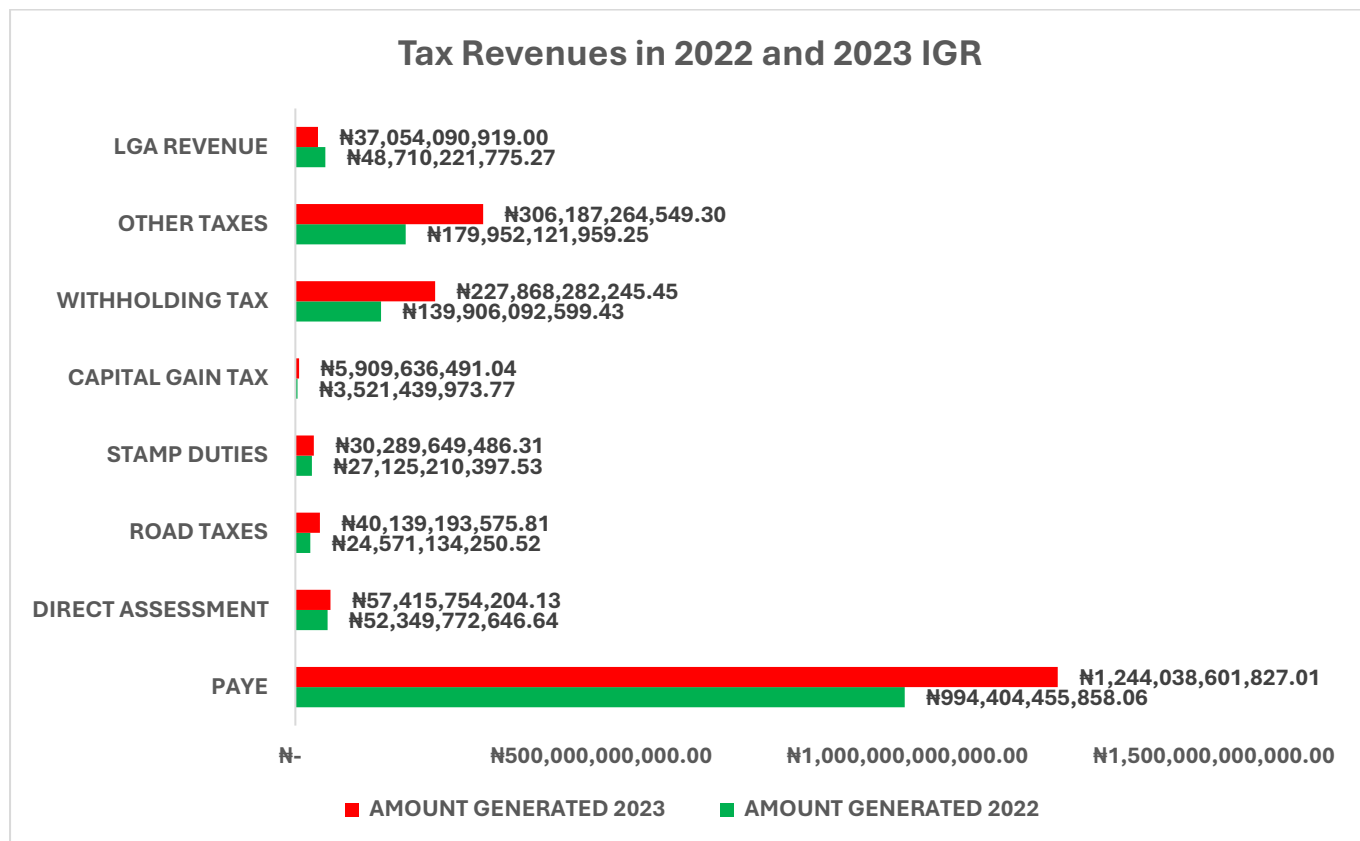
### 4. IGR by Category (2022 vs. 2023)

