Corporate Tax Saving Strategy and Share Price Performance

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Abstract
This study ascertained how corporate tax saving strategy affect share price performance. It examined how debt tax shield, non-debt tax shield, and effective tax rate affect share price performance. The secondary source of data collection was adopted in the study where the purposive sampling technique was used to select a sample size of twelve (12) listed industrial goods firms in Nigeria. Ordinary Least Square regression analysis was used in this study and the findings revealed that non-debt tax shield has significant effect on share price performance of listed industrial goods firms in Nigeria and that effective tax rate has significant effect on share price performance of listed industrial goods firms in Nigeria. The study concluded that crucial component of fiscal policy that has a great impact on both the social and economic development of a nation, hence, tax savings demands attention from managers at all levels of management. The study recommended that Nigerian government needs subsidize cost of debt-financing for the companies operating in the country's capital market and that stakeholders should develop the financial markets and make it accessible for firms to obtain long-term financing for economic growth and development.

Keywords: Debt Tax Shield, Non-Debt Tax Shied, Effect Tax Rate, Share Price.

1. Introduction

Rationally, businesses typically want to pay the least amount of tax possible and even obtain tax savings on the total amount of tax due. This is because increasing profit after taxes and reducing tax costs are the only ways for profit-oriented corporations to achieve their ultimate goal of maximising shareholder value. Thus, with this end in mind, many businesses implement tax planning strategies that will help them improve performance. In general, tax is a legal and required payment made to the government by people and businesses, whether it is progressive or regressive. It is an essential element of fiscal policy that significantly affects a country's social and economic development. As a result, managers at all levels of management must pay attention to tax planning. The complexity of Nigeria's tax laws, the lack of proper tax review, a lack of skilled labour, the government's use of harsh collection techniques, a lack of accountability, a lack of clarity, multiple taxation, and disputes over the jurisdiction of tax authorities and the judiciary in regard to tax payers' disputes are just a few of the issues the country's tax system is currently dealing with (Hart, 2018; Juwa-Ogboi, 2018). However, the country's tax system should be adaptable enough for tax payers since it serves as a true fiscal instrument for national development. In addition to being a significant source of income for individuals, an efficient tax system can also promote economic growth and lower unemployment through its influence on capital formation and investment. However, due to issues with the Nigerian tax system, it appears that businesses have developed strategies to minimise their tax obligations, some of which are unlawful (Albadainah, 2018).

Due to the information asymmetry between equity owners and managers, tax planning is a strategy used to maximise the owner's wealth by boosting profitability (Fagbemi, Olaniyi, & Ogundipe, 2019). It entails skillful financial transaction arrangement (within the confines of current regulations) to reduce tax liabilities. Due to the complicated economic climate and propensity for them to develop elaborate tax avoidance strategies, the revenue authority has recently taken a keen interest in companies listed on the stock exchange.

The transfer pricing formulas used when working with the corporations have added to the complexity of this.

Tax managers employ tax planning as a tactic to lessen the amount of taxes that banks are required to pay. Banks incur significant tax costs. Similar to operating costs, tax liabilities are a manageable expense that can be reduced. Managers frequently exploit their fiduciary responsibility and devotion to the shareholders to lower the tax burden on the bank through tax planning. In the belief that this reduction is in the banks' best interests, it is carried out with considerable care, attention, and experience (Mahfoudh, Ku & Izah, 2015). Legally, banks are required to pay the tax that is stipulated within the parameters of the tax enabling act. Through careful tax planning, bank management can take advantage of provisions or loopholes in the tax rules to pay less tax, freeing up money for shareholders to utilise and enhancing the bank's financial performance (Silvio & Rezende, 2016). To encourage investment in particular sectors of the economy, the government uses a variety of tax schemes to reduce taxpayers' tax burdens. Taxpayers that are aware of efficient tax planning can take use of these tax reliefs by structuring their business operations so they can take advantage of them and therefore pay less tax. The application of tax planning strategies requires a thorough understanding of the relevant tax shelters and incentives in the tax laws, such as incentives given in recognition of pioneer status, rules applied to the start-up and termination of a business, and allowances given in respect of the acquisition of an asset used for the purpose of a business. Paying taxes involves sending money to the banks that collect the tax. Paying less tax lowers the bank's cash outflow and frees up funds that can be put back into other profitable endeavours.

