

# Digital Tax Security & Individual Tax Impact Assessment in Nigeria (2026)

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## **Executive Summary**

Nigeria's ongoing fiscal reforms and rapid digitization of tax administration represent a critical turning point in the nation's economic development. As government revenue systems increasingly rely on digital platforms for tax collection, compliance, and citizen engagement, the security, resilience, and transparency of these systems have become matters of national importance.

Recent tax reforms introduced under the current administration aim to expand the tax base, improve revenue efficiency, and reduce fiscal deficits. However, the practical impact of these reforms on individual taxpayers remains poorly understood by many citizens, contributing to confusion, mistrust, and resistance to compliance.

This report presents a dual assessment of Nigeria's digital tax environment: a cybersecurity-focused analysis of common vulnerabilities affecting digital tax systems globally, supported by simulated penetration testing case studies, and a policy impact analysis modeling how recent tax reforms affect individuals across different income levels.

All technical demonstrations referenced in this report are conducted in controlled, simulated environments. No live government systems are tested or interfered with. The objective is to support national development efforts by highlighting risks, clarifying impacts, and proposing constructive recommendations aligned with Nigeria's data protection laws and global best practices.

## **Nigeria's Digital Tax Environment**

Nigeria's tax administration has increasingly adopted digital platforms to improve efficiency, transparency, and revenue collection. Federal and State Inland Revenue Services rely on web-based systems for taxpayer registration, filing, payment processing, and compliance monitoring. These systems handle highly sensitive personal and financial data, making them attractive targets for cyber threats.

While digital transformation offers significant benefits, it also introduces risks when security controls, governance frameworks, and technical capacity do not evolve at the same pace. Common challenges include legacy system integration, inconsistent security standards across states, limited security testing, and growing exposure to internet-based attacks.

As Nigeria continues to expand its digital tax infrastructure, embedding cybersecurity, privacy-by-design, and continuous risk assessment into fiscal systems is essential for protecting national revenue and maintaining public trust.