IGR CATEGORY	AMOUNT GENERATED 2022	AMOUNT GENERATED 2023	IGR CATEGORY GROWTH RATE / REDUCTION RATE
PAYE	₦ 994,404,455,858.06	₦ 1,244,038,601,827.01	20%
DIRECT ASSESSMENT	₦ 52,349,772,646.64	₦ 57,415,754,204.13	9%
ROAD TAXES	₦ 24,571,134,250.52	₦ 40,139,193,575.81	39%
STAMP DUTIES	₦ 27,125,210,397.53	₦ 30,289,649,486.31	10%
CAPITAL GAIN TAX	₦ 3,521,439,973.77	₦ 5,909,636,491.04	40%
WITHHOLDING TAX	₦ 139,906,092,599.43	₦ 227,868,282,245.45	39%
OTHER TAXES	₦ 179,952,121,959.25	₦ 306,187,264,549.30	41%
LGA REVENUE	₦ 48,710,221,775.27	₦ 37,054,090,919.00	-31%
TOTAL TAX	₦ 1,470,540,449,460.47	₦ 1,948,902,473,298.05	25%
MDAs REVENUE	₦ 455,072,177,190.29	₦ 478,017,124,809.79	5%

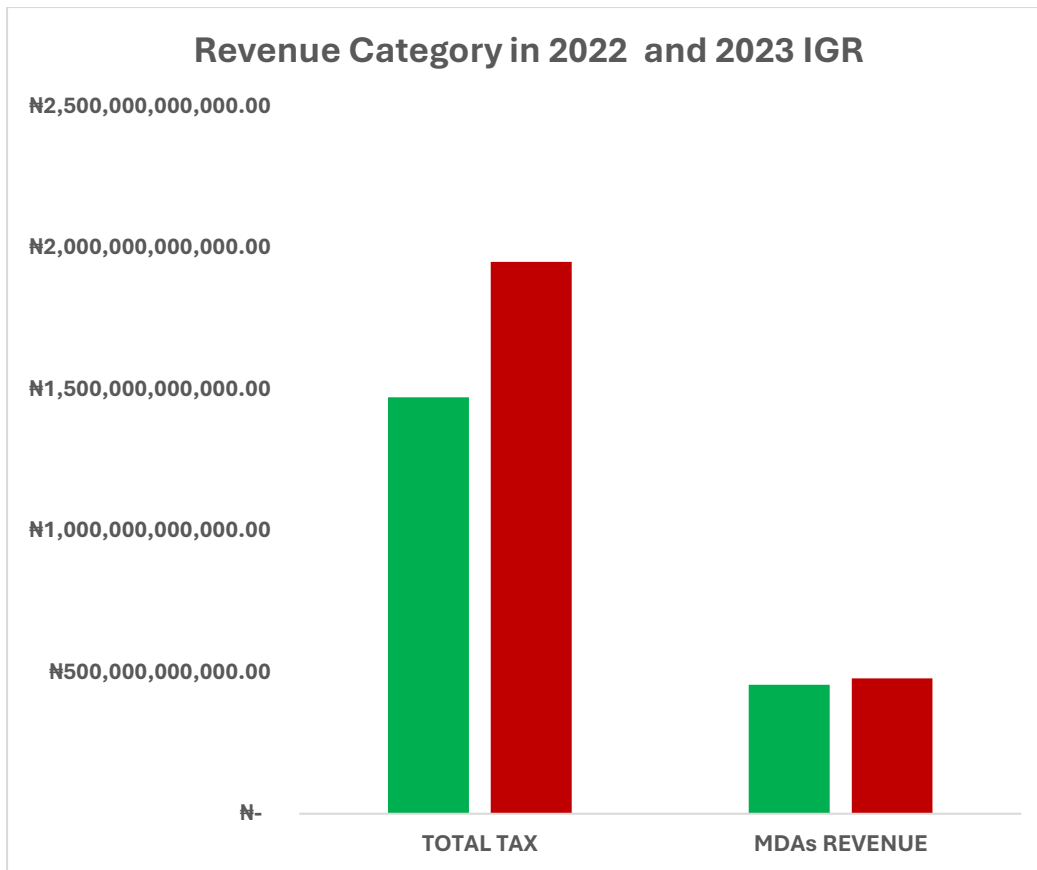
### Key Insights:

- Highest growth recorded in "Other Taxes" (+41%), Capital Gains (+40%), Withholding and Road Taxes (+39%).
- PAYE continues as the largest contributor to state IGR.
- LGA Revenue declined by 31%, signalling a need for administrative and tax collection reforms.