As a result of their effective corporate tax avoidance or planning strategies, certain multinational corporations have successfully maintained high profitability over time. The majority of businesses effectively manage their tax obligations through corporate tax planning and, as a result, convert the tax savings into successful financial performance. As a result of potential increases in taxes due to Nigeria's flawed tax structure, tax planning turns into a practical instrument for business management to reduce operating expenses. Taxation has been cited as one of the key operating expenditures that has seriously impeded businesses' ability to generate profits, despite the fact that corporations are required to pay taxes as a matter of course (Madugba & Ogbonnaya, 2016). This is not what should happen since, in a well-functioning tax system, firms should be able to pay their taxes without feeling guilty.

Furthermore, a worrying report by the Federal Inland Revenue Service (FIRS) asserted that Nigeria's 10% tax compliance rate is alarmingly low when compared to other nations. Due to this, the current administration is actively pursuing tax reforms that aim to achieve a simpler tax administration and a business-friendly climate. According to Nigeria's 2016 budget presentation, the country's tax-to-GDP ratio is anticipated to be 6.1%. This is far less than anticipated because taxes are thought to be a powerful tool for fiscal policy used to govern a country. Despite the fact that businesses can plan their tax burden and payments accordingly, this has led the Nigerian Federal Government to propose the risk-based approach changes to compel tax compliance. For instance, a separate National Tax Policy that allows for the decrease of corporate income tax rates for small enterprises was authorised in February 2017. This is done to ensure that the country's tax system has the fewest possible issues (Eneisik & Moses, 2021).

In this sense, tax planning strategies have generally been regarded favourably, and managers are continuously looking for ways to cut back on needless and unneeded expenses in order to increase earnings.4 Tax planning proponents have claimed that taxpayers have the freedom to arrange their financial affairs in a way that minimises taxes, provided that they do it legally. Since there is uncertainty regarding the relationship between tax planning and share price success, even if the focus of earlier studies in Nigeria was primarily on financial enterprises, this research is both necessary and timely. Additionally, it is clear from already published works like Adebisi and Gbegi (2013) and Michael (2014) that there is a lack of study on the relationship between corporate tax planning and financial success, particularly in Nigerian listed industrial goods businesses. Because they have a poor knowledge of tax planning and how it affects their share price performance, businesses end up paying tax scammers more than they should in an effort to avoid or decrease taxes. This study's emphasis on corporate tax-saving strategies and share price performance is at odds with the context and reality of the situation.

2. Literature Review and Hypotheses Development
2.1. Share Price
The cost of one share of a company's stock is known as the share price. However, market forces such as supply and demand typically dictate share prices in a publicly traded corporation. Due to its reliance on the expectations of buyers and sellers, share price may fluctuate.

Stock price volatility is an indicator that is most frequently used to identify shifts in market trends; typically, an increase or decrease in volatility is caused by shifts in investor behaviour; as a result, stock price volatility tends to increase when new information is released into the market, though the degree to which it increases is dependent on the news's significance as well as how much it surprises investors.

Almost all businesses have an increase in bottom line as their ultimate objective. Although businesses undoubtedly have unique wealth distribution plans, if they don't boost their revenues, they may find it difficult to raise the money they need to fund their operations. Therefore, boosting shareholder value is crucial for both shareholders and company management. Any publicly traded company's value can be calculated from its share price. However, the impact of macro and microeconomic factors makes share prices unpredictable. The management typically rely on accounting data to assess the performance of the company, and potential investors may find this data useful when choosing the right stock.

2.2. Tax Planning Strategies
Odunayo and John (2019) define tax planning as an arrangement made by individuals, trusts, businesses, or other entities of their financial affairs to ensure that a full gain is taken in relation to all tax exemptions, rebates, allowances, and other benefits or reliefs allowed by the law, without necessarily breaking the law in any way. It is regarded as the deliberate actions and a crafty manner of managing an individual, trust, or company's financial affairs with the aim of obtaining the desired tax benefits, while keeping in mind the legislative and judicial position. Contrary to tax avoidance, which is the intentional act of evading taxes, tax planning does not involve taking advantage of administrative or legal gaps for no reason. It is a methodical action taken by a tax payer to lessen their tax liability within the bounds of the law.

When a firm manages its revenue and expenses with the intention of avoiding, minimising, or postponing tax within the parameters of the tax laws, it is said to be engaging in tax planning methods. Tax planning, according to Umeh, Okegbe, and Ezejiofor (2020), is the practise of organising one's activities in order to postpone, reduce, or eliminate taxes owed to the government. Tax planning is the legal measures that taxpayers use to lower their tax bill and produce tax savings. Tax planning refers to the use of appropriate incentive provisions for corporate tax payers based on enabling legislation like the Company Income Tax Act, Personal Income Tax Act, Value Added Tax Act, and other enactments. The pioneer status incentive, the commencement rule, the cessation rule, the investment allowance, the roll-over loss relief tax exemptions, deductions, rebates, and other tax concessions permitted by tax statutes provided a platform for corporate tax planning on which to grow. Tax planning strategies can be either active or passive, depending on the taxpayer's goals when executing a transaction. Yimbila (2017) asserts that active tax planning strategies are crucial whenever a transaction is performed with the goal of lowering one's tax obligation. A circumstance in which a transaction is carried out without any prior intention or intention to lower the tax burden is referred to as passive tax planning.

Dada and Adetola (2017) claim that when managers have the option to understate reported accounting profit and the incentive to boost taxable revenue in order to lower their company's income tax burden, tax planning can lead to a loss in firm value. In Nigeria, tax evasion is seen as a civil infraction rather than a criminal one. According to Silvio and Rezende (2016), tax avoidance is the habit of a firm organising its operations so that the financial repercussions require paying the least amount of tax permitted by law. This opens up the possibility of avoiding taxes, but only with careful tax preparation. Tax planning is essential if management wishes to reduce the overall cost of running the company's taxes as low as feasible. Tax planning is essential because it forces management to utilise all of the resources at their disposal.

Interest earned on deposits made in Nigeria by a non-resident company where the deposit account was opened entirely, interest earned on loans granted for agricultural purposes provided the moratorium period is not less than 18 months and the rate of interest is not higher than 18 percent, and interest earned on foreign loans granted (Eneisik & Moses, 2021).

2.3. Debt Tax Shield and Share Price Performance

Initially, the Modigliani and Miller trade-off theory argued that businesses favoured debt financing due to the benefit of tax-deductible interest payments. Therefore, it was anticipated that leverage and effective tax rate would have a positive connection. The literature claims that there is dispute over the impact of tax rates on leverage. Tsado and Gunu (2016) investigated a trade-off model that took the effect of debt tax shields into account while determining the ideal capital structure. This interest tax break encourages businesses to use debt financing, because paying back debt interest costs increases a company's value. Similar research by Temitope, Taiwo, and Ayobolawole (2019) offered proof that businesses could reap significant tax advantages by switching from tax-nondeductible regular preferred stock to tax-deductible trust preferred stock. Later research that focused on incremental financing choices discovered evidence that high marginal tax rates encourage the usage of debt.

Lei (2020) studied the effect of the tax shield effect on the capital structure of corporations. The research empirically investigates the association between the corporate income tax shield effect and company capital structure in China using a random-effects model and 224 listed companies in China from 2002 to 2017. The debt tax shield and business capital structure are proven to be very beneficial. Additionally, there is a strong inverse relationship between the business capital structure and the non-debt tax shield. In addition, each industry has a unique effect on how debt tax shields and non-debt tax shields affect corporate capital structures.

Profitability and corporate debt have both direct and indirect effects on income smoothing, according to Enni (2019). It also investigates whether tax rates act as a buffer between the impacts of debt and profitability on income smoothing. Twelve real estate and property businesses that traded on the Indonesia Stock Exchange between 2013 and 2017 make up the sample. Purposive sampling was used to choose the sample. The WarpPls application's Partial Least Squares (PLS) analysis tool was used to analyse the data. The findings demonstrate that income smoothing is influenced by profitability, debt, and effective tax rates. The relationship between profitability and debt and income can be mediated by the effective tax rates.