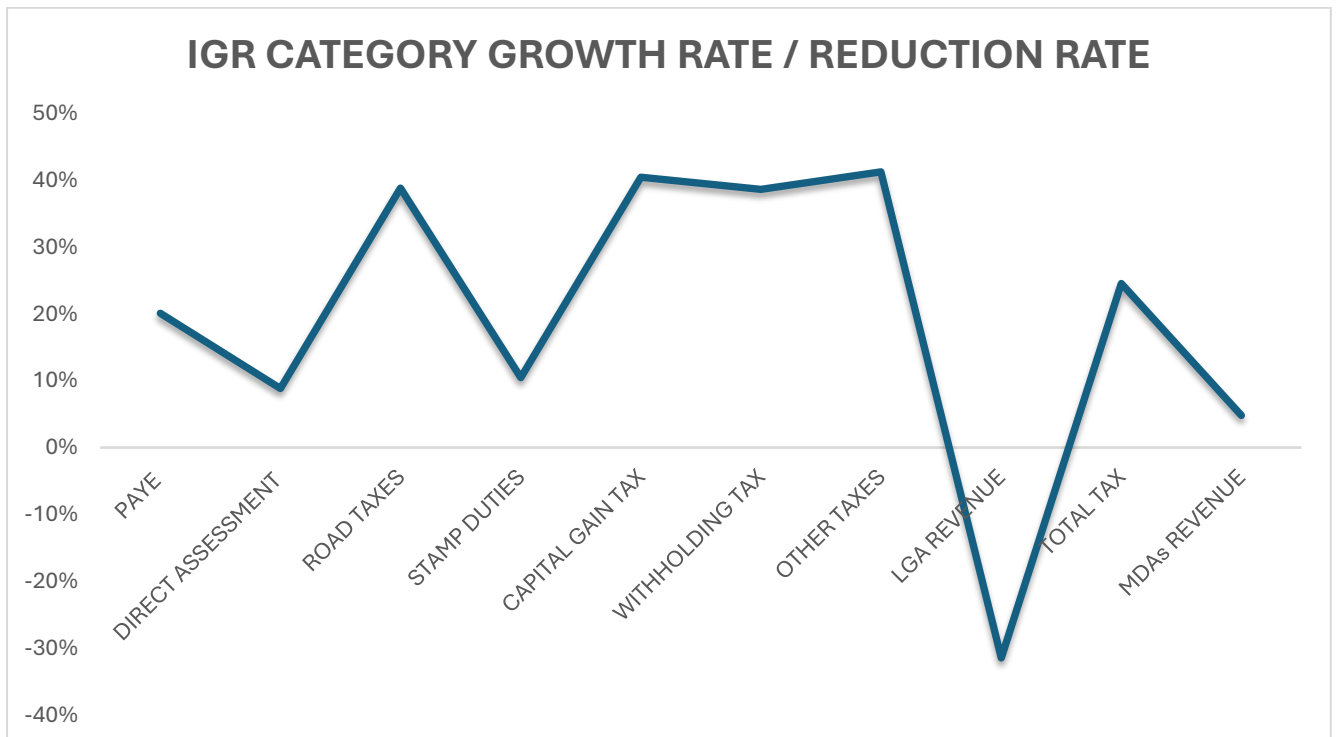
### 4.1 Tax Revenue Distributions in 2022 and 2023 IGR



### 4.2 Tax and MDA's Revenue Generated



#### 4.3 IGR CATEGORY GROWTH RATE



#### 5. Comparative Growth Analysis (State-Level)

### Top 3 States with % Changes in IGR

Region	STATES	2023	2022	% CHANGES
South East	EBONYI	₦ 30,840,470,281.40	₦ 12,426,178,539.06	60%
North West	KATSINA	₦ 26,956,610,135.68	₦ 13,045,383,440.23	52%
South West	EKITI	₦ 32,096,050,316.10	₦ 17,029,726,605.18	47%