Hypothesis I: Debt tax shield has no significant effect on share price performance of listed industrial goods firms in Nigeria.

2.3.   Non-Debt Tax Shield and Share Price Performance

Interest tax shelters may encourage businesses to take on debt. For instance, non-debt tax shields are tax advantages of debt financing, and businesses are advised to utilise less debt financing if their financial statements show significant non-debt tax shields. Leverage may, however, be positively or negatively impacted by excessive non-debt tax shelters, depending mostly on the type of debt involved. According to Setiadharma and Machali's 2017 analysis of the impact of tax on debt financing, businesses with significant non-debt tax shields, a stand-in for tax, use less debt to finance lucrative prospects.

Depreciation and the tax deduction from investment tax credits are examples of non-debt tax shields. In their 2018 study, Razali, Ghazali, Lunyai, and Hwang incorporated non-debt tax shelters, expanded Miller's analysis, and further suggested that non-debt tax shelters should be used in place of tax shelters from debt funding. Therefore, it is projected that businesses with larger non-debt tax shields will have capital structures with lower levels of debt.

With a focus on Nigeria, Joseph, Egbide, Uche, David, Wilson, and Jane (2020) investigated the best tax practises and firm survival. Ex-post-facto was used, and data derived from 52 out of 198 quoted corporations' annual accounts were utilised. The results of the test revealed that whereas EATS was shown to be a positive and substantial determinant of EPS of companies in Nigeria, ETR is a positive but negligible determinant of EPS. The investigation came to the conclusion that mentioned firms have not yet investigated

tax code loopholes adequately and efficiently. According to the survey, businesses in Nigeria should investigate these loopholes right away in order to boost their productivity, and they should also hire professionals in order to avoid breaking tax rules.

Otuya and Omoye (2020) looked on the performance and low capitalization of MNCs in Nigeria. The study used an ex post facto research design and gathered pertinent information from sampled MNCs' financial statements for the years 2014 to 2018. The results showed a positive but negligible relationship between MNCs' financial performance and thin capitalization, interest expenses rate, effective tax rate, and capital intensity. The study also showed that there is a weak but negative correlation between managerial effectiveness and financial performance. The study's findings support the recommendation that tax authorities start tax reforms aimed at lowering the statutory corporate tax rate because thin capitalization practises improve the financial performance of multinational corporations in Nigeria.

Hypothesis 2: Non-debt tax shield has no significant effect on share price performance of listed industrial goods firms in Nigeria.

2.4. Effective Tax Rate and Share Price Performance
The percentage of a company's tax burden that is decreased without having a negative effect on its accounting income is known as the effective tax rate. Real corporate tax burdens are compared to the ratio of a firm's tax expense to its earnings before tax to determine how well firms do in terms of paying their fair share of taxes. The firm's tax planning strategy's aggressiveness was represented by the effective tax rate. The effective tax rate is the average tax rate for a company or an individual. The average tax rate on earned income is known as an individual's effective tax rate, whereas the average tax rate on pre-tax income is known as a corporation's effective tax rate. A company's tax efficiency is assessed using its corporate effective tax rate. According to Rafiu, Lawrencia, and Olufemi (2017), one often employed statistic for assessing a company's tax burden is the effective tax rate.

Justice and tax collection go hand in hand in order to maintain social harmony and promote communal welfare. The choice of percentage-based tax rates is based on this fairness premise. Marginal tax rates and effective tax rates make up the income tax tariff percentage, according to Waluyo and Wirawan (2013). The effective tax rate is the proportion of the effective tax rate that must be applied based on specific tax rates, whereas the marginal tax rate is the percentage of the relevant rate for an increase in the tax base. The existence of agency theory will motivate managers to boost revenue at their organisations. The amount of income tax will automatically increase in line with an increase in the company's profits whenever the profit earned does. According to the agency theory, managers will make an effort to minimise taxes in order to avoid lowering their performance-based pay (Oyeshile & Adegbie, 2020). Companies having bigger profits than those with lower profits may have to pay higher taxes. The corporate income tax will be assessed depending on the quantity of income received, which is the main factor.

Eneisik and Moses (2021) conducted an empirical investigation on the association between tax planning techniques and the financial success of Nigerian quoted banks. The study chooses twelve banks as its sample size using judgemental sampling approaches. The research demonstrates that the return on equity of listed banks in Nigeria is negatively and negligibly impacted by the effective tax rate, thin capitalization, and capital intensity. Evidence indicates that the earnings per share of listed banks in Nigeria are negatively and insignificantly impacted by the effective tax rate, thin capitalization, and capital intensity.

Using the luxleak revelation, where hundreds of tax records were made public, Huesecken, Overesch, and Tassius (2017) assess how the capital market responded to news of corporate tax evasion. They discover a sizable positive Cumulated Abnormal Return (CAR) for the included enterprises using an event study methodology. Market participants encourage exposure of tax evasion while discouraging the negative consequences it has on a company's reputation.

Nwaobia, Kwarbai, and Ogundajo (2016) use 50 firm-year observations spanning the years 2010 to 2014 to investigate the effects of tax preparation on the value of businesses. They obtained their data from the sampled companies' financial statements, and their studies used both descriptive and inferential statistics

inside a predetermined panel regression framework. All the tax planning factors that were taken into consideration had a considerable joint effect on the firm value. Effective tax rate (ETR), firm age (FAG), and dividend (DIV) all had a positive and significant impact on company value, but capital intensity and leverage were determined to have a considerable adverse impact. They provide a comprehensive strategy for tax planning to raise firm value.

Izevbekhai and Odion (2018) used the Tobin q as a measure of business value and the effective tax rate as a measure of tax savings in their research. The study, which spanned a seven-year period from 2010 to 2016, produced conflicting results but nevertheless advocated that shareholders be involved in managers' effective management oversight in order to lessen managers' intentions to transfer organisational resources for their own selfish ends.

Hypothesis 3: Effective tax rate has no significant effect on share price performance of listed industrial goods firms in Nigeria.

3. Theoretical framework and model specification

Several theories: Theory of market efficiency by Fama, 1965; signaling theory by Andrew Michael Spence, 1973; Transaction Cost theory by Oliver Williamson, 2009 and Stakeholder's theory by Freeman, 1984.

But, this study is anchored on the stakeholder's theory because both managerial decision making and interests of all stakeholders have intrinsic value and no one interest suoerceed the other. Hence, managers are to take into cognizance the importance or relevance of those who cou;d impact on the well being of the firm.

3.1. Data

The secondary source of data collection was used for this study where data was gathered from audited annual reports of listed industrial goods firms in Nigeria. However, for the purpose of this study, 10 years (2011 – 2020) annual reports of 12 selected industrial goods firms were adopted.

In selecting the sample, purposive sample technique was used to derive the sample size. The purposive sampling was used to ensure that the sample represents a diversity of perspectives.

3.2. Model specification

The study employed multiple regression technique of analysis using Least Squares regression estimation. This method was adopted because it enhance easy presentation and interpretation of data. The empirical model of the study is mathematically expressed as follows;

$$SHPR_{it} = \beta_0 + \beta_1 DTSD_{it} + \beta_2 NDTS_{it} + \beta_3 EFTR_{it} + \mathcal{E}_{it}$$

B_0 = Constant
$B_1 - \beta_3$ = Coefficient of parameters estimated
SHPR = Share Price
DTSD = Debt tax shield
NDTS = Non-debt tax shield
EFTR = Effective tax rate
$\mathcal{E}_{it}$ = Error term

4. Result and Discussion

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Pr(Skewness)	Pr(Kurtosis)	Prob>chi2
NDTS	97	3.870873	2.229589	0.0000	0.0000	0.0000
DTSD	97	2.41868	2.637407	0.0000	0.0003	0.0000
EFTR	97	-15.69402	30.31517	0.0374	0.0000	0.0000
SHPR	97	-.0494845	.2702217	0.0000	0.0000	0.0000

Source: Researcher's Computation Using STATA

Table 1 presents the summary of the descriptive statistics for the dependent and independent variables for ninety (97) observations. It shows that share price measure has a mean value of about 3.871 and a standard deviation of about 2.223. The maximum value of the variable is 5.38 while the minimum is 2.8. The maximum values for all other variables are 1.25, 8.06 and 13.72 the minimum for all the variables are -0.28, 0.034 and 0.06 respectively.