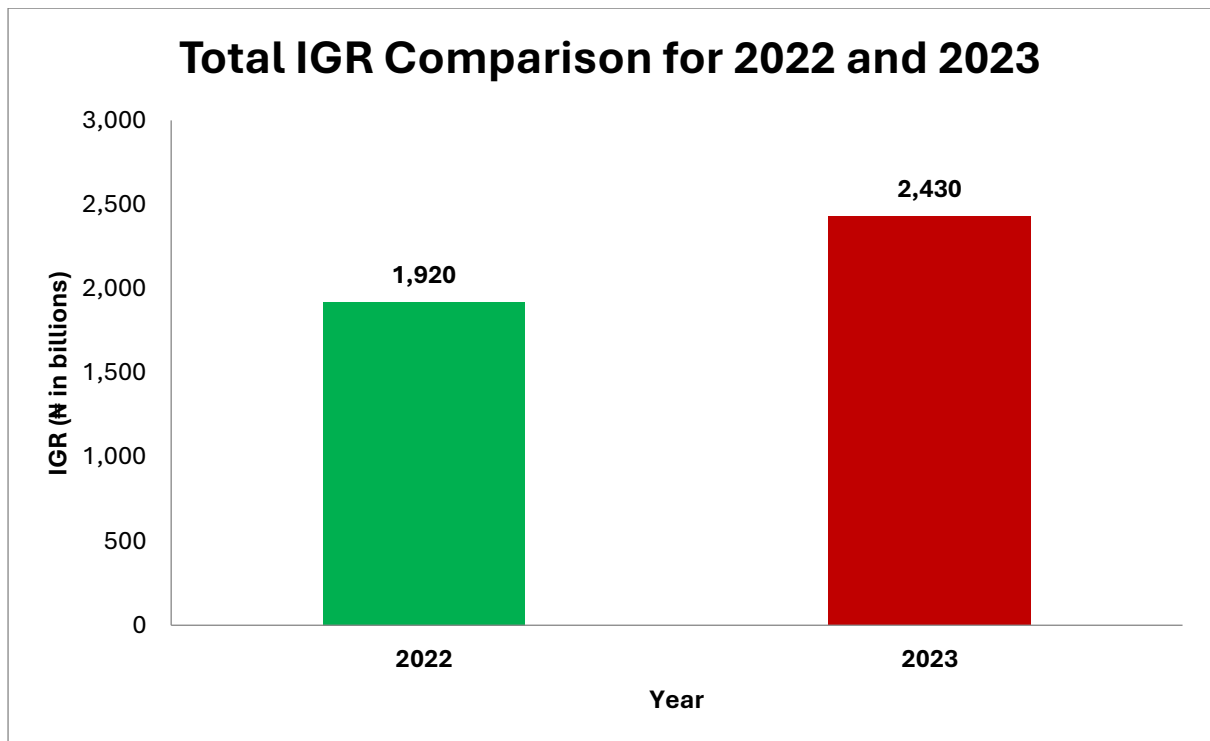
### Top Low 3 States with % Changes in IGR

Region	STATES	2023	2022	% CHANGES
North West	KANO	₦ 37,379,619,998.26	₦ 42,509,911,699.94	-14%
South West	OYO	₦ 52,745,497,059.04	₦ 62,246,150,460.36	-18%
North West	SOKOTO	₦ 17,961,334,445.30	₦ 23,617,172,198.73	-31%

#### Insights:

- Ebonyi, Katsina, and Ekiti led the positive year-on-year growth.
- Kano, Oyo, and Sokoto experienced significant declines.

### 5.1 2022 and 2023 IGR comparison in Billions



## 6. Observations and Insights



- Wide disparity persists between top and bottom IGR-generating states.
- MDA's revenue growth remains stagnant compared to tax categories.
- Digitization and enforcement of compliance may have led to increased collections in PAYE, CGT, and Road Taxes.

## 7. Recommendations

- **Digital Infrastructure:** Expand use of technology for tax assessment and collection.
- **Revenue Diversification:** Invest in MSMEs and manufacturing in low-IGR states.
- **Tax Education:** Conduct sensitization to improve voluntary compliance.
- **Incentives:** Provide performance-based grants for state governments achieving significant growth.

## 8. Conclusion

Nigeria's IGR in 2023 grew impressively across most tax categories, with notable improvements in PAYE and withholding taxes. Nonetheless, revenue disparities across regions and the decline in LGA performance demand urgent attention. The sustained success of national revenue growth will depend on addressing these gaps and replicating successful models nationwide.

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