For debt tax shield, mean value is 2.42 and standard deviation of 2.64. The corresponding values for the others are: Non-debt tax shield, 3.87 and 2.64 respectively; effective tax rate -15.69 and 30.32 respectively. The p-values of the skewness and kurtosis statistics show that in all the cases the data are judged to be normally distributed at 5% level of significance, being 0.0000.

Table 2: Correlation Matrix

	NDTS	DTSD	EFTR	ERMG
NDTS	1.0000			
DTSD	0.2675	1.0000		
EFTR	0.0489	-0.0609	1.0000	
SHPR	0.1582	0.0137	0.0277	1.0000

Source: Researcher's Computation Using STATA

Table 2 shows that there are mixed correlations between the various variables used in the study. The table shows positive correlations between audit delay measure and non-debt tax shield and but positive between audit delay and the other two. No two of the explanatory variables are perfectly correlated or nearly so. Thus, the problem of multicolinearity is absent in this model.

Table 3: Summary of Regression Result

Variable	OLS Regression	ROBUST Regression
NDTS	.0201(0.124)	0.008(0.003)
DTSD	-.0030(0.783)	0.002(0.007)
EFTR	.0002(0.863)	-0.0004(0.006)
SHPR	-.1189(0.050)	-0.117(0.001)
F-Stat		0.72(0.0042)
N	97	97
VIF	1.06	
Heteroscedasticity	351.05(0.0000)	
R-Squared	0.0262	
Adj R-Squared	-0.0052	

Source: Researcher's Computation Using STATA

Table 3 shows that the explanatory variable does not account for much of the systematic variations in the dependent variable. The table shows very moderate value of R-squared of 0.0420.

This value of the R-squared statistic shows that the explanatory variables are collectively able to explain a very small proportion of the variations in the dependent variables meaning that other variables are minimally useful in explaining changes in the dependent variable. For the model, the p-value of the F statistic (0.0000) shows that the model overall is suitable for estimating the stated model.

The VIF test (1.25) shows that there is the absence on multi-colinearity and so there is no need to drop any variable. Also, the heteroscedasticity is 8.05 with p-value of 0.0046, showing that there significant heteroscedasticity problem and so the need for a robust regression.

Hypothesis 1

H_O: Debt tax shield has no significant effect on share price performance of listed industrial goods firms Nigeria.

Computation

The test statistic is computed by STATA software and the results are as shown in Table 4.3.

Table 4: Regression Results on Debt tax shield and Share Price Performance

Variable	Coefficient	p-value
DTSD	0.0017	0.007

Source: Extracted from STATA Computations

Decision

With a coefficient of 0.0017 the results indicate that debt tax shield positively impacts return on assets, while the probability value of 0.007 indicates that the negative impact is significant. This leads to the rejection of the null hypothesis, thus acceptance of the alternative hypothesis that debt tax shield has a significant impact on share price performance of listed industrial goods firms Nigeria, and the impact is positive.

Hypothesis II

H_O: Non-debt tax shield has no significant effect on share price performance of listed industrial goods firms Nigeria.

Computation

The test statistic is computed by STATA software and the results are as shown in Table 5.

Table 5: Regression Results on Non-debt tax shield and Share Price Performance

Variable	Coefficient	p-value
NDTS	0.008	0.003

Source: Extracted from STATA Computations

Decision

With a coefficient of 0.008 the results indicate that non-debt tax shield positively impacts share price performance of listed industrial goods firms Nigeria, while the probability value of 0.003 indicates that the positive impact is significant. This leads to the acceptance of the alternative hypothesis, thus the rejection of the null hypothesis. The researcher accepts that non-debt tax shield significantly impacts performance of listed manufacturing firms in Nigeria, and that such effect is positive.

Hypothesis III

H_O: Effective tax rate has no significant effect on share price performance of listed industrial goods firms Nigeria.

Computation

The test statistic is computed by STATA software and the results are as shown in Table 6.

Table 6: Regression Results on Effective tax rate and Share Price Performance

Variable	Coefficient	p-value
EFTR	-0.004	0.006

Source: Extracted from STATA Computations

Decision

With a coefficient of -0.0004 the results indicate that Effective tax rate negatively impacts share price performance of listed industrial goods firms Nigeria while the probability value of 0.006 indicates that the positive impact is significant because it is less than 0.05. This leads to the acceptance of the alternative hypothesis, thus rejecting the null hypothesis. The researcher accepts that effective tax rate significantly affect share price performance of listed industrial goods firms Nigeria.

The results indicate that almost all the variables are significantly normally distributed at 5% level of significance. The correlation matrix indicates the variables have mixed relationships. The results also indicate the absence of multi-colinearity.

Essentially, the findings of the study are: with a coefficient of 0.0017 the results indicate that debt tax shield positively impacts return on assets, while the probability value of 0.007 indicates that the negative impact is significant. This leads to the rejection of the null hypothesis, thus acceptance of the alternative hypothesis that debt tax shield has a significant impact on share price performance of listed industrial goods firms Nigeria, and the impact is positive. The result agrees with consistent with the findings of Lei (2020), Enni (2019), but was not consistent with the findings of Lanis *et al*. (2017). This inconclusiveness may have resulted from the existence of varying degrees of institutional backdrops.

Similarly, with a coefficient of 0.008 the results indicate that non-debt tax shield positively impacts share price performance of listed industrial goods firms Nigeria, while the probability value of 0.003 indicates that the positive impact is significant. This leads to the acceptance of the alternative hypothesis, thus the rejection of the null hypothesis. The researcher accepts that non-debt tax shield significantly impacts performance of listed manufacturing firms in Nigeria, and that such effect is positive. The result agrees with the findings of Joseph *et al.* (2020), Otuya and Omoye (2020) and Goh (2016) but not consistent with the findings of Heitzman and Ognewa (2016).

And, with a coefficient of -0.0004 the results indicate that Effective tax rate negatively impacts share price performance of listed industrial goods firms Nigeria while the probability value of 0.006 indicates that the positive impact is significant because it is less than 0.05. This leads to the acceptance of the alternative hypothesis, thus rejecting the null hypothesis. The researcher accepts that effective tax rate significantly affect share price performance of listed industrial goods firms Nigeria. The result agrees with the findings of Eneisik and Moses (2021), Huesecken *et al.* (2017), Nwaobia *et al*. (2016) but not consistent with the finding of Izevbekhai and Odion (2018). This might have been as a result of using different industrial sectors.

5. Conclusion and Recommendations
Rationally, companies usually prefer to pay the lowest tax and even receive tax savings on the amount of tax payable. This is due to the fact that profit-oriented companies' ultimate aim to maximize shareholder wealth can only be achieved by minimizing tax burden/cost and a rise in the profit after tax. Thus, this ultimate goal in mind leads many companies to adopt tax saving approaches which will enable them to boost their performance. Generally, tax is a legal and mandatory payment by individuals and corporate firms to the government, either in regressive or progressive form. It is a crucial component of fiscal policy that has a great impact on both the social and economic development of a nation. As a result, tax savings demands attention from managers at all levels of management. However, the nation's tax system, being a veritable fiscal instrument for nation development, should be flexible enough for tax payers. Besides being a major source of income for people, an effective tax system can also stimulate economic growth and reduce unemployment via its impact on investment and capital formation.

The following recommendations are hereby made:
i.   Nigerian government needs subsidize cost of debt-financing for the companies operating in the country's capital market.
ii.   Stakeholders should develop the financial markets and make it accessible for firms to obtain long-term financing for economic growth and development
iii.   It is recommended that quoted companies in Nigeria should embrace tax optimality as this will improve their after-tax- profit